PROVIDER ORGANIZATIONS

The following are quotes from a cross section of provider organizations on the President's health plan:

The Clinton proposal has identified the right elements needed to ensure a healthier future for our children, including: a strong emphasis on prevention and primary care; guaranteed access to a one-tier system of care; heath insurance reforms that would finally do away with pre-existing conditions; and a solid basic benefits package, including comprehensive coverage for immunizations... The American Academy of Pediatrics gives the President an "A" for addressing the needs of this country's youngest citizens."

Howard Pearson
President
American Academy of Pediatrics
September 22, 1993

As the physician group currently providing the major source of medical care to the uninsured, we applaud President Clinton for making this issue a major priority of his Administration, and for making access to health care the central theme of his plan... It is a primary goal of our specialty to ensure the availability and access to critical emergency services for all our patients... Emergency care is a critical community resource that our citizens will demand be maintained at a high level of both quality and availability... We join with the President in a commitment to move this process forward in order to guarantee universal health care coverage for all Americans."

Robert Williams
President
American College of Emergency Physicians
September 23, 1993

The American College of Physicians, the nation's largest medical specialty society, today expressed overall support for the President blueprint for health reform... The President's proposal guarantees stable and secure health coverage for all Americans, regardless of employment or health status. Patients can stay with the same doctor over time because patients, not employers, control their coverage choices. Patients, not their employers, choose their health plans and their physicians. And patients and physicians continue choosing the practice arrangements they prefer...

American College of Physicians
September 20, 1993

We applaud the stand which your administration has taken relative to the need for all persons to have access to quality health care services. Such is critical for African American persons who in their "excess deaths" continue to manifest the impact of years of discrimination, neglect and lack of empowerment within the American society.

Leonard E. Lawrence, M.D.
President
National Medical Association
September 22, 1993

The plan recognizes that successful disease prevention and health promotion must address the health of both individuals and communities. It provides for universal coverage of clinical preventive services that have been shown to be effective in preventing disease and prolonging life... We applaud the careful attention to building a system of quality management that emphasizes measurement of performance and provision of information to consumers. We endorse the establishment of a new system of funding graduate medical education...for increased emphasis on prevention research... all these aspects... constitute an approach to prevention that is uniquely comprehensive in scope and long overdue.

Roy L. DeHart, MD, MPH
President
American College of Preventive Medicine

ACOG is supportive of the goals put forth in your health care reform package... We also believe that improved access to reproductive and prenatal care, as proposed in the American Health Security Act, will benefit the lives of all American women and their children. Furthermore, we are heartened to see that family planning and pregnancy-related services are covered in the proposed guaranteed national benefit package. These services, coupled with the availability of clinical preventive services important to women, such as Pap smears, pelvic examinations and mammograms, will undoubtedly give the women in this country the assurance that this vital health care is available.

Richard Hollis, MD
President
American College of Obstetricians and Gynecologists
September 22, 1993

ANA believes that consumers will benefit from the security of knowing they have access to comprehensive, quality health care services. The plan represents a major victory for registered nurses, who will play a larger role in the delivery of care, particularly preventive and primary health care... America's nurses believe that access to appropriate, quality,

affordable health care is a right, not a privilege. The reforms proposed by the Clinton Administration...demonstrate a commitment to fix a system that is broken...Overall, ANA believes the plan will greatly benefit consumers, especially children, the underserved, and the elderly... This is a bold plan that puts consumers' needs first and foremost."

American Nurses Association
September 22, 1993

The nurses of this country enthusiastically support President Clinton's Health Care Plan. We firmly believe that it will benefit women... Women consumers will finally have the security of knowing they have access to comprehensive, affordable, quality health care services... The Clinton plan includes funding for school-based clinics, community clinics, as well as enhanced funds to encourage nurses and other health care professionals to practice in underserved areas. In a restructured health car system, women should have the option of receiving care from the health care provider of their choice... An expanded role for primary care providers across the delivery system will provide long-term cost savings as women and men maintain health, prevent disease and require less expensive care...Today, most women can not choose from a range of qualified providers. President Clinton's plan would change this.

Gwendolyn Johnson, MA, RN
Chair of the Board of Directors
American Nurses Association

The American Association of Preferred Provider Organizations applauds your efforts to accelerate reform of the health care system so that choice, savings, quality and security are available to all of us... The AAPPO's membership has resolved to support the broad principles of accountability that are the foundation of the Clinton Administration's reform plan.

Elizabeth Clifford
President
American Association of Preferred Provider Organizations
September 8, 1993

We share your conviction that reform is imperative, and we welcome this first significant endeavor in a quarter of a century to restructure the nation's healthcare system...As you and the First Lady have said on many occasions, and CHA concurs, a reformed delivery system is crucial not only for meeting social and human needs, but also for correcting the underlying economic forces that are threatening the healthcare system itself and the nation's economic prosperity...There are striking similarities to the vision of healthcare reform outlined in CHA's own reform plan...universal coverage achieved quickly; substantial uniform benefit package; continuous coverage; many protections for the poor; overall expenditure control; progress towards more equitable, stable financing; and progress towards more appropriate

government/private roles.

Sr. Maryanna Coyle, SC
Chairperson, Board of Trustees

John E. Curley, Jr.
President and CEO

Catholic Health Association
September 17, 1993

At a time when one in every three children in the United States depends either on Medicaid or on charity to pay for health care, we commend your effort to move the nation toward comprehensive health care reform. We believe reform will enhance both medical security for the nation's 65 million children and peace of mind for their parents. We are especially impressed by the commitment of yourself and the First Lady to ensuring all children have access to appropriate health care, because it is such an important investment in the nation's future.

Lawrence A. McAndrews
President and CEO
National Association of Children's Hospitals and Related Institutions, Inc.
September 21, 1993

The Coalition, composed of the National Association of Chain Drug Stores and the National Association of Retail Druggists, represents the totality of community retail pharmacy in America... We believe your commitment to reform and the security it will bring to all Americans deserves the strong and active support of community retail pharmacy.

Community Retail Pharmacy Health Care Reform Coalition
September 17, 1993

Vitas Healthcare Corporation, the nation's largest provider of hospice care services, is pleased to support President Clinton's proposal for reforming the nation's health care system. We applaud the President's vision in proposing a system that balances America's need for high quality care, universal access and effective cost control. The proposals are an important step toward building a secure health care system for all Americans and we urge its adoption by the Congress.

Hugh Westbrook
CEO
Vitas Healthcare Corporation
September 23, 1993

American
Academy of
Pediatrics
[illegible] Street, N.W.
[illegible] North
Washington, DC 20005

# News Release

CONTACT: Jeff Kimball
Marjorie Tharp
202/347-8600

**Statement of Howard Pearson**
**President**
**American Academy of Pediatrics**
**for September 22, 1993**

***EMBARGOED FOR RELEASE UNTIL 9:00 P.M.***

"The President took a bold and courageous step towards comprehensive health care reform tonight. The Clinton proposal has identified the right elements needed to ensure a healthier future for our children, including: a strong emphasis on prevention and primary care; guaranteed access to a one-tier system of care; health insurance reforms that would finally do away with pre-existing conditions, and; a solid basic benefits package, including comprehensive coverage for immunizations. The Clinton proposal also makes an unprecedented effort to reach out to adolescents, an often forgotten population, to bring them into the health care system where they can get the guidance they need to make responsible health choices.

The American Academy of Pediatrics gives the President an "A" for addressing the needs of this country's youngest citizens. Providing all children access to health care is the foundation upon which meaningful health care reform will be built. Now we all must shoulder the burden to make sure that children have a voice until the final vote is tallied, and comprehensive health care reform is passed.

We applaud President Clinton for talking seriously about health care reform. The 45,000 pediatricians at the American Academy of Pediatrics earnestly look forward to working with the President and both Republicans and Democrats in Congress as health care reform moves through the legislative process."

###

The American Academy of Pediatrics is an organization of 45,000 pediatricians dedicated to the health, safety and well-being of infants, children, adolescents and young adults.

MANAGED HEALTHCARE

AAPPO

AMERICAN ASSOCIATION OF PREFERRED PROVIDER ORGANIZATIONS

1101 CONNECTICUT AVENUE, N.W.
SUITE 700
WASHINGTON, DC 20036
202/429-5155
FAX: 202/429-5108

September 8, 1993

Hillary Rodham Clinton
Chair
White House Task Force on Health
The White House
Washington, D.C. 20500

Dear Mrs. Clinton,

The American Association of Preferred Provider Organizations (AAPPO) applauds your efforts to accelerate reform of the health care system so that choice, savings, quality and security are available to all of us.

The AAPPO is the largest trade association representing PPOs, which are the predominant form of managed care in this country today. More than 100 million working people and their families were enrolled in PPOs in 1992, and their numbers continue to rise sharply. PPOs cover Americans in every state, in urban and rural areas, in big and small businesses, in Medicare and workers' comp programs and in Taft-Hartley trusts. PPOs are the broad mainstream of managed care, and the point of introduction for many employees leaving the traditional indemnity form of health insurance. PPOs are the market's choice, covering one-third of the population.

The AAPPO's membership has resolved to support the broad principles of accountability that are the foundation of the Clinton Administration's reform plan. Accountable Health Plans--and how PPOs can continue to evolve into AHPs--are the main focus of our annual meeting in October.

The AAPPO cordially renews its invitation to you to speak at that meeting, which will be held October 10-12 in Florida at Disney's Yacht Club Resort. The timing, the audience and the context make this an ideal opportunity.

We are eager to learn more about the President's plan and how PPOs can continue to play a pivotal role in a new health care system that is cost effective, rich in quality, full of choices and "always there" for Americans.

We look forward to hearing from you.

Yours sincerely,

Elizabeth Clifford
President

# NEWS

American College of Emergency Physicians

CONTACT: Kate Perrin
or Jane Howell
(202) 728-0610

FOR IMMEDIATE RELEASE

September 23, 1993

## ACEP SUPPORTS HEALTH CARE REFORM WITH SAFEGUARDS FOR ACCESS TO EMERGENCY CARE

The American College of Emergency Physicians (ACEP) today commended President Clinton for his efforts to enact comprehensive health care reform, and his commitment to ensure universal access to care for all Americans.

"As the physician group currently providing the major source of medical care to the uninsured, we applaud President Clinton for making this issue a major priority of his Administration, and for making access to health care the central theme of his plan," said ACEP President Robert Williams, MD, FACEP. "Such efforts are long overdue."

ACEP endorses a number of provisions in the President's plan, including the concept of mandating employers to provide health insurance for their employees, and supports the use of so-called "sin taxes" on tobacco and alcohol to provide additional revenue to finance coverage to the uninsured.

"It is a primary goal of our specialty to ensure the availability and access to critical emergency services for all of our patients," said Williams. "Emergency care is a critical community resource that our citizens will demand be maintained at a high level of both quality and availability."

At the same time, the American College of Emergency Physicians is calling for explicit federal standards to be added to the plan to guarantee the continued availability and economic viability of essential community emergency medical services. In particular, the College is concerned that safeguards be added to the bill so that undue obstacles will not prevent individuals from seeking emergency care. Specifically, emergency physicians would like to see provisions that would prevent health plans from dissuading patients from using the emergency department when they believe it is necessary, guarantee the provision of and payment for a medical screening examination for all patients who come to the emergency department, and establish mechanisms to ensure the continued viability of timely emergency care in every community.

"We will continue to work with the Administration to make passage of health care reform a reality, and to ensure continued access to emergency services for all our patients," concluded Dr. Williams. "We join with the President in a commitment to move this process forward in order to guarantee universal health care coverage for all Americans."

###

**NEWS**

**American College of Physicians**
Publisher of Annals of Internal Medicine

Monday, September 20, 1993 For immediate release

## STATEMENT OF THE AMERICAN COLLEGE OF PHYSICIANS ON THE PRESIDENT'S HEALTH CARE REFORM PLAN

The American College of Physicians, the nation's largest medical specialty society, today expressed overall support for the President's blueprint for health care reform at a meeting between the President and physician leaders.

The President's proposal guarantees stable and secure health coverage for all Americans, regardless of employment or health status. Patients can stay with the same doctor over time because patients, not employers, control their coverage choices. Patients, not their employers, choose their health plans and their physicians. And patients and physicians continue choosing the practice arrangements they prefer, including traditional fee-for-service.

The Clinton proposal is a moderate and uniquely American approach to reform that will be the vehicle for building consensus and moving legislation through Congress. The proposal combines market forces -- competition based on price and quality -- with society's evolving perception of health care as a fundamental right, not a mere economic commodity.

Key elements of College policy are reflected in the Administration's health plan and these must remain in legislation as it moves forward:

- universal access to comprehensive health care;
- a national health care budget;
- a mix of public and private financing;
- competition among health plans based on price and quality;
- physician and patient choice; and
- enhancement of primary care practice.

As with any complex set of reforms, the President's proposal contains elements which must be changed for full physician support. The malpractice reform component is weak and must be strengthened significantly. We will closely monitor proposed strategies to address issues in graduate medical education, the health care workforce, and the authorities of new agencies at the federal and state level.

The President and leading Republicans have said the status quo is unacceptable. The College agrees. In the debate ahead, the American College of Physicians will be a constructive force for change.

*The American College of Physicians, founded in 1915, is the nation's largest medical specialty society, representing 80,000 physicians practicing internal medicine and its subspecialties.*

**Contact:** **Kathleen Haddad, Dept. of Public Policy, 202-393-1650 or**
**Susan Anderson, News and Information, 215-351-2653**

American College of
Preventive Medicine

PROVIDING
LEADERSHIP IN
DISEASE PREVENTION
AND HEALTH
PROMOTION

1015 15TH STREET NW
SUITE 403
WASHINGTON, DC 20005
(202) 789-0003
FAX: (202) 289-8274



September 28, 1993

President William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear President Clinton:

The American College of Preventive Medicine is pleased to endorse strongly the overall approach of the American Health Security Act of 1993 for providing access to health care for all Americans. We wholeheartedly support the comprehensive strategy for prevention incorporated in the plan.

The plan recognizes that successful disease prevention and health promotion must address the health of both individuals and communities. It provides for universal coverage of clinical preventive services that have been shown to be effective in preventing disease and prolonging life. Coverage of periodic health examinations, in particular, will enable physicians and other clinicians not only to provide necessary screening and immunizations, but also to help patients acquire the knowledge, motivation and skills to improve their own health.

