

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Grunwalk, Eskew & Donilon to Bob Boorstin (1 page)	05/16/1994	Personal Misfile
002. paper	re: Health Care/Entertainment Industry Project (2 pages)	n.d.	Personal Misfile
003. memo	Harold Ickes to the First Lady re: DNC (1 page)	04/29/1994	Personal Misfile
004. memo	Mandy Grunwald to the Democratic National Committee (4 pages)	04/21/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 6202

FOLDER TITLE:

Health Care - Advertising [2]

2013-0534-S

rc1569

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Ads
Com**AD #1 -- "LAST DAY ON THE JOB:"****Video: An individual in an office.**

Audio: "Packing up a lot of memories ... Wish I could pack up my health insurance ... what if I get sick before I find a new job?"

Text on screen: "Can't Health Insurance be Portable?"

A GOP lawmaker: "Yes, we can make health insurance portable now ... without the Clinton government-run health care system. Congress simply needs to change the laws so if you lose your job, you won't lose your coverage. Working together, Republicans and Democrats can fix health care ... without a big new bureaucracy. Let's get it done." OR "Let's do it now."

Tagline: 1-800-978-4088.

AD #2 -- "THE NEW JOB:"**Video: An individual at a pay phone in a hallway.**

Audio: "Honey ... bad news. They offered me the new job. But they won't insure me. My diabetes. I'm locked into my old job."

Text on screen: "Can't Health Insurance be Portable?"

A GOP lawmaker: "Yes, we can make health insurance portable now ... without the Clinton government-run health care system. Congress simply needs to change the laws so you can change jobs and keep continuous coverage. Working together, Republicans and Democrats can fix health care ... without a big new bureaucracy. Let's get it done." OR "Let's do it now."

Tagline: 1-800-978-4088

The release lists the 12 GOPers that appear in one of the two ads: Sen. Min. Ldr. Bob Dole (KS), Sens. Don Nickles (OK), Dave Durenberger (MN), Trent Lott (MS), John Chafee (RI) and Phil Gramm (TX), House Min. Ldr. Bob Michel (IL), House Min. Whip Newt Gingrich (GA) and Reps. Dennis Hastert (IL), Bill Thomas (CA), Nancy Johnson (CT) and Michael Bilirakis (FL). The ads will run 5/20-6/17 and will appear nationally as well as in selected markets, including Washington, DC. The total ad buy is about \$500,000 (RNC release, 5/20).

PRESS CONFERENCE OVERVIEW

Who: The RNC, Haley Barbour, Phil Gramm, Bob Dole, Bob Michel, Newt Gingrich, J. Dennis Hastert (R-IL)
What: Release of the RNC's new health care commercials.
When: May 20, 1994
Where: The Capitol Hill Press Club (RNC Central)

At a one o'clock press conference, the RNC and Republican leaders unveiled the latest round of Republican health care ads. The ads will run 5/20-6/17 and will appear nationally as well as in selected markets, including Washington, DC. The total ad buy is about \$500,000 (RNC release, 5/20). The commercials themselves are quite different in that they talk about bi-partisan support for making health care portable, with only the occasional dig at the President's plan (text attached). After the screening of the new commercials, the Republican leaders took questions.

The first question, directed at no one in particular, asked why Sen. Chafee wasn't present. Sen. Dole said he was on the floor debating the Clean Water Act and has not shot his commercial yet. Any subsequent question about Republican unity on the issue of health care drew strong reproach from the members present. Rep. Gingrich launched into a five minute tirade about the bias of reporters who only talk about the Republican split on health care. *"I think there is something outrageous about the fact that for example when the Clinton plan was offered in the ways and means subcommittee the vote was 0 in favor, 4 against and 7 abstained - including the four Democrats who cosponsored the Clinton plan. You didn't see any anybody, any headline, that said 'Democrats Abandon Clinton Plan'.... Essentially there is a peculiar bias up here that as long as the Democrats stand and pretend to be for something, even if they don't have any agreement...they're given the benefit of the doubt. We have in the House the Michel-Lott bill which has more cosponsors than the Clinton bill more co-sponsors than cooper. It has virtually four out of five republicans on it. I'm just raising the point that if you look in fairness there is at least as much republican unity as there is democratic unity. In fact I would argue more...And I think there ought to be a little fairness in making sure you apply the same standard to the democrats that you apply to us..."*

Another important message from the press conference dealt with the message of partisanship. The Republicans constantly stressed their efforts toward bi-partisanship and pointed out that the President was coming to the Hill to only meet with Democrats. This Democrat-only meeting was repeatedly used as an example of democratic partisanship on the issue of health care.

Senator Dole was asked whether he could support the Breaux plan or was he "hard and fast, no mandates?" Dole responded *"I am... I don't think that Breaux does anything. It still doesn't take care of part-time employees. There still is going to be a payroll tax if you have over eleven employees. There are still mandate and we don't know about self-insurance. There are a whole host of questions that the Breaux [plan leaves]. But it's good that he offered it. I'm not critical of Senator Breaux, he's out there trying to find a way to reach a consensus. I just don't think this is the way to do it."*

The Senator was then asked about individual mandates. Dole responded by saying *"There is two bills that I sponsored with individual mandates [The Senator signed on to Chafee and Nickels, both of which contain individual mandates] ... To say I don't support individual mandates may not be accurate, but I've learned how to count since I've been here [on Capitol Hill]"*

Dole was then asked if all Republicans can support the National Health Board, which received a unanimous vote of approval in the Senate's Labor and Human Resources Committee. The junior Senator from Kansas, Nancy Landon Kassenbaum, helped broker the deal to make the vote unanimous. Dole replied *"I haven't reviewed it carefully but I would doubt it would be in any of the packages."*

One reporter asked "Senator Gramm said that the commercial highlighted the differences and yet one it is on one of the things that every plan seems to agree on. Why did the ad focus on that and not some of the areas that are really the areas of disagreement, such as the mandate?" Gramm answered *"What we are saying here, and we have picked one issue and it is the most important issue to the people who do the work and pay the taxes and pull the wagon for the country and that is to change their job or lose their job without losing their health insurance. But the point we're making is, and this is the difference, under our plans you can change jobs without losing your health insurance and you can do it without turning your health care over to the government... Every one of those ads had in them 'you don't have to turn over your health care system to the government in order to deal with the portability problem.' That was the message of those ads."*

Haley Barbour added *"We want to make plain as I said earlier that Republicans are for health care reform. And that we can solve the problems facing health care without a government run health care system."*

Haley's answer seemed to sum up the message that the Republicans are trying to send out, and doing it with a soft sell message.

*Advertisements
Cm*

RNC: NEW ADS ADDRESS PORTABILITY OF COVERAGE

"The bipartisan good feelings" in the Senate Labor & Human Resources Cmte. (see story #1) "will be put to the test today" when the Republican Nat'l Cmte. begins airing a series of TV ads on health reform (Edwin Chen, L.A. TIMES, 5/20). An RNC release says that the ads "demonstrate that a number of specific reform measures such as portability can and should be done now, and that a government-run program is not needed to solve the problems in our health care system." The release lists the 12 GOPers that appear in one of the two ads: Sen. Min. Ldr. Bob Dole (KS), Sens. Don Nickles (OK), Dave Durenberger (MN), Trent Lott (MS), John Chafee (RI) and Phil Gramm (TX), House Min. Ldr. Bob Michel (IL), House Min. Whip Newt Gingrich (GA) and Reps. Dennis Hastert (IL), Bill Thomas (CA), Nancy Johnson (CT) and Michael Bilirakis (FL). The ads will run 5/20-6/17 and will appear nationally as well as in selected markets, including Washington, DC. The total ad buy is about \$500,000.

AD #1 -- "LAST DAY ON THE JOB:" Video: An individual in an office. Audio: "Packing up a lot of memories ... Wish I could pack up my health insurance ... what if I get sick before I find a new job?" Text on screen: "Can't Health Insurance be Portable? A GOP lawmaker: "Yes, we can make health insurance portable now ... without the Clinton government-run health care system. Congress simply needs to change the laws so if you lose your job, you won't lose your coverage. Working together, Republicans and Democrats can fix health care ... without a big new bureaucracy. Let's get it done." OR "Let's do it now." Tagline: 1-800-978-4088.

AD #2 -- "THE NEW JOB:" Video: An individual at a pay phone in a hallway. Audio: "Honey ... bad news. They offered me the new job. But they won't insure me. My diabetes. I'm locked into my old job." Text on screen: "Can't Health Insurance be Portable?" A GOP lawmaker: "Yes, we can make health insurance portable now ... without the Clinton government-run health care system. Congress simply needs to change the laws so you can change jobs and keep continuous coverage. Working together, Republicans and Democrats can fix health care ... without a big new bureaucracy. Let's get it done." OR "Let's do it now." Tagline: 1-800-978-4088 (RNC release, 5/20).

(c) The American Political Network, Inc.

For use in response to RNC ads

"Can't Health Insurance be Portable?"

-- text on the screen of both new RNC ads, 5/20/94

CHAFEE SAYS NO PORTABILITY WITHOUT UNIVERSAL COVERAGE

"I have great trouble understanding how you can have portability without universal coverage," said Chafee. (AP, March 3, 1994)

THEREFORE, OUR RESPONSE MIGHT BE:

- We're glad that so many Republicans appear to be committed to the President's goal: guaranteed private insurance for every American.

STILL MORE ADS: NEW AD WARNS AGAINST FALSE ADVERTISING

The Truth in Health Care Reform Assn. is currently running a 30-second ad on CNN. Video: Money slowly dropping onto an operating table; smoke enveloping the table. Audio: "The reason for health care reform is this simple: The spiraling costs of our present system are bankrupting business, government and individuals alike." Video: Smoke completely obscures table. Audio: "Beware of those who would cloud the truth by diverting attention to issues that don't really count." Chyron, appearing through smoke: "Choice of Doctor," "Socialized Medicine." Audio: "Because when the smoke clears, their own special interests become very obvious." Video: Smoke clears to reveal hands grabbing money from the table. Audio: "The truth is, we must reform health care -- now." Chyron: "Reform Health Care Now." Disclaimer: "Paid for by the Truth in Health Care Reform Association" (CNN, 5/31).

READY, AIM, FIRE: The "targeted portion" of the RNC's \$500,000 ad campaign (see AHL 5/20/94) will begin running this week in House Ways & Means and Sen. Finance Cmte. members' districts. Markets include: Milwaukee, Minneapolis, Nashville, New Orleans, Oklahoma City, Omaha, Providence, Sioux Falls, Topeka and Wichita. AARP's \$350,000 radio and newspaper campaign is targeting Ways & Means Cmte. members in 25 districts, "including several in New Jersey and Kansas where there is an overlap with key senators" (CONGRESS DAILY, 5/31).

(c) The American Political Network, Inc.

Fact Check: GOP Ad

Running time: 3:30
Correspondent: Brooks Jackson
Producer: Matthew Saal
Airdate: 10/22/93

Video

GOP news conference

CHYRON
Haley Barbour, Chairman
Republican National Committee

GOP "Thinking" ad in box

Banner:

MISLEADING

GOP Ad full screen

Chyron:
NOT A STUDY OF CLINTON
PLAN

Audio

Jackson VO

The Republican National Committee weighed into the health-care debate this week with a new television commercial.

HALEY BARBOUR SOT

WE'RE GOING TO SET THE RECORD STRAIGHT

Jackson VO

The ad has been running several days, claiming that President Clinton's plan is a job-killer.

NATSOUND FROM AD

...HIS MANDATES ON SMALL BUSINESS THAT WOULD COST UP TO 3 MILLION AMERICANS THEIR JOBS.

Jackson VO

But hold on. That commercial is absolutely misleading. Let's check the facts.

The Republican commercial cites a study by the Employment Policies Institute.

But it turns out, that study is not a study of the Clinton plan at all. Its authors admit it was written last summer -- before key features of the Clinton plan were even known.

RICHARD BERMAN SOT 17 33 36

...IT MADE OUR STUDY OUTDATED...

Jackson VO

"Outdated." According to the man who paid for the study -- Richard Berman.

RICHARD BERMAN SOT 17 34 18

Q. YOUR STUDY IS NOT A STUDY OF THE CLINTON PLAN. I THINK YOU JUST SAID THAT.

A. THAT'S TRUE.

Chyron:
Richard Berman
Restaurant Lobbyist

Jackson VO

Furthermore, Berman turns out to be a lawyer/lobbyist whose clients include ...

...Burger King, Arby's, Jack-in-the-Box, Chilis, Chi-chi's, Sizzler and several other restaurant chains.

RICHARD BERMAN SOT 17 36 48

I DO LOBBY WORK FOR SOME RESTAURANT COMPANIES

Jackson VO

And the restaurant industry is a bitter enemy of the Clinton plan, which would force restaurant owners to provide health benefits for workers.

GOP AD IN BOX

NATSOUND

...UP TO THREE MILLION...

Banner.

Jackson VO

WRONG

Independent experts say the GOP commercial is just wrong. The Clinton plan would not cost anything close to 3 million jobs.

William Custer
Employee Benefit Research Institute

WILLIAM CUSTER SOT (14:25:59)

THIS COMMERCIAL EXAGGERATES
THE NUMBER OF JOBS THAT WOULD
BE LOST.

Q. HOW MUCH?

A. BY AT LEAST TWO MILLION AND
PROBABLY BY 3.1 MILLION.

Chyron:

STUDY FAILS TO ACCOUNT FOR:

--HEALTH ALLIANCES
--SUBSIDIES TO BUSINESS

Jackson VO

The study the GOP relies on fails to take
into account the Clinton plan's health
alliances designed to reduce the cost of
insuring small groups. It also fails to
account for the massive subsidies Clinton
proposes to help small businesses pay for
the health benefits it mandates.
Independent expert John Shiels says the
study is just off base.

Chyron
John Shiels
Lewin-VHI

JOHN SHIELS SOT (16:09:31)

WELL ITS AN ANALYSIS OF AN
EMPLOYER MANDATE WITHOUT
ANY SUBSIDIES AND, AH, I DON'T
SEE HOW THAT'S RELEVANT, IT
COULDN'T BE LESS RELEVANT.

Jackson VO

We asked the Republican Chairman about
that problem with his ad.

HALEY BARBOUR SOT (10 38 37)

(JACKSON OFF CAMERA): DON'T
YOU THINK IT'S WRONG TO USE AN
OUTDATED STUDY THAT IS NOT OF
THE CLINTON PLAN AND
REPRESENT IT AS A STUDY OF
WHAT THE CLINTON PLAN WOULD
DO?

Haley Barbour
Republican Party Chairman

A. I THINK IT IS VERY CONSISTENT
WITH WHAT OTHER PEOPLE ARE
SAYING. I WILL TELL YOU I DID NOT
KNOW THAT THE PEOPLE WHO DID
IT DID NOT DO IT OF THE CLINTON
PLAN PER SE ...

Jackson VO

Nevertheless, Barbour says he has no plans to pull his ad off the air.

JACKSON STANDUPPER

REPUBLICANS SAID THE INTENT OF THIS AD WAS TO SET THE RECORD STRAIGHT. BUT THAT'S SURE NOT THE WAY IT'S TURNING OUT.

BROOKS JACKSON, CNN SPECIAL ASSIGNMENT

1. Republican Ad:

The ad has been running several days, claiming that President Clinton's plan is a job killer. 'Without his mandates on small business that would cost up to 3 million Americans their jobs.' (Inside Politics, October 22, 1993)

2. Dole's speech to the AMA: (Federal News Service, September 30, 1993)

Job Loss From Employer Mandates:

"And where do we disagree with President Clinton on health care? We disagree on a lot of other things too, but on health care we don't like the employer mandate, so I guess we could disagree with you -- at least your official position, and President Clinton on employer mandate. Seventy-three percent of NFIB's members say a mandate would force them to cut or freeze wages, 26 percent say they'd go out of business. Well, in Kansas they are saying it would be a loss of 190,000 jobs, and I am from Kansas. I am not certain that any of these statements are totally accurate, but at least they reflect the concern that the small business community has.

Questions on Financing:

"We don't know how they're going to finance this plan. I mean maybe we just won't worry about that. (Laughter.) And one thing I've learned over the years, if you tell people they're going to get it for nothing, they're going to like it. They're going to say, "Boy, I like this plan, if I can get more and it doesn't cost anything, that's the plan I want."

I don't know how we are going to cut Medicare and Medicaid \$238 billion over the next few years. I am not certain that is going to happen. We have got an estimated, at least I assume, \$50 billion in savings that aren't specified, just put in \$50 billion, savings. (Laughter.) Why not make it \$200 billion saving, then you'd have more benefits.

3. Financing Doubts:

DOBBS: [voice-over] Under the President's plan, employers would have to pay 80 percent of their workers' health care premiums. The employee would pay the rest. Some small businesses would receive government subsidies. The biggest concern on Capitol Hill is finding the money to pay for reform. The President wants to squeeze savings out of Medicare and Medicaid to pay for expanded coverage to uninsured Americans (Managing With Lou Dobbs, September 25, 1993).

4. Financing ...

Sen. ROBERT DOLE (R-KS), Minority Leader: To say you're going to take \$238 billion out of Medicare and Medicaid is probably- you know, I don't say it's an exaggeration, but it's not going to happen.

5. ARMEY ON THE DEFICIT:

Rep. ARMEY: Oh, that is- there is no foundation at all to that. Health care, if enacted the way the president proposed it, would be a trillion dollar increase in the deficit over the next five years (NEWS, February 7, 1994).

The President's plan "will result in the budgetary disaster...and the quality of health care for most Americans will deteriorate," ArmeY wrote in a foreword to the study (Los Angeles Times, January 22, 1994).

6. GRAMM ON FINANCING:

Sen. PHIL GRAMM (R-TX): We're looking at guaranteeing all these new benefits before any savings have been produced by this plan. I'm afraid that we're locking ourselves into a program that's there's not enough money in the world to pay for (CNN Transcripts, September 21, 1993).

deficit

Ad - Cam

GOP health proposal touted in new TV ad

By Donald Lambro
THE WASHINGTON TIMES

✓
The Republican Party, charging that President Clinton's health care reform plan would lead to socialized medicine and cripple the economy, unveiled a TV advertising campaign yesterday to promote its own proposals.

Republican National Committee Chairman Haley Barbour, citing evidence that Americans know little about the competing plans introduced by GOP lawmakers, said the new ad is aimed at highlighting the differences between Mr. Clinton's sweeping government reforms and the GOP's more market-oriented alternatives.

The 30-second ad will air in selected media markets, including Washington. It defines the Clinton plan as a "government-run system" that would create "100 new government bureaucracies" and "cost up to 3 million Americans their jobs."

It maintains that Republican proposals introduced in the House and Senate would provide better "health care for all Americans... even if you move or lose your job" but "without bigger government."

The ad, which will initially cost the RNC close to \$100,000, provides an 800 number for viewers to call to request detailed information about the GOP plans, something the Democrats did not do when they ran their promotional ads last month.

"It's clear that the last thing they

want to talk about is the specifics of their plan," Mr. Barbour said.

At a Capitol Hill news conference, Mr. Barbour said the ad is being aired now because "there is evidence that people are confused over what the Republicans were proposing. We're seeing it in polling, our travels around the country and in the news media."

The ad campaign comes at a critical time for the administration. Its plan, which has yet to be introduced in Congress, is already under attack in a series of TV ads taken out by the health insurance industry and health care providers. And a number of recent polls show that Americans have growing doubts about the Clinton plan's credibility and still know little about its details.

A new poll released yesterday by the Kaiser Family Foundation found that a plurality believes the current system, rather than any of the alternatives being proposed, best meets their chief concerns — choice of doctor, quality health care and the lowest taxes.

The poll also showed that almost one-third of the public remains undecided about the Clinton plan, despite a major Democratic National Committee media blitz that followed the president's address to Congress.

That suggests that there is plenty of time for Mr. Clinton's opponents to define his plan and to promote their alternatives.

"The public is still poorly in-

formed and uninformed," said Kaiser Foundation President Drew Altman. "Unless that changes, the spin controllers and special interests will dominate the debate."

Mr. Barbour characterized the Clinton plan as a bureaucratic nightmare that would create "state health care monopolies that would take patient health care away from doctors and turn it over to government bureaucrats."

"Republicans know we can make the fundamental changes needed to give American families the health care security they deserve while reducing costs, without socialized medicine or crippling the economy," he said.

A spokesman for the Democratic National Committee said the DNC does not have any immediate plans to respond to the ads.

The Washington Times

WEDNESDAY, OCTOBER 20, 1993

Adm Com

File
Envelopes

Stuck On You
P.O. Box 1643
Topeka KS 66601-1643

Dear Health Care Provider:

We at Stuck On You are extremely concerned with the impending threat on health care delivery in the United States. The excellent health care you provide has been criticized by our President, First Lady and Congress. The American health care delivery system, through which you continually serve your patients, has been categorized as *broken*! The currently pending health care reform bill promises to propagate the federal bureaucracy at a rate pathologic to our society. At the same time health care services will be trimmed-- to the bone.

What can we do? **Fight back!** It is imperative that the public understand the serious consequences of federal intervention into health care delivery. Your patients must understand the unprecedented steps that their elected officials are attempting to control. Both mandating where they can go to get help for their families well being and the manner which providers may be forced to deliver that care. You, as a health care professional have an obligation to transmit these concerns to your patients in order that the public may control its destiny by contacting and influencing appropriate officials. The bumper stickers we have designed are intended to do just that. Either on you vehicle, or as complimentary gifts to your patients and friends, you will be making the first steps in curbing the accelerating tide of reform and propaganda that threatens your profession.

Enclosed you will find an order form to request additional bumper stickers at a nominal charge. You will find a choice of six different designs on the attached page. We would also enjoy any comments you have concerning the stickers or more importantly other ways you have learned to inform your patients:

Good luck to you in this important era of health care. Please remember your civic responsibility and make your opinions known to you patients and government leaders by phone, letters, ... and bumper stickers!

Sincerely,

Your friends from Stuck On You

Stuck On You Bumper Sticker selection
(because we as Americans deserve the
freedom to make personal choices)

Health care expensive now?
Wait until they make it free!®

Will *Congress* have the same health
plan they will be giving *you* ?®

Do you really trust Ted Kennedy and his
friends to direct your family's health care?®

Preserve your freedom-
Just say NO to socialized health care®

Only one person will feel better after
health care socialization- **Uncle Sam**®

If you like the Postal Service, your going
to love socialized medicine®

Send your order form to:

Stuck On You
P.O. Box 1643
Topeka KS 66601-1643

Please check type and quantity desired.

Bumper sticker	Quant- 1 (\$2.00)	Quant- 10 (\$10.00)	Quant-25 (\$20.00)	Quant-50 (\$30.00)	Quant-100 (\$50.00)	Quant-200 (\$75.00)
Healthcare expensive..						
Will Congress have...						
Do you trust Ted...						
Preserve your freedom-						
Only one person will feel...						
If you like the Post...						

Total amount enclosed \$.00
(shipping and handling included)
Please allow 3 weeks for delivery

Name

Address

City

State/Zip

Drafters faced robust 'headache list'

Ads
Can

By Nita Lelyveld
The Associated Press

COLLEGE PARK, Md. — Months before Clinton's health reform plan died in Congress, its drafters were aware of the treacherous course ahead.

Documents released under pressure Wednesday show an effort to prepare for the attacks to come, but also a frequent blindness to the image problems that would later plague the effort.

The White House made public more than 250 boxes of papers from groups that worked behind closed doors to draft the president's health plan.

A day's search through the documents revealed no bomb-

shells. Mostly it was a dry tour of the inner workings of the many cooks behind the plan.

But one widely circulated memo told of the White House's expectation of smooth passage of a historic change affecting every American.

Titled "Health Care System Reform Timeline," the memo says "after introduction of the plan, Congress will review and pass legislation."

"Passage is expected in December of 1993."

More realistically, in a memo dated Jan. 25, 1993, five days after Clinton's inauguration, the White House listed likely areas of criticism, predicting complaints that the proposal "would be cumbersome"

and "many small businesses may fiercely resist."

Then, it suggested "serious outreach activities" to sell the plan, perhaps with a health-care summit or a half-hour television infomercial. "The policy work cannot be done in a vacuum," the memo warned.

But it is precisely such an approach that some say doomed Clinton's plan, as its critics repeatedly railed against the president for bringing in about 500 people to draft major legislation in private.

The secrecy of the process led three groups to file a lawsuit challenging the legality of the meetings. The White House has argued that because it released the documents, the law-

suit should be dismissed.

What comes across most clearly in the papers is the painful, seemingly endless process of drafting what eventually emerged as a 1,342-page plan, and a frequent blindness to the image problems that would later plague the effort.

Frustrations were everywhere in the drafting process.

Files of Ira Magaziner, who headed the task force, include a "headache list" from March 1993 which lists policy land mines, such as "Is abortion in or out of the benefits package?" and "Do individuals have a choice of plans?"

Choices were everywhere and making decisions clearly difficult. The White House frequently brought in groups of experts. Each session brought more ideas, more worries.

When Clinton presented his plan to Congress last September, attacks came fast. Many said he should have given Congress an outline and then let lawmakers work out details.

Few praised the effort as much as the White House did in an undated list of "talking points," which called the task force "the most open policy-making process in history."

One group that sued for the records still was unhappy. "This is not like having public participation in the meetings," said Jane Orient of the Association of American Physicians and Surgeons.

Advertising keeps the fire burning

By Jessica Lee
USA TODAY

Just because nothing's happening on Capitol Hill doesn't mean there's no action on health reform.

Turn on CNN or local TV in New York, Washington or Los Angeles and see that health reform still lives.

A small but well-financed group of special interests — insurance companies, health-care executives, chambers of commerce and conservative taxpayer groups — are trying to bury any prospects for health reform this year under a barrage of negative ads.

Health Insurance Association of America, an organization of small and mid-size independent insurers, keeps running its "Harry and Louise" ads on CNN's *World News* and *Crossfire* programs, for example. Their message: "No government-run health care. No tax on benefits."

Their target, says Kathleen Hall Jamieson, dean of the University of Pennsylvania's Annenberg School for Communication, is "high news consumers, the media elite and members of the legislature."

Jamieson says, "If you want to reach the public at large, you wouldn't advertise adjacent to news programs because the public at large doesn't watch news."

Advertising in California has skyrocketed because voters will decide in November on Proposition 186, mandating state-financed health care.

"The strongest piece we

know of on the air is a 60-second radio spot from Taxpayers Against the Government Takeover," says Jamieson, who leads a University of Pennsylvania project on media coverage of health reform.

The taxpayer group bills itself as a coalition of nurses, business owners, seniors, insurers and hospitals. It has paid about \$2 million for two 30-second TV ads and the minute-long radio spot, she says.

Citizens for a Sound Economy, a conservative watchdog group in Washington, is running radio ads in 15 states where senators or House members are undecided on reform.

The ads cost less than \$500,000, says spokeswoman Nancy Miller, and warn that by any name, the health bills in Congress mean "more bureaucracy, more red tape, more taxes, less quality health care."

Says Brown University political scientist Darrell West: "Some of these groups are still advertising just in an effort to influence people about what's going to be the endgame in health reform."

Jamieson says the only pro-reform ads broadcast during Congress' recess have been sponsored by the Health Care Reform Project, a coalition of labor, business, consumer, religious, health-care and civil rights groups.

She predicts advertising will heat up once Congress returns — especially if there's action: "There's still a large amount of money in reserve."

THURSDAY, SEPTEMBER 8, 1994 • USA TODAY

→ APS
→ CON

Opponents / Critics

AM-KS--Health Coalition, Bjt, 0630

State Coalition Announced To Promote Health Care Reform

By LEW FERGUSON= Associated Press Writer=

TOPEKA, Kan. (AP) Concerned that an insurance industry television advertising campaign may be having a negative effect, eight Kansas associations announced on Wednesday formation of a state coalition to promote health care reform at the grassroots level.

The state group, patterned after a national nonpartisan coalition of 24 consumer, labor, business, health care provider and older citizens organizations, is expected to grow, spokesmen said at a news conference.

The associations do not agree with everything in President Clinton's health care reform plan, but spokesmen said it represents the best vehicle for developing a national program because it would provide universal coverage for Americans, has a comprehensive package of benefits and is affordable to all.

"President Clinton's health care reform package, while not perfect, addresses many of the problems of concern to Americans," said Nancy Kindling, public relations chairwoman for the League of Women Voters of Kansas, one of the coalition organizations.

"The league feels that the (Clinton) plan can lead to a more humane, accessible and affordable health care system. All Americans deserve that."

Deborah Dion of Families USA, who organized the news conference, said the national coalition had selected the Clinton plan as the one to back because, "None of the other plans provide for universal coverage, or comprehensive benefits and there is no preventive care. But most importantly, they don't regulate the insurance industry."

Other state organizations in the coalition so far are the American Association of Retired Persons, Kansas AFL-CIO, Kansas Childrens' Service League, Kansas Academy of Family Physicians, Older Women's League and Campaign for Women's Health.

Nationally, the coalition includes the American Academy of Pediatrics, American Nurses Association, Catholic Health Association, Childrens' Defense Fund, Citizen Action, National Association of Social Workers, National Council of Senior Citizens and National Education Association, plus labor organizations and corporations.

Those speaking for the state coalition made it clear a prime objective is to try to blunt the impact of the insurance industry's national TV ad campaign, which they said is aimed at one thing: blocking health care reform.

"The TV ads' message is 'The best reform is no reform,'" said Betty Sue Shumway, a former state representative from Ottawa who represents the AARP.

"There is no way America can stand still and do nothing. If any politician thinks this is something they can let slide, they are very mistaken. People want health care reform, and they want it now.

"Let them keep spending their big bucks. I think it's going to turn around on them. American people aren't dumb."

Dion said the insurance industry commercials are "totally not true."

"The insurance industry of American wants the status quo," she added.

"It will do anything it can do to stop reform. The insurance companies are ripping America off and they've got to be stopped. They've got to be regulated."

Dr. John R. Eplee of Atchison, president of the Kansas Academy of Family Physicians, said the coalition organizations can't hope to raise the money needed to counter the ad campaign, but added, "I think the grassroots approach will get the job done. The time is ripe."

Margo Gordon of Lawrence, representing the Older Women's League, said she and other older citizens, "Want our children and grandchildren to no longer have to fear for their health care."

Connie Stewart, Topeka, director of the state AFL-CIO's Volunteers in Politics program, said labor supports Clinton's proposal and promised "a fullblown state effort to inform our members" of its positive aspects. "We are probably less divided on this than on any issue," she added.

The coalition spokesmen said the goal is to pass a health care reform bill in Congress by late spring.

``If that doesn't happen, we're in big trouble,'' Dion said. ``You get into an election cycle then and the opportunity has been lost.''

**** filed by:APW-(KS) on 11/10/93 at 16:33EST ****

**** printed by:WHPR(MMIL) on 11/10/93 at 16:46EST ****

Leading the Foodservice/Hospitality Industry

1200 SEVENTEENTH STREET, N.W. WASHINGTON, DC 20036-3097 202/331-5900 FAX: 202/331-2429

Press Release

→ ADVERTISEMENTS
→ CON

NATIONAL
RESTAURANT
ASSOCIATION

CONTACT: Wendy Webster
Manager, Media Relations
(202) 331-5938

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Senior Director
(202) 331-5935

FOR IMMEDIATE RELEASE

RESTAURANT INDUSTRY LAUNCHES HEALTH CARE AD CAMPAIGN

Washington, D.C. — March 7, 1994 — The National Restaurant Association

announced today that it has produced a 30-second television advertisement regarding President Clinton's proposed health care mandate on employers.

The spot, which is being tested tomorrow and Wednesday in four markets, is narrated by Herman Cain, vice president of the association and president/CEO of Godfather's Pizza, Inc. It features representative images of three restaurant workers: a waitress, cook and manager.

"Nine million Americans work in restaurants," says Cain in the ad. "Hardworking people, frequently single parents, young people working their first jobs. They want good health care, but they need a plan that doesn't eliminate anybody's job because the costs and bureaucracy are too high."

Although it has been a longstanding proponent of health care reform, the National Restaurant Association has testified repeatedly before Congress that an employer mandate—the linchpin of the Clinton plan—would have serious implications for foodservice

- OVER -

- 2 -

industry employees, who work in the nation's most labor-intensive industry. Complicating the problem, restaurants operate on remarkably slim profit margins, averaging 3 to 4 percent.

"When government mandates a new payroll tax, we have to draw on profits we don't have. Either we raise menu prices or we cut jobs," said Stephen E. Elmont, president of the National Restaurant Association, at today's press conference. "At this point in our history, consumers won't tolerate increases in menu prices. That leaves cutting jobs."

Cain, the ad's narrator, has calculated that Godfather's health care costs would rise 250 percent under the Clinton plan, even though his company currently pays 75 percent of an employee's health insurance premiums. To offset the additional costs without substantially raising prices, Godfather's would have to let go 300 of its 3,000 corporate employees.

At today's announcement, industry leader Elmont cited a number of outside studies that have used various economic models to make projections for the number of jobs that would be lost as a result from the employer mandate. But he expressed doubt about the possibility of producing an unimpeachable job loss figure due to the government's historical inability to stay within its own cost projections.

"One of the problems with (making predictions) is that they assume that government will be able to keep its promises, that caps will stay in place, that funds for subsidies will be found, that the cost of health care will be held in check," he said, "and there is simply no reason to assume these things will happen. Just look at the government's dismal record in projecting cost in regard to programs like Old Age Survivors Insurance, Disability Insurance and the Hospital Insurance portion of Medicare. How can you believe that the projections on

- 3 -

health care are going to hold? And with a mandate, when the costs start escalating, we will be the ones who have to pay...and our people, the ones to lose their jobs."

The National Restaurant Association has encouraged all foodservice operators to "crunch the numbers" in order to calculate precisely what the Administration's health care plan would mean to their bottom lines. Cain, in fact, is in the midst of an intensive 24-state "consciousness-raising" tour, in which he has handed out health care worksheets to thousands of restaurateurs.

Figuring the precise economic ramifications has mobilized many in the diverse restaurant industry. The release of the "Faces" ad coincides with a National Restaurant Association-sponsored Health Care Rally, in which hundreds of operators representing 35 states and the District of Columbia are mobilizing in Washington to meet with their members of Congress.

The "Faces" TV spot (see below) part of a \$1 million grassroots lobbying campaign—will air on all three network affiliates in the Atlanta, Nashville and Omaha markets, as well as in Washington, D.C., where it will also be shown on CNN programming.

The National Restaurant Association is making its ad available by satellite to news organizations interested in exploring the ad campaigns being launched around the health-care debate: Monday, March 7, from 2:00 to 2:15 p.m. EST, on Galaxy C7, Transponder 9, Audio 6.2 and 6.8. Also from 4:30-4:45 p.m. EST, Galaxy C4, Transponder 23, Audio 6.2 & 6.8.

- ### -

NATIONAL RESTAURANT ASSOCIATION

"FACES" — :30

VIDEO

Still or video head shots of restaurant workers, one slowly dissolving into the next.

Cain talking to camera, with restaurant in background.

SUPER: Herman Cain/Godfather's Pizza
(2nd Line of Super dissolves into
VP, National Restaurant Association.)

Reprise of 3 head shots.

GRAPHICS: Call Congress 202/225-3121.
Disclaimer.

AUDIO

Cain:

Nine million Americans work in restaurants.

Waitresses...

cooks...

managers....

Hardworking people, frequently single parents, young people working their first jobs.

They want good health care, but they need a plan that doesn't eliminate anybody's job because the costs and bureaucracy are too high.

President Clinton's health plan will eliminate jobs in restaurants like mine and many others across America.

Tell Congress—people want good health care—but they need their jobs.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Grunwalk, Eskew & Donilon to Bob Boorstin (1 page)	05/16/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 6202

FOLDER TITLE:

Health Care - Advertising [2]

2013-0534-S

rc1569

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

To: Gene Sperling
Fr: Christine Heenan
Re: Accuracy of Republican Ads



The Republicans who appear in the RNC Ad are sponsors of the following bills:

S. 1770 (Chafee)	S. 1743 (Nickles)	S. 1796 (Gramm)	H.R. 3080(Michel)
John Chafee	Don Nickles	Phil Gramm	Bob Michel
Bob Dole	Bob Dole	Trent Lott	Newt Gingrich
David Durenberger	Trent Lott		Dennis Hastert
Bill Thomas			Bill Thomas
			Nanci Johnson
H.R.3955 (R-B)	(Cooper/Grandy)		
Rowland	Thomas		
Hastert	Nancy Johnson		

Q: Can't Health Insurance Be Portable?

AD#1: Yes, we can make insurance portable now...Congress simply needs to change the laws so if you lose your job, you won't lose your coverage.

AD#2

Congress simply needs to change the laws so you can change jobs and keep continuous coverage.

Chafee

The Chafee bill can credibly claim to "change the laws" to meet this objective. Even if a person were to lose their employer contribution, enrollment in the health plan would continue, and depending on the family's income, the family could be eligible for vouchers to help with the cost of insurance. (Vouchers are phased in, starting at 90% of poverty in 1997 and going as high as 240% of poverty by 2005). The bill also says a qualified plan "shall be renewed, at the option of the employer, employee, or individual. An insurer may refuse to renew only for a) nonpayment of premiums, b) fraud or misrepresentation; or c) change in residence to a HCCA not served under the plan.

There is an annual general enrollment period, but they make exceptions for people who were covered under another plan who "lost coverage under another health plan as a result of the termination of the other plan's coverage, termination or reduction of employment, or other reason".

Mandy: Keep in mind the Chafee quote : "I have great trouble seeing how you get portability without universal coverage."

Nickles

The Nickles bill seeks to completely dismantle the existing employer-based system, so it is hard to apply the ad to his bill. Technically it does provide universal coverage, tax credits to help with costs, and portability. There is in some cases a one-year waiting period for pre-existing conditions. The portability language says:

"The health insurance plan provides guaranteed issue at standard rates to all applicants, and does not exclude from coverage for, any pre-existing medical condition of any applicant who, on the date the application is made, has been continuously insured for a period of at least 1 year...

"In the case of an applicant who has not been continuously insured for a period of 1 yr prior to the date of application is made, the health insurance plan may exclude from coverage, or limit coverage for, any preexisting medical condition for no greater than...1 year.

"Insurer cannot cancel or refuse to renew coverage except for cases of 1) non-payment of premiums by the policyholder, or 2) fraud or misrepresentation by the policyholder."

Rowland-Bilirakus, Michel

These bills have basically the same provisions. They are not universal coverage bills, and have no requirements that employers or employees obtain coverage. Therefore a person could leave work at one company, say IBM, where their employer provides full coverage for good benefits through their self-insured plan, and be left with two options:

- 1) pay for the continued IBM plan out of their own pocket for up to 18 months through COBRA)
- 2) enroll in new standard or catastrophic plan (probably less benefits) and pay out of own pocket.

Waiting periods for coverage or pre-existing condition exclusions are limited to six months, but still exist. However if you were covered for a given condition with your old insurance for more than 6 months, your new insurance has to waive any pre-existing condition waiting periods and cover you. IF YOU LOSE COVERAGE UNDER A GROUP HEALTH PLAN BECAUSE OF TERMINATION OF EMPLOYMENT, YOUR NEW INSURER CAN WAIT SIX MONTHS TO COVER ANY CONDITIONS YOU WERE BEING TREATED FOR IN YOUR OLD PLAN. [HR3080 p.14]

That's not exactly "packing up your health insurance and taking it with you", as the ad implies.

Plans may not cancel coverage or deny renewal of coverage under such a plan except for: 1) nonpayment of contributions; 2) fraud or other misrepresentation; 3) noncompliance with plan provisions; 4) misuse of a provider network provision.

As far as affordability, these plans regulate small group premiums to help small businesses get better rates, and create catastrophic plans as affordable "options" for people who don't have enough money to buy standard plans.

Gramm

Title I of this bill says it's designed to make private health insurance "portable and permanent", though it does neither.

COBRA changes - Gramm would change COBRA protections that would dilute the benefits a person takes with them from their former employer in order to lower the cost they would have to pay. Rather than just being able to purchase the plan you had at your old company, individuals would also have the option of the same benefits with higher deductibles (\$1,000 and \$3,000).

It would also allow individuals to make penalty-free withdrawals from qualified retirement plans to pay for COBRA coverage (what a guy).