At the same time, the plan acknowledges the pressing need to strengthen the public health infrastructure that provides population-based services essential to protect and promote the health of all persons. The public health system plays a vital role in building bridges between citizens and the health care delivery system. The public health initiatives in the plan are integral to a comprehensive approach to prevention.

The plan also addresses other aspects of the health system essential to our nation's progress in prevention. We applaud the careful attention to building a system of quality management that emphasizes measurement of performance and provision of information to consumers. We endorse the establishment of a new system of funding graduate medical education that will respond directly to our need for more physicians trained in primary health care and prevention. We support the plan for increased emphasis on prevention research that is necessary to provide a better scientific basis for our nation's efforts in prevention. Taken together, all these aspects of your plan constitute an approach to prevention that is uniquely comprehensive in scope and long overdue.

ACPM

The American College of Preventive Medicine is the national medical specialty society of physicians whose primary interest and expertise are in disease prevention and health promotion. Preventive medicine is a recognized medical specialty that is distinctive in its dual emphasis on clinical medicine and public health. Physicians trained in preventive medicine work in public health and community agencies, in primary health care settings, in the workplace, and in academia.

The College congratulates you on bringing prevention to the forefront of the health care reform debate, and stands ready to support the efforts of your Administration and the Congress to refine and enact these important proposals.

Sincerely,

Roy L. DeHart, MD, MPH
President

cc: The Honorable Donna Shalala
Secretary, Department of Health and Human Services

Philip R. Lee, MD
Assistant Secretary for Health

Joycelyn Elders, MD
Surgeon General

Ira Magaziner
Senior Adviser to the President

The American College of Obstetricians and Gynecologists

September 22, 1993

William Jefferson Clinton
The President of the United States of America
The White House
Washington, DC 20100

Dear Mr. President:

The American College of Obstetricians and Gynecologists (ACOG), an organization representing more than 33,000 obstetrician-gynecologists, would like to commend you and Mrs. Clinton on your commitment to the betterment of health care in the United States. Your proposal, the American Health Security Act of 1993, is a giant step forward toward ensuring that all citizens of our nation have access to quality health care.

ACOG is supportive of the goals put forth in your health care reform package. Most importantly, we are very pleased to be defined as primary care physicians for women in your health care reform package. This designation will ensure that all women will be able to continue to freely access the primary/preventive health care services offered by their obstetrician-gynecologist.

We also believe that improved access to reproductive and prenatal care, as proposed in the American Health Security Act, will benefit the lives of all American women and their children. Furthermore, we are heartened to see that family planning and pregnancy-related services are covered in the proposed guaranteed national benefit package. These services, coupled with the availability of clinical preventive services important to women, such as Pap smears, pelvic examinations and mammograms, will undoubtedly give the women in this country the assurance that this vital health care is available.

We are also pleased to see that perinatal health, reproductive health (including contraceptive development, STDs, adolescent pregnancy and pregnancy-related complications), women's mental health and HIV/AIDs are included under your "priority areas" for prevention research. In addition, the College is encouraged that some first, positive steps have been taken in your plan to address the malpractice problem, even though we believe that further reforms are needed to remedy this particular cause of spiraling health costs.

Although the College believes there are some deficiencies in the package as it is proposed,

409 12th Street, SW, Washington, DC 20024-2188 (202)638-5577

we believe they are differences that can be worked out. For instance, the proposed schedule of clinical preventive services (which includes the frequency of Pap smears, pelvic examinations and mammograms) is contrary to the accepted scientific guidelines that are embraced by the major medical and cancer prevention groups. We will continue to work with you and the Congress to improve this package during the legislative process.

We have appreciated the opportunities extended by your Administration to comment on various aspects of the health care reform plan as it has evolved. Your Administration has certainly done its best to address the concerns of the various groups interested in health care reform and, judging by your proposal, you have certainly attempted to reconcile these concerns.

Again, ACOG supports you and Mrs. Clinton in your effort to provide affordable health care to all Americans. You are to be commended for your commitment to the betterment of health care in America. We look forward to working with you as this package proceeds through the legislative process.

Sincerely,

Richard S. Hollis, MD
President

RSH:S:sw

American Nurses Association
600 Maryland Avenue SW
Suite 100 West
Washington, DC 20024-2571
TEL 202 554 4444
FAX 202 554 2641

NEWS RELEASE

FOR IMMEDIATE RELEASE
September 22, 1993

CONTACT: Joan Meehan, ext. 244
Lisa Wynn, ext. 240
Kathryn Scott, ext. 242
Kim Smith, ext. 243

**AMERICAN NURSES ASSOCIATION SUPPORTS CLINTON HEALTH PLAN AS BEST VEHICLE FOR REFORM**

**Pledges Grassroots Support to Bolster Congressional Action**

WASHINGTON, DC – Calling it a bold, visionary plan that addresses the fundamental problems of the nation's health care system, the American Nurses Association (ANA) today announced its strong support of the Clinton Administration's health care reform plan. ANA believes that consumers will benefit from the security of knowing they have access to comprehensive, quality health care services. The plan represents a major victory for registered nurses, who will play a larger role in the delivery of care, particularly preventive and primary health care.

"America's nurses believe that access to appropriate, quality, affordable health care is a right, not a privilege. The reforms proposed by the Clinton Administration are revolutionary in scope and demonstrate a commitment to fix a system that is broken," said ANA President Virginia Trotter Betts, JD, MSN, RN.

ANA, which has actively promoted nursing's reform plan, *Nursing's Agenda for Health Care Reform* since 1990, specifically praised the provisions of universal access, a mandated comprehensive benefits package, insurance reforms and recognition of advanced practice nurses and registered professional nurses as qualified providers for a continuum of health care services.

MORE...

"This plan puts a greater emphasis on maintaining health and wellness, concepts that are central to nursing," said Betts. "It means that consumers will have access to a variety of cost-effective providers and will be able to choose an advanced practice nurse for care if they wish. It means that advanced practice nurses will be able to diagnose, treat and prescribe medications for everyday health care needs without unnecessary, costly oversight."

Currently, 100,000 advanced practice nurses provide primary health care services. The Clinton plan is calling for a new funding system to prepare more nurses as primary care providers to meet the demands of the new health care system. This special entitlement could be a mechanism similar to that for resident physicians.

ANA also supports the plan's approach to controlling the increase in health care costs, specifically through paperwork reduction, a crackdown on fraud and abuse, quality assurance initiatives and malpractice reforms. ANA supports provisions in the plan that empower consumers to be more active participants in health care decisions based on cost, quality and outcomes data as well as including consumers on key health care boards.

Overall, ANA believes the plan will greatly benefit consumers, especially children, the underserved, and the elderly. Consumers will have greater access to services that maintain and enhance their health and wellness provided by registered professional nurses in community locations, such as schools.

"This is a bold plan that puts consumers' needs first and foremost," said Betts. "The nation's nurses believe in President Clinton's plan. We support its goals and we will continue to work hard so that health security for all Americans becomes a reality as quickly as possible."

ANA has committed its national grassroots lobbying system, Nurses Strategic Action Team (NSTAT) to promote health care reform at the local and state levels. NSTAT is comprised of thousands of nurse volunteers who work to generate media, political and hometown support as well as lobby their federal senators and representatives.

###



k:\releases\clinton.sho dist.: entire

American Nurses Association
600 Maryland Avenue SW
Suite 100 West
Washington, DC 20024-2571
TEL 202 554 4444
FAX 202 554 2263

NEWS RELEASE

**FOR IMMEDIATE RELEASE** **CONTACT:** Joan Meehan, ext. 244
September 24, 1993 Lisa Wyatt, ext. 240

## STATEMENT OF GWENDYLON JOHNSON, MA, RN, C BOARD OF DIRECTORS, AMERICAN NURSES ASSOCIATION

## ON WOMEN'S HEALTH PROVISIONS IN THE CLINTON HEALTH CARE REFORM

The nurses of this country enthusiastically support President Clinton's Health Care Plan. We firmly believe that it will benefit women by significantly reorienting and restructuring the health care delivery system. Women consumers will finally have the security of knowing they have access to comprehensive, affordable, quality health care services.

Preventive and primary health care must be available in convenient community-based settings -- at the workplace, in the schools, in day care centers and in the home. This is crucial because women need not only access to insurance, but access to health care services. Women frequently are forced to cancel their own appointments with a health care provider when child care is not available, when transportation becomes unaccessible, or when the woman feels that she must attend to the needs of her

children and family over her own health care needs. If receiving health care means traveling across town or over many miles in a rural area, many women opt to stay home. Community based health care with the availability of the necessary support services such as transportation and/or assistance with child care services as opposed to care that is available only in a hospital or medical center setting would increase the likelihood that women would seek early appropriate care for themselves.

Under the Clinton plan, the health care setting could be restructured so that the hospital would serve as the place where acute health care needs are met, but other health care sites would be more appropriate as well as less expensive for the provision of preventive and primary care. The Clinton plan includes funding for school-based clinics, community clinics, as well as enhanced funds to encourage nurses and other health care professionals to practice in underserved areas.

In a restructured health care system, women should have the option of receiving care from the health care provider of their choice. Providers should include not only physicians, but nurses (including advanced practice nurses) and other allied health professionals. Research demonstrates that women of reproductive age are most like to use their reproductive health provider as their primary health care provider; older women are most likely to use internists; and poor women are most likely to use emergency departments. These type of care arrangements do not utilize either the most cost-efficient or the most appropriate provider. By allowing health plans to

balance a woman's health needs with enhanced self-care capabilities and more accessible provider services, health care can be delivered in a more efficient as well as a more coordinated manner.

An expanded role for primary care providers across the delivery system will provide long-term cost savings as women and men maintain health, prevent disease and require less expensive care. To be effective, however, barriers that restrict the utilization of the most cost-effective quality health care provider must be removed. Limits set by Medicare, Medicaid and other federal and state laws represent the most significant obstacles.

Today, most women can not choose from a range of qualified providers. President Clinton's plan would change this. The American Health Security Act removes artificial barriers to practice that hinder nurses and other non-physicians from delivering health care services. In addition, President Clinton's plan includes new funding for the education of health professionals as primary care providers.

Women consumers will benefit from having the obstacles to nurse providers removed. Here in Washington, a nurse practitioner runs a health services program in an inner city homeless shelter for women. She is their only health care provider. She diagnoses and treats health problems and helps prevent many more serious health problems from occurring.

Certified nurse midwives (CNMs) provide effective maternity care. A recent study found that nurse-midwives use more natural and less invasive labor and delivery procedures resulting in less physical trauma to the mother, a shorter hospital stay, fewer premature deliveries, and babies which are as healthy as those delivered by physicians.

America's nurses believe that access to appropriate, quality, affordable health care is a right, not a privilege. This means access for all people, including women of all ages, incomes, and races. The reforms proposed by the Clinton Administration demonstrate a commitment to fix a system that is broken. Nurses are pleased that President Clinton has recognized that primary and preventive health care across the lifespan is central to restructuring of the health care system. This proposal acknowledges that a health care plan that continues to focus on illness and cure, without an appropriate balance of prevention and care, will not work. To be more effective, a health care system must do more than provide equipment, supplies, facilities, and people power. It must also guarantee universal access to an assured standard of care. It must use health resources effectively and efficiently - balancing efforts to promote health with the capacity to cure disease. It must provide care in convenient familiar locations and it must make full use of the range of qualified health professionals and diverse settings for care. These factors are constant and imperative to guarantee access to health care services for all women.

In short, the American Nurses Association is proud to support President Clinton's health care plan because we think it represents a critical opportunity to fix America's health care system and improve health care for all Americans, including women. In the next several months as the health care debate moves to the United States Congress, ANA will work in conjunction with the Campaign For Women's Health to ensure that women's health issues are addressed in our reformed health care system.

###

The American Nurses Association is the only full-service professional organization representing the nation's 2.2 million Registered Nurses through its 53 constituent associations. ANA advances the nursing profession by fostering high standards of nursing practice, promoting the economic and general welfare of nurses in the workplace, projecting a positive and realistic view of nursing, and by lobbying the Congress and regulatory agencies on health care issues affecting nurses and the public.

THE
CATHOLIC HEALTH
ASSOCIATION
of the UNITED STATES

September 17, 1993

CHA.

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President,

The Catholic Health Association of the United States (CHA) applauds your determination to initiate an historic endeavor to tackle the demanding, complex, and emotional issue of healthcare reform. You have set the terms of the debate and demonstrated the bold presidential leadership required to elevate healthcare reform to a national priority.

We share your conviction that reform is imperative, and we welcome this first significant endeavor in a quarter of a century to restructure the nation's healthcare system.

CHA, whose more than 1,200 facilities and organizations nationwide constitute the largest group of not-for-profit healthcare institutions under a single form of sponsorship, has been pointing to this day since 1986 when we called for universal coverage in a redesigned healthcare system.

NATIONAL HEADQUARTERS
4455 Woodson Road
St. Louis MO 63134-3797
Phone 314-427-2500
Fax 314-427-0029

As you and the First Lady have said on many occasions, and CHA concurs, a reformed delivery system is crucial not only for meeting social and human needs, but also for correcting the underlying economic forces that are threatening the healthcare system itself and the nation's economic prosperity.

Based on a preliminary review of your proposal, CHA is in basic agreement with many of the details. There are striking similarities to the vision of healthcare reform outlined in CHA's own reform plan, *Setting Relationships Right: A Proposal for Systemic Healthcare Reform.*

Features common to both plans include: universal coverage achieved quickly; substantial uniform benefit package; continuous coverage; many protections for the poor; overall expenditure control; progress towards more equitable, stable financing; and progress towards more appropriate government/private roles.

CLINTON/2

In the coming weeks, CHA will carefully evaluate in greater detail your proposal against CHA's vision of systemic healthcare reform. Where appropriate and necessary, CHA will pursue modifications during the legislative process that are faithful to the ethical values of the Catholic healthcare ministry.

We realize it is now incumbent on all stakeholders in the system, i.e., consumers, providers, big and small businesses, government, labor, insurers, pharmaceuticals, etc. to seize this moment and work toward solutions that are in the common good.

We pledge to join you in doing everything in our power to bring the cause of healthcare reform to successful fruition as this nation takes the first step on what is sure to be a journey of a thousand miles.