Guaranteed renewability requirements: An insurer may not cancel an individual health insurance plan or group health plan or deny renewal of coverage under such a plan other than for: a) nonpayment of premiums; b) fraud or other misrepresentation by the insured; c) noncompliance with plan provisions; d) insurer ceases to provide any health insurance plan in a State.

Points for Uwe Reinhardt Op Ed

Gene --

We were hoping that Uwe's OpEd could send a strong message about portability -- and how true portability demands universal coverage -- in addition to the overall universal coverage message. The GOP ads need to be rebutted -- in substance if not directly.

Your conversation with him could make these points:

- His memo to HRC for Health Affairs Introduction suggested that she rebut notion that we can have portability without universal coverage. HRC then wrote: *"People who have just lost their jobs would be surprised to learn that some people think that health insurance "portability" can be achieved without universal coverage. They would take issue with defining "portable" insurance as meaning that when you're unemployed, you have the "right" to pay the full cost of your old health coverage alone."*
- His Editor's Note in that issue also said we needed *"the goal of portable, universal coverage."*
- We should make the point that conventional wisdom in Washington today says that we can have portability -- one of the main goals of health reform, especially to the middle class -- without universal coverage. A recent spate of [GOP] ads reinforces this belief. [Ads are attached]
- Policy people such as yourself realize that this is impossible but neither members of Congress nor opinion leaders (elite media) understand why this is impossible.
- Tying universal coverage to something topical [portability] will also help placement of the OpEd.
- Please see Bob Dole excerpt from NBC special last night.

An ideal OpEd -- probably not from Uwe b/c too political for him:

- Bob Dole on NBC Show, when asked if we can do universal coverage, responded *"Maybe not right away . . . , should keep it as a goal. . . can do it over time. . . but first, we can do portability, pre-existing, affordability, accessibility, etc."* [Need exact]
- OpEd would take these 1 by 1 and prove they don't work without universal coverage. Maybe for Outlook piece.
- Would he do it? Who else could?

THE REPUBLICAN PLANS: AN EMPTY PROMISE OF "PORTABILITY"

"I have great trouble seeing how you get portability without universal coverage." - Senator John H. Chafee

When it comes to health care reform, many Republicans talk a good game -- portability, continuous coverage, no more denials for pre-existing conditions -- but when you look at the fine print, their plans don't deliver. Under their plans, every American would still risk losing their coverage, and nearly 40 million people would remain uninsured. No one would be secure. Everyone would be at risk.

Without universal coverage, it is next to impossible to enact real and lasting insurance reforms such as portability. As the Wall Street Journal noted *"experts insist and real-life evidence shows: it [insurance reform] probably won't work without universal coverage."*
[WSJ 6/15/94]

The Republican ads say:

"We can make insurance portable now...Congress simply needs to change the laws so if you lose your job, you won't lose your coverage."

But the facts are:

There is a big difference between portability and security. "Portability" means that you can take with you benefits you were given at your old job -- provided you can assume the full cost yourself. It's like saying that if you leave a job with a company car, you can take your car with you -- if you're prepared to buy it from the company.

But insurance already costs more than many families can afford, and paying the full cost -- up to \$12,000 a year for some families -- would be impossible.

The only way to make insurance truly secure is to guarantee that every job comes with insurance, and that people who are between jobs or otherwise unemployed don't lose their coverage, even if they lose their ability to pay for it. The incremental Republican plans don't pass that test. Under their plans:

- You could still lose your coverage when you change your job.
- You could still be denied coverage for a pre-existing condition.
- You could be dropped from your plan if you can't afford the premium.
- If you lose your job, your new insurance company could wait six months before they begin covering you.

Insurance reforms are not the answer -- they don't give you real security. If Republicans are serious about health care reform they'll give the American people what they've got -- guaranteed private insurance on the job that can never be taken away.

Sure, Pizza Hut is mandated to pay for health care in Germany.

Where an \$11 pizza costs \$19.

They say politics can get pretty rough,
but we had no idea!

As Pizza Hut has spoken out on health
care reform, we have been targeted
for what can only be described as mean-
spirited and unfair attacks by a special
interest lobbying group calling themselves
the "Health Care Reform Project."
Let's look at the truth.

First, While Pizza Hut supports health
care reform, we oppose employee and
employer mandates. And for good reason.

We operate in more countries than
any other restaurant chain in the world
and we have a lot of experience with
mandated health care. Our experience
is that mandates only raise prices and
increase unemployment.

To cover the costs of mandated health
care and other benefits, we are forced to
raise the prices of our pizzas. In Germany,
we charge \$19 for a pizza that costs \$11
in the United States. In Japan, we charge
\$25 for the same pizza.

At these prices, fewer people can afford
pizza. That means less demand for pizza,
which means we build fewer restaurants,
and that means we employ fewer people.

The higher costs of mandated health
care in Europe contribute to an 11%
unemployment rate on the continent,
nearly double the 6% rate in the United
States. Why would anyone want to
emulate this kind of disaster?

Without mandates in the United States,
Pizza Hut has created 41,000 new jobs
and opened 1,700 new restaurants in the
last five years.

Second, We offer health insurance
to ALL of our employees in the U.S. -
full-time and part-time. AND WE
SHARE THE COSTS OF THAT INSURANCE
WITH THEM. In fact, we were the first
major restaurant chain to offer health
care to our part-timers.

We don't need health care mandates.
We need health care reform. There's a
big difference.

Mandates increase costs, increase inflation
and increase unemployment.



Whatever Happened to Cost Containment?

All of the problems in health care can really be boiled down to one big issue -- It costs too much!

If it wasn't so expensive, all of the other issues would melt away. We wouldn't be having a crisis in state and federal budgets, access would not be a problem, and subsidies would be easy.

Yet, somehow, the need to do something about health care costs has been removed from the discussion in Congress. Members looked down into the abyss of cost containment and scurried back from the edge.

It's a pity, because health care spending is really the only issue in health care of national proportions. The other problems are fairly localized, or industry-specific. If Congress could take care of the cost problem, the states and localities could tailor specific solutions to their own particular needs.

Why has the idea of controlling costs been abandoned? Mostly because the solutions that were presented to Congress were unacceptable. The only options put on the table were these:

- **Single Payer** -- in which the government would pay for everything directly, and simply declare by fiat how much it would pay to any provider for any service.
- **Global Cost Controls** -- in which the government wouldn't pay directly for services, but would arbitrarily establish some ceiling for all those private transactions.
- **Premium Caps** -- in which the government would arbitrarily set some level beyond which insurance premiums could not rise, regardless of the price or utilization of services.
- **Managed Competition** -- in which the government would select an oligopoly of insurance plans and the entire population would have to choose only between those few programs.

Given these choices it is small wonder the whole idea was abandoned. Any of these ideas could find a constituency among the academics and policy wonks, but when presented to real people, not one would generate much support.

Unfortunately, there is one approach to cost control that has never gotten a fair hearing on the Hill. That is the idea of Medical Savings Accounts.

Here is an idea that is scorned by academics and policy wonks, but makes a lot of sense to regular people.

Instead of paying all that money to an insurance company for a "comprehensive" policy, you could buy a high-deductible policy and put your premium savings into a savings account. If you had an ordinary medical expense, you would pay the doctor directly from the account. If you had a high-cost, unusual expense, the catastrophic policy would kick in and cover it.

The result is real cost containment, driven by real people who suddenly have a stake in how much health care costs. The savings come from two sources:

- Enormous savings in administrative costs as insurance companies no longer have to process claims for low-dollar, routine services, and
- Changes in the use of services as people begin to realize they have a financial stake in their choice of treatment and provider. No longer would people say, "I don't care what it costs, Doc, my insurance will pay for it."

Rather than relying on government or insurance company bureaucrats (Utilization Reviewers, Gatekeepers, Case Managers) to impose controls on doctors and patients, people would have an incentive to monitor their own use of services and their own choice of provider.

Voluntary, self-imposed controls will always be more effective than those dictated from the outside.

Medical Savings Accounts, in combination with other reforms, is the one proposal that can credibly affect health care costs. Let's get it done this year!



OPINION OUTLOOK

Views on the Economy

HOW'S IT RUNNING?

Would you describe the nation's economy these days as very robust, fairly robust, fairly shaky or very shaky? (*Los Angeles Times*)

	1/94	4/94	7/94
Very robust	3%	2%	3%
Fairly robust	30	30	31
Fairly shaky	46	47	42
Very shaky	20	18	20
Don't know	1	2	4

Right now, do you think economic conditions in this country as a whole are getting better, getting worse or staying about the same? (Gallup Organization Inc. for CNN-USA Today)

	4/94	7/94
Getting better	25%	23%
Getting worse	26	24
Same	48	52
No opinion	1	1

HOW'S HE DOING?

Do you generally approve or disapprove of the job President Clinton is doing in handling the economy? (Peter D. Hart and Robert M. Teeter for NBC News-The Wall Street Journal)

	5/94	6/94	7/94
Approve	36%	34%	34%
Disapprove	51	54	54
Not sure	13	12	12

Do you approve or disapprove of the way Clinton is handling the federal budget deficit? (Gallup for CNN-USA Today)

	4/94	7/94
Approve	33%	28%
Disapprove	57	61
No opinion	10	11

Do you approve or disapprove of the way Clinton is handling taxes? (Gallup for CNN-USA Today)

	4/94	7/94
Approve	33%	31%
Disapprove	60	61
No opinion	7	8

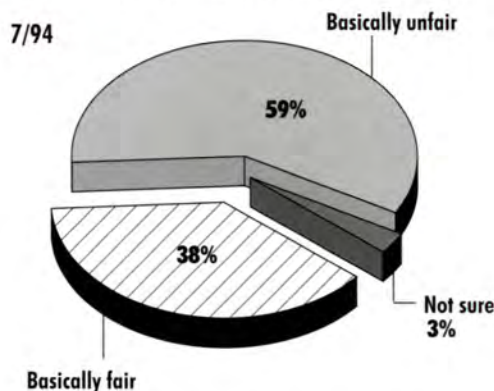
CLINTON—NEW DEMOCRAT OR OLD?

Generally speaking, do you think Clinton is a tax-and-spend Democrat, or not? (*L.A. Times*)

	4/94	7/94
Yes	49%	45%
No	36	38
Don't know	15	17

THE STATE OF TAXES

Do you feel that the current income tax system is basically fair or basically unfair? (Hart and Teeter for NBC-Journal)



THE EMPLOYER MANDATE

If you knew that requiring companies to pay for their workers' health insurance would cause job losses, would you still favor requiring companies to pay for their workers' insurance, or not? (*L.A. Times*)

	7/94
Yes	47%
No	40
Don't know	13

CRYSTAL BALL

Three months from now, do you expect the rate of inflation in your area to be higher than it is now, lower than now or about the same as now? (*L.A. Times*)

	4/91	7/94
Higher	32%	37%
Lower	9	4
Same	56	55
Don't know	3	4

Do you expect your children's generation to enjoy a better standard of living than your generation? (Hart and Teeter for NBC-Journal)

	5/90	7/94
Yes	60%	45%
No	37	50
Not sure	3	5

AHA RADIO ADS

Ad #1 - "Home"

Couple in their fifties:

Husband: I had a serious heart problem -- they took great care of me at our hospital but I'm glad to be home.

Wife: After he was in surgery, with all those machines and people, I realized that just a few years ago some of that technology wasn't even invented.

Husband: Health care's making big strides every year -- not just technology and new drugs, but ways to care for you. Soon they'll have me in an individualized exercise and nutrition program to build my strength back up.

Wife: But I can't help worrying -- when I read that some people want the government to impose a new bureaucracy and price controls from Washington on health care here.

Husband: How does a bureaucrat in Washington know what I need -- if the government can't even figure out how to buy hammers and coffee pots -- I don't want them interfering with my surgery.

Wife: You can help. Congressman/Congresswoman _____ is a key decision maker on this issue. Please call his/her local office at _____. That's _____. Tell him/her that price controls from Washington aren't the prescription for good health care in _____.

Husband: Paid for by the American Hospital Association.

Ad #2 - "Real Changes"

Woman in her thirties or forties:

[Hospital sounds]

This hospital's made real changes in the last few years --

Today we work hard to help you stay healthy, not just take care of you when you're sick.

With new programs in health education and disease prevention we're reaching out to care for you.

It's part of what we're doing to reform health care, and it's working, but now some politicians in Washington want to impose a new bureaucracy of price controls on hospitals, doctors and nurses.

Price controls from Washington to dictate health care in _____?

It takes so much time now to keep up with regulations and paper work.

Should some Washington bureaucrat cut our budget so we can't take the time to give extra attention to a little girl who's going into surgery for the first time?

You can help. Congressman/Congresswoman _____ is a key decision maker on this issue. Please call his/her local office at _____. That's _____. Tell him/her that price controls from Washington aren't the prescription for good health care in _____.

Paid for by the American Hospital Association.

APP

Health alliances may be the answer. But making them mandatory raises a lot of questions.

Health alliances look good on paper, but they are untried on the public. So rather than make them mandatory, we believe health alliances should be tested on a voluntary basis.

Why jeopardize the success of a new and improved health care system on an untried theory? Why put a seventh of our nation's economy at risk?

But, weigh the issues yourself.

Mandatory health alliances will significantly disrupt the health coverage arrangements and relationships currently held by a substantial majority of Americans.

Voluntary health alliances won't.

Mandatory health alliances would, over time, lead to an HMO-dominated system depriving the public of the freedom to choose the medical provider that suits them best.

Voluntary health alliances won't.

We know from our own experience through New York Life's HMOs, that younger, healthier people tend to choose HMOs.

As such, health care plans which allow a

wider or unlimited choice of providers, such as PPO and indemnity coverages, cannot remain financially viable within a mandatory health alliance system.

This systematic "anti-selection" against freedom-of-choice plans has been well documented.

It has been suggested that some means of "risk adjustment" will counteract this effect, but no satisfactory adjustment mechanism has been developed despite the efforts of various experts and groups.

Advocates of mandatory health alliances charge that allowing insurers to operate "outside" the health alliance would permit "cherry-picking" and other abuses. They also say that without mandatory participation, health alliances would lack the critical mass necessary to make the managed competition theory effective.

Both charges are false.

All health insurers—whether they operate inside or outside of a health alliance—should be

required to comply with guaranteed issuance and renewability of coverage, elimination of pre-existing condition limitations, and limits on rate variations and increases.

Furthermore, if health alliances perform as advertised, participation in them will be more than enough to provide "bargaining power" and administrative "economies of scale."

Now, you may be thinking our view on this subject makes sense, but we are, after all, an insurance company.

In which case, you may want to study the decisions the California, Florida, Texas, and North Carolina state legislatures recently came to on this matter.

All four voted to install health alliances on a voluntary basis, not mandatory.

Supporting our belief that managed health care should be encouraged to grow and develop naturally.

After all, medicine forced down people's throats always leaves a bad taste.



Leading the Foodservice/Hospitality Industry

1200 SEVENTEENTH STREET, N.W., WASHINGTON, DC 20036-3097 202/331-5900 FAX: 202/331-2429

NATIONAL
RESTAURANT
ASSOCIATION

Press Release

CONTACT: Wendy Webster
Manager, Media Relations
(202) 331-5938

Jeffrey Prince
Senior Director
(202) 331-5935

FOR IMMEDIATE RELEASE

RESTAURANT INDUSTRY LAUNCHES HEALTH CARE AD CAMPAIGN

Washington, D.C. — March 7, 1994 — The National Restaurant Association

announced today that it has produced a 30-second television advertisement regarding President Clinton's proposed health care mandate on employers.

The spot, which is being tested tomorrow and Wednesday in four markets, is narrated by Herman Cain, vice president of the association and president/CEO of Godfather's Pizza, Inc. It features representative images of three restaurant workers: a waitress, cook and manager.

"Nine million Americans work in restaurants," says Cain in the ad. "Hardworking people, frequently single parents, young people working their first jobs. They want good health care, but they need a plan that doesn't eliminate anybody's job because the costs and bureaucracy are too high."

Although it has been a longstanding proponent of health care reform, the National Restaurant Association has testified repeatedly before Congress that an employer mandate—the linchpin of the Clinton plan—would have serious implications for foodservice

- OVER -

- 2 -

industry employees, who work in the nation's most labor-intensive industry. Complicating the problem, restaurants operate on remarkably slim profit margins, averaging 3 to 4 percent.

"When government mandates a new payroll tax, we have to draw on profits we don't have. Either we raise menu prices or we cut jobs," said Stephen E. Elmont, president of the National Restaurant Association, at today's press conference. "At this point in our history, consumers won't tolerate increases in menu prices. That leaves cutting jobs."

Cain, the ad's narrator, has calculated that Godfather's health care costs would rise 250 percent under the Clinton plan, even though his company currently pays 75 percent of an employee's health insurance premiums. To offset the additional costs without substantially raising prices, Godfather's would have to let go 300 of its 3,000 corporate employees.

At today's announcement, industry leader Elmont cited a number of outside studies that have used various economic models to make projections for the number of jobs that would be lost as a result from the employer mandate. But he expressed doubt about the possibility of producing an unimpeachable job loss figure due to the government's historical inability to stay within its own cost projections.

"One of the problems with (making predictions) is that they assume that government will be able to keep its promises, that caps will stay in place, that funds for subsidies will be found, that the cost of health care will be held in check," he said, "and there is simply no reason to assume these things will happen. Just look at the government's dismal record in projecting cost in regard to programs like Old Age Survivors Insurance, Disability Insurance and the Hospital Insurance portion of Medicare. How can you believe that the projections on

- 3 -

health care are going to hold? And with a mandate, when the costs start escalating, we will be the ones who have to pay...and our people, the ones to lose their jobs."

The National Restaurant Association has encouraged all foodservice operators to "crunch the numbers" in order to calculate precisely what the Administration's health care plan would mean to their bottom lines. Cain, in fact, is in the midst of an intensive 24-state "consciousness-raising" tour, in which he has handed out health care worksheets to thousands of restaurateurs.

Figuring the precise economic ramifications has mobilized many in the diverse restaurant industry. The release of the "Faces" ad coincides with a National Restaurant Association-sponsored Health Care Rally, in which hundreds of operators representing 35 states and the District of Columbia are mobilizing in Washington to meet with their members of Congress.

The "Faces" ad, part of a \$1 million grassroots lobbying campaign—will air on all three network affiliates in the Atlanta, Nashville and Omaha markets, as well as in Washington, D.C., where it will also be shown on CNN programming.

The National Restaurant Association is making its ad available by satellite to news organizations interested in exploring the ad campaigns being launched around the health-care debate: Monday, March 7, from 2:00 to 2:15 p.m. EST, on Galaxy C7, Transponder 9, Audio 6.2 and 6.8. Also from 4:30-4:45 p.m. EST, Galaxy C4, Transponder 23, Audio 6.2 & 6.8.

- ### -

NATIONAL RESTAURANT ASSOCIATION

"FACES" — :30

VIDEO

Still or video head shots of restaurant workers, one slowly dissolving into the next.

Cain talking to camera, with restaurant in background.
SUPER: Herman Cain/Godfather's Pizza
(2nd Line of Super dissolves into VP, National Restaurant Association.)

Reprise of 3 head shots.
GRAPHICS: Call Congress 202/225-3121.
Disclaimer.

AUDIO

Cain:

Nine million Americans work in restaurants.

Waitresses...

cooks...

managers....

Hardworking people, frequently single parents, young people working their first jobs.

They want good health care, but they need a plan that doesn't eliminate anybody's job because the costs and bureaucracy are too high.

President Clinton's health plan will eliminate jobs in restaurants like mine and many others across America.

Tell Congress—people want good health care—but they need their jobs.

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Washington Wire

A Special Weekly Report From
The Wall Street Journal's
Capital Bureau **A1**

CLINTON AIMS to ratchet up pressure on Japan over trade.

A mid-March decision is due on whether to levy sanctions on Japan for failing to hit import targets for semiconductors. Officials seek another vivid example of Japanese protectionism, like the cellular-phone case, on which to focus more public attention. One possibility is computers, where the U.S. has a growing share of the private market and a declining portion of the government one.

The administration seeks to calibrate its pressure campaign; it last week delayed renewing the tough "Super 301" trade provision, which would target Japan for potential trade retaliation, for fear it would seem to be squeezing too hard too fast. But a restive Congress won't allow much backsliding.

Gephardt and Rockefeller introduce legislation requiring "objective criteria" for prying open Japan's markets.

CHINA PREPARES to serve up some human-rights concessions.

Hoping to make it easier for Clinton to renew its trade status in June, China is likely to use Christopher's visit next month to announce medical paroles for some seriously ill jailed dissidents, visas for other dissidents and family members, and agreement to allow long-delayed inspections to monitor the use of prison labor on goods destined for the U.S.

But with the U.S. reluctant to press too hard while it engages in trade skirmishes with Japan, others warn the Chinese gestures may fall short. Sen. Moynihan privately urges the administration to push the Chinese to meet with the exiled dalai lama. Red Cross officials say it isn't likely they will reach an agreement by June on inspections of Chinese prisons.

REPUBLICANS LASH the administration over the Bell-TCI collapse.

Dole blasts Gore for backing the 1992 cable bill and predicts FCC chairman Hundt's policies will stifle new telecommunications services. The administration tries a populist response: Gore aide Greg Simon insists that "the goal is to protect the public. You do not need unfair pricing to build the information superhighway."

The deal's collapse adds to the uncertainties as Congress moves new telecommunications legislation. Energy and Commerce Chairman Dingell says it won't slow the process, and GOP Rep. Oxley says it may even accelerate action. But while Oxley calls the FCC action "the nail in the coffin" of the deal, other lawmakers of both parties conclude that negotiations had already soured over price.

Gore aides say he wasn't alerted about the impending collapse of the deal or the companies' attack on the FCC.

★ **THE AD SHOWS** a gray-haired doctor treating a sick child, with a worried mother hovering nearby. The caption: "Keep Politics Out of This Picture." The Christian Coalition's full-page attack on Clinton's health-care plan? No, the AMA's nearly identical ad against Truman's health proposal 45 years ago. "It worked for them, didn't it?" says Ralph Reed of the coalition.

CONSERVATIVE REP. ARMEY spars with GOP moderates over an amendment he sponsors championing home schoolers. The amendment had to be withdrawn at the last minute and redrafted to correct mistakes. Arney blames the foul-up on bad advice from lawyers representing Catholic schools, but, citing Reagan's "11th commandment" not to criticize fellow Republicans, adds, "I should hope everyone in our party would follow it as well as I do."

BUDGET BATTLE: "If we had the benefit of the balanced-budget amendment, the U.S. might not have been able to win World War II," suggests former Defense secretary and CIA chief James Schlesinger. His rationale: Without the capital-shipbuilding program prior to the war, the U.S. wouldn't have had the naval muscle needed to win the battles of Midway and Coral Sea.

GAS ATTACK: Bradley collects 35 Senate signatures urging EPA administrator Browner to drop a rule virtually mandating a 30% market share for gasoline blended with ethanol, which is made mainly by politically active, increasingly Clinton-friendly Archer-Daniels-Midland Co. The senators charge the rule would "create chaos in the marketplace," cost too much and possibly harm the environment.

WIDE GAPS REMAIN over campaign-finance reform.

Republican Sens. Durenberger, McCain, Chafee, Cohen and Jeffords, whose votes are needed to beat a GOP filibuster on the floor, insist on curbing political action committees, but PAC-dependent House Democrats dig in behind the current \$5,000-per-election contribution limit.

Republicans want any taxpayer financing offset in the budget, but House Democrats struggle to identify a revenue source. They may try to revive the idea of using money raised from ending a tax deduction for lobbyists, though those revenues have already been claimed for deficit reduction.

Democrats reject closing the "bundling" loophole benefiting Emily's List, which backs Democratic women candidates who favor abortion rights.

MINOR MEMOS: Accused spy Aldrich Ames didn't spend all his money on houses and Jaguars; federal records indicate he gave \$5,000 to the Democratic National Committee in 1991 and 1992. . . . Sen. Kennedy, attending a bipartisan White House health-care dinner on the day he turned 62, observes: "I've always wanted to spend my birthday with Bob Dole."

— RICH JABOSLOVSKY

MORE ADS!
TONY WILL
TELL YOU
ALL ABOUT
MERCK.

HEALING HEALTH CARE THROUGH COOPERATION NOT CONFRONTATION

An open letter to Government leaders and all Americans
concerned about health-care reform:

As a physician, I am deeply concerned about the state of our nation's health-care system. It is sick — not terminally ill by any means — but under great stress from costs that have gone up too fast and from inadequate care for 37 million Americans who lack insurance.

Like any serious illness, leaving this one unattended would be irresponsible and self-destructive. It would threaten our people's physical health and our nation's economic strength.

But the problem is very complex, reflecting the diversity of our society. And in our eagerness to fix it, the worst thing would be to look for a quick fix. In this case, we need a search for truth, not for scapegoats.

Unfortunately, the truth has been lost twice in recent searches for scapegoats: last week when America's immunization crisis was blamed on the rising price of vaccines; and earlier, when the Senate Special Committee on Aging reported that we at Merck broke our pledge not to raise prices faster than inflation. In both of these cases, information that was essential to understanding the whole truth was left out.

The truth is: vaccine distribution, not cost, stands between our children and full immunization. It is misleading to ignore the Government's own findings of why so many children aren't being vaccinated. A 1991 report by the National Vaccine Advisory Committee cited 13 barriers to immunization, none of which was the cost of vaccines.

A separate study by the Centers for Disease Control said the Government's delivery system was missing many children in rural areas and inner cities — children whose shots are already provided free by the public health clinics.

Comparing today's price for complete immunization to that of 10 years ago misses the mark for other reasons too:

- 1) In 1988, the Federal Government added an excise tax onto the price of all pediatric vaccines to fund The Childhood Vaccine Injury Compensation Act.
- 2) As a benefit of new research, children are now being immunized with two additional vaccines to provide protection against two serious infections: Hib meningitis and hepatitis B.

Fully 80% of the increase in cost to vaccinate children was due to these two factors. Only 20% was due to price increases.

Merck is a world leader in children's vaccines, and, for the last two years, our price to the Federal Government for our M-M-R[®] II vaccine (Measles, Mumps, Rubella) has been unchanged. I think our vaccine that protects children from three potentially debilitating diseases provides outstanding value for the \$10.89 per dose it costs the Federal Government. As the President has noted, every dollar invested in immunization saves \$10 in avoidable health-care costs.

I would also like to address the Senate Committee's report that said Merck broke its pledge not to raise prices faster than inflation. We take this charge very seriously, because it questions Merck's most valuable asset — our integrity and corporate reputation.

The truth is: Merck kept its promise, and we will continue to do so.

Three years ago, we were the first pharmaceutical company to pledge not to raise our prices faster than inflation, calculated on a *weighted average* basis across our entire product line. We defined inflation as measured by the Consumer Price Index. And we have most definitely kept our pledge.

In 1992, for example, we didn't even recover inflation, because the end result of all our pricing actions — increases, rebates and discounts — was only a 2.7% increase. For the full three years, inflation in the United States averaged 4.0%, and our three-year price increases averaged 3.6%.

That's a far cry from how Merck was portrayed in the Senate Committee report. Unfortunately, the report focused on only 10 products rather than the entire 76 products in our line. This was misleading and unfair.

Like the Clinton Administration, Merck is sincere about improving health care — but the search for solutions must be honest and complete. Prescription drugs account for less than 7 cents of every health-care dollar. And good medicines save more money than they cost by keeping people out of hospitals, out of operating rooms, and out of nursing homes.

I strongly encourage Government officials to work *with* companies like Merck — companies striving to solve our problems. We are participants in the health-care system. We have insights that we'd like to contribute to any discussion of health-care reform. What's more, we're eager to work with Government leaders and health-care providers to bring about meaningful changes that improve the lives of all Americans.

We are dedicated to improving health care. That's why Merck plowed back over \$1.1 billion into research and development in 1992 in a tireless effort to conquer AIDS, cancer, Alzheimer's and other devastating diseases.

I want our leaders and all Americans to know that Merck is true to its word. We weren't named "America's Most Admired Corporation"* seven years in a row based on deceit and broken promises. We stand by our pledge, and we stand by the record.

Merck is committed to helping cure America's health-care ills. But to do so, we need unwavering cooperation from every American, both inside and outside of Government. Above all, we need dedication to the truth — the whole truth.

Roy Vagelos

P. Roy Vagelos, M.D.
Chairman & Chief Executive Officer
Merck & Co., Inc.



* Fortune magazine's annual Survey of Corporate Reputations

ROLL CALL 2/22/93

Compromise on Campaign Finance Reform Within Reach, If Both Sides Just Give a Little

By Norman J. Ornstein

Campaign finance is back in the news. And to most Democrats in Congress, the news isn't good. President Clinton has made reform a top priority, but his ideas and those of most Members of Congress are nowhere near identical.

For Democrats in Congress, the dilemma is an embarrassing one. They established a precedent last year when they passed a

News Commentary

reform bill, but the measure passed only with the aid of dozens of votes that came because the lawmakers knew it would be killed on a Bush veto.

Now, they fear being hoist with their own petard — forced to accept an unacceptable bill they embraced tactically a year ago.

If that would be a measure of poetic justice, it is unlikely to happen this year. Even if the House felt compelled to pass the 1992 bill or something very close to it in 1993 (no sure thing), the Senate would probably not be able to find the votes to overcome a filibuster led by such Republicans as Sen. Mitch McConnell (Ky), who are dead set against the spending limits that were the linchpin of last year's bill.

That does not mean real campaign finance reform has to die yet again. With a President committed to leadership on the issue, and a public still filled with disgust over politics as usual, the momentum for campaign finance reform is strong.

And this time, perhaps a bipartisan coalition can be realistically forged to create meaningful reform. What will it take? Here



Photo by Maureen Keating

GOP Rep. Fred Upton's tax-credit idea could provide the basis for a solution.

are some basic guidelines to achieve real reform:

1. Let each party concede some ground on a "non-negotiable" point.

Democrats have insisted on spending limits as the focus of their reform effort; Republicans have drawn the line in the dust

over any public funding of Congressional campaigns.

Since spending limits, under *Buckley v. Valeo*, have to be voluntary, any bill built around them quickly becomes convoluted and unworkable; the system also provides an open route to Congress for independent-

ly wealthy candidates, who can blithely ignore the limits. More to the point, strict spending limits are not necessary for real reform — finding new and better sources of money for candidates is the key.

To achieve this goal, however, we need to get beyond the GOP's rigid ideological

If Democrats abandoned their rigid focus on spending limits and Republicans were willing to negotiate over public funding, a workable bipartisan package could be crafted.

insistence on no public money. Any realistic hope of assisting challengers, who now have trouble raising any real money from the sources available, and weaning incumbents off their reliance on PAC money depends on an infusion of new funds, which in turn requires public backing.

The question should not be whether there is public money, but what kind of public money. If Democrats abandoned their rigid focus on spending limits and Republicans were willing to negotiate over public funding, a workable bipartisan package could be crafted.

2. Center a reform plan around gener-

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HEADLINE: POLITICAL NOTEBOOK: Slime, Payless Week, Perotnoia

BYLINE: By JILL LAWRENCE, AP Political Writer

DATELINE: WASHINGTON

KEYWORD: Clinton Bashing

BODY:

The presidential campaign sounds polite so far.
But at least one

The Associated Press, June 9, 1992

independent group has started a fund-raising drive that recalls
the hardball politics of 1988.

Citizens Against Clinton, a conservative fund-raising group,
last month sent out 12,500 copies of a letter devoted largely to
the so-called "radical past" of Hillary Clinton, wife of
Democratic nominee-to-be Bill Clinton.

"Hillary Clinton is a radical feminist who has little use
for religious values or even the traditional family unit,"
claims the letter signed by conservative activist Peter
Flaherty. It says Mrs. Clinton advocates open marriage and
has "total contempt for traditional American women."

The letter also says Mrs. Clinton believes children should be
able to sue their parents and "parents should have no
authority" over their children's decisions on abortion,
schooling, surgery and other major issues.

Actually, she wrote in 1979 that parents shouldn't have
unilateral authority over those decisions. She recently said she
was referring to rare cases where, for example, a child's
parents opposed surgery to repair a cleft palate or career
training that went against their religion.

The Associated Press, June 9, 1992

Mrs. Clinton, a lawyer, has apologized for remarking several months ago that she wasn't about to stay home and "bake cookies and serve tea" to avoid conflicts of interest with her husband's career as governor of Arkansas. Homemakers, political wives and others were offended by the comment.

Clinton has tacitly acknowledged past infidelity but said his marriage now is solid. The couple, both churchgoers, have a 12-year-old daughter, Chelsea.

Paul Begala, a Clinton aide, dismissed the letter as "slime."

Campaign spokeswoman Dee Dee Myers said it was hard to believe Mrs. Clinton's record on children's issues would drive conservative fund-raising.

"If that's the most important thing they have to talk about, they better re-evaluate their agenda," she said.

Flaherty said the direct-mail appeal was "doing pretty well" because conservatives, while divided on who they support for president, all oppose the Clintons. He refused to be specific about how much money had come in.

Clinton himself is described in Flaherty's letter as an "ultraliberal." However, he supports the death penalty and other non-liberal positions and has

The Associated Press, June 9, 1992

taken hits from other Democrats for trying to make the party less liberal.

The Clinton campaign's purchase of network TV time Friday night for a half-hour call-in show reportedly cost around \$ 400,000 - and a week without paychecks for his staff.

One aide who refused to be identified said the staff was promised the money sometime later. Myers would not comment on the cash-flow situation but said Clinton has 20 fund-raisers scheduled in June and July.

PHOTOCOPY
PRESERVATION

THE UNIVERSITY OF TEXAS
HEALTH SCIENCE CENTER AT HOUSTON
SCHOOL OF NURSING

Fax Number (713) 794-1714

FAX MESSAGE

(Please use black ink or typewriter)

DATE:

OCTOBER 22, 1993

TO:

HEALTH CARE REFORM TODAY

THE UNIVERSITY OF TEXAS

FROM:

DR. J. L. STARK

DEL

Fax Number:

202 456 2362

Number of pages incl. orig. cover sheet:

11

Our machine is totally automatic, however, if there are any problems in receiving this message, please call (713) 792 7868, The University of Texas Health Science Center at Houston School of Nursing, 1100 Holcombe Blvd., Suite 5.500, Houston, Texas, 77030.

Person Operating Fax Machine:

DANNY

Ask
con
Nursing
Texas
File

**PHOTOCOPY
PRESERVATION**



School of Nursing
Patricia L. Starck, DSN, RN, FAAN
Professor and Dean

October 22, 1993

Health Care Reform Today
The White House

The following is an 18 x 24 poster (sent in quaters in order to FAX)
I am appalled at the crudeness.

Dr. Patricia L. Starck, DSN, RN, FAAN
Professor and Dean

PHOTOCOPY
PRESERVATION

003

The White House

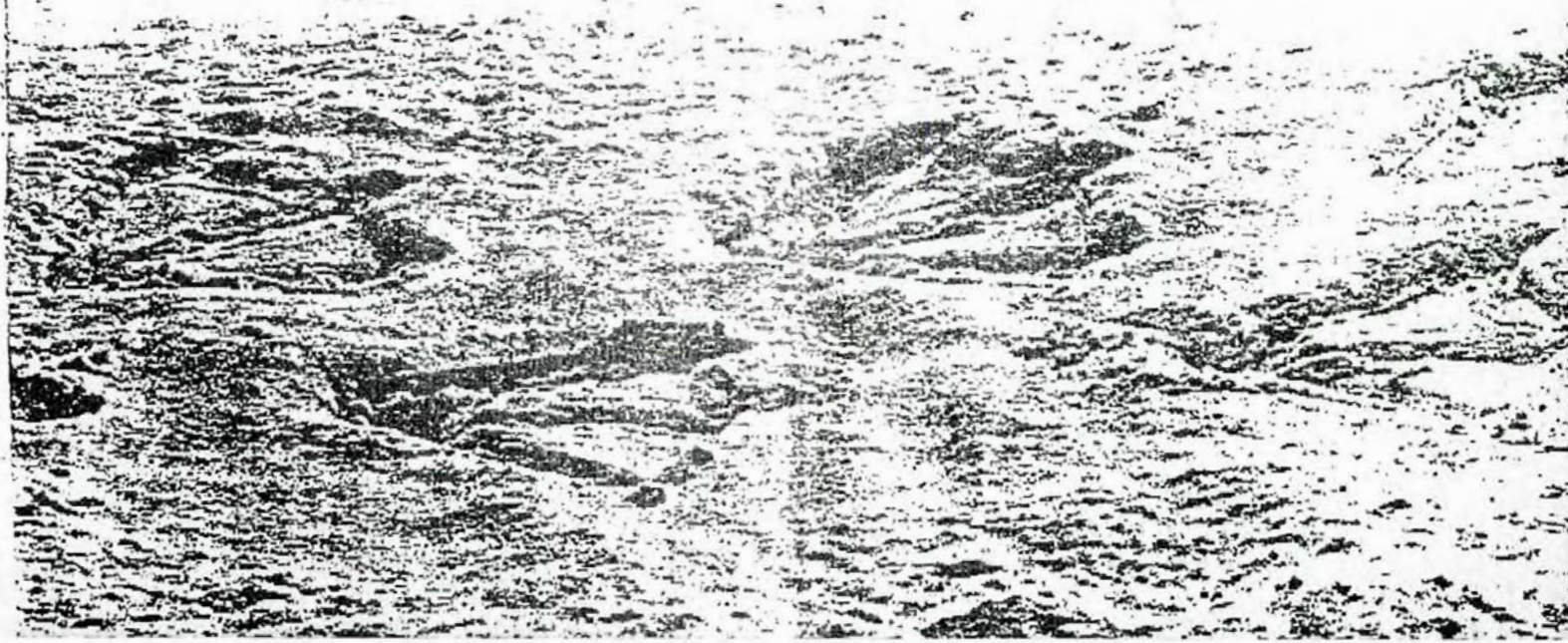
Health Care Reform Today

October 22, 1993

- ◆ We appreciated the letter yesterday from National Association of Manufacturer's President Jerry Insinowski, where he expressed his regrets over the negative comments made on Wednesday. He wrote: "As I have consistently said to the press, your health care proposal has far more positive elements than problems, and it is the best health care package that has been proposed thus far." However, we must once again emphasize that the President's principles of health security for all Americans and a comprehensive benefits package will not be compromised.
- ◆ From the President on those who say that health alliances are big government: "When you hear all this stuff that these alliances are big bureaucratic nightmares and government creations, that's not true. The alliances are groups of consumers in each state in groups approved by the state, not by the federal government, that will have buying power presently available to governments and to big business but not to small business and often not even to medium-sized business. This will give smaller businesses and self-employed people access to market economics."
- ◆ We look forward to working with Senator Breaux and the co-sponsors of his bill. Senator Breaux is a consensus builder and played a constructive role in the budget process. Co-sponsor Senator Joseph Lieberman said in his statement: "I believe universal coverage is a necessary component of genuine health care reform." We agree. And we believe Senator Breaux and his colleagues will play a role in getting comprehensive health care reform passed during this session of Congress.
- ◆ From the First Lady's visit to Chicago yesterday, where she said that Americans want an overhaul of our health care system. The reason is clear the cost of the status-quo and of doing nothing is simply too costly both in dollar terms and in human suffering. She said: "All of us have to give direction to our members of Congress. We know what will happen if we do nothing."
- ◆ We welcome Maria Romash to the Health Care Delivery Room where she will serve as the spokesperson for health care. She joins us from the Vice-President's office.

PHOTOCOPY
PRESERVATION

WHERE ARE STATE & NATIONAL HEALTH CARE REFORMS HEADING?





TEXPAC

Texas Medical Association Political Action Committee
401 West 15th Street
Austin, Texas 78701-1680

WARNING!

The Texas Medical Association has determined that health care reforms which lower the standards for health care licensing and broaden the scope of practice for non-physician groups are dangerous to the public's health in Texas.



CK, QUACK...

flocking to the forefront of the health care reform movement.

PHOTOCOPY
PRESERVATION



QUACK, QUA

From Austin to Washington, non-physician health care provider groups a

PHOTOCOPY
PRESERVATION



DON'T LET DUCK UP HE

Flocks of non-physician practitioner groups are using the call for health care reform as a decoy to lower licensing requirements and broaden their scopes of practice.