Sincerely,

Sr. Maryanna Coyle SC

Sr. Maryanna Coyle, SC
Chairperson, Board of Trustees

John E. Curley, Jr.
President and CEO

The National Association of Children's Hospitals
and Related Institutions, Inc.

LAWRENCE A. McANDREWS, FACHE
President & CEO

September 21, 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

At a time when one in every three children in the United States depends either on Medicaid or on charity to pay for health care, we commend your effort to move the nation toward comprehensive health care reform.

We believe reform will enhance both medical security for the nation's 65 million children and peace of mind for their parents. We are especially impressed by the commitment of yourself and the First Lady to ensuring all children have access to appropriate health care, because it is such an important investment in the nation's future.

As your legislation unfolds, children's hospitals will continue to work with you and Congress to make sure that the financing elements of the plan take into account the plain fact that one size won't fit all -- that children are different from adults and have different needs.

Your leadership is invaluable to the nation's efforts to achieve, at long last, the goal of health care coverage for all Americans.

Sincerely,

Lawrence A. McAndrews

Lawrence A. McAndrews

DRAFT 401 Wythe Street, Alexandria, Virginia 22314 • Phone 703/684-1355 • FAX 703 684-1589

National Medical Association

1012 Tenth Street, Northwest
Washington, D.C. 20001-4492
(202) 347-1895 FAX (202) 842-3293

Leonard E. Lawrence, M.D.
*President*
Office of the Medical School Dean
7703 Floyd Curl Drive
San Antonio, Texas 78284-7790
Office (210) 567-4429
FAX (210) 567-6962

September 22, 1993

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

The National Medical Association awaits your formal statement to the nation about your plans for Health Care Reform. We applaud the stand which your administration has taken relative to the need for all persons to have access to quality health care services. Such is critical for African American persons who in their "excess deaths" continue to manifest the impact of years of discrimination, neglect and lack of empowerment within the American society.

As details of the Plan become available, we will engage in active debate and advocacy around those issues which are necessary to specifically address the needs of African American citizens. As you indicated during your presentation to those of us who gathered in the East Room on the morning of Monday, September 20, 1993, the Plan will continue to require input from a variety of sources as it wends its way through Congress. The National Medical Association looks forward to continued participation in the development of an approach which will best serve the needs of our nation.

Thank you for the leadership which you and Mrs. Clinton have shown in the process.

Sincerely,

Leonard E. Lawrence, M.D.
President

LEL/bk

NARD
Charles M. West, P.D.
Executive
Vice President

# COMMUNITY RETAIL PHARMACY
# Health Care Reform Coalition

*The Coalition Representing*
*Retail Community Pharmacy in America.*

NACDS
Ronald L. Ziegler
President & Chief
Executive Officer

September 17, 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the Community Retail Pharmacy Coalition for Health Care Reform we commend you, Mrs. Clinton, and the members of the President's Task Force on Health Care Reform for your efforts to reform America's health care system.

The Coalition, composed of the National Association of Chain Drug Stores and the National Association of Retail Druggists, represents the totality of community retail pharmacy in America.

Specifically, we are pleased with your recognition of the importance of community retail pharmacy and its cost saving and critical role in the delivery of preventive patient care.

We believe your commitment to reform and the security it will bring to all Americans deserves the strong and active support of community retail pharmacy.

Our Coalition -- through our 112,000 community retail pharmacists and our more than one million employees -- is prepared to communicate aggressively the merits of the evolving plan in our efforts to further enhance and solidify public support for your health care reform proposal. We will bring enthusiastic support through the interaction of community retail pharmacists with millions of patients each day in more than 60,000 drug stores.

NARD (representing independent retail pharmacy)
205 Daingerfield Road, Alexandria, Virginia 22314
Tel: (703) 683-8200, Fax: (703) 683-3619

National Association of Chain Drug Stores
413 N. Lee Street, Alexandria, Virginia 22314
Tel: (703) 549-3001, Fax: (703) 836-4869

The Coalition can be especially effective in working with our pharmacists to convey the value of new prescription drug coverage to the many uninsured and elderly patients who visit their pharmacy each day. We especially applaud your expansion of Medicare benefits to include pharmacist services and prescription drug coverage that will provide cost savings to the health care system as well as additional high-quality services to Medicare beneficiaries.

The Coalition looks forward to being a continuing participant and supportive resource throughout the public policy process on this important initiative.

Sincerely,

Ronald L. Ziegler
President and Chief Executive Officer
National Association of Chain Drug Stores

Charles M. West, P.D.
Executive Vice President
National Association of Retail Druggists

VITAS™

Vitas Healthcare Corp.
100 South Biscayne Boulevard
Miami, Florida 33131
Telephone 305 374 4143

INNOVATIVE HOSPICE CARE℠

FOR RELEASE: September 23, 1993
CONTACT: Ron Fried
(305) 374-4143

Vitas Healthcare Corporation, the nation's largest provider of hospice care services, is pleased to support President Clinton's proposal for reforming the nation's health care system. We applaud the President's vision in proposing a system that balances America's need for high quality care, universal access and effective cost control. The proposals are an important step toward building a secure health care system for all Americans and we urge its adoption by the Congress.

-30-

BUSINESS

The following are a cross section of quotes from business CEOs about the President's health plan:

Rising costs and millions of Americans without coverage are problems that must be addressed. The overwhelming spiral of health care costs puts at risk the competitive position of American companies and workers in global markets. The President's health care reform plan is comprehensive and offers the first real opportunity for the nation to fashion a health care system that serves all Americans....The business community must be prepared to play a positive role in supporting the President's goals.

September 22, 1993
Paul A. Allaire
Chairman and CEO
Xerox Corporation

Your plan demonstrates a vision for the future. It recognizes the need to minimize the financial burden on American firms to keep them competitive in the international marketplace, while expanding health care access to every American. The comprehensive plan you are proposing would help USX address several major challenges we are now facing: rapidly escalating health care costs, health care cost shifting, high legacy costs, increased international competition, and the preservation and creation of private sector manufacturing jobs.

Charles A. Corry
Chairman and CEO
USX Corporation
September 22, 1993

Bethlehem supports the basic principles of the Clinton Health Care Reform Plan...Bethlehem's health care costs have been increasing each year and have risen by 46% in the last four years from $162 million in 1989 to $237 million in 1992...We support universal access so that all Americans will be provided with health care coverage..We believe that Health Alliances will provide an appropriate mechanism for the delivery of care in a more cost effective manner. Workable cost control mechanisms are absolutely essential for health care reform to be successful.

Curtis Barnette
Chairman and CEO
Bethlehem Steel Corporation
September 22, 1993

I congratulate you on your speech. I had the honor of being in attendance and I was particularly encouraged that most of the Republican Senators who I know applauded your plan. I think most businessmen realize that the time has come for our country to bring itself up, at least to the level of other Western countries, and are willing to do what is necessary to achieve this.

Dwayne Andreas
Archer Daniels Midland Company
Chairman and CEO
September 23, 1993

I think you are right in believing that health care reform will be good for business. If we can stop runaway health care inflation, businesses like ours can use the dollars we save to increase capital spending and add jobs..... Five years ago, I testified before Senator Kennedy's committee in favor of mandating health care benefits...Today it is widely, if quietly, recognized in the business community that we simply must have real reform...

R. L. Crandall
Chairman and President
American Airlines
September 28, 1993

...two aspects of your plan strike at the heart of the current problems, and that I support enthusiastically...

1. Cost sharing and deductibles. Each individual definitely must share at least a portion of the cost...This is an absolutely essential feature in order to contain costs.

2. Universal coverage. Every American should have access to health care, and your system steadfastly provides for this...Your plan requires every employer who is able to pay for his or her employees' health care plan to do so. Such costs, therefore, cannot be shifted to others. The load is fairly distributed. This will prove to be a pivotal element in the ability to hold down health care costs for all.

Garry N. Drummond
CEO
Drummond Company, Inc.
(medium sized business - but big Republican in Alabama thinking about changing party affiliation because of Clinton)

Your goal to assure all Americans basic health care coverage is truly visionary and necessary...solutions must be found for spiraling health care costs that are eroding the competitiveness of U.S. companies in international markets and causing lower wages, higher prices for goods and services, and higher taxes here at home. We appreciate your leadership in this area...

Kenneth L. Lay
Chairman and CEO
Enron Corp

The quality of American health care overall is the best in the world, but it is also the most expensive . Persistently rising health care costs have eroded the international competitiveness of American business. Credit should go to President Clinton for finally forcing the issue - his six principle plan is the most comprehensive and far reaching ever offered...Fairness requires that all employers should participate in the program although there may need to be some relief for small businesses.

Harold A. Poling
Chairman and CEO
Ford Motor Company
September 22, 1993

Meeting the health care needs of Americans, keeping health cost growth in line with overall economic growth, and spreading costs fairly throughout the economy will help dictate the future standard of living for Americans, the competitiveness of American business in a global economy, and the ability of American businesses to offer well paying, high value-added jobs. To assure our nation's ability to provide expanded helath coverage, we agree it is essential to have budget discipline for the entire health system. Reducing the burden of health costs will help stimulate the economy and promote job growth. Equally important is improving the quality of health care for all individuals, which we believe your proposal will do. We obviously share your desire to see comprehensive health reform become a reality.

September 17, 1993

Robert J. Eaton
Chairman
Chrysler Corporation

Harold A. Poling
Chairman
Ford Motor Company

John F. Smith, Jr.
President
General Motors Company

**BUSINESS SUPPORTERS**

The following big and small businesses are supportive of the direction of the President's health care initiative and of the six principles upon which it is founded:

The ADS Group: Alan Solomont, President
Airline Suppliers Association
American Airlines
American Forest and Paper Association
American Gas Association
American Income Life Insurance Company
American Iron and Steel Institute
American Stores Company; David L. Maher, Senior Executive Vice President and Chief Operating Officer
Ameritech; Martha L. Thornton, Senior Vice PResident of Human Resources
Amtrak: W. Graham Claytor, Jr., President and Chairman of the Board
Anheuser-Busch Companies; August A. Busch III, Chairman of the Board and President
Archer Daniels Midland Company; Dwayne Andreas, CEO
Autumn Harp; Kevin Harper, CEO
Bacardi Corporation; Roberto del Rosal, President and CEO
Bacardi Imports: Juan Grau, President and CEO
Baltimore Minority Business Development Center
Bario & Associates
Barrueta & Associates
The Bartell Drug Company, Washington
Baumgarten's Print Shop, Washington D.C.
Ben & Jerry's - Old Town/Adam's Morgan
Bethlehem Steel Corporation; Curtis "Hank" Barnette, Chairman and CEO
Blake Pharmacy, Ohio
Blue Cross Blue Shield of Iowa
Blue Cross Blue Shield of Western Pennsylvania
Boeing: John F. Hayden, Vice President
Bowman Insurance Company, Inc.
Brown Foreman Corporation; Owsley Brown II, President and Chief Executive Officer
Business and Professional Women
Businesses for Social Responsibility
Bynex Corporation, Pennsylvania
Charles River Associates; Alan Willens, CEO
Chrysler Corporation; Robert Eaton, Chairman and CEO
Circuit City Stores Inc.; Alan Wurtzel, Chairman of the Board
Cocoline Chocolate Company, New York
Community Retail Pharmacy Coalition
Consultech Communications, Inc., New York

Consumer Power Corporation
Continental Health Affiliates
CVS/ Peoples Drug Stores; Harvey Rosenthal, CEO
Dasco Energy Corporation, New Mexico
Davidson Drugs Inc., Florida
Distilled Spirits Council of the United States
Diversified Management, California
The Drummond Company; Gary Drummond, Chairman and CEO
EER Systems Corp., Virginia
Earl Graves Publishing; Earl Graves, CEO
Eckerd Drug Stores; Gerald Heller, CEO
Ecoprint, Maryland
Electronic Data Systems; Alice Lusk, Corporate Vice President
Enron Corp; Terry Thorn, Senior Vice President
Exclusive Temporaries of Virginia, Incorporated
Fay's Incorporated; Henry A. Panasci, Jr, Chairman of the Board
Fidelity Investments; Peter Lynch, Vice Chairman
Fleet Reserve Association CHECK
Food 4 Less Supermarkets; Ronald Burkle, Chairman and CEO
Ford Motor Company; Harold Poling, Chairman and CEO
Fried & Sher, Inc., Virginia
Frieda's Inc., California
Gaylord's Originals
General Motors Corporation; John Smith, CEO
Giant Food, Incorporated; Peter Manos, CEO
Golodetz Ventures, Inc.: Michael Granoff, President
Grayboyes Commercial Window, Pennsylvania
Great Southwestern Exploration, Inc.
Greenbrier Development Corporation
Grimes Oil
Gulf Atlantic Life, New York
Harco Drug, Inc.: Alabama
Hechinger Company; John Hechinger, Sr., Chairman of the Board
Hook-SupeRX Drug Stores; Philip Beekman, CEO
Hubbard & Revo-Cohen, Inc., Virginia
I Got It At Gary's Discount Drugstore, Pennsylvania
Inner City Broadcasting Corporation, New York
Invacare; Mal Mixon, Chairman of the Board, President and CEO
JMH Realty Concepts, Inc., Pennsylvania
James River Corporation; Robert Williams, Chairman and CEO
John A. Clark Company
John Alden Insurance Company; Bill Mauk, CEO
Julander Energy Co.; Fred Julander, President
Kell Enterprises, Inc., New York
Kemrodco Development & Construction Co., Inc., Pennsylvania
Kerr Drug Stores, North Carolina