It is open season on health care in Washington & Texas. And physicians have the ultimate responsibility to protect the public from those who would use the reform movement as a decoy to lower health care licensing standards, broaden their wingspans into medical practice and shoot down the physician-patient relationship.

This past spring our patients were not migrating to Canada, or anywhere else for that matter, for their health care. Why not? Because the quality of our health care in Texas and the United States is the best in the world.

But there was a migration of sorts to the state capitol in Austin for the sunset review of the Texas Medical Practice Act. If fact, there were numerous sightings of well armed non-physician special interests who flocked to the Medical Practice Act legislative hearings to "fowl up" health care reforms.

In short, these dubious birds were seeking to be qualified by special legislation rather than by

education. And these (daffy) ducks had their own hired guns.

But the legislature replied to their calls for lowered health care licensing standards and broadened scopes of practice with old fashioned common sense... "if it walks and quacks like a duck-it's not a doctor."

When the legislative smoke finally cleared, the arguments of the non-physician self-interests were sitting ducks. The Texas Medical Practice Act was strengthened and renewed with no broadened scopes granted. It was clearly a victory for our patients and health care reform.

Everyone, especially the TMA, strongly supports responsible health care reforms to improve access and lower costs in our current health care system; no one wants to be, nor should they have to be, treated by unqualified health care providers. Likewise, no one wants the health care decisions



PHOTOCOPY
PRESERVATION

REFORM HEALTH CARE.

of their own doctors controlled by big government or big insurance companies.

As the seasons change, so has the migration of big insurance and non-physician self-interests to Washington. They are now aggressively lobbying the President and Congress with

doctor
business
stories
and

unconscionable arguments of big government that lowering the standards for health care through bureaucratic and insurance control will in turn lower health care costs and improve access.

Nothing could be further from the truth.

The right to prescribe medicine, the right to perform surgery and the high standards of medical school training and licensing are far too often taken for granted in the political process.

Unfortunately, this high standard of health care is now being eroded by the non-stop political assault that would allow any Tom, Dick or Harry to hang a shingle and practice medicine in the United States.

This is not what health care reform is about, nor is it what the American public wants.

To retreat from the highest professional standards is nothing short of legislative quackery.

Not to mention that medical liability reform and preservation of the physician-patient relationship will be seriously compromised if

the standards for health care providers are watered down.

Americans value their health, and though we are cost and access conscious, we are not interested in "Fowling Up" the system.

We can't let the Congress get cold, webbed feet and turn the potential for a more accessible and affordable health care reform swan into a very, very ugly duckling.

Please don't duck your responsibility to protect the high standards of health care in Texas and across America.

Join and/or upgrade your membership in TEXPAC today.



PHOTOCOPY
PRESERVATION



PHOTOCOPY
PRESERVATION

Hey Tex
Don't Duck The Bill. Join

But for now, sin taxes look like they'll be in the mix. And antismoking advocates are riding high—so high that some at the Advocacy Institute have devised a little song, to the tune of a 1962 Halloween hit:

*We were working on the bill
late one night*

Had an idea that would cause a fright

*Blaring through the halls came
the sound of a sax*

Bill playing the tune of

The monster tax

(We did the tax)

It was a monster tax

(the monster tax)

The idea spread by fax

(We did the tax)

Opposed by industry hacks

(the monster tax)

We'll give ol' Joe the ax!

Surprise!

Here's Where America's Best Insurance Companies Stand on Health Care Reform.

No one has thought more about health care reform than the people of America's best insurance companies. More than two years ago we began meeting with thousands of Americans. We listened to their views and called on our experience to develop a comprehensive reform proposal. To the surprise of those who want to make us their scapegoat, here's where we stand:

What We Are For

- ◆ "Cradle to grave" coverage for all Americans.
- ◆ No exclusions for existing or previous illness.
- ◆ Coverage cannot be canceled if you get sick.
- ◆ If you change jobs or lose your job, coverage goes with you.
- ◆ Employers and employees both pay toward coverage.
- ◆ Subsidies for those who cannot afford premiums.
- ◆ Control malpractice lawsuits and unnecessary tests.
- ◆ Publish price and quality data.
- ◆ Single claim form to control paperwork.
- ◆ Incentives for healthy lifestyles. Emphasis on wellness and prevention.
- ◆ Stop shifting costs of Medicaid and Medicare to those with private insurance.
- ◆ Using managed care to control costs.

What We Are Against

- ◆ Exclusive health alliances, monopolies or cartels.
- ◆ Flat community rating.
- ◆ Artificial controls on price.

America's Insurers Are For The Reform America Wants

Now isn't that a nice surprise?

America's best insurance companies are backing a positive proposal to provide health care reform. To achieve that goal, we've helped fund and organize The Coalition for Health Insurance Choices, a broad-based coalition of tens of thousands of individuals, small businesses, major corporations, and many other organizations. Call the toll free number below. We'll send you information on health care reform that will work, and on the many people and companies working to make it a reality.

For Facts on The Reforms America Wants
Call 1-800-285 HEALTH



Coalition for Health
Insurance Choices

A coalition of business, individuals, consumers, farmers, seniors and insurers. Major funding by Health Insurance Association of America.

Ads
con

ROLL CALL
SEP 7 1993

SEP 24 1993

EMPOWER AMERICA: LAUNCHES 60-SECOND HEALTH CARE AD

Empower America began running a 60-second television ad titled "EKG" 5/19. The ad, which opposes the Clinton health plan, is airing during politically-oriented programs on CNN and the "Rush Limbaugh" show in Washington, DC, New York City and San Francisco. Empower America Co-Dir. William Bennett: "Many people assume that the Clinton plan is dead. They are wrong. Its worst elements .. are still very much alive." Co-Dir. Jack Kemp: "It is unacceptable and we are going to continue fighting it every step of the way." Throughout the ad, a heartbeat and "beeps" from an EKG machine accompany the unidentified voice of Bennett, while highlights of his words are typed in white onto a black screen with the EKG line showing a normal heartbeat along the bottom of the screen. Bennett/Kemp: "Our goal is to help educate the public on health care reform proposals now being considered and to mobilize opposition to the worst elements."

AD: Audio: "Bill Clinton wants to socialize our health care -- and many members of Congress support him. Every small business in America will be forced to pay the bill. His plan creates the largest government bureaucracy in history. Your doctor won't decide what care is right for you; the bureaucracy will. The bureaucracy will never examine you, Never talk to you, Never even see you. Yet they will severely limit your choice of doctors" ("increase in speed and volume of heartbeat and EKG 'beep'"). Audio: "The bureaucracy will dictate what treatments are necessary" ("increased speed and volume"). Audio: "The bureaucracy will decide when, and even if, you can see a specialist" (increased speed and volume). Audio: "Under this plan, you will lose choice and control" ("increased speed and severity until EKG line dominates screen"). Audio: "Remember. It's your health care they're socializing" ("heartbeat stops and EKG sound becomes a constant, sustained 'beep'"). Text: "It's Your Health Care They're Socializing" ("EKG drops to a flat line across the bottom of screen"). Audio: "There is a better way. Call Empower America; 1-800-4-EMPOWER" ("orchestral music accompanies waving flag" and "blank screen fades into full color waving American flag" which "melds into Empower America Logo") (release, 5/19).

===== CAMPAIGNS OF '94 =====

(c) The American Political Network, Inc.

L. BRENT BOZELL III

After the 1992 campaign, a Times Mirror Center survey of political reporters found 77 percent gave themselves high marks for assessing the candidates' commercials. Said one: "Our coverage is keeping the bastards honest." That, of course, is hogwash, as any study of campaign "ad watch" attacks would show.

In his 1992 campaign book "Strange Bedfellows," Los Angeles Times media reporter Tom Rosenstiel was far more accurate: "The Clinton team was embarked on an intricate plan to undermine what it feared would have been Bush's most devastating commercial — and use the press to do it."

The permanent Clinton campaign has extended that tactic to complaining about the "inaccuracy" of ads attacking its health plan, especially the Health Insurance Association of America's "Harry and Louise" campaigns. Again, the media "truth squad" is performing dutiful damage control for the administration.

The HIAA's first ads drew fire on Sept. 22, 1993, the morning before President Clinton's major health care address. "CBS This Morning" reporter Hattie Kauffman brought on Families USA chief Ron Pollack to denounce the HIAA ad as "unethical to the worst degree," even though the HIAA ad plainly discloses its funding, exceeding federal disclosure requirements for type size and disclosure of funding. Nor did CBS tell viewers that Families USA strongly supports the Clinton plan.

You've probably seen the ads of another group, the innocuous-sounding Health Care Reform Project. But you've never seen these commercials critiqued by CBS. That's a shame, because you'd learn some interesting things: (1) They are funded in part by Families USA; (2) Families USA refuses to disclose its funding sources; and (3) the HCRP ads have also been funded by big businesses like American Airlines, Ford and Chrysler, who have vested interest in pawing off their health care costs on the taxpayer.

CNN's Brooks Jackson, the most dogged ad reviewer during the 1992 campaign, also took up Mr. Pollack's liberal crusade in one of three HIAA ad critiques in 1993. Mr. Jackson also attacked the Republican National Committee's ads in an

Health debate ad watch

Oct. 22 story as "misleading" and "wrong" about estimates of 3 million jobs lost under the Clinton plan. But how can an ad be "wrong" when the plan hasn't been implemented? The entire ad watch concept seems designed to prevent Mr. Clinton's opponents from predicting his programs will fail without being

The entire ad watch concept seems designed to prevent Mr. Clinton's opponents from predicting his programs will fail without being labeled dishonest.

labeled dishonest.

On April 29, Wall Street Journal reporter Rick Wartzman wrote a story headlined "Truth Lands in Intensive Care Unit as New Ads Seek to Demonize Clinton's Health-Reform Plan." Mr. Wartzman focused on conservatives' "rampant fear-mongering" and "alarmist propaganda": "Many of the groups twisting the facts are hard-line conservatives, bent on stopping any government presence in health care." Mr. Wartzman singled out Americans for Tax Reform, whose ad he said "isn't true. Neither the Clinton health care bill nor any of the alternatives on Capitol Hill would force people to call for government approval before visiting a doctor or rushing to the hospital." Like other reporters, Mr. Wartzman ignored that most reform plans (including the Clinton plan) would push more Americans into HMOs, which do require pre-authorization

of doctor or hospital visits.

On May 27, the New York Times carried a story with the headline "'Liars' Try to Frighten Elderly on Health Care, Groups Say." Reporter Robert Pear began: "Two large consumer groups charged today that conservative direct-mail organizations were scaring elderly people with inaccurate attacks on President Clinton's health care plan." The supposedly disinterested "consumer groups"? The American Association of Retired Persons and the union-affiliated National Council of Senior Citizens, both of whom have supported liberal ads. Did Mr. Pear evaluate their ads? No.

On July 26, ABC's Tom Foreman attacked seven ads (six of them anti-Clinton ads) and declared "scare tactics and misinformation could strangle fair debate, and special interest groups will effectively rob Americans of the right to choose for themselves." But Mr. Foreman's story strangled fair debate by not allowing a single conservative purveyor of "misinformation" to defend himself.

What about demonstrably false liberal ads? When the Democratic National Committee blatantly misquoted South Carolina Republican Gov. Carroll Campbell in an ad ("You shouldn't say there's no health care crisis" became "There's no health care crisis"), some reported this outrage. Other media outlets ignored it. On that list of shame is CBS, U.S. News & World Report and major newspapers like the Los Angeles Times, USA Today (which promoted the ad in a Feb. 10 story) and the New York Times (which two weeks before quoted Clinton adviser Mandy Grunwald as saying, "I think there will be a barrage of cynical advertising like we have never seen.")

U.S. News & World Report's Gloria Borger wrote a column recently titled "Stupid Advertising Tricks" calling for less ad publicity and more ad scrutiny: "Harry and Louise would just have been two more whiny yuppies had the media not taken up their lament." But the real whiny yuppies in this debate live in the White House, and their lackeys in the press are playing "Stupid Media Tricks" on you.

L. Brent Bozell III is chairman of the Media Research Center.

Ads
con**National Restaurant Association
TV****VIDEO:****AUDIO:**

ANNCR: After 8 months of design and a year of selling, President Clinton admits his health plan is seriously flawed.

Congress is now forced to vote on a new plan. The Clinton-Mitchell bill.

There is one minor problem. Congress is voting on a plan they haven't even read because they haven't finished writing it.

It takes the government 10 years to test and approve new health care drugs.

But now Congress is overhauling our entire system in just ten days -- with a plan they haven't read.

A Wall Street Journal column estimates the Clinton- Mitchell plan contains a hidden 100 billion dollar tax increase. The equivalent of raising your taxes across the board by nearly 20 %.

Health care will be decided by a handful of votes.

Your health care and your country are at risk.

Call Congress at 202/224-3121 and tell them to vote no on the Clinton Mitchell bill.

Rushing health care is a prescription for disaster.

Following is the list of markets the National Restaurant Association purchased 8/13 - 8/16.

Washington, DC
Chattanooga, TN
Savannah, Ga
Missoula, Mt
Billings, Mt
Fargo, ND
Las Vegas, NV
Charleston, SC
Bismark, ND
Omaha, NE
Lincoln, NE
Macon, GA
Greenville, SC
Great Falls, MT
Nashville, TN
Columbia, SC
Reno, NV
Minot, ND
Madison, WI
New Orleans, LA
Oklahoma City, OK
Greenbay, WI
Huntsville, AL
Montgomery, AL
Memphis, TN
Knoxville, TN



1250 24TH STREET, NW

SUITE 260

WASHINGTON, DC

20037

202-973-9400

FAX 202-975-9408

Mitchell of Maine, fear that Democrats will lose seats in the midterm congressional elections.

But Foley said he doesn't expect a significant number of Democrats to be turned out of office. The speaker gave his views before returning to his home state of Washington to campaign for re-election. The House has taken a break until after Labor Day.

Mitchell, who is retiring from the Senate, also wants to see passage of a health care reform measure as one of his last accomplishments.

As the Senate continued consideration of a major crime package, closed-door negotiations continued on health care reform. Mitchell repeatedly has said that he wants to keep the Senate in session until there is some resolution on the issue.

Foley also noted that recent public opinion polls have indicated that Americans are willing to wait for a health care plan.

"In fact, you look at it (health care), the polls are split somewhere between first, second and third in the country. Some of the polls are saying, 'Well, if you can't figure it out to your satisfaction, do it next year.' It's not, you know, 'This must be done or we are going to burn down the Congress,'" the speaker said.

Lawmakers first must get estimates of reform costs from the Congressional Budget Office, Foley said.

Until the exact costs of health care reform are known, it would be like going to a store and buying a big-ticket item without knowing its price or warranty, he said.

Foley said the budget office faces "an extraordinary burden" in determining the estimated costs of health care reform. At minimum, he said, lawmakers have to make "real progress" on expanding health care coverage, cost containment, insurance reform and improvements in health care.

"If a bill could be found that deals with one or more of those issues in a significant way and doesn't bar the future improvements from consideration, I think it would be worth doing," Foley said. "What I'm saying is I don't think that what we want to do is put together something that really doesn't do anything at all in order to satisfy the country that we've done something."

Congress has only two choices, he said:

"Try and find legislation that can pass and make significant, if initial, steps toward the goals of (expanded) coverage, avoidance of cost shifting, all those things, including some strategies for controlling costs.

"If that can't be done, if we can't find that kind of consensus, then I think the other (choice) is to probably say we have to take it up in the next Congress.

"I still believe that first option is possible," he said. "But not just anything, not just slap together something that's got 'health' in the title."

Foley also said that abortion has the potential for becoming "an extremely critical issue" during the health care debate. And, he said, it was easy for critics to attack health care reform because the issue is so complex.

"Any complicated legislation is easier to attack than to defend, easier to confuse than to clarify, easier to disinform than to inform," he said.

Nation's largest employers unleash national ad campaign designed to alarm employees

By Nancy Ryan and William R. Neikirk
Chicago Tribune

CHICAGO As health-care legislation teeters precariously in Congress, a group of the nation's largest employers Tuesday unleashed a national ad campaign designed to alarm the nation's work force.

Claims in the ad, which warns employees of companies that operate in more than one state that their health benefits could be "taken away," overstate the case. But they represent strong fears by corporations that they will lose control of benefit packages that have taken years to mold and nurture.

The campaign, launched with full-page advertisements in 16 newspapers nationwide, including the Chicago Tribune, suggests that big business has settled on a strategy of opposing all existing legislative proposals to change the nation's health-care system.

It comes at a critical juncture for health-care legislation. The ad was signed by more than 60 of the country's largest corporations, some of which earlier had been supportive of change, and their calculated opposition could push such legislation over the edge.

The ad warns employees of companies such as Abbott Laboratories, Caterpillar Inc. and Household International:

"If you work for a company with employees in more than one state, the House and Senate health-care reform bills would allow your company health benefits to be taken away."

Josh Wiener, health-care analyst for the Brookings Institution, said these businesses have "concluded ... that they have gotten their (health-care) costs under control. They don't need a systemwide solution anymore."

The ad campaign closely follows an unprecedented move last week by International Business Machines Corp. The computer giant, after years of frowning upon discussing politics in office communications, asked employees to contact members of Congress to protest aspects of two prominent health-care proposals.

Also this month, other major companies, including Eastman Kodak Co., Du Pont Co. and General Mills Inc., issued similar messages, emphasizing that their employees already have good benefits and could face worse if the health-care proposals before Congress are approved.

Tuesday's ad provided a potent, highly visible argument against some of the bills that could help boost the companies' fight.

The ad highlights provisions in health-care reform proposals by Senate Majority Leader George Mitchell, D-Maine, and House Majority Leader Richard Gephardt, D-Mo..

They involve a landmark 1974 law, the Employee Retirement Income Security Act known as Erisa that allows many of the country's largest employers to administer their workers' health-care benefits without the fuss of state taxes and regulations.

That privilege could be challenged under the Mitchell and Gephardt plans, which would give states a great deal of leeway in regulating the health plans of major companies.

Most major companies are self-insured and, under Erisa, self-insured companies are exempt from state laws affecting health insurance coverage.

Companies fear state regulation if Erisa's powers are weakened, and their biggest concern is that this would lead to an administrative nightmare.

For companies with offices in dozens of states, it would mean following and complying with hundreds and, sometimes, thousands of state laws.

3/3

"... It would increase our administrative costs like you've never seen," said Ken Morrissey, director of employee benefits at Chicago-based FMC Corp., one of the companies that signed the ad.

And Mark Ugoretz, president of the Erisa Industry Committee, one of the trade associations that helped put out Tuesday's ad, said weakening Erisa would mean an "increase in the cost of health care for employers who are already providing it."

"Those costs will have to be shifted to consumers and then to employees in higher premiums and co-payments."

What's of particular concern to these companies is that any weakening of Erisa would force them to comply with single-payer plans under consideration in some states.

A referendum on a single-payer system will be on California's November ballot. Gephardt's and Mitchell's proposals would give states greater freedom in adopting their own health-care reforms.

One of Erisa's biggest critics has been the National Governors' Association, which has worked to have it repealed.

"What governors are interested in is having some state flexibility," said Carl Volpe, director of health legislation for the association.

About half of Americans with health insurance currently work for self-insured companies and, in some states, as many as 70 percent of residents are covered under self-insured plans. Assuming that Erisa remains intact and no national health reform goes into effect, that means that even if states imposed some insurance reform, only 30 percent of plans might be affected.

Some of the warnings in Tuesday's ad were "very inflammatorily stated and overstated," said the Brookings Institution's Wiener.

But big companies aren't likely to back down, said Gerry Shea, director of employee benefits for the AFL-CIO, which, along with other unions, is concerned about Erisa being weakened.

In addition to their concerns about having to carry the burden for small businesses exempted under health reform proposals, Shea said, large corporations have to worry about Erisa. "These are big-ticket items," he said.

X X X

(Writers Elaine S. Povich and Christopher Drew contributed to this report.)

Post it Fax Note	7071	Date	# of pages
To <i>Melanne Vaneer</i>	From <i>Bob Chlopak</i>		
Co./Dept.	Co.		
Phone #	Phone #		
Fax # <i>456-6244</i>	Fax #		

HEALTH CARE REFORM PROJECT

THE VOICE OF
AMERICANS FOR
CHANGE, NOW.