Kinney Drugs, Inc.
Keystone Outdoor Advertising Co., Pennsylvania
Kirson Medical Equipment
Kohn, Wast, Graf, P.C., Pennsylvania
LaVERDIERE's Super Drug Stores, Maine
Lincare; James Kelly, President
Lisboa Associates; Elizabeth Lisboa-Farrow, CEO
LS Financial Group, Inc.; Maxine C. Leftwich, Principal
The LTV Corporation, David Hoag
Ludwig Pharmacy, Colorado
Massachusetts Assistive Technology Partnership Center CHECK
May's Drug Stores; Gerald Heller, CEO
Massachusetts Federation of Nursing Homes
Medic Discount Drugstores
Med-X Corporation; Oklahoma
Melange Associates, Inc.; Gary C. Stewart, Chairman and CEO
The Melior Group; Pennsylvania
META: Maria Elena Torano, President and CEO
MEVATEC Corporation, Alabama
The Mills Group: Helen Mills, Managing Principal
National Association of Hispanic Publications
National Federation of Black Women Business Owners
National Federation of Business and Professional Women's Clubs, Inc. of the United States of America
Neighbor-Care Pharmacies, Maryland
Oasis Technology Incorporated, California
Omni Cable, Pennsylvania
Palarco Inc., Pennsylvania
Pappas Management Corporation; James A. Pappas, President
Paramount Communications, Inc.; Martin S. Davis, Chairman and CEO
PayLess Drug Stores
Penman Asset Management; Laurence Manson, Jr., CEO
Perry Drug Stores, Michigan
Philadelphia Coca-Cola Bottling Company; J. Bruce Llewellyn, CEO
Physical Sciences Inc.; Robert F. Weiss, Chairman and CEO
Pied Piper Flower Shop, South Dakota
Prospect Associates, Maryland
Ralph's Grocery Store; George Allumbaugh, Chairman and CEO
RCM Technologies Inc.; Leon Kopt, President and CEO
R & D Instructional Services, Inc.; Maryland
Research Management Consultants, Inc., Virginia
Rhodes Enterprise, Louisiana
Rite Aid; Alex Grass, Chairman and CEO
Rittenhouse Management, Pennsylvania
Santa Fe Cafe, Virginia
Sara Lee Corporation; John H. Bryan, CEO

Scott Key Center; Maryland
Sistemas Corporation; New Jersey
SKYNET World Courier, Inc.; Florida
Smith Cogeneration, Oklahoma
Snyder Drug Stores, Inc.; Minnesota
Soapbox Trading Company and the Mills Group; Helen Mills, CEO
Soft-Sheen Products; Edward Gardner, Chairman of the Board and CEO
Spanish Broadcasting System, New York
S.R. One, Limited; Pennsylvania
Struever Associates, Maryland
Super D Drugstores
S.W. Morris & Company
Systems, Maintenance and Technology, Maryland
Tangent Corporation
TEI Industries
Thrift Drug Inc.; Robert W. Hannan, President and CEO
Thriftway Drug; New York
Thrifty Corporation; California
Toppers Spa Salons
Trust Taylor Drug Stores; Kentucky
United Association of Plumbing & Pipe Fitting Industry
USX Corporation; C.A. Corry, CEO
Vermont Businesses for Social Responsibility
Vermont Teddy Bear Company
VITAS Healthcare Corporation; Hugh Westbrook, CEO
Walgren's; L. Daniel Jerndt, President
White Dog Cafe. Pennsylvania
Working Assets Capital Management; New Hampshire
XEROX; Paul Allaire, CEO

Ford Motor Company

The American Road
P.O. Box 1899
Dearborn, Michigan 48121-1899

October 11, 1993

The New York Times
229 West 43rd Street
New York, NY 10036

Dear Editor:

We were disappointed by the impression left by your October 8th article headlined "Business Leaders Voice Skepticism on Health Plan." Although all of us don't agree with every detail in the President's plan, we believe he deserves great credit for his bold and courageous effort to finally bring comprehensive health reform to the United States. Additionally, we believe there is much in the plan that is good for American competitiveness.

For example, providing universal coverage will stop the cost shifting that has hurt the private sector in recent years. Having a standardized benefits package and a single insurance form could dramatically lower business costs. And taking the responsibility for a more equitable distribution of the costs of retiree health care will help American business to be more competitive.

There are many business people who are enthusiastic about the prospect of comprehensive health reform. We will continue to work constructively with the President, Congress, and other business leaders to make sure true health reform that meets the President's principles passes during this Congress.

Sincerely,

Dwayne Andreas, Chairman & CEO, Archer Daniels Midland Company
Curtis H. Barnette, Chairman & CEO, Bethlehem Steel Corporation
John H. Bryan Jr., Chairman, Sara Lee Corporation
Charles A. Corry, Chairman & CEO, USX Corporation
Garry Drummond, Chairman & CEO, Drummond Company
Robert J. Eaton, Chairman & CEO, Chrysler Corporation
Joseph T. Gorman, Chairman & CEO, TRW, Inc.
David H. Hoag, Chairman & CEO, LTV Corporation
Harold A. Poling, Chairman & CEO, Ford Motor Company
John F. Smith Jr., Chairman & CEO, General Motors Corporation

Xerox Corporation
800 Long Ridge Road
P.O. Box 1600
Stamford, Connecticut 06904
203 968-4315

Paul A. Allaire
Chairman and Chief Executive Officer

October 8, 1993

Mr. Howell Raines
Editor, Editorial Page
New York Times
229 West 43rd Street
New York, NY 10036

Dear Mr. Raines:

I am concerned that the article of October 8 entitled "Business Leaders Voice Skepticism on Health Plan" presents an inaccurate view of the business community's reaction to President Clinton's health care reform plan.

Details of the plan may not receive the full endorsement of all segments of business, however, the majority of business leaders have applauded the President's bold and courageous effort to finally make health care reform a reality. Without question there is much in the plan that is good for America.

The article overlooks the majority of business people who are excited at the prospect of health care reform offering greater access to medical care to millions of Americans and real cost containment. I trust all aspects of the business community will continue to work with the President and Congress to fashion a reform package which conforms to the President's principles.

Sincerely,

Paul A. Allaire

PAA:mps

ADM

ARCHER DANIELS MIDLAND COMPANY

DWAYNE O. ANDREAS
Chairman of the Board
and Chief Executive

September 23, 1993

The Honorable William J. Clinton
President of the United States
Washington, DC

Dear Mr. President:

I congratulate you on your speech. I had the honor of being in attendance and I was particularly encouraged that most of the Republican Senators who I know applauded your six points.

I think most businessmen realize that the time has come for our country to bring itself up, at least to the level of other Western countries, and are willing to do what is necessary to achieve this. If you harmonize your program and the Republicans suggestions, take the best from each, you will come up with a plan that will pass and will work.

I have talked with Brian Mulroney about the Canadian program. Even though there is strong resistance in this country against an all-government system, they have had tremendous experience in trial and error from which we can benefit. We would need to modify their program, but we could certainly benefit from their mistakes and success.

If there is any way I can be of help, I would be glad to do so.

Sincerely,

Dwayne

Dwayne O. Andreas

4666 FARIES PARKWAY 62526 • BOX 1470 • DECATUR, ILLINOIS 62525
Telephone 217/424-5515 • Fax: 217/424-5581 • Telex 190021 ADMUT

# AmericanAirlines

R L CRANDALL
CHAIRMAN AND PRESIDENT

September 28, 1993

The Honorable Bill Clinton
Ms. Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear President and Mrs. Clinton:

Your address to Congress on the health care crisis went very well. My sincere congratulations to both of you for having moved this issue to the top of the nation's priorities.

I think you are right in believing that health care reform will be good for business. If we can stop runaway health care inflation, businesses like ours can use the dollars we save to increase capital spending and add jobs.

But there will be a more subtle benefit. For many years, American Airlines has competed against companies who, by not providing benefits for their employees and retirees, have obtained substantial cost advantages. When universal coverage becomes a reality, this practice will stop.

Five years ago, I testified before Senator Kennedy's committee in favor of mandating health care benefits. Afterwards, we were besieged with angry letters from frequent fliers and I found myself under fire from many of my business colleagues. Earlier this year I restated my views before Senator Kennedy's committee and was pleased by the completely different reaction. Today, it is widely, if quietly, recognized in the business community that we simply must have real reform; I think you have made a great contribution to encouraging that change in attitude.

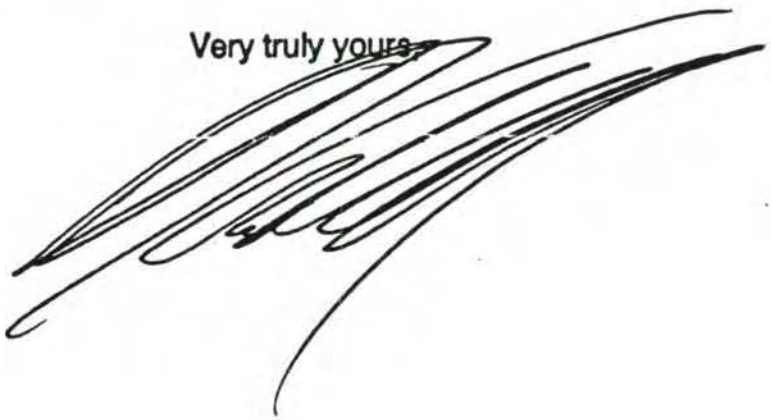
A better plan will make America a better place and I want to pledge my support, and that of AMR and American, to making reform happen. We are obviously

P.O. Box 619616, Dallas Fort Worth Airport, Texas 75261-9616

concerned about some of the specifics of the plan, but look forward to learning more of the details and to participating in what I am certain will be a vigorous debate.

I have asked Ed Faberman and Degee Wilhelm in our Washington office to continue working with your people in this effort. Please let us know how we can help.

Very truly yours,



ke

# Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER


September 22, 1993

## NATIONAL HEALTH CARE REFORM

Bethlehem supports the basic principles of the Clinton Health Care Reform Plan and commends the President and the First Lady for their leadership in this vitally important area of concern to all Americans.

Health Care Reform has the highest priority for Bethlehem Steel. Bethlehem has approximately 21,000 active employees and 170,000 health care beneficiaries -- active employees, retirees and their dependents. Bethlehem's health care costs have been increasing each year and have risen by 46% in the last 4 years from $162 million in 1989 to $237 million in 1992.

The Clinton Plan is comprehensive in nature, sets forth standards at the federal level, and provides a role for the states in implementation. We understand the Plan will impose better disciplines on public and private health care spending, increase competition among health care providers, increase consumer incentives to reduce costs, and reduce administrative expenses. We look forward to learning about and evaluating all of the details of the Plan.

Bethlehem is a member of the National Leadership Coalition for Health Care Reform. We support the need for comprehensive reform of our health care system. We support universal access so that all Americans will be provided with health care coverage once the Plan is fully implemented. We believe that Health Alliances will provide an appropriate mechanism for the

delivery of care in a more cost effective manner. Workable cost control mechanisms are absolutely essential for health care reform to be successful.

We will be working closely with the Clinton Administration and the Congress in developing the Plan and helping to bring about the very much needed prompt and comprehensive Health Care Reform.

ENRON CORP

Kenneth L. Lay
Chairman and
Chief Executive Officer

P. O. Box 1188
Houston, Texas 77251-1188
(713) 853-6773

September 22, 1993

The Honorable William J. Clinton
The White House
Washington, DC 20500

Dear Mr. President:

Enron Corp. supports your objective of reforming the health-care system. Your goal to assure all Americans basic health-care coverage is truly visionary and necessary.

At the same time, solutions must be found for spiraling health-care costs that are eroding the competiveness of U.S. companies in international markets and causing lower wages, higher prices for goods and services, and higher taxes here at home.

Enron Corp. is committed to reasonable and equitable reform of the health-care system. In addition to controlling costs on a sustained basis, some of the critical reform objectives we support are: all Americans should pay for a portion of their health-care bills thereby becoming informed consumers; a competitive health-care system must be nurtured where the most efficient and highest quality providers will flourish; the current legal system must be reformed to reduce the deadweight cost of unjustified malpractice lawsuits and the enormous cost of defensive medicine to prevent them; and uniform administrative processes need to be implemented which will greatly reduce the administrative cost of all health care.

We appreciate your leadership in this area which is very important to all U.S. citizens and employers and stand ready to work with you and your administration any way we can.

Sincerely,

Kenneth L. Lay

Corporate News | Public Affairs

Ford Motor Company
The American Road
Room 1514
Dearborn, Michigan 48121

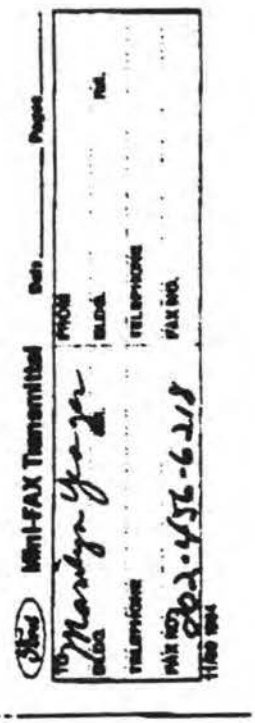
Telephone: (313) 322-9600
Fax: (313) 845-0570

# NEWS

**STATEMENT**

Contact: Al Chambers
(313) 322-9545 or

David Caplan
(313) 322-9600




## NATIONAL HEALTH-CARE REFORM ESSENTIAL

Following is a statement by Harold A. Poling, chairman and chief executive officer, Ford Motor Company:

The quality of American health care overall is the best in the world, but it also is the most expensive. Persistently rising health-care costs have eroded the international competitiveness of American business.

Credit should go to President Clinton for finally forcing the issue -- his six principle plan is the most comprehensive and far reaching ever offered. Now the President and the Congress, Republicans and Democrats working together, need to pass a plan that provides coverage for all Americans, maintains quality and brings our spiraling health-care costs under control. The American people want health-care reform to be analyzed, debated fully and most importantly acted upon promptly. The country cannot wait any longer.

Ford Motor Company is pleased that the President has included the following elements in his proposal. In our view, they all need to be retained as a key part of U.S. efforts to compete successfully.

- There should be limits on how much will be spent on health care. Every household and business in America must control how much it spends – doesn't it make sense that we do this for health care?
- Fairness requires that all employers should participate in the program although there may need to be some relief for small businesses.
- In all major nations with whom we compete, broad-based national programs exist to provide coverage for retirees. Those workers, who have provided strength to the country for decades, should continue to have access to high quality health care as part of a national solution.
- A comprehensive benefit plan that includes perscription drugs for the elderly who have been hit particularly hard by high drug costs.

# # #

9/22/93

GM Ford CHRYSLER CORPORATION

September 17, 1993

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We want to congratulate you, the First Lady and her entire Task Force for having the courage to tackle the critical issue of health care reform.

Meeting the health care needs of Americans, keeping health cost growth in line with overall economic growth, and spreading costs fairly throughout the economy are all matters of paramount importance. Accomplishing these goals will help dictate the future standard of living for Americans, the competitiveness of American business in a global economy, and the ability of American businesses to offer well paying, high value-added jobs. Moreover, as is so aptly stated in your proposal, a health system must reflect fundamental national beliefs about community, equality, justice and liberty.

Many elements of your proposal will be particularly important to the competitiveness of those businesses, including our own, which are expected to help lead this country in the international market place. We would like to highlight some of them.

Establishing, as a matter of this nation's health policy, a new means to help finance health care for retirees who are not yet 65, is most appropriate. All of our major trading partners spread the costs for those not part of the active work force through the overall economy. Similar treatment in the United States will enhance our ability to compete internationally, while protecting the health care needs of all Americans. We commend you for including this provision in your proposal.

We also support a requirement that all employers help finance health care for all workers, including part time workers. All economic activity should carry its fair share of health costs. Further, we strongly endorse the provision permitting employers to continue to deduct health benefit costs as a business expense.

To assure our nation's ability to provide expanded health coverage, we agree it is essential to have budget discipline for the entire health system. Reducing the burden of health costs will help stimulate the economy and promote job growth. The alternative, capping only public sector spending, results in cost shifting and not cost reduction -- problems our industry confronts today -- and increasing obstacles to job creation. Equally important is improving the quality of health care for all individuals, which we believe your proposal will do.

We obviously share your desire to see comprehensive health reform become a reality. To this end, we hope we can work together to achieve all of the above objectives in this important effort.

Sincerely,

Robert J. Eaton
Chairman
Chrysler Corporation

Harold A. Poling
Chairman
Ford Motor Company

John F. Smith, Jr.
President
General Motors Corporation

cc: Hillary Rodham Clinton
Ira C. Magaziner

P.O. Box 10246
Birmingham, Alabama 35202-0246

Telephone: (205) 945-6500
Telefax: (205) 945-6521

Garry N. Drummond
Chief Executive Officer

DRUMMOND COMPANY, INC.

September 21, 1993

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

As you prepare to formally announce the details of your health care reform plan, I wish to express my support for the significant initiatives you have taken on this subject. I compliment you for having the political courage to face up to the serious economic and social problems currently before us, the fortitude to pursue your goals forthrightly, and the determination to move effective plans through Congress.

As I indicated to you in our luncheon conversation on June 16, and in my previous letters of July 31 and September 10, health care issues have been a subject of serious study and deep concern within our company for the past 10 years. Given your plan, the means for applying adequate reform and delivering quality health care with cost containment can be put in place for all Americans.

My knowledge of your plan, at this time, is limited to various press reports that have appeared over the past few weeks. If they are accurate, however, two aspects of your plan strike at the heart of the current problems, and that I support enthusiastically. They are:

1. Cost sharing and deductibles. Each individual definitely must share at least a portion of the cost. In my July 31 letter to you, I spoke of the need for consequences for all. Your provision for reasonable deductibles, together with co-payments, will help to establish a sense of responsibility with the user of health services, and provide some financial consequences for his or her actions. This is an absolutely essential feature in order to contain costs.

2. Universal coverage. Every American should have access to health care, and your system steadfastly provides for this. This is an excellent goal unto itself, and one that has been badly needed. But this general provision also will have a

benefit on the cost-containment side. Your plan requires every employer who is able to pay for his or her employees' health care plan to do so. Such costs, therefore, cannot be shifted to others. The load is fairly distributed. This will prove to be a pivotal element in the ability to hold down health care costs for all. Also, your approach to the problems of small business is fair and equitable.

There are many other features of the plan that I strongly applaud, such as the reduction of red tape in claims processing, the effort to cut down on duplication and outright fraud in prescribing and billing for services, and the need to address malpractice and related litigation issues. This is a complex proposal and I'm certain there will be other provisions we will endorse as equally useful. If I fault your plan at all it would be in the area of litigation cost containment, and disciplining of the trial lawyers. They are abusing American society as much as the health industry, and this is a good time to bring this part of the abuse to rest. Please do this.

I applaud the members of the commission headed by Mrs. Clinton for their work. They have done a masterful job of putting together a package to address this most difficult problem that has grown, largely without restraint, for many years. It is my hope that the members of your administration will have frequent, ongoing contact on this subject with business leaders, who -- together with the government and its taxpayers -- are responsible for paying the bill for all health care in America.

Some have criticized this effort as bringing too much government into the free market system. The health industry has no free market. Involvement of government in the manner you propose works to establish a free market and therefore allows market forces to work -- market forces that have been absent in the past.

As I have stated previously, I am seriously interested in solutions to our nation's health care dilemma. If I can assist you in any way, please call on me. I congratulate you on the progress made thus far, and encourage your continued strong support of health care reform, cost containment, and quality health delivery.

Sincerely yours,

Garry N. Drummond

USX

USX Corporation
600 Grant Street
Pittsburgh, PA 15219-4776
412 433 1101

Charles A. Corry
Chairman, Board of Directors
& Chief Executive Officer

September 22, 1993

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am pleased to support your efforts in developing a national health care proposal that addresses the core problems afflicting America's current health system. Your plan demonstrates a vision for the future. It recognizes the need to minimize the financial burden on American firms to keep them competitive in the international marketplace, while expanding health care access to every American.

The comprehensive plan you are proposing would help USX address several major challenges we are now facing: rapidly escalating health care costs, health care cost shifting, high legacy costs, increased international competition, and the preservation and creation of private sector manufacturing jobs.

We at USX Corporation look forward to working with you and your Administration to enact a health care reform package which is responsive to these mounting concerns.

Sincerely,

C. A. Corry

XEROX

Xerox Corporation
800 Long Ridge Road
P.O. Box 1600
Stamford, Connecticut 06904

Paul A. Allaire
Chairman and Chief Executive Officer

**STATEMENT FROM**

**PAUL A. ALLAIRE**

The Clinton Administration deserves great credit for the important first step that has been taken in bringing about comprehensive health care reform. Rising costs and millions of Americans without coverage are problems that must be addressed. The overwhelming spiral of health care costs puts at risk the competitive position of American companies and workers in global markets.

The President's health care reform plan is comprehensive and offers the first real opportunity for the nation to fashion a health care system that serves all Americans. With bipartisan Congressional support, the President's health care initiative could emerge as the most significant legislation for American workers and business in recent history. Congressional debate should focus on quality, universal coverage and efficiency incentives. The business community must be prepared to play a positive role in supporting the President's goals.

September 22, 1993

PROMINENT DOCTORS AND ACADEMIC HEALTH CENTERS

The following are a cross section of quotes from prominent doctors and academic health centers:

The administration's health care reform initiative is comprehensive...

Our health care system may function with compassion, with competence, at times with sheer excellence. But not for enough Americans. For too many Americans, our health care system is a tyranny, and that means for them it is more a curse than it is a blessing.... Health workers know from experience that uninsured Americans are sicker than other patients when they finally enter the health care system, and their illnesses cost the system more to treat... Health care workers have also often seen patchwork efforts at cost control result merely in cost-shifting -- squeezing the balloon in one place, only to have it expand in another... In so many ways, the American health care system, in spite of its many flaws, offers the best health care in the world... we must remember if it ain't broke, don't fix it; but unfortunately, an increasingly large share of our system is breaking down... we have come to a time when... the medical profession and the government can work together to forge a health care system for all Americans by achieving a new American concensus... Let me reaffirm that I think the plan is headed and moving in the right direction.

Former Surgeon General Koop
September 20, 1993

I write, on behalf of the Association of American Medical Colleges, to express our appreciation for your leadership in initiating a definitive process to enhance the security of the American people by extending universal comprehensive health coverage in an environment that improves quality and constrains growth in health care costs... The AAMC represents the academic medical community -- 126 accredited medical schools, some 400 major teaching hospitals, medical school faculty and medical students and residents -- in its tripartite mission of education, patient care and biomedical and behavioral reserach... The sections of the draft devoted to academic health centers, creating a new health work force and health reserach initiatives give us an opportunity to begin a more forthright dialogue in these arenas. They are of special concern to academic medicine and are critically important to the short and long term viability and quality of the overall health care system.

I also will take this opportunity to express my gratitude for your continued inclusion of me and many other leaders in academic medicine in the process of research and analysis that has led to your proposal...

Robert Petersdorf, MD
President
Association of American Medical Colleges

The plan represents an admirable commitment by your Administration to finding solutions to some of the foremost issues facing our country today. We are particularly pleased that the final recommendations contain a recognition of the unique role of the nation's academic health institutions and the resource that they provide as centers of patient care, health professions training, and clinical research.

J. Scott Abercrombie, Jr., M.D.
President and CEO
Boston University Medical Center

President Clinton's healthcare reform proposal is a powerful boost toward ensuring that all Americans have access to affordable, quality healthcare. His plan provides the framework and foundation from which we can build a national consensus...We can't return to a dinosaur world of "anything goes" in healthcare. We can't return to a world of out-of-control costs and uncoordinated care, a world in which an unregulated healthcare industry charges for *quantity* of care instead of *quality* and *appropriateness*... We agree that costly perverse incentives that tie *quantity* of care to profits can be eliminated by linking healthcare financing with healthcare delivery...We agree that *quality* can be improved by coordinating care within an integrated, managed system... We agree that *choice* can be preserved by using a competitive structure... We agree that *access* should be made universal by mandating uniform benefits and reforming unfair insurance practices.

Phil Nudelman, MD
President and CEO
Group Health Cooperative of Puget Sound

As the former Secretary of Health, Education and Welfare in the Eisenhower Administration, I would like to express my strong support for President Clinton's health care reform proposal. The proposal he is about to present to the nation is comprehensive, thoughtful, workable and fair -- a proposal that will lead us on the road to a nation where health security with quality care is guaranteed for all Americans and health care costs are brought under control... Under the President's proposal, older Americans will receive all the benefits they do today. In addition, Medicare will be expanded to cover prescription drug benefits, and there will be a new long-term care program to cover home- and community-based care... Medicare funds now being wasted to cover fraud and overcharges will be used to pay for these new benefits... Over the next several months, there will be likely many attempts by those opposed to reform to scare Americans about the effect of the President's plan. But older Americans should know that President Clinton's proposal will mean greater security and expanded benefits. And I hope that older Americans -- and Americans of all ages -- will join in getting this plan on the books.

Arthur Flemming, MD
Secretary of Health, Education and Welfare, 1958-1961

Chair, White House Conference on Aging, 1971
U.S. Commissioner on Aging at HEW, 1973-1978
Chair, National Citizens' Board of Inquiry into Health in America
Co-Chair, Save Our Security Coalition
September 16, 1993

I have dedicated all of my years as a physician and administrator to the care of the indigent and the uninsured... Your report indicates that you understand that universal insurance won't mean universal access without serious attention being given to the public health infrastructure... Our country is at a moral crossroads and we must boldly and yet wisely move forward on a journey that emphasizes the value of every citizen in our society as fundamental and not further reducible in the debate... The attributes I have been looking for in a health reform package are embedded in your plan.

Ron J. Anderson, MD
President and CEO
Parkland Memorial Hospital, Texas

## ACADEMIC AND MEDICAL HEALTH CENTERS AND HOSPITALS

The following are supportive of the general direction of the President's plan and of the six principles upon which it is founded:

Association of Academic Health Centers
Association of Schools of Public Health
Beth Israel Hospital; Mitchell Rabkin, MD, President
Boston University Medical Hospital
Boston University School of Public Health; Robert F. Meenan, Director
Brandeis University; Dr. Samuel Thier, President
Thomas Berry Brazelton, MD; Professor of Pediatrics Emeritus at Harvard Medical School and Children's Hospital
Brigham and Women's Hospital
Robert Butler, MD; Chairman of Gerontology at Mt. Sinai Hospital Medical School
California Health Care Institute
Charles R Drew University of Medicine and Science; Reed Tuckson, MD, President
Columbia School of Public Health; Allan Rosenfield, Dean
Louis Cooper, MD; Director of Pediatrics at St. Luke's Roosevelt Hospital Center
Dartmouth Medical Center; Jack Wennberg, M.D., Director of Center for the Evaluative Clinical Sciences
John Delfs, MD; Director of Geriatric Medicine and ElderCare Program at New England Deconess Hospital
Duke University School of Medicine; Dr. Ralph Snyderman, Chancellor for Health Affairs
Emory University School of Public Health; Raymond S. Greenberg, Dean
Group Health Cooperative of Puget Sound; Phil Nudelman, President and CEO
Harvard School of Medicine; Daniel Tosteson, MD; Dean
Harvard School of Public Health; Harvey V. Fineberg, MD, Dean
Harvard Community Health of Rhode Island
I Care of Arkansas Medical Center
Institute for Health Policy Solutions
Institute of Medicine
Johns Hopkins Health System, Johns Hopkins University; James Block, MD, President and CEO
Johns Hopkins University School of Medicine; Michael M.E. Johns,MD; Vice President for Medicine and Dean of the Medical Faculty
Johns Hopkins University School of Hygiene and Public Health; Alfred Sommer, Dean
C. Everett Koop, MD; Former Surgeon General
Loma LinState da University School of Public Health; Richard Hart, Dean
Louisiana University Medical Center; Perry G. Rigby, MD, Chancellor
Malibu Family Medical Center
Massachusetts General Hospital
Meharry College School of Medicine; Henry W. Foster, MD, Dean of the School of Medicine

and President of Health Services
Memorial Sloan-Kettering Cancer Center; Paul Marks, MD, President and CEO
Northwestern Memorial Hospital
Parkland Memorial Hospital; Ron Anderson, MD, President and CEO
Purdue University; Steven Beering, MD, President
San Diego State University Graduate School of Public Health; Director F. Douglas Scutchfield
Scripps Clinic & Research Foundation; Dr. Charles Edwards, President
Stanford University Medical Center; David Korn, MD, Vice President and Dean
State University of New York at Stoneybrook School of Medicine; Jordan Cohen, MD, Dean
Louis Sullivan, MD; Former Secretary of Health and Human Services
Tulane University Medical Center School of Public Health and Tropical Medicine; Harrison C. Spencer, Dean
The University Hospital
Unversity of Alabama-Birmingham School of Public Health; Dean O. Dale Williams
University at Albany, SUNY, School of Public Health; David Carpenter, Dean
The University of California; Cornelius Hopper, MD, Vice President of Health Services
University of California at Berkeley School of Public Health; Patricia A. Buffler, Dean
University of California at Los Angeles School of Public Health; A.A. Afifi, Dean
The University of Chicago Hospitals
University of Florida J. Hillis Miller Health Center; David R. Challoner, MD, Vice President for Health Affairs
University of Hawaii School of Public Health; Barbara Spiegel, Acting Dean
University of Illinois at Chicago School of Public Health; Bernard Turnock, Acting Dean
University of Kansas; David K. Clawson, MD, Executive Vice Chancellor
University of Massachusetts School of Public Helath; Stephen H. Gehlbach, Dean
University of Medicine and Dentistry of New Jersey; Stanley Bergen, MD, President
University of Michigan School of Public Health; Richard Cornell, Dean
University of Minnesota School of Public Health; Stephen C. Joseph, Dean
University of Missouri - Kansas School of Medicine; James Mongan, MD, Dean
University of North Carolina School of Public Health; Michel A. Ibrahim, Dean
University of Notre Dame, Reverend Theodore Hesbergh, C.S.C., President Emeritus
University of Oklahoma College of Public Health; Bailus Walker, Dean
University of Pennsylvania School of Medicine; William Kelley, MD, Dean
University of Pittsburgh Graduate School of Public Health; Donald R. Mattison, Dean
University of Puerto Rico School of Public Health; Juan Silva-Parra, Dean
University of South Carolina School of Public Health; Winona Vernberg, Dean
University of South Florida College of Public Health; Peter J. Levin, Dean
University of Tennessee Medical Center at Knoxville
University of Texas School of Public Health; Palmer Beasley, Dean
University of Washington School of Medicine: Philip Fialkow, Vice President for Medical Affairs and Dean
University of Washington School of Public Health and Community Medicine; Gilbert S. Omenn, Dean
Watts Health Foundation
Yale University Department of Epidemiology and Public Health; Nancy H. Ruddle, Acting Chair