FOR IMMEDIATE RELEASE
March 3, 1994

Contact: Mark Johnson
202-296-2777

HEALTH CARE REFORM PROJECT LAUNCHES NEW TV ADS

WASHINGTON — With the first round of House and Senate committee votes on health care legislation fast approaching, the Health Care Reform Project announced today that it would begin running two new television ads in Washington and in select states and congressional districts around the country.

One ad, "American Tradition," focuses on how "the President's approach guarantees affordable private insurance to everyone at work, whether you change jobs, get sick or work part time." The ad says "employees get to choose the plan they want. Employers contribute to the cost of care. Small businesses would be helped with discounts." It says 90 percent of Americans with private insurance get their coverage "through their employers" but that 80 percent of the uninsured "also work but without coverage." It ends by saying "health care coverage at work" is "an American tradition to build on."

The second ad, "For You," focuses on how "some insurance companies find" sick people and "reduce their benefits, jack up rates or even drop their coverage." It describes how "the President's approach makes those insurance practices illegal...everybody would be covered with guaranteed, affordable insurance. Everybody. Everyday." The ad ends by telling viewers that "some insurance companies oppose real reform...but it wasn't designed for them. It was designed for you." Viewers are asked to call their Member of Congress and urge support for reform. [Scripts are attached.]

John Rother, chairman of the Health Care Reform Project (and director of legislation and public policy at the American Association of Retired Persons), said the ads are designed "to inform Americans that the fundamental principles of reform they overwhelmingly support -- including guaranteed coverage, comprehensive benefits, universality, choice, affordability and building on the tradition of getting insurance through employers -- are in fact embodied in the President's approach. We're trying to fill the information vacuum and connect public support for these principles to the President's approach and to the pro-reform effort generally."

more...

Rother said the Project is escalating its campaign and would spend \$750,000 to air this round of TV spots over the next few weeks. Radio and print ads using the same messages will also begin running next week. Additional TV ads are also being planned and will be announced in the near future.

The Project is a coalition of businesses, labor unions, consumers, older Americans, children's advocates, health care providers and other groups representing 60 million Americans. Extensive grassroots organizing at the congressional district level has been underway for three months.

-30-

The Health Care Reform Project is comprised of the following organizations: Alzheimer's Association, American Academy of Family Physicians, American Academy of Pediatrics, American Airlines, American Association of Retired Persons, American College of Physicians, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), American Federation of State, County and Municipal Employees (AFSCME), American Federation of Teachers, American Medical Women's Association, American Nurses Association, American Postal Workers Union (APWU), American Psychological Association, Campaign for Women's Health, The Catholic Health Association of the United States (CHA), Children's Defense Fund, Chrysler Corporation, Citizen Action, Conservation Services Group, Families USA, Ford Motor Company, The League of Women Voters of the United States, Multiple Sclerosis Society, National Association of Children's Hospitals and Related Institutions (NACHRI), National Association of Public Hospitals, National Association of Social Workers (NASW), National Breast Cancer Coalition, National Council of Senior Citizens, National Education Association, National Health Policy Council, Older Women's League, Service Employees International Union (SEIU), Southern California Edison Company, United Auto Workers, United Mine Workers, Voice of the Retarded (VOR).



HEALTH CARE REFORM PROJECT

THE VOICE OF
AMERICANS FOR
CHANGE, NOW.

Health Care Reform Project "American Tradition" Final TV :30

Today, ninety percent of Americans with health insurance get it through their employers. Yet over eighty percent of the uninsured also work but without coverage.

The President's approach guarantees affordable private insurance to everyone at work... whether you change jobs, get sick or work part time.

Employees get to choose the plan they want. Employers contribute to the cost of care. Small businesses would be helped with discounts.

Health care coverage at work. An American tradition to build on.

**HEALTH CARE
REFORM PROJECT**

THE VOICE OF
AMERICANS FOR
CHANGE, NOW.

Health Care Reform Project
"For You" Final
TV :30

Every day, doctors, nurses and other health professionals are working to make people well.

But every day, some insurance companies find those people, reduce their benefits, jack up rates or even drop their coverage.

The President's approach makes those insurance practices illegal... everybody would be covered with guaranteed, affordable insurance. Everybody. Everyday.

Some insurance companies oppose real health care reform... but it wasn't designed for them. It was designed for you.

Super Slate:
No Audio

Support Health Care Reform
Call Congress
(202) 224-3121

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. paper	re: Health Care/Entertainment Industry Project (2 pages)	n.d.	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 6202

FOLDER TITLE:

Health Care - Advertising [2]

2013-0534-S

rc1569

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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b(1) National security classified information [(b)(1) of the FOIA]
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b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. memo	Harold Ickes to the First Lady re: DNC (1 page)	04/29/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 6202

FOLDER TITLE:

Health Care - Advertising [2]

2013-0534-S

rc1569

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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004. memo	Mandy Grunwald to the Democratic National Committee (4 pages)	04/21/1994	Personal Misfile

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FOLDER TITLE:

Health Care - Advertising [2]

2013-0534-S

rc1569

RESTRICTION CODES

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- P1 National Security Classified Information [(a)(1) of the PRA]
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- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

April 30, 1994

MEMORANDUM FOR PAT GRIFFIN
MELANNE VERVEER
IRA MAGAZINER

FROM: HAROLD ICKES 
SUBJECT: Legislative Drafting

Attached is a copy of Sara Rosenbaum's 21 January 1994 memorandum to the First Lady proposing the formation of a small team of lawyers to represent the Administration working with the Congress to draft the health care initiative before it goes to the floors. I would appreciate your letting me know whether you think this should be done.

January 21, 1994

MEMORANDUM

To: The First Lady

Fr: Sara Rosenbaum

Re: Legislative drafting during the Congressional phase of health reform

The purpose of this memorandum is to identify those legislative drafting activities in which White House involvement during Congressional consideration of the President's health reform plan will be critical.

BACKGROUND

As the White House and Congress begin to develop the final set of national health reform policies, two crucial issues are the manner in which those policies are articulated in legislation, and the accuracy with which the legislation reflects the agreements that are reached. The chief responsibility for carrying out these drafting tasks falls to Congressional legislative counsel. However, ongoing technical consultation is essential.

Moreover, the dynamics of the drafting task now change. During the initial phase of this effort we received tremendous assistance from the House Legislative Counsel. Now, however, House and Senate Counsel's chief role will be to assure that the final draft language reflects Congressional concerns. They will be attentive to the desires of the White House, but understandably this cannot (and will not) be their central responsibility.

RECOMMENDATION

I believe that it is important that, as before, you assemble a small group of legislative drafters whose job is to represent the drafting interests of the White House as the bill is developed. The job of the White House drafters would be to:

- o consult regularly with White House legislative, coordinating and policy staff on how best to translate the various, emerging policy decisions and agreements into legislative language (e.g., when to draft something extensively, when to seek language committing a matter to agency discretion, when to agree to formal versus informal rulemaking, when a constitutional matter may arise, when several additional statutes may be implicated, etc.).

- o work with Congressional counsel on drafting issues in order to conform the draft language as close as possible to the agreements (this happened constantly during the drafting, when we would try several different approaches to codifying a set of policies into statute before settling on one);

- o review all legislation as it is written to assure that the language fairly reflects the agreements reached, to ensure that no undesirable legislative provisions are inserted and to identify areas of concern where revisions are needed (this will become particularly important, given the ways in which drafting subtleties can completely change the meaning of a policy agreement).

During the initial drafting phase, a number of Administration attorneys from several departments worked with us. They had both extensive knowledge of the law and of legislative drafting. In the absence of any specific legislative drafting strategy, several might again find themselves called upon throughout the next phase to carry out these tasks. However, I do not believe that you should leave this important task to chance. The next phase of reform is far too complicated to leave any strategic piece to ad hoc developments.

If this aspect of the Congressional process is not addressed now, you may ultimately find that many critical, yet relatively obscure, elements of the accord which is reached do not conform to the Administration's expectations once they have been codified in statute. Even worse, you may find that the White House is reduced to simply reading someone else's handiwork without having played a critical, preemptive role in its development.

cc: Carol Rasco, Melanne Verveer, Jennifer Klein, Greg Lawler, Ira Magaziner

file

Health

Existing 103

2:00 **

To camera

Good evening:

Last night, we talked about the fact that under the new health care legislation now before Congress, you will have the right to choose your own doctor and to choose your health insurance plan.

Tonight, I'd like to talk to you about the twin problems of cancellation and pre-existing conditions.

One of the greatest injustices of our present health care system is that many times, when you need health insurance the most, you don't have it.

For example, if you get sick enough, it always seems the insurance companies find a way to drop you -- after you've paid your premiums year after year.

You think you're protecting your family. But suddenly a child falls ill, the costs mount, and the protection is gone.

Then, you find that if you apply for new insurance from other companies, they'll only give it to you if they don't cover the pre-existing condition. Or they'll charge you so much for coverage that the cost could bankrupt your family budget.

Currently, this disaster can happen to any hard-working family.

103 -- p. 2

But it's a windfall for the insurance companies. They have the best of both worlds. They get to collect the premiums when you're healthy, and they get to drop you when you're sick.

That's just one reason why the opponents of health care reform are spending millions on television to mislead you and keep the system the way it is.

Under the present system, insurance companies are guaranteed profits -- but you're not guaranteed protection.

Under the new legislation now before Congress, this will be ended. Companies won't be able to cancel your insurance if you get sick or for any other reason.

That's why I'm fighting for universal coverage -- guaranteed private health insurance that can never be taken away.

In the coming days, I won't be the only one you see on television discussing health care.

You'll see more of the negative ads attacking reform.

So tonight I leave you with this thought: If it's worth so many millions to the opponents of health care reform to keep the system the way it is, imagine how much more it's worth to you to change it.

Thank you, and we'll talk again tomorrow night.

Health

Cost 104

2:00 **

To camera

Good evening:

Too often in the debate on health reform, the discussion centers on those who don't have health insurance. It's a classic example of how in our great national debates the middle class gets forgotten.

So tonight, I'd like to talk to all of you who do have health insurance -- but are paying too much for it...

I want to explain to you why universal coverage is just as important to you as to those who aren't covered today...

Because today you're not only having to pay your own premiums; you're paying to make up for those who don't.

For example, when somebody goes to the emergency room and then can't pay the bill, the cost gets passed on to you in higher hospital bills for your family, higher doctor bills -- and ultimately higher insurance premiums for you.

That's why universal coverage -- that is, making sure there aren't people without insurance that you have to pay for -- is critical to bringing down the cost of your insurance premiums.

This isn't speculation.

In Hawaii, where full health insurance reform with universal coverage has been implemented, costs have been held down, and so have premiums.

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In that state, everyone's covered...

And while the cost of living in Hawaii is higher than the national average, the cost of health insurance there is 30 percent lower.

But we also have to make sure that reform doesn't cost the government too much.

Last year, we put a huge effort into reducing the deficit -- and that's got our economy moving...

The last thing I want is to increase that deficit...

That's why the new approach now before Congress adds tough restrictions on how much government can spend...

We've made this program mostly private -- and we've kept government on the sidelines wherever we could

Tonight, as the critical vote approaches, I'm encouraged by how so many of you are taking this issue seriously and working hard to learn all the facts -- so you can make the right decision for your family about whether or not to support this legislation.

Thank you, and we'll talk again tomorrow night.

Health

Business 105

2:00 **

To camera

Good evening:

Tonight I want to discuss what I know for many of you has been one of the biggest worries about health reform -- how it will affect small business.

As the plan I originally advanced was altered, some of the most important changes came in this area. We've listened to the owners of small businesses -- and the new legislation goes to extraordinary lengths to address their concerns -- with expanded incentives, safeguards, and a longer phase-in period to make sure we do things right.

For the small businesses that don't provide coverage now, this new legislation will give them the help and time to do it, at a cost they can afford.

Now let's turn our attention to the small companies that already provide coverage to their employees.

Today two-thirds of the workers in America's small businesses are covered by health insurance. And the companies they work for would actually be better off under health reform -- because they would be able to buy that insurance at lower rates.

In fact, under this legislation, small business will have the right to purchase health coverage at the lowest rates -- which are now given only to the largest corporations.

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This isn't just a theory; it's been tried and proven for years in Hawaii, where business shares responsibility for providing health benefits for all workers.

Because everyone is covered, and small businesses can buy insurance on the same terms as large corporations, insurance costs for small business in Hawaii are 30 percent lower than on the mainland. And small business in that state is thriving.

So we don't have to speculate about the effects of universal coverage on small business. We know the answer: Health reform, if it's done right, if it's phased in, if it has the right incentives and safeguards, will help small business, not hurt it. And when small businesses pay less for health insurance, they can invest more in new products and new jobs.

Thank you, and I'll talk with you again tomorrow night.

Health

How It Works 107

2:00

To camera

Good evening:

In this series of talks, we've discussed what your health insurance benefits will look like under the new legislation now before Congress.

Tonight I'd like to talk about how the system itself will actually operate -- how it will affect you and your family.

As you've told me, the problem with today's health care system is that the insurance companies call the shots. They pick who to cover and how to cover you. They can cut off your benefits when you need them most. They are in charge.

That will change with universal reform. You will make the decisions about your health care -- not the insurance companies.

Here's how it works. You'll get a brochure at work or in the mail with all your insurance choices. If you have an insurance plan and doctor you like -- Blue Cross, for example -- you can keep it. But you will also have the choice of at least three plans -- and you can choose one of them if you think it will save your family money.

When you get sick, you'll go to the doctor. You'll know exactly what's going on -- because there will be no more insurance company fine print. You won't be hassled by insurance company bureaucrats denying your claims.

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But while the process will be simplified, one of the best things about this approach is that it's uniquely American. It still relies on the private sector. It fixes what's wrong with the system, but keeps what's best in it. It provides guaranteed private health insurance that can never be taken away.

Government's principal role is to provide safeguards -- to keep insurance companies from dropping your coverage -- and most importantly, to keep insurance companies and health care providers from overcharging for medical services and insurance premiums.

Under the new approach now before Congress, reform will be phased in slowly to make sure it's done right. But when it's all said and done, it's pretty fundamental. Insurance ought to mean what it used to mean -- you pay a fair price for security, and when you get sick, health care's always there, no matter what.

That's how this new approach works.

Tomorrow, I want to talk with you about why universal coverage is so important.

file ads

M E M O R A N D U M

TO: The First Lady
FROM: Harold Ickes *HI*
DATE: 15 July 1994
RE: Norman Lear

These are spots being cut by Norman Lear.

cc: Melanne Verveer
Mandy Grunwald



NORMAN LEAP

July 14, 1994

Dear Harold:

We selected the actors today, and please note the changes in the script attached. We are making the Paul alone spot as a "lucky strike extra" while we have the actors and the set.

Best,

A handwritten signature in black ink, appearing to be "NL", written over the typed word "Best,".

NL:gd

VIA FAX #202 456 1799
Mr. Harold Ickes
The White House
Office of the Chief of Staff

1st
Spot

(JOE AND PAUL ARE TOSSING DARTS AT A DART BOARD.)

JOE

What about the President's health bill? Which side you on?

PAUL

Which side? Our side! We need a health bill, don't we?

JOE

Yeah, but which one?

PAUL

The one that covers us -- and I mean the whole family!

JOE

So? The President's got one, Senator Dole's got one, the Finance Committee's got one -- they got 'em coming outta their ears!

PAUL

Yeah - but only one of them's gonna cover everyone -- the universal one, it don't take a genius!

JOE

Ya think it'll be good for the country?

d.

PAUL

Listen -- if it's good for guys
like us, it's gotta be good for
the country! How else can a man
figure?

(DART HITS BULLSEYE)

JOE AND PAUL

Bullseye!!

(CAMERA PUSHES IN TO CLOSE-UP OF PAUL.)

PAUL

If you agree the universal plan's
a bullseye, tell your friends.
Talk it up. It's important.

SECOND
SPOT

(PAUL IS ALONE. HE'S HOLDING A MULTI-PAGE DOCUMENT.)

PAUL

Hi. I got a problem. It's all them health bills they're yakking about in Congress. The President's got one, Senator Dole's got one -- everyone and his brother's got one -- and you gotta be a Philadelphia lawyer to understand 'em! Now my problem is -- I don't understand any of them -- and no one I know does either. Guys like me can only be sure of two things. We need a health plan real bad -- and only a plan that covers everyone is sure to cover us. So, tell your friends. Talk it up. Tell 'em -- if it's good for our families, it's good for all families!! Right?

File

**Harry and Louise Go To Washington:
Political Advertising and Health Care Reform***

by

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Abstract

Harry and Louise Go to Washington: Political Advertising and Health Care Reform

Political advertising by interest groups attempting to influence public policy has proliferated in recent years. Formerly the preserve of election campaigns, advertising has spread to non-electoral arenas, such as abortion, trade, and health care. In this paper, we examine the political ads employed to influence the debate over the Clinton health care package. Using a study of ads and news coverage and an analysis of three national public opinion surveys designed to gauge the public response to health care ads, we investigate the use and impact of these commercials. Because of the large amount of money spent by key groups, the one-sided nature of the ad expenditures between competing forces, and the prominent and non-critical coverage of commercials by the news media, anti-Clinton ads played a crucial role in attaching negative connotations to key elements of the president's plan. However, these ads influenced elite opinion more than the views of the general public.

Interest groups long have been crucial to debates over public policy. From Truman's (1951) classic book on the governmental process to Lowi's (1969) work on interest group liberalism, there has been widespread agreement about the importance of groups. Yet little consensus has emerged concerning the implications of this power for democratic political systems. Critics of group power, such as Schattschneider (1960) and Lowi (1969), contend that groups corrupt the body politic by overrepresenting interests with money and allowing the well-to-do to achieve disproportionate benefits. Others such as Bauer, Pool, and Dexter (1964) reject this view in favor of interpretations emphasizing groups as service bureaus of information. According to this view, groups gain influence by providing information to legislators. Group power is limited by the ability of politicians to play groups off each other. In addition, if particular groups achieve too much power, the public can use the vote at election time to represent its general interest.

As befits a debate of long-standing duration, much of the literature addressing group influence appeared well before the current era of interest group proliferation, decline of political parties, and rise of media-centered politics. The period since the 1960s has seen dramatic changes in the political environment. Both the number and activism of interest groups has expanded considerably over the past 30 years (Walker, 1983). There also have been important changes in group strategies. Previous emphasis on "inside" lobbying tactics based on direct appeals to legislators has given way to "outside" appeals to people at the grass roots, who then pressure elected officials. These changes in group activism are noteworthy because they have occurred precisely at the time when political parties have lost clout and the media have emerged as a crucial intermediary between citizens and leaders.

This paper examines group lobbying using the debate over President Bill Clinton's health care package as a case study. The president's ambitious plan to cover the uninsured, establish regional purchasing alliances, and remake the relationship between health care providers was outlined to a joint session of Congress on September 22, 1993. Almost immediately, his plan became the object of extensive lobbying. Major groups in the insurance and pharmaceutical industries, for example, spent millions of dollars on ads designed to point out weaknesses in the president's program. These commercials elicited considerable coverage by national news outlets and angry responses from the First Lady and president. This case therefore represents an interesting opportunity to study how political ads influenced the policy debate.

Interest Groups and Health Care Reform

Politics has been defined as conflict over the mobilization of bias (Schattschneider, 1960). But a more apt description in a media era would be one emphasizing conflict over the construction of particular interpretations (also see Hershey, 1992). In many respects, political battles are fights over the terms of debate. The argument over abortion, for example, long has centered on the competing symbolism of "choice" versus "life." Opinion polls have revealed sharp fluctuations in public support for abortion depending on which symbolic frame is most central at the time.

Despite the influential role of the media in constructing policy frames, surprisingly little attention has been devoted to the media in public policymaking models. Kingdon's (1984, p. 62) widely-cited "garbage can" model describes the media as having a "less-than-anticipated effect". Policymaking is conceptualized as the interplay of groups and office-holders with little emphasis on the way in which the media frame options, legitimate particular actors, and eliminate certain options from the political agenda. Through coverage which invokes potent symbols, citizen impressions of policy alternatives can be shifted substantially. Positive symbols, such as choice, freedom, liberty, and justice, are attached to one's own policy ideas, while negative symbols, such as cost, injustice, and unfairness become associated with the ideas of the opponent.