**Dr. C. Everett Koop's Remarks to Physicians and Supporters**

I know when people come to Washington, even sophisticated physicians, they like to go home having picked up some inside information. I'll let you in on a conversation that took place about two years ago when that grand old gentlemen Claude Pepper died and went directly to heaven. He had an audience with God and said, sir, just one question. Will there ever be health care reform in the United States? And the Lord answered and said, yes, Senator, there will be health care reform in the United States. That's the good news. The bad news -- not in my lifetime.

Since I left office as your Surgeon General four years ago, I have really dedicated most of my time and energy to speaking out whenever and wherever I could all across the United States on the need for health care reform. At first mine seemed like a lonely voice out there. But now at long last, health care reform has moved to the top of the national agenda. And I thank President Clinton and the American people for placing it there.

A few weeks ago, I told the President that without passing a single law or issuing a single regulation, he had accomplished more in health care reform in the past four months than all of his living predecessors put together. And he did that with a special kind of leadership that is willing to take on an enormous task. This kind of leadership also takes courage because it's a daunting task to face runaway health care costs, the vexing issue of universal access, the malpractice mess, the mounting problems of Medicare and Medicaid, the application of outcomes research, a sweeping reassessment of medical ethics, to say nothing of rooting out fraud and waste and abuse and greed.

Like many of our big national problems, the health care crisis in America is a very complicated one. And that means it will call for a variety of solutions. They, of course, will be national, but that means regional and local. They will have to be a public-private partnership. And there is a way in which every citizen must make a personal contribution.

But the President knows that there is no panacea, there is no single magic bullet, and there are no easy answers, only a series of very difficult choices. The administration's health care reform initiative is comprehensive, it's complex, it's -- well, it's complicated. And that's because it is offered in the spirit of compromise.

President Clinton views these health care proposals not as a take it or leave it package, but as what they are proposals that will lead to constructive debate and not just to constructive debate but then to constructive legislation. Some things, like universal access, are not negotiable. And that's exactly the way it should be. But they are proposals offered in trust that an honest congressional and public debate will bring out the best in health care reform for the American people.

Now, I don't imagine that any one of us will agree with everything, every single point in the proposed reforms. I imagine the President has his own reservation about some points.

When I read the first draft of the plan, I was impressed with the attention that had been given to detail: present situations that should be eliminated, needed additions that would be made. I was supportive of the plan, even if there was specific issues with which I disagreed.

Later, I was also pleased that suggestions I made in a critique of the plan did not fall on deaf ears. Whether there are pieces of the administration's health plan that you don't like or not, we have to move forward with dialogue seeking consensus. But our reservations, or even outright objections,

to some provisions cannot give us the excuse to oppose everything.

My concerns about some issues will not stop me from fighting for the many reforms the American health care system so desperately needs. And I hope you'll approach the reform proposals in exactly that same spirit. It is in this spirit of dialogue and constructive debate that I have agreed, as the First Lady said, to moderate a dialogue between the medical profession and the administration a series of panel discussions scheduled this fall and winter in a number of cities across America.

Now, these forums could, for example, combine the views and expertise of national health care figures with those of local physicians and other health care workers so they can, together, thrash out the issues of the reform proposals before the profession as they relate to a local region.

Physicians have been noticeably absent from past efforts to reform the American health care system, even when it turned out that physicians proved to be among the major beneficiaries, as with Medicare. Indeed, all too often, past health care reform measures have been imposed upon physicians, often against their loudly voiced opposition. This time, doctors cannot allow themselves to be cast in the role of naysayers.

In one way or another, doctors' decisions for their patients and themselves drive the entire health care system. And, therefore, I call upon the medical profession in which I have served for over half a century to assume its rightful position of leadership to drive the health care system to the reformed excellence that it can deliver.

Our health care system may function with compassion, with competence, at times with sheer excellence. But not for enough Americans. For too many Americans, our health care system is a tyranny, and that means for them it is more a curse than it is a blessing. The next decade will force us to do some very hard thinking and deciding about the basic purpose of medicine. We haven't done much of that in days gone by. For most of human history, medicine really couldn't do very much, really couldn't cure anything. And so, at best, it offered some comfort, some relief of symptoms.

And, then, beginning in the 18th century -- and remember that modern medicine and the United States are about the same age --with the application of science and technology to medicine, we saw the age when medicine could begin to cure many problems, and it could prolong the life for millions of people. And we entered the age of what we now call "our medical miracles." But a still other age may be dawning as we come to grips with the limits of curative and reparative medicine and surgery.

Today, in a strange way, hospitals and doctors -- in fact, the entire health care community -- are victims of their own success in curing disease and alleviating suffering. Increasingly, medicine decreases mortality while it increases morbidity. In other words, we have many more people living longer, but some of them are living sicker. And an increasing share of health care resources are allotted to those whom medicine cannot cure and we know about that at the start.

Too much, however, of the intensifying debate about health care focuses only on questions of how we finance it on the economic and political dimensions of health care reform. I think, for many of us, this puts the cart before the horse. More important, I think, than the economic and political pressures is the ethical imperative for health care reform.

Before we can enact the sweeping reform we need in health care, we must agree on the basic values and the ethics upon which our health care system, and, indeed, our society is based, and from which it draws its moral power.

If we could reach an ethical consensus, I think many of the economic and political problems

of health care reform would fall rather easily in line. Physicians and allied health workers bring a broad field of vision to the health care reform effort. Physicians and nurses, other health care workers, have seen firsthand their fellow citizens' lack of health insurance go from being just an economic inconvenience to now being a medical risk factor.

Health workers know from experience that uninsured Americans are sicker than other patients when they finally enter the health care system, and their illnesses cost the system more to treat. And their lack of insurance results in a higher mortality rate than that of hospitalized Americans who do enjoy adequate health insurance.

Health care workers have also often seen patchwork efforts at cost control result merely in cost-shifting -- squeezing the balloon in one place, only to have it expand in another.

I would suggest that you in this room can bring your experience and expertise to the debate on health care reform so that we can preserve what is right and correct what is wrong. In so many ways, the American health care system, in spite of its many flaws, offers the best health care in the world. Nevertheless, we must remember if it ain't broke, don't fix it; but, unfortunately, an increasingly large share of our system is breaking down. So let's be sure that we turn our attention to ways that we can fix that.

And so I do call up on the medical community to approach the health care reform proposals now being offered in the spirit of our high calling in the Hippocratic tradition that requires us to do nothing but the best for our patients. Let us make sure that physicians play their part in making sure that the health care system we reform offers the very best for the American people. The President has said he wants a dialogue. Let us accommodate him in the spirit of reform and of give-and-take.

Physicians are individualists to be sure, but they are also altruists. And we have come to a time when, for once, the medical profession and the government can work together to forge a health care system for all Americans by achieving a new American consensus. Let me reaffirm that I think the plan is headed and moving in the right direction. I look forward to lending my support as I moderate the forthcoming dialogue between the great profession of medicine and this administration.

Robert G. Petersdorf, M.D.
President

AAMC

ASSOCIATION OF AMERICAN MEDICAL COLLEGES
2450 N STREET, NW
WASHINGTON, DC 20037-1126
TELEPHONE: (202) 828-0460

September 21, 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

I write, on behalf of the Association of American Medical Colleges, to express our appreciation for your leadership in initiating a definitive process to enhance the security of the American people by extending universal comprehensive health coverage in an environment that improves quality and constrains growth in health care costs. It is truly a monumental task to attempt to address all facets of health care, and we applaud the massive efforts of Mrs. Clinton and her staff over the past months in paving the way for your proposal.

The AAMC represents the academic medical community--126 accredited medical schools, some 400 major teaching hospitals, medical school faculty and medical students and residents--in its tripartite mission of education, patient care and biomedical and behavioral research. The "Ethical Foundation of Health Reform" as set forth in the "Preliminary Draft" of your proposal provides an excellent framework for debating the myriad issues inherent in health care reform. The Association intends to be a constructive and thoughtful contributor to this debate.

While the AAMC has, and will continue to have, views on the broad issues relating to the financing, structure and organization of the overall system, I do wish to express appreciation on behalf of the academic medical community to the sensitivity expressed in the draft to our missions--educating physicians and researchers, developing new medical technology, treatment of rare and unusually severe illnesses, providing specialized patient care and caring for special populations. The sections of the draft devoted to academic health centers, creating a new health work force and health research initiatives give us an opportunity to begin a more forthright dialogue in these arenas. They are of special concern to academic medicine and are critically important to the short and long term viability and quality of the overall health care system.

I also will take this opportunity to express my gratitude for your continued inclusion of me and many other leaders in academic medicine in the process of research and analysis that has led to your proposal, including the briefing and breakfast sessions

this past Sunday and Monday. Again, congratulations to you, Mrs. Clinton and your staff on your thoughtful and balanced initiation of this effort. The road ahead will be difficult--all of us must be prepared to change and adapt. We in academic medicine will debate some points vigorously--but our contributions will be constructive and mindful of the overall objectives we share with you and your team.

Very sincerely yours,

Robert G. Petersdorf, M.D.

*Parkland Memorial Hospital*
5201 Harry Hines Boulevard
Dallas, Texas 75235
214/590 8011
Fax 214/590-8096

September 21, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-0001

Parkland

Dear Mr. President:

I appreciated the invitation to the White House for the September 20 breakfast briefing for physician leaders interested in and hopefully committed to health care reform. To be numbered among that group was an honor in itself, but to be there as history was very exciting for someone who has been advocating for reform for over a decade.

I have dedicated all of my years as a physician and administrator to the care of the indigent and uninsured. As the chief executive officer of Parkland Memorial Hospital, the principal teaching hospital of The University of Texas Southwestern Medical Center at Dallas, I pushed to create a series of neighborhood clinics that operate on the community oriented primary care model. This model will serve us well in the type of reform you envision. Such settings can also be used to train the primary care physicians so sorely needed as well. And on the other end of the spectrum, Parkland provides tertiary services for trauma, neonatal intensive care, burn, and other "safety net" services needed by all of our community. These resources are severely strapped because of indigent care and will need special attention even with universal coverage as part of the academic health center infrastructure. I was pleased to see such services addressed in your plan.

My tenure as CEO has labored through two Republican presidents. During that time I witnessed the dissolution of the public health infrastructure. Your report indicates that you understand that universal insurance won't mean universal access without serious attention being given to the public health infrastructure. The need goes beyond the classical public health services to the community health clinic networks and public teaching hospitals which have been at the front lines. Please help us integrate these resources into a dynamic and culturally competent delivery system to deal more effectively with the issues facing our nation's poor and minority residents. I sense that your heart is with us and that you have the courage of your convictions. That is so refreshing after such a drought.

Our country is at a moral crossroads and we must boldly and yet wisely move forward on a journey that emphasizes the value of every citizen in our society as fundamental and not further reducible in the debate.

The attributes I have been looking for in a health reform package are embedded in your plan. While I have to admit that I was for a simpler system and one with even stronger cost controls, your speech and Mrs. Clinton's speech along with the sage advice of Dr. Koop have convinced me that now is the time to move ahead and give this reform effort a chance.

Since this will be an interactive process at the local and state levels, I stand ready to assist you in bringing about the dialogue you desire in Texas. I always felt that if I put the patients first, the institution in which I worked would be well-served. I believe that is true also of health reform. If we put the patients and the citizens first and understand health in its broadest context, we all would have to agree that medical costs cannot continue to erode the dollars we need for education, crime control, economic opportunity development, and fair housing and other legitimate purposes of government. We need these other infrastructural elements to have a healthy society.

Thank you and Mrs. Clinton for addressing these issues so we can restore this country to greatness and more importantly, return to its values.

Sincerely,

Ron J. Anderson, M.D.
President & Chief Executive Officer

## Group Health's position

**Statement by Phil Nudelman, President & CEO, Group Health Cooperative of Puget Sound**

President Clinton's healthcare reform proposal is a powerful boost toward ensuring that all Americans have access to affordable, quality healthcare. His plan provides the framework and foundation from which we can build a national consensus.

I hope those who disagree with elements of the plan will disagree constructively, and work toward compromise and modification, not outright rejection.

We can't return to a dinosaur world of "anything goes" in healthcare.
We can't return to a world of out-of-control costs and uncoordinated care,
a world in which an unregulated healthcare industry charges for *quantity* of care instead of *quality* and *appropriateness*.

Group Health Cooperative shares many of the Clinton plan's values:

- We agree that costly perverse incentives that tie *quantity* of care to profits can be eliminated by linking healthcare financing with healthcare delivery.
- We agree that *quality* can be improved by coordinating care within an integrated, managed system.
- We agree that *choice* can be preserved by using a competitive structure.
- We agree that *access* should be made universal by mandating uniform benefits and reforming unfair insurance practices.