Health care is an obvious example of competing constructions of political reality. National polls show that the public desires several conflicting goals in health care reform: the preservation of quality care, choice of health care providers, reasonable cost of coverage, security from lost coverage, and a system free of excessive bureaucracy (Blendon, 1994). Whether it be a single payer system, managed competition, or hybrids based on an employer or individual mandate, no plan is able to secure every principle.

A situation of conflicting goals, complex plans, and little detailed understanding by reporters or the general public is ripe for symbolic fights over public policy. Traditionally, groups emphasize either direct appeals to legislators or outsider strategies based on public relations and news coverage. The chief virtue of news coverage is that groups which generate favorable news stories are able to frame policy battles in ways that advantage themselves. However, reliance on the news to fight symbolic policy battles is risky because reporters are professional skeptics who can not be counted on to convey a group's perspective. In addition, news coverage does not always occur at the time necessary to further group objectives.

For these reasons, many groups have turned to political advertising to communicate particular policy frames. The major strength of advertising is that the content and timing of ads is group-controlled. This gives ad-based strategies substantial advantages over other forms of political communications, such as interview shows and the news, because the latter are journalist-controlled. Interest groups have discovered what political candidates have known for several decades, which is that ads are the most reliable means of conveying political messages. Presidential candidates devote almost two-thirds of their overall budget to political advertising precisely because these expenditures allow the presentation of direct and unmediated messages to viewers. This gets the candidate's message out to the public and is also a vehicle to attract favorable news coverage, which amplifies the campaign message.

There have been many examples of successful advertising in American campaigns (West, 1993a). Lyndon Johnson's attacks on Barry Goldwater's fitness for office in the nuclear age devastated his opponent and helped guide Johnson to a landslide victory. George Bush's Revolving Door commercial in 1988 was a textbook illustration of effective advertising. The then vice president was able to use this spot as well as extensive news coverage of the William Horton case to convey the message that Michael Dukakis was a dangerous liberal who was soft on crime and thereby out of the political mainstream. Ross Perot's 1992 campaign also reaped enormous benefits from political advertising. Using plain ads on ballooning budget deficits and a Washington establishment out of touch with ordinary people, Perot earned the second best finish in this century for a third party or independent candidacy (Magoon, 1994).

With these results, it is no surprise that interest groups have extended the use of ads to non-electoral arenas (Kolbert, 1993). Right-to-life organizations ran ads in 1992 and thereafter emphasizing the sanctity of life and non-abortion alternatives to unwanted pregnancies. The acrimonious 1993 debate over the ratification of the North America Free Trade Agreement also generated extensive advertising campaigns from competing forces. But neither of these policy ad campaigns were very successful because the amount of money spent was not sufficient to guarantee much visibility. In addition, the news coverage which ensued was neither very extensive nor very favorable to the group running the ad.

The general ineffectiveness of past advocacy advertising has led some observers to conclude that these types of ads never will be influential. Interest groups which run ads have clear partisan objectives and therefore are not seen as legitimate by reporters, legislators, or the public. Policy advertising furthermore is tricky because the object in policy advocacy is opinion leaders and elected officials, not the general public, although groups may have a secondary interest in mobilizing public opinion in order to put grass roots pressure on legislators (Sexton and Loomis, 1994; Kurtz, 1994a). Finally, advocacy advertising is limited because few interest

groups have the financial resources to spend enough on policy battles to be taken seriously. The amount of money spent on most policy advertising pales in comparison to the \$30 million per candidate spent on ads in recent presidential general elections.

The health care area, though, differed in two key respects from other policy arenas. The financial stakes of the Clinton reform package were so enormous that major interest groups mobilized to spend unprecedented amounts of money on advertising. Former HEW Secretary Joseph Califano characterized health care reform as a "trillion-dollar pot of gold" with enormous stakes for hospitals (\$409 billion), doctors (\$195 billion), nursing homes and home health care (\$108 billion), pharmaceutical companies (\$100 billion), insurers (\$62 billion), and others such as dentists, podiatrists, optometrists, physical therapists, and pharmacists (more than \$100 billion) (quoted in Broder, 1994b). Groups representing the drug and insurance companies, for example, felt that the very survival of their industries was at stake. Drug companies feared the Clinton cost controls would erode profits and eliminate their ability to bring new medical treatments to the marketplace. Insurers worried that mandatory purchasing alliances would put them out of business.

The other major difference in the health care debate was the extraordinary amount of news coverage. Few policy debates have generated the massive amount of coverage which occurred in the case of the health care debate. The large scale nature of the changes, the fact that a president made the issue the centerpiece of his domestic agenda, and the enormous number of lobbying dollars pushed health care, normally a peripheral public concern, to the center of the national political debate. Ironically, the very visibility of this debate should have reduced group influence. According to Lowi (1969) and Hayes (1981), the more visible the policy arena, the less able groups are to exercise influence over the general public. Yet in the case of health care, the media coverage amplified the messages of certain groups, which then helped these groups generate opposition to key features of the president's program.

The Media Environment

President Clinton unveiled his program for health care reform on September 22, 1993. His elaborate 1,364 page plan called the American Health Security Act was one of the most comprehensive domestic policy proposals put forward by an American president. Among the key features of his program were a guarantee of universal health care coverage by 1998 for all Americans, the establishment of regional insurance purchasing alliances from which people would be required to obtain coverage, an employer mandate requiring employers to pay about 80 percent of the costs of the average health insurance plan for a single person, subsidies for companies with 75 or fewer employees or individuals with average annual wages of less than \$24,000, the creation of a national health board which would establish national and regional spending limits and would limit increases in insurance premiums, and health insurance reforms which would prohibit benefit terminations, including people with pre-existing conditions (Borkowski, 1994).

The scale of the proposal was stunning. It included a basic benefits package covering prescription drugs, rehabilitation services, mental health and drug/alcohol abuse treatment, hospice, home health and extended nursing care services, and abortion services. Under the plan, almost every aspect of the health care system would be changed. For a president charged with ending gridlock in Washington, it was a bold move (Woodward, 1994). In fact, the program was such a dramatic proposal that it unleashed unprecedented coverage by the news media and extensive spending by concerned interest groups.

The sheer volume of health care news coverage was extraordinary. Between September 1 and November 30, 1993 alone, 2,000 newspaper, magazine, and television stories about health care were published or broadcast (Rosenstiel, 1994). Part of this unusual media interest came from the massive stakes of the reform.

But monetary grants from leading foundations for news coverage, focus groups, public opinion polls, and academic studies also guaranteed a running story on health care. For example, the Kaiser Family Foundation gave millions of dollars to news organizations for health care coverage as well as to academics for studies of this coverage. The Robert Wood Johnson Foundation devoted several million dollars for research on health care as well as an NBC prime-time special on health care.

Ironically, the close media attention to health care was not positively evaluated by citizens. An October, 1993 national public opinion survey at Brown University (West, 1993b) found that while 57 percent of citizens gave the news media excellent or good ratings on coverage of foreign affairs and 55 percent gave them excellent or good ratings on general government and public affairs, only 42 percent gave the media excellent or good ratings for coverage of health care reform. Forty-eight percent said news coverage of health care was only fair or poor. An August, 1994 national poll undertaken for the Robert Wood Johnson Foundation showed even worse numbers: 32 percent said the media had done an excellent or good job and 64 percent felt the coverage had been only fair or poor (Kagay, 1994).

Part of the problem was the complex nature of health care. With press emphasis on personalities and the political game, many readers and viewers felt reporters had not told them how health care reform would affect their personal lives. A news monitoring project by the Kaiser Family Foundation, the Times Mirror Center for the People and the Press, and the Columbia Journalism Review revealed that citizens believed 31 percent of the stories focused on the political impact of health care, 21 percent dealt with the impact of reform on the health care system, and only 17 percent concerned the effect of reform on individuals and families (Rosenstiel, 1994). The latter, of course, was the topic of prime interest to ordinary Americans.

The health care debate also unleashed a tidal wave of interest group spending. A nonprofit Washington research organization called the Center for Public Integrity (1994, p. 83) estimated that at least \$100 million was spent overall in 1993 and 1994 by 650 organizations to influence the health policy debate. Some of the money was devoted to traditional lobbying tactics, such as hiring a law firm or public relations agency. For example, it was estimated that at least 97 such firms were hired for lobbying purposes. A second common tactic was campaign contributions. From 1993 to early 1994, over \$25 million was given to members of Congress by health-care interests, with top contributors including unions, trial lawyers, life underwriters, and health-related concerns. A third tactic was free trips for members of Congress. These trips totaled over 355 from organizations with health care interests, many from the American Medical Association, the American Cyanamid Company, and the Pharmaceutical Research and Manufacturers of America, among others.

But the biggest single share of total lobbying expenditures came in the area of political advertising. An estimated \$60 million, or more than half of the overall spending, was devoted to advertising. It is difficult to get precise spending figures because of the unwillingness of all groups to disclose their exact spending and the fact that various organizations count different types of expenditures in their ad totals. Figures released to news reporters are not entirely reliable because several groups announced million dollar ad campaigns only to fail in their fundraising efforts to generate the money. News reports also varied substantially even for major groups (Times Mirror Center, 1994; Jamieson, 1994c).

Despite these difficulties, it is possible through a combination of news reports and personal interviews with officials in relevant groups to develop estimates of the spending by top organizations on health care ads. Table 1 lists the figures for the largest spenders, and by far the biggest advertisers on health care were the Pharmaceutical Research and Manufacturers of America (PRMA), which represented leading drug companies, and the Health Insurance Association of America (HIAA), which represented small and medium sized insurance companies. The PRMA spent around \$20 million, while the HIAA spent roughly \$14 million, much of it on the famous "Harry and Louise" series of ads. Most of this spending by

these groups was devoted to targeted ad buys in Washington or New York, although some of it was spent for ads aired either on the Cable News Network (CNN) or the home states of crucial members of Congress. Other organizations, such as the Democratic National Committee (DNC) and Republican National Committee (RNC), lagged far behind in their ad budgets. Groups opposed to the Clinton program outspent those which favored it by a 4-to-1 ratio in the advertising area. As we note later, the one-sided nature of the ad expenditures had important consequences for the health care debate.

When questioned about these expenditures, group officials cited fear about the long-term prospects for their organizations as the primary reason for their extraordinary spending (see Hiltz, 1993 and Weisskopf, 1993b for discussion of HIAA). Bill Gradison, the president of the HIAA, felt that the Clinton Administration singled out a few groups for political demonization: "In the first meeting [with White House health care advisor Ira Magaziner] he said to me, 'Bill, I'm not a politician but our pollsters at the White House tell us that it will help us sell our plan if we identify as enemies the pharmaceutical industry, the physicians, and the health insurers' It became clear that this was part of a plan on their part to demonize the industry" (quoted in Center for Public Integrity, 1994, p. 49).

In Fall, 1993, HIAA and PRMA had the advertising field virtually to themselves, spending a total of approximately \$17.5 million (\$10.5 million by HIAA for television spots and \$7 million by PRMA on print ads). During this same period, the DNC devoted about \$150,000 to ads and the RNC spent around \$100,000. The HIAA "Harry and Louise" spots developed by the advertising firm of Goddard*Claussen/First Tuesday started running in September. These ads were modeled on a very effective campaign HIAA had run against a 1992 California health reform initiative called Proposition 166. According to Gradison: "when this [opposition] effort began it looked like -- based on polling data -- that the initiative would prevail by a vote of about 2-1. It was defeated by 2-1 and the [Goddard*Claussen] ads were really important" (quoted in Center for Public Integrity, 1994, p. 48).

In one early HIAA health care ad, a yuppie couple named Harry and Louise (played by Los Angeles actors Harry Johnson and Louise Clark) are sitting over breakfast (see description by Kolbert, 1993). He is scanning a newspaper, while she is reading a printed version of the president's health care plan. Harry says, "I'm glad the President's doing something about health care reform." Louise: "He's right. We need it." Harry: "Some of these details." Louise: "Like a national limit on health care?" Harry: "Really." Louise: "The Government caps how much the country can spend on all health care and says, 'That's it!'" Harry: "So, what if our health plan runs out of money?" Louise: "There's got to be a better way."

The PRMA featured a different approach in its ads. Unlike the HIAA, which directly challenged specific elements of the Clinton proposal, the PRMA emphasized the positive contributions of pharmaceutical research to health care (Kurtz, 1994b). One ad, for example, had a person named Mike Quinlan saying, "My dad has Alzheimer's. They have to continue the research they're doing." The ad went on to note: "To Mike Quinlan, and to all of America, we hear you. And we share your urgency. Right now, pharmaceutical companies have 19 medicines in development to fight Alzheimer's. The fact is, more than 90% of all drug discoveries come from our research. So for the millions who are waiting, keep the hope." Similar ads were run on AIDS (featuring HIV positive patient Dan Gunnells), breast cancer (citing Claudia), cystic fibrosis (with Ashley), ulcers (using Mike), asthma (citing Katie), and strokes (with quotes from Phyllis).

The "Harry and Louise" spots generated extensive coverage from the news media and 300,000 calls to an HIAA toll-free number between September, 1993 and April, 1994 (Benet and Stambler, 1994; Carlson, 1994). Between January 15 and July 12, 324 seconds of network evening news time was devoted to HIAA ads, compared to 122 seconds for those of the DNC (Jamieson, 1994a, p. 18). Almost every leading newspaper and television network in the country ran stories about the

ads, including a front page story in the New York Times on October 21, 1993 (Kolbert, 1993).

This particular ad became so prominent that on November 1, First Lady Hillary Rodham Clinton lashed out at the health insurance industry, saying: "They have the gall to run TV ads that there is a better way, the very industry that has brought us to the brink of bankruptcy because of the way that they have financed health care" (quoted in Clymer, 1993). This brought front-page headlines in the New York Times ("Hillary Clinton Accuses Insurers of Lying About Health Proposal: Says Industry Ads Mislead Public to Guard Profits") (Clymer, 1993) and Washington Post ("First Lady Lambastes Health Insurers: Methods Have 'Brought Us to the Brink of Bankruptcy,' Clinton Says") (Priest, 1993). President Clinton joined his wife in these criticisms on November 3, blaming health insurers for "over-complicated, bureaucratic, burdensome, bureaucratic" requirements (quoted in Jehl, 1993). That same day, Richard Celeste, chairman of the DNC's National Health Care Campaign, crashed a HIAA news conference in Washington. According to a Washington Post account, this had the effect of "turning a dry, technical session into a newsworthy event" (Weisskopf, 1993a).

In spite of media attentiveness to the accuracy of ads in the 1992 presidential campaign following a generally uncritical reporting of Bush's 1988 charges, there were almost no Ad Watches assessing the accuracy of health care spots. In the period from Fall, 1993 to Summer, 1994, only four Ad Watches on health care appeared in the New York Times, those being on October 21, 1993, February 1, 1994, and two on July 17, 1994. This was well below the 44 Ad Watches run by the New York Times during the 1992 presidential campaign (West, 1993a, p. 69). Few formal Ad Watches appeared in the Washington Post, Los Angeles Times, or Wall Street Journal during this time period. Aside from Ad Watches, there were a number of general news stories about health care ads. Figure 1 reports the number of national newspaper and network television stories about health care ads. It shows that peak coverage of health care commercials occurred in October/November, 1993, February, 1994, and July/August, 1994.

The weakness of media ad oversight led University of Pennsylvania communications scholar Kathleen Hall Jamieson to complain to Washington Post columnist David Broder. He then wrote a February 23, 1994 column (Broder, 1994a) conceding the news media had failed seriously to challenge the accuracy of health care advertisements. But despite the public admonition, little changed after his column. By the end of July, 1994, a University of Pennsylvania study reported that 28 percent of the print ads and 59 percent of the broadcast ads were "unfair, misleading, or false" (Jamieson, 1994b, p. 2).

Harry and Louise had a dramatic impact on the national political agenda because they were able to achieve the status of cultural icons. The ads in which they were featured became a virtual mini-series which spawned numerous headlines, counter-responses, spoofs, and cartoons. One national news organization (the New York Times/CBS News) even conducted a survey to gauge the impact of Harry and Louise. Clinton friend Harry Thomason produced a spoof ad which began in a graveyard while church bells ring. The ad says: "You've probably seen a young yuppie couple named Harry and Louise on television recently, questioning the President's health care plan. I thought I'd bring you up to date. Harry lost his job and also his insurance. Louise owned a small and struggling company that could not afford group insurance, so she had always depended upon Harry's policy. Unfortunately, she had a pre-existing condition that prevented her from obtaining new coverage." Eventually, according to the ad, Louise died, Harry moved to another state where he got a job making coffee commercials, and his new company did not have an insurance plan. The ad closed by saying, "Oh, by the way, if you see Harry, tell him to hang in there. The President's plan is just around the corner" (cited in Kolbert, 1994).

This was followed by a spoof ad at the Gridirons Club in March featuring Bill and Hillary Clinton as Harry and Louise, sponsored by the "Coalition to Scare Your Pants Off". Even cartoonists joined in the spin-offs. A Don Wright (1994) cartoon

showed a couple watching television while the wife said to her husband, "All we know is that Harry and Louise, the insurance couple, have been shot and the cops are chasing Clinton round and round the beltway!". Supporters of a Canadian style, single-payer system ran an ad in May featuring the comedy team of Jerry Stiller and Anne Meara declaring: "Harry and Louise, there is a better way" (Toner, 1994).

Numerous officials connected with health care reform blamed the HIAA spots for turning public opinion against the Clinton proposal. White House health care advisor Magaziner said the ads "scared a lot of people by putting out misinformation. It was akin to a presidential campaign where one candidate has \$30 million to spend on ads and the other candidate can't spend any money on advertising" (Magaziner, 1994). Reporters also regularly credited the Harry and Louise spots "with undermining public confidence" in the Clinton plan and doing "more than any single lobbying tactic to hobble Clinton's plan" (see Weisskopf, 1994a and 1994b, and Colford, 1994 for examples). A June 20, 1994 network story by John Cochran of ABC News credited Harry and Louise with "creating real doubts" about the Clinton program.

As a sign of the potency of the advertisements, the summer featured the unprecedented spectacle of House Ways and Means Committee chair Dan Rostenkowski reaching an agreement with HIAA in which Rostenkowski agreed to changes in health care legislation in exchange for the HIAA not running ads in particular states (New York Times, 1994). Within weeks, though, this pact came unglued when a felony indictment forced Rostenkowski to relinquish his committee leadership.

By July 10, 1994, the Democratic National Committee was airing a new spot called "Harry Takes a Fall." In the ad, "Harry and Louise are in bed. Harry is in a full body cast; his head is bandaged. Louise's arm is in a sling. She chides Harry for having been skeptical about proposals for universal health insurance coverage. Harry, it seems, has lost his job, his health insurance and most of his financial assets" (quoted in Pear, 1994).

The Public Response

Early polls showed strong support for the Clinton health care initiative. For example, a Washington Post-ABC News poll of adults nationwide conducted shortly after the Clinton program was announced in September, 1993 revealed that 67 percent approved of the president's program and only 20 percent disapproved. By late February, 1994, the same survey organization using an identical question found approval of Clinton's plan had declined 23 percentage points to 44 percent. Similar results were obtained in other national surveys. USA Today/CNN/Gallup national polls from September 26, 1993 to April 18, 1994 found an 18 percentage point drop in public support for the Clinton health care program -- from 57 to 39 percent (Center for Public Integrity, 1994, p. 28). Other polls showed the percentage of people who believed they would be better off if the plan were enacted dropping sharply from 77 to 52 percent in the space of a few months (Priest, 1994; Broder and Morin, 1994).

These results were suggestive of the problems faced by the Clinton program. But given the range of events taking place between the Fall and Spring, it is difficult to prove the aggregate numbers shifted because of advertising and news coverage. To get a better sense of why these changes took place, one must undertake a much more detailed analysis of public opinion surveys. In reviewing publicly available national polls, we found three national surveys which included questions both about health care ads and sentiments on health care reform. This included surveys conducted by the Harvard School of Public Health/Kaiser Foundation from September 30 to October 5, 1993 with 1,200 adults; by the Washington Post/ABC News from February 24 to 27, 1994 with 1,531 adults; and with New York Times/CBS News on March 8 to 11, 1994 with 1,107 adults (which asked specifically about the Harry and Louise ads).