We are pleased that Senate Republicans, the Conservative Democratic Forum, single-payer proponents, and the Clinton administration are working toward the common goals of quality improvement, cost containment, and universal access.

BOSTON UNIVERSITY
MEDICAL CENTER
The University Hospital

September 20, 1993

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

On behalf of Boston University Medical Center Hospital, I want to congratulate you on the introduction of your Administration's health care reform plan. You and Mrs. Clinton and the Health Care Task Force are to be commended for the completion of an extremely complex process that required the balancing of many diverse interests and opinions as well as consultation with representatives from virtually every sector of American life.

The plan represents an admirable commitment by your Administration to finding solutions to some of the foremost issues facing our country today. We are particularly pleased that the final recommendations contain a recognition of the unique role of the nation's academic health institutions and the resource that they provide as centers of patient care, health professions training, and clinical research.

As legislative scrutiny and debate begins on the health care reform plan, the Task Force's recommendations will serve as the foundation for this debate and will provide both the cornerstone and the vital framework for the final product.

Again, we congratulate you on this tremendous achievement and look forward to continue working with your Administration and the Congress to develop a health care reform plan that meets the needs of all Americans.

Sincerely,

J. Stott Abercrombie, Jr., M.D.
President and Chief Executive Officer

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release September 16, 1993

**STATEMENT BY DR. ARTHUR FLEMMING**

"As the former Secretary of Health, Education and Welfare in the Eisenhower Administration, I would like to express my strong support for President Clinton's health care reform proposal. The proposal he is about to present to the nation is comprehensive, thoughtful, workable and fair -- a proposal that will lead us on the road to a nation where health security with quality care is guaranteed for all Americans and health care costs are brought under control.

I have worked for health care reform for the better part of four decades, and I have seen other health care reform efforts start with high hopes and fail. But I believe this is different. The President has presented us with a historic opportunity, and we must seize the moment. Let us get a plan on the books and begin to learn from experience, instead of engaging in endless rhetoric.

As a former U.S. Commissioner of Aging, I am particularly enthusiastic about the plan: because this proposal will mean a stregthened Medicare program -- providing greater security and expanded benefits for older Americans.

**Under the President's proposal, older Americans will receive all the benefits they do today. In addition, Medicare will be expanded to cover prescription drug benefits, and there will be a new long-term care program to cover home- and community-based care. Nearly all Americans will still have to pay only 25% of the total cost of the Part B benefits they receive -- including the new drug benefit. Any increase in the premium will be consistent with the increase in benefits. Only the wealthiest Americans -- those people earning $100,000 or more -- will pay the full actuarial value of the benefits they receive. Finally, Medicare funds now being wasted to cover fraud and overcharges will be used to pay for these new benefits.**

Over the next several months, there will be likely many attempts by those opposed to reform to scare Americans about the effect of the President's plan.

But older Americans should know that President Clinton's proposal will mean greater security and expanded benefits. And I hope that older Americans -- and Americans of all ages -- will join in getting this plan on the books."

Dr. Flemming was Secretary of Health, Education and Welfare from 1958 through 1961. He was Chair of the White House Conference on Aging in 1971 and U.S. Commissioner on Aging at HEW from 1973 to 1978. Currently, he is Chair of the National Citizens' Board of Inquiry into Health in America, Co-Chair of Save our Security Coalition.

-30-30-30-

ON THE FINANCING

Professor Uwe Reinhardt at Princeton:
The Clinton plan "would produce some administrative savings and would substantially reduce administrative hassles...What the insurance industry burns up in commissions, marketing and claims processing costs is almost unspeakable. Clinton would reduce those costs." (New York Times, 9/24/93)

Professors Ted Marmor and Jerry Mashaw at Yale:
"(T)he questions about the plan's cost and financing are being posed in the wrong way -- a way that will discourage productive debate." (LA Times, 10/7/93)

"The Clinton reform projects Medicare growth rates to be 4.1% by the year 2000...Why is this not a plausible, even a conservative estimate?" (LA Times, 10/7/93)

"It is the experience of every industrialized democracy with a universal health insurance program that cost control becomes easier when the plan is universal, not harder...the counsel currently offered by critics -- go slow in adding new benefits until we can assure everyone that the savings are real -- is advice that is likely to doom the plan to failure. Universalism and cost control go hand in hand. Otherwise it *is* politics as usual, full of special pleading." (LA Times, 10/7/93)

Henry Aaron of the Brookings Institution:
"I'm generally heartened (by the Clinton plan). I think the fundamental strategy (the Clinton plan) embodies is the correct one, which is to build on the private insurance and government programs that already cover most Americans, perfecting that system and subjecting it to a degree of budgetary control. I'm not wholly persuaded by some of the details in the proposal, most importantly by the speed with which the savings projected in the plan would be realized.

But that's a second-level concern almost any observer not directly involved in the particular design produced by the president's advisors might have. They shouldn't detract from my belief that the president has laid out the right starting place from which negotiations regarding a final plan should begin."

I think the calculations are honestly done, using the best techniques available, if one presumes enactment of the program the president has called for...The administration has consulted widely, looked at various projections and took the set that seems most likely." (Orlando Sentinel, 9/26/93)

Phil Nudelman, chairman of Group Health Cooperative at Puget Sound:
Nudelman calls the plan "realistic" and an "excellent foundation." (Wall Street Journal, 10/1/93)

John Wennberg, Dartmouth physician-researcher:

"(T)here is sufficient excess capacity so patients don't have to worry about being harmed" by the Clinton plan. (Wall Street Journal, 10/1/93)

Dr. Henry Simmons, President of the National Leadership Coalition For Health Care Reform: "The Coalition believes that the President's strategy for reform would help Americans in three ways...(I)t would work to keep health care costs in line with economic growth, not at odds with it." (Simmons statement, 9/22/93)

**THE WHITE HOUSE**

Office of the Press Secretary

---

**For Immediate Release** **October 8, 1993**

STATEMENT BY IRA C. MAGAZINER

In early spring of 1993, the White House assembled a group of actuaries -- from nationally-recognized accounting and actuarial firms -- to be involved from the beginning in examining the cost estimates for the President's health care reform proposal.

We considered it essential that experts who were independent of the policy process review the methodology used to develop the premium and subsidy numbers, which represent the fundamental building blocks of the reform proposal. This outside Cost Audit group was not required to support the policy itself -- just to verify the validity of the cost estimates. The actuaries were asked to question the assumptions, substantiate the numbers, examine the models, and communicate independently with each agency involved -- to verify that both the process and the estimates were valid and accurate.

As the attached letter indicates, these actuaries maintain that "*...the process was very thorough*" and the methodology and assumptions "*...sound and reasonable.*" They further confirm that "*...these cost estimates are the best available at this time and are suitable for planning purposes.*"

The expertise of the Cost Audit group was appropriate for the premium and subsidy estimates. They were not asked to validate the estimates of savings projections from administrative simplification, competition and prevention or the estimates of the federal (Medicare and Medicaid) savings. Another group of outside experts was consulted regarding the savings projections from competition and Medicare and Medicaid experts -- from the Department of Health and Human Services and the Office of Management and Budget -- participated in the development of federal spending projections.

We insisted on this unprecedented degree of outside review and validation in developing the health reform proposal for one reason. We wanted to get the best data available validated by the best people possible so that the national debate would be able to focus on the policy itself and its implications for the American people.

October 8, 1993

Mr. Ira Magaziner
Senior Advisor for Policy Development
The White House
Old Executive Office Building
Room 216
Washington, D.C. 20500

Dear Ira:

The members of the Cost Audit Group appreciate the opportunity to assist with the President's health care reform proposal.

*Role of Cost Audit Group*

The primary role of the Cost Audit Group is to review the methodology and assumptions used to estimate the base year cost of the standard fee-for-service benefit plan for the non-Medicare, non-Medicaid population. We also reviewed the assumptions for subsidies for individuals and employers and provided input on the implications and alternatives for several technical aspects of the proposal. We understand that other groups conducted the review for other aspects of the proposal, including long term care benefits, prescription drug coverage under Medicare and the savings from managed competition.

Policy issues were outside the scope of our role. We did not, for example, address the implications for changing Medicare or Medicaid or the associated savings estimates.

*Process*

The elements of the health care reform proposal and the associated cost estimates have been under development since early this year. Beginning in April, the Cost Audit Group met with your staff and others to understand the proposals and the key assumptions and methodology. We spent significant time with the staff at HCFA and AHCPR, for example, on their cost models and preliminary estimates. We made numerous suggestions to refine the assumptions and methodology used in developing their estimates. We focused our attention primarily on the premium cost

of the proposed standard benefit plan on a fully phased-in basis. Our review of the cost of subsidies was less comprehensive because of the nature of the databases used by those performing the calculations.

We are pleased to have participated in this process and appreciate the openness and receptivity of everyone we worked with. We found everyone interested in our input where it could improve their work.

*General findings*

We found that the general methodology and assumptions used in developing the cost estimates for the non-Medicare, non-Medicaid population were sound and reasonable. The process was very thorough. The staff is very capable and we are confident of their ability to apply the assumptions and methodology accurately.

In conducting our review, we recognize that the United States health care system is extremely complex and dynamic. As a result, complete historical data is not available and future results are not fully predictable. However, companies in the private sector commonly make business decisions on more limited data and analysis than this.

Because of the evolving nature of the proposal and the cost estimates, it has not been possible to "sign off" on a specific set of numbers. Rather, we have addressed the current development of the numbers at various times and found them to be reasonable.

Recognizing these limitations on available data and the timetable to make decisions, we believe that these cost estimates are the best available at this time and are suitable for planning purposes.

*Additional tasks*

The health care reform proposal will likely continue to evolve. The cost estimates will evolve to reflect changes in the proposal, refinement in the assumptions and methodology and the availability of new data. We look forward to assisting in the process to make the cost estimates as reliable as practicable and to provide other needed technical support.

Please feel free to contact any members of the group if you have any questions or requests.

Sincerely,

Richard Ostuw

Richard Ostuw
Chair, Cost Audit Group

Members:
Howard Atkinson, Jr.
John Bertko
Brent Greenwood
Richard Helms
Richard Ostuw
Kenneth Porter
Jack Rodgers

Howard Atkinson, Jr.
President & Chief Actuary
Atkinson & Co., Inc.
Silver Springs, Maryland

Mr. Atkinson provides actuarial and consulting services to private and public sector plan sponsors, insurance companies, HMOs and Blue Cross and Blue Shield plans.

*Professional Affiliations*

Fellow, Conference of Consulting Actuaries
Associate, Society of Actuaries
Member, American Academy of Actuaries
Executive Committee, Actuarial Club of Washington, D.C.

*Education*

Lincoln University, B.A. in Mathematics

John M. Bertko
Principal
Coopers & Lybrand
San Francisco, California

Mr. Bertko is chief health care actuary and Principal-in-Charge of the health care consulting practice in the San Francisco office of the human resource advisory group of Coopers & Lybrand.

Mr. Bertko has expertise in conventional fee-for-service group insurance and managed care (HMOs, PPOs, other prepaid plans and providers). He has directed projects for insurance companies, HMOs, large corporate employers and government units.

*Professional Affiliations*

Fellow, Society of Actuaries
Member of the Board, American Academy of Actuaries
Chairman, American Academy of Actuaries Health & Welfare Plans Committee
Enrolled Actuary

*Education*

Case Western University, B.S. in Mathematics

Brent L. Greenwood, A.S.A., M.A.A.A.
Principal
Tillinghast
Minneapolis, Minnesota

Mr. Greenwood has expertise in actuarial analysis, rate setting and operations strategy for HMOs and PPOs. In addition, he has worked with insurance companies on organizational and product development projects relating to managed care. Other areas of expertise include Medicare (supplement, risk and cost), Medicaid, prepaid dental programs, employer cost containment strategy and provider contract evaluation.

*Professional Affiliations*

Associate, Society of Actuaries
Member, American Academy of Actuaries

*Education*

Drake University, B.S. in Actuarial Science

Richard Helms
Second Vice President
Principal Mutual Life Insurance Company
Des Moines, Iowa

Mr. Helms has extensive experience in health insurance pricing and insurance company financial issues. He served on the NAIC Industry Advisory Committees that drafted NAIC model laws on small employer health insurance reform. He has been active in the Health Insurance Association of America's (HIAA) discussions of health care reform. Mr. Helms currently serves on the HIAA Industry Claim Data Resource Committee, the Health Section Council of the Society of Actuaries, and the Society of Actuaries Health Systems Professional Development Committee.

*Professional Affiliations*

Fellow, Society of Actuaries
Member, American Academy of Actuaries
Enrolled Actuary

*Education*

University of Nebraska

Richard Ostuw
Vice President
Towers Perrin
Cleveland, Ohio

Mr. Ostuw assists employers in all aspects of employee benefits with emphasis on the design and financing of health care and flexible benefits. Mr. Ostuw provides technical leadership for the U.S. health and welfare consulting practice.

*Professional Affiliations*

Fellow, Society of Actuaries
Member, American Academy of Actuaries

*Education*

Rutgers University, B.A. in Mathematics
Northeastern University, M.S. in Actuarial Science

Kenneth W. Porter
Chief Actuary
DuPont
Wilmington, Delaware

Mr. Porter is responsible for actuarial matters worldwide and for the worldwide financing of benefit programs. In addition, within the U.S. Chemicals and Specialties businesses, he is responsible for the financial analysis support of all human resources initiatives.

*Professional Affiliations*

Member, American Academy of Actuaries
Enrolled Actuary
Member, Retiree Health Committee of the Actuarial Standards Board

*Education*

Drew Universoty, B.A. in Mathematics

Jack Rodgers
Senior Manager, Director of Health Policy Analysis
Price Waterhouse
Washington, D.C.

Dr. Rodgers has extensive experience in health policy analysis. He has developed computer microsimulation models to analyze Medicaid expansions, Medicare hospital reimbursement, and health sector reform. He has done analyses ranging from forecasts of national health spending to returns to medical education. For six years, Dr. Rodgers has concentrated on issues related to health reform including such options as employer mandates, medical IRAs, small business insurance reform and national health insurance.