The surveys cover the crucial Fall, 1993 and Spring, 1994 time period when overall support for the Clinton program deteriorated, and therefore can be used to examine attitudes on health care at different time points. They furthermore can determine whether people who said they saw health care ads had different views from those who did not. One must be cautious in comparing the surveys because while some of the items were similar across polls, each survey asked a different range of questions. However, even when particular questions were not identical, each survey did ask items concerning prominent aspects of the policy controversy.

The Harvard poll is useful to examine early thinking on the Clinton program because the survey started a week after Clinton announced his plan to a joint session of Congress. The poll also offers the advantage of having been in the field after the HIAA and PRMA started running their big salvo of Fall ads. In looking at the results of this survey, the most notable point which comes through is that few people felt they knew much about health care reform. Forty-two percent said they knew nothing or only a little, 49 percent felt they knew a fair amount, and only 9 percent indicated they knew a great deal about the subject. In regard to the Clinton proposal in particular, 44 percent indicated that they did not understand the Clinton plan either very well or at all.

There was widespread ignorance about crucial features of the debate. For example, only 22 percent said they knew the meaning of consumer purchasing alliances, which was one of the cornerstones of the Clinton program. Only 20 percent were familiar with the idea of managed competition. However, 79 percent were aware that Clinton's plan would require employers to contribute to the cost of health insurance for their workers, 63 percent knew the Clinton plan guaranteed health coverage to all Americans, and 52 percent realized the president's program guaranteed that workers would not lose their benefits if they lost or quit their jobs. When asked what they were most interested in learning about health care proposals, 79 percent indicated it was the amount they would have to pay out of their own pocket for a doctor or hospital visit, 77 percent said it was the cost of their family's health insurance premiums, and 73 percent named the amount of taxes they paid. Seventy-two percent said that under the president's proposal, they would personally pay either a great deal more or somewhat more in taxes. Forty-three percent worried that the Clinton plan would lead to rationing of health care. Thirty-nine percent believed that under the president's reform, the health care system would be run mainly by the government.

The general absence of information about the Clinton proposal and the substantial concern over the cost of reform and the impression that government was taking over the health care system created a climate whereby opponents could attach potent negative symbols to the president's program. This was ironic given the fact that in 1991 Clinton had explicitly rejected a single-payer system advocated by Yale Professor Ted Marmor because the "proposition of Big Government and increased taxes was simply unacceptable" (quoted in Center for Public Integrity, 1994, p. 18). Yet within days of Clinton's proposal being announced, these very criticisms had already emerged in the public's mind.

The early stage of issue consideration often is when political communications are most influential. People are still searching for information and generally have not made up their minds how they feel. It was no accident that Bush's effective advertising campaign in 1988 came on the heels of the nomination of Dukakis. The Massachusetts governor was the least well-known major party nominee in recent years, and the absence of prior beliefs gave Bush the opportunity through the media to shape public opinion (West, 1993a, p. 86). According to the Harvard survey of the health care issue, 65 percent indicated that in the past week they had seen a TV program, heard a radio program, or read a newspaper or magazine article having to do with health care reform. Forty percent said they had seen, heard, or read about advertisements having to do with proposed changes in the health care system.

Table 2 investigates the association between seeing ads or the news and beliefs about health care reform. The results show that people who said they had seen ads or heard the news also reported feeling more knowledgeable about health

care. They were more likely to understand the meaning of managed competition and health purchasing alliances and be more familiar with the Clinton reform plan. There were weaker ties in terms of knowing the Clinton plan guaranteed coverage and had an employer mandate. Interestingly, there was no association between seeing ads and feeling there would be a big tax increase under the Clinton program, but a significant relationship between that impression and seeing the news. This suggests that the tie between tax increases and the president's plan came more from news than ads.

As the debate moved from the Fall to the Spring, important changes started to take place in public opinion. The February, 1994 Washington Post/ABC News poll showed that 58 percent of Americans said they had seen or heard advertisements either for or against the Clinton health care plan, up from 40 percent reported in the Harvard October, 1993 survey. This is comparable to the 58 percent of Americans who say they saw Clinton ads during the 1992 presidential nominating process, but far lower than the 82 percent of Americans who reported seeing Clinton ads in the presidential general election (West, 1993a, p. 26). By 39 to 32 percent, people seeing the ads claimed the spots made them less likely to support health care reform (Broder and Morin, 1994).

Many individuals still felt they knew almost nothing (14 percent) or a little (62 percent) about Clinton's health care program. Twenty-four percent felt they knew a lot about it, up from 9 percent in October. Seventy-three percent said they supported a federal law requiring all employers to provide health insurance for their full-time employees. Forty-seven percent worried that the Clinton plan created too much government involvement in the nation's health care system.

Table 3 reports associations between seeing health care ads and various opinions about health care reform in February. Seeing ads still had a strong relationship with feeling more knowledgeable about Clinton's program. Exposure to ads also was linked with beliefs that Clinton's reform would not provide adequate medical care for people who needed it, that his program created too much government, and fear that employers would eliminate existing jobs as a result of the plan. Support for an employer mandate was lower among those seeing than not seeing health care ads. But there was no relationship between seeing ads and feeling the Clinton program would increase taxes, create another large and inefficient government bureaucracy, cost too much, limit choice of doctors or hospitals, or pay for legal abortions. These nil relations are noteworthy in light of the fact that many of the anti-Clinton advertisements emphasized these very themes.

The Case of Harry and Louise

Both the Harvard and Washington Post/ABC News surveys are limited by the fact that they inquired about exposure to ads in general. The March, 1994 New York Times/CBS News survey asked specifically whether people had seen television ads showing a couple called Harry and Louise sitting in their living room criticizing the Clinton health care plan. In this close-ended question, 19 percent reported that they had seen the "Harry and Louise" ads. This compares to the 6 percent in late October, 1988 who named Bush's "Revolving Door" spot in an open-ended question asking them to say the ad which had the greatest impact on them in the fall presidential campaign and the 10 percent in March, 1992 who cited Pat Buchanan's "Read My Lips" ad as the spot having the greatest impact on them during the nominating process (West, 1993a, pp. 98, 111).

One must be cautious in comparing these items, though, because an open-ended question obviously is much tougher than a close-ended item. With the former, you have to recall a specific ad from memory without having a question to prompt your answer. That fact notwithstanding, there is little doubt that the Harry and Louise ads achieved a high degree of visibility for a new campaign.

Yet a majority of viewers did not find these commercials very accurate. Of those seeing the "Harry and Louise" spots, 32 percent believed the ad criticisms

were completely accurate or more right than wrong and 52 percent felt their criticisms were either completely untrue or more wrong than right. This lack of credibility was significant given the general importance of source credibility in models of political persuasion. Information sources which are not viewed as credible are much less likely to be persuasive with the general public.

It also is important to point out that few people were able correctly to identify the source of the Harry and Louise ads. Of those seeing the ad, 38 percent correctly identified the source of the ads as the insurance industry, 50 percent had no idea who sponsored the spots, and 12 percent incorrectly attributed sponsorship to some other organization. This means that nearly two-thirds of people were unsure who was making the criticisms of the Clinton program.

Taken together, these findings help to explain the results shown in Table 4. Seeing the "Harry and Louise" ads was associated with reporting a good understanding of the Clinton program, but was not related to other impressions about the plan. For example, 64 percent of those seeing the ads believed the Clinton proposal would increase their health costs, while 60 percent of those not seeing the spots felt costs would increase, a difference that was not statistically significant. There were equally small differences in regard to beliefs about the importance of universal coverage (a difference of only 1 percentage point), worry about the adequacy of medical care (a difference of 2 percentage points), and evaluations of the employer mandate (a difference of just 3 percentage points).

The absence of any relationship between seeing "Harry and Louise" ads and views about health care reform is noteworthy in light of the fact that these items were central to the advertising campaign against Clinton. Many of the HIAA spots specifically criticized Clinton's program for being costly, overly bureaucratic, and limiting patient choice. Contrary to the conventional wisdom, exposure to the "Harry and Louise" ads was not associated with negative public impressions of the Clinton program. The Washington establishment imputed much greater effectiveness to the "Harry and Louise" ads than was warranted. Harry and Louise were crucial in shaping the political dialogue in Washington. There is no doubt they molded the views of legislators and reporters. But there is little evidence documenting a significant impact on the public at large.

Our survey evidence on the weak impact of Harry and Louise is consistent with focus group research reported by Jamieson (1994c, p. 2). In her research, Jamieson found that the "Harry and Louise" ads "had a negligible impact on the public." The problem, according to her, was that the ads evoked little short-term recall of central themes and were considerably less memorable than other health care reform ads. Despite the large amount of money spent by HIAA, most of the ads aired in Washington and New York or on CNN, where legislators would be sure to see them. There simply weren't enough broadcast repetitions over the 12 month campaign to be persuasive with the American public.

In addition, the Jamieson research demonstrates that most focus group viewers had no idea who Harry and Louise were because the actors rarely were identified as such in HIAA ads. Journalists identified the ads as Harry and Louise because scripts which were delivered to reporters identified the actors by their real names. Therefore, all the White House criticisms about Harry and Louise (or Thelma and Louise as President Clinton once called them) did not resonate with the American public.

The only survey evidence of ad impact comes when one moves from the overall level to an examination of subgroups. Table 5 breaks down the Harry and Louise results by gender, region, and occupation. Gender is important because of past studies demonstrating that men and women react differently to political spots. For example, West (1993a, pp. 114-115) demonstrated that women were more likely than men to see crime as the most important issue when viewing Bush's "Revolving Door" spot in 1988. Region is important in light of the fact that HIAA emphasized "Harry and Louise" ad buys in the Northeast. Occupation provides a measure of how ad battles influenced different types of workers.

The results reveal that on the crucial dimension of cost, one of the main attacks used by opponents, women were much more likely than men to believe the Clinton program would increase the cost each family would pay for health care. For example, 71 percent of women seeing the Harry and Louise spots claimed costs would go up, compared to 59 percent of women who did not view the ads. The difference of 12 percentage points was statistically significant. There were no significant differences between seeing or not seeing the ads among men.

As one would expect given the nature of HIAA ad buys, people living in the Northeast (which under the CBS survey classification included both Washington, D.C. and New York City) who saw the ads were more likely (71 percent) than those not viewing the ads (60 percent) to think family costs would increase. No other region showed a statistically significant relationship between ad viewing and cost.

The ads furthermore were associated with cost increase views among those with professional, managerial, and agricultural jobs. Individuals employed in each of these occupations were more likely to hold the belief that the Clinton program would increase their health care costs. Interestingly, there was no relationship among white collar workers, but a significant relationship in the opposite direction with blue collar workers. Among these people, seeing the ads was associated with the view that health care costs would not increase. Therefore, the "Harry and Louise" commercials were much more influential in furthering HIAA goals among professional, managerial, and agricultural workers than blue collar employees. This makes sense in light of the fact that Harry and Louise were portrayed in the ads as a yuppie professional couple.

Conclusion: Health Care Exceptionalism

The anti-Clinton health reform effort will go down in history as one of the most successful advertising campaigns of all time. In terms of its ability to frame the political debate, this ad campaign rivaled Johnson's successful campaign in 1964 and Bush's widely-cited effort in 1988. By attaching negative symbols of high cost and big government to the president's proposal, opponents effectively derailed the centerpiece of Clinton's domestic agenda. This lobbying success was all the more impressive in light of evidence that Washington elites were swayed by "Harry and Louise" ads and, with the exception of several key subgroups, the general public was not.

This case study demonstrates the need to rethink key elements in interest group theory. There is little doubt that big financial resources make a difference in lobbying. The heavenly chorus of interest group influence is important. Unlike the arguments of Lowi (1969) and Hayes (1981), group influence is not necessarily constrained by highly visible policy debates. By framing political disputes in favorable ways through the media, interest groups can persuade legislators to reject a president's proposal even in an era where the general public is disgusted with gridlock.

What is less clear at this juncture is what it tells us about the future of public policymaking. Some scholars have argued that America is at a turning point, and that high-profile advocacy campaigns will become the new norm in policy disputes (Jamieson, 1994b). While there is no question other organizations will attempt to replicate the success of Harry and Louise, there is reason to believe the success of the health care ads was exceptional rather than the new norm. There were several elements in this debate which made it possible for health care concerns to make a case via advertising that are not likely to repeat themselves in other policy arenas. What made the health ads against the Clinton program effective was the large amount of money which was spent, the one-sided nature of the advertising expenditures, and the relatively uncritical media coverage of group ads.

These elements are not likely to be repeated in other policy areas. Few groups have the financial resources to run the type of campaign waged by the insurance and drug companies. Those that do, do not necessarily have the incentive to spend their money on public lobbying. It was the large-scale nature of the Clinton

reform which mobilized major opponents. Presidents are not likely to undertake this type of battle on very many issues.

In addition, group advertising on health care was aided by the complex nature of health care reform. Although surveys indicated more people felt knowledgeable as the debate unfolded, most Americans did not have a good sense of what the president was attempting. This allowed opponents to fill the information vacuum through advertising that was deceptive or misleading. For example, one group called the American Council for Health Care Reform sent direct mailings accusing the Clinton administration of advocating prison time for people who bought "extra care", a charge that was blatantly false (Wartzman, 1994).

Finally, the health care experience demonstrated the crucial role played by news coverage of advertisements. The most glaring mistake made by the media was the lack of oversight on the part of news reporters. Unlike the 1992 presidential campaign, where reporters actively challenged the accuracy and fairness of political advertising, there was little oversight in the health care debate. News accounts amplified the self-interested claims in group ads and accorded them much greater legitimacy than was warranted. The result was that over half of the television ads had claims that were either outright false or misleading. If reporters had exercised their historic oversight function, they would have acted as an important check and balance on interest group influence.

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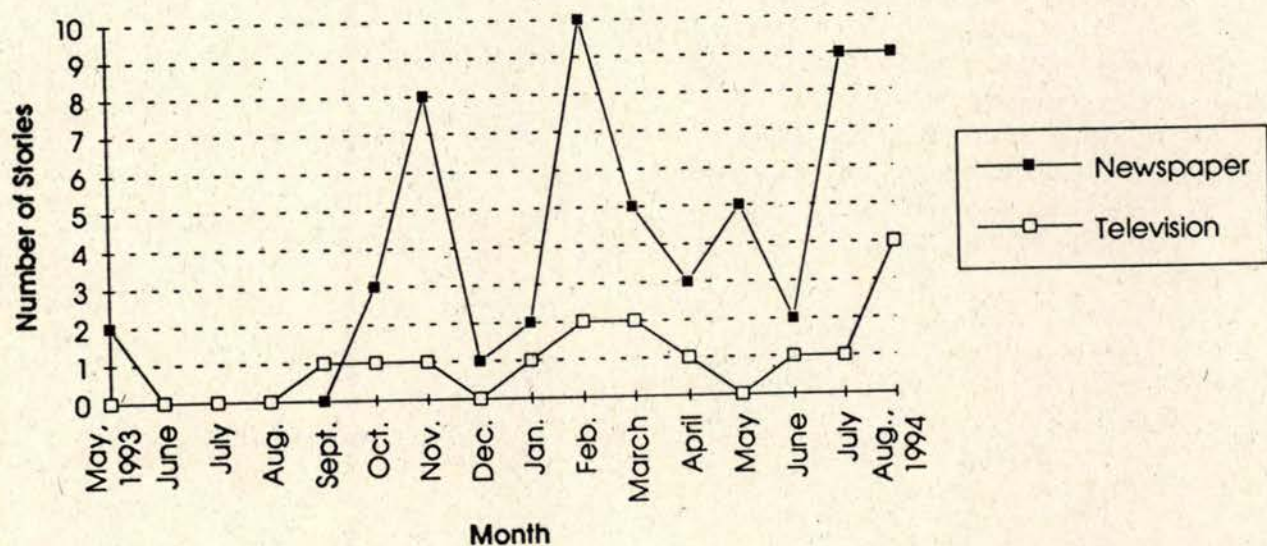
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Table 1 Organizations Spending Largest Amounts on Health Care Ads, 1993-1994

<u>Organization</u>	<u>Amount</u>
Pharmaceutical Research and Manufacturers Assn.	\$20,000,000
Health Insurance Association of America	14,000,000
Kaiser Foundation/League of Women Voters	4,100,000
Health Care Reform Project (consumer groups)	4,000,000
AFL-CIO	3,000,000
American Conference for Health Care Workers (unions)	3,000,000
AARP	2,434,000
American Medical Association	2,000,000
American Dental Association	2,000,000
Christian Coalition	1,400,000
Democratic National Committee	1,300,000
Republican National Committee	1,100,000
Group Health Association	1,000,000
Single Payer Across the Nation	1,000,000

Source: Personal interviews with organizations, 1994
News accounts, 1993-94

Figure 1 National News Coverage, 1993-94



Sources: The newspaper stories come from the New York Times, Washington Post, Los Angeles Times, and Wall Street Journal. The television stories include those airing on ABC, CBS, and NBC as reported in the Vanderbilt University Television News Archive.

Table 2 General Ad Viewing and Health Care Opinions, October, 1993

	<u>Saw Ads</u>			<u>Saw News</u>		
	<u>Yes</u>	<u>No</u>	<u>Diff.</u>	<u>Yes</u>	<u>No</u>	<u>Diff.</u>
Familiar with managed competition	28	15	+13***	26	9	+17***
Familiar with health alliances	29	17	+12***	30	8	+22***
Knowledgeable about health reform	14	6	+8***	13	4	+9***
Understand Clinton Plan	12	5	+7***	9	6	+3***
Believe Clinton plan has employer mandate	96	94	+2*	96	94	+2
Believe Clinton plan guarantees coverage	86	84	+2	85	83	+2
See big tax increase with Clinton plan	28	26	+2	28	23	+5***
Strong interest in tax implications	74	73	+1	75	69	+6***
Strong interest in cost implications	79	79	0	82	75	+7***

*** p < .001

** p < .01

* p < .05

Source: National survey by Harvard School of Public Health/Kaiser Foundation, September 30 to October 5, 1993 (N=1,200 adults)

Table 3 General Ad Viewing and Health Care Opinions, February, 1994

	<u>Saw Ads</u>		
	<u>Yes</u>	<u>No</u>	<u>Diff.</u>
Knowledgeable about Clinton plan	30	15	+15***
Believe Clinton plan had inadequate coverage	66	80	-14***
Believe Clinton plan creates too much govt	48	37	+11***
Worry employers would eliminate jobs	67	75	-8**
Support employer mandate	71	78	-7***
Believe Clinton plan costs too much	71	66	+5
Believe Clinton plan creates large bureaucracy	64	60	+4
Believe Clinton plan pays for abortion	46	50	-4
Believe Clinton plan limits choice	76	73	+3
Believe Clinton plan increases taxes	62	64	-2

*** p < .001

** p < .01

* p < .05

Source: National survey by the Washington Post/ABC News, February 24 to 27, 1994 (N=1531 adults)

Table 4 Harry and Louise Ad Viewing and Health Care Opinions, March, 1994

	<u>Saw Ads</u>		
	<u>Yes</u>	<u>No</u>	<u>Diff.</u>
Understand Clinton plan	46	32	+14***
Believe Clinton plan increases costs	64	60	+4
Believe Clinton plan increases paperwork	39	43	-4
Support employer mandate	49	52	-3
Believe Clinton plan improves quality of care	13	11	+2
Guaranteed coverage is very important	81	82	-1

*** p < .001

** p < .01

* p < .05

Source: National survey by the New York Times/CBS News, March 8 to 11, 1994
(N=1107 adults)

Table 5 Group Reactions to Harry and Louise Ads, March, 1994

	<u>Percent Believing Clinton Plan Increases Cost</u>		
	<u>Saw Ads</u>	<u>Didn't See Ads</u>	<u>Diff.</u>
Sex			
Male	59	61	-2
Female	71	59	+12*
Region			
Northeast	71	60	+11*
North Central	60	59	+1
South	55	63	-8
West	74	56	+18
Occupation			
Prof/Managerial	73	62	+11*
White Collar	64	43	+21
Blue Collar	51	71	-20*
Agricultural	100	44	+56**

*** p < .001

** p < .01

* p < .05

Source: National survey by the New York Times/CBS News, March 8 to 11, 1994
(N=1107 adults)