*Professional Affiliations*

American Economic Association
Association for Health Services Research
Society of Government Economists

*Education*

University of Minnesota, M.A., Ph.D.
University of Alabama, B.A.

Post-It™ brand fax transmittal memo 7671 | # of pages ▸

| | |
|---|---|
| To Ira Magaziner | From Ken Porter |
| Co. | Co. DuPont |
| Dept. | Phone # (302) 774-5917 |
| Fax # 202 456 7739 | Fax # (302) 774-9172 |

TR-8479 REV. 8/89

DU PONT

FINANCE
Treasury
Wilmington, Delaware 19898

October 8, 1993

Mr. Ira Magaziner
Senior Advisor for Policy Development
The White House
Old Executive Office Building
Room 216
Washington, DC 20500

Dear Mr. Magaziner:

I wish to thank you for the opportunity I've had to work with the Administration over the last several months. I applaud your efforts to produce quality information so that the debate on national health care can be focused on policy issues rather than on questions concerning the quality of financial data.

Please relay to the actuaries and economists in HCFA and AHCPR my personal high regard for the quality of their efforts. I remain convinced that the financial data with respect to those areas of the proposal which we were asked to review are well within the reasonable range of results and are satisfactory for decision making purposes.

Thank you again for the opportunity to participate in this important project.

Sincerely,

Kenneth W. Porter

Kenneth W. Porter
Manager & Chief Actuary

Coopers & Lybrand
certified public accountants
human resource advisory group
333 Market Street
San Francisco, California 94105
telephone (415) 957-9000
facsimile (415) 957-9884
cubtel Coopers

October 8, 1993

Mr. Ira Magaziner
Senior Advisor for Policy Development
The White House
Old Executive Office Building
Room 216
Washington, D.C. 20500

Dear Ira:

Re: Actuarial Review of Clinton Health Estimates

I have prepared this letter to explain my professional actuarial opinion regarding the review of the cost estimates of President Clinton's health plan. Several journalists, while correctly quoting myself and other members of our review group, have drawn misleading conclusions about the results of our review and the validity of the health plan cost estimates.

**Role of the Cost Audit Group**

As part of a group of six actuaries and a health care economist (known informally as the Cost Audit Group), we were involved in a unique and extensive review of the Administration's development of cost estimates by the Office of the Actuary of the Health Care Financing Administration and the Agency for Health Care Policy and Research in the Public Health Service. Our group was provided unconstrained access to administration staff and data to complete our review.

The primary role of the Cost Audit Group was an actuarial review of the assumptions and methods used to estimate the base year cost for a population that excludes Medicare and Medicaid enrollees. We also reviewed the development of the subsidy estimates that were linked to the base year cost estimates for this population group. Other groups had responsibility for related aspects of the President's plan, including estimates of managed competition savings and the cost estimates for the Medicare and Medicaid programs.

As stated in the Cost Audit Group's letter to you, we found that the national premium cost estimates of the standard benefit plan on a fully phased-in basis were the best available and that the methodology and assumptions were sound and reasonable. While actuaries can never guarantee that their cost projections for an untested new program, these base year premium cost estimates are reliable on a national level for making decisions regarding the standard plan's benefit levels and the associated subsidies. As you know, these estimates rely on a full phase-in of the plan's provision, which have a significant effect on the premium estimates.

**Interpreting the Results of the Cost Audit Group's Review**

As the senior advisor to the President and the First Lady on the health care plan, you asked for and received from the Cost Audit Group our candid comments regarding these cost estimates. We provided you with our best explanation of the challenges involved in measuring the effects of the new program and the difficulties of forecasting the effects of a new program.

Based on our Cost Audit Group's work, I personally believe that the cost estimates of represent reliable and thorough costs of a fully phased-in version of the standard benefit plan in the President's program for the base year. While every actuary will always wish for better and more recent data, it is misleading for the press to characterize these estimates as incomplete or outdated. Provided that all elements of the President's program are enacted and fully phased-in, these cost estimates are the best possible and include adjustments to reflect the most recent summaries of cost and population data gathered during the 1990s by government agencies.

Based on my own professional experience with health plans in Western states with highly competitive markets, these estimates also pass a "real world" test. Health plans similar to the standard benefit plan are selling at these premium levels today. As an example, a 35-year old adult working for a small employer in the San Francisco Bay Area today may purchase health insurance from the "Health Insurance Plan for California" purchasing cooperative for as little as $1320 per year or from as many as 12 health plans for less than $1800 per year. While there are many, many additional factors involved, I believe the results of this process are valid and reliable.

In summary, the premium cost estimates and the methods and assumptions used were the best possible within the context of a very challenging process. Please feel free to contact me if you have any questions regarding my comments.

Sincerely,

John M Bertko

John M. Bertko
Member, Cost Audit Group

# It Will Balance Just Fine

**There is plenty to debate, but that doesn't include whether the proposed financing 'adds up.'**

**By TED MARMOR and JERRY MASHAW**

President Clinton in recent days has been out talking with ordinary Americans about how his health-reform proposal will help meet their need for insurance security and affordability. Meanwhile, back on the talk show circuit and in the press, most of the conversation is a form of anxious hand-wringing about whether the President's numbers "add up." Words like *fantasy* and *hopelessly unrealistic* are thrown around whenever the topic turns to finance. Critics in Congress and elsewhere have tried to focus everyone's attention on the single issue of "How are we going to pay for it?"

We have not been, nor are we now, partisans of the particular plan the President has put forward. But the questions about the plan's cost and financing are being posed in the wrong way—a way that will discourage productive debate.

Asking these questions in the right way would lead to very different perspectives on what might be right or wrong with the reform plan the President has offered.

First, there's no point in questioning simply whether the numbers "add up." Of course they add up arithmetically. Hillary Rodham Clinton, Ira Magaziner and their task force members are not dopes. The critical issue concerns the assumptions built into the numbers in order to make them add up. For the President's financial estimates, three sets of assumptions are crucial. It is the relative uncertainty about the assumptions that feeds the "do the numbers add up" frenzy.

Estimates of premium costs—of how much a family would pay for medical coverage—and population growth are the least uncertain. One can quarrel around the edges—the amount of small-business subsidies, for instance—but it is not a huge trick to look at existing payments for the type of plan the President has proposed and come up with reasonable predictions. The President's plan does that, and population growth will not surprise us much over the period for which the numbers are projected—from now until the year 2000.

The second set of numbers in the President's projections is more controversial. The Administration estimates that gross domestic product will grow between 4.2% and 5.4% over the whole period, with inflation never rising above 2.7% a year. These, admittedly, are optimistic estimates.

The question, however, is how these projections relate to the Clinton reform proposal. Is the accuracy of these estimates critical to whether the plan's financing "adds up?" The answer is "no." The financing plan does not rely on some particular percentage of growth or inflation. Instead, it pegs limits on spending to these growth rates.

The real question to ask is exactly how the President's program proposes to tie health spending to these numbers, whatever they turn out to be. This in turn depends on how effective the techniques for containing costs—such as capping insurance premiums—are likely to be. It is not a question of whether the economic projections are realistic in the sense of being precisely right.

Finally, the President's financing relies critically on revenues from certain "sin" taxes and "savings" from the Medicare and Medicaid programs. The sin tax revenues may be somewhat overstated but could easily exceed the current estimates if Congress persuades the President to change his mind and support new taxes on beer, wine, and domestically produced liquor.

The real trouble arises, according to the pundits, from estimates of future savings in Medicare and Medicaid. The critics seem to assume that these programs are sacrosanct or, alternately, rapidly growing and politically uncontrollable.

How did these critics get to be so pessimistic? The growth rate of Medicare's hospital expenditures per enrollee was 6.9% annually in the period 1980-83. But when the government imposed reasonably effective payment constraints on hospitals in 1983, the results were dramatic. The growth rate per enrollee between 1983 and 1988 was only 1.3%. The Clinton reform projects Medicare growth rates to be 4.1% by the year 2000. In short, the rules controlling physician payments and pharmaceutical prices, combined with changes in the age distribution of the population, have generated projections that expenditure growth will be higher by the year 2000 than in the 1983-88 period. Why is this not a plausible, even a conservative, estimate?

Some critics will answer that Medicare's regulation of costs was effective in the past only because hospitals (and now doctors) could "shift" some of their costs to private payers. Again, this objection seems plausible, but it ignores the facts.

Under a plan that limits all payers, this cost shifting would not be possible.

It is the experience of *every* industrialized democracy with a universal health insurance program that cost control becomes easier when the plan is universal, not harder.

The explanation is simple. When everyone is in the same boat, special pleading that leads to a breakdown in regulatory controls or shifting of costs becomes more difficult. Common gain and common sacrifice are a reality and radically transform the politics of medical financing.

Equally, a universal system makes someone accountable for overall costs in a way that cannot be ignored or avoided. If the Congress and the states fail to develop constraints that meet spending targets, the taxpayers will know about it. This is not politics as usual, something the critics fail to acknowledge.

Therefore the counsel currently offered by critics—go slow in adding new benefits until we can assure everyone that the savings are real—is advice that is likely to doom the plan to failure. Universalism and cost control go hand in hand. Otherwise it *is* politics as usual, full of special pleading.

There are valid concerns about the workability of the Clinton proposals. The employment-based premiums, avoidance of general taxes and reliance on uncertain techniques of cost control (particularly in the competing health plans)—all should give pause. There are safer, more reliable and more effective ways of organizing health insurance and health finance for all.

The real issue is how to get a sensible health system in place by the end of this decade. Fixation on the current Clinton numbers or the cynical politics of the moment will not get us there. In these respects, the critics have not yet started to ask the right questions.

*Ted Marmor teaches public policy and Jerry Mashaw teaches law at Yale University. They are co-authors of "America's Misunderstood Welfare State" (Basic Book, 1992).*

THE NUMBERS

A-1

# Estimates Back Either Side In Debate on Reform's Cost

By Steven Pearlstein
Washington Post Staff Writer

NEWS ANALYSIS

Behind the debate now brewing over the financing of health care reform are two conflicting—and equally convincing—propositions.

The Clinton administration argues that there is so much inefficiency in the nation's health care system that the rate of increase in health care costs can surely be cut in half without affecting the quality of care. As the president will remind Americans this week, every other industrial country spends less and has healthier people.

Skeptics forward the equally plausible proposition that there is no way to extend health insurance to 37 million people, enhance the coverage of millions more and offer free prescription drugs to the elderly—and pay for it all with a modest increase in taxes on cigarettes and alcohol.

One economist even warns that just as President Ronald Reagan put too much faith in the budgetary magic of supply-side economics, the "managed competition" Clinton wants to see in health care could turn out to be today's version of voodoo economics.

There is ample evidence and common sense to support either proposition and it will be months before the country and the Congress figure out a way to reconcile them. In the process, Washington is likely to be engaged in what, at times, will seem like a mind-numbing fiscal squabble.

In the debate over health care financing,

See NUMBERS, A20, Col. 1

NUMBERS, From A1

the numbers people use often depend on subtle differences in terminology.

The "savings" that experts talk about as likely as not won't really mean reductions in the amount of spending, but rather reductions from the "baseline"—what would have been spent if current policies had continued.

"Costs" will come in many varieties—gross vs. net, one-year vs. five-year, government vs. total health system.

By picking the right numbers, assumptions and definitions, partisans can claim with equal justification that by the end of the decade the Clinton plan will cost $700 billion, pay for itself, or chop $91 billion a year off the nation's annual tab for health care.

In fact, any of these estimates are based on hundreds of what are, at best, educated guesses about the future course of the economy, the behavior of doctors, hospitals and patients and how medical technology develops.

Some of the money the administration proposes to spend now is designed to produce savings down the road, but these secondary effects are hard to measure. The Congressional Budget Office, for example, recognizes that the proposal to spend more money on preventive health care will eventually result in fewer and shorter hospital stays. But because they cannot quantify that savings, the CBO staff will disregard it.

On the other hand, no savings comes without its costs: Even the administration figures it will have to spend $2 billion a year more to pay for an expanded health care bureau-

Tototing it all up, the margin for error is enormous. Robert Reischauer, the CBO director, said most of the tools used by his staff were designed to measure what happens when government makes one discrete change in government policy. But he admits it is "virtually impossible" to calculate the effects of hundreds of simultaneous changes involved in the Clinton program, each of which has interactive effects on the other.

"We should all be humbled in the certitude with which we present these numbers," Reischauer said.

Remember this: The actuaries who originally calculated the cost of the Medicare system in the 1960s undershot the mark by half.

## Universal Health Insurance

The centerpiece of the Clinton plan is a requirement that all companies provide a basic package of health insurance to all employees and their families. By extending health insurance coverage to 37 million Americans now uninsured, this mandate would accelerate the growth of the nation's health care system—not slow it—for the first five years after enactment, even after the effects of price controls and managed competition are factored in.

The cost of implementing universal coverage would fall heaviest on those employers who don't now offer insurance and on their employees—a group made up disproportionately of small businesses and their low-wage workers.

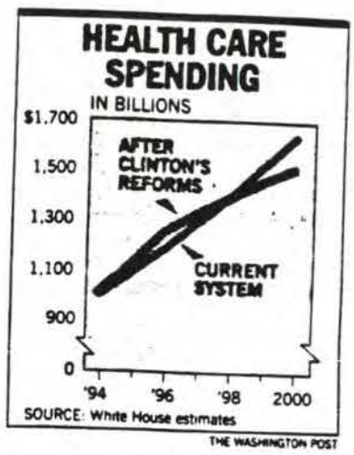
Others, however, would realize savings from the mandate: the uninsured (who were paying for some health services themselves), the government (which paid for services to some of the uninsured) and private firms offering insurance (whose premiums financed the health care of working spouses and much of the "free" care provided by hospitals).

Such large shifts in the health care burden were considered unacceptable, however, both politically and economically. So the administration devised a scheme to recycle some of those savings back to small businesses and low-wage workers (who would now be responsible for 20 percent of their health insurance premiums). The administration estimates these subsidies would cost the Treasury $92 billion by the year 2000.

Some analysts, however, worry that the subsidy program could distort the economy and invite abuse. Firms that do not qualify for subsidies could be encouraged to shift work to low-wage suppliers that do. Or firms could spin off some of their own low-wage operations into a separate company to take advantage of the subsidies. Administration officials indicated last week that they were considering methods to prevent that sort of maneuvering.

In addition to mandating that all employers offer health insurance, the Clinton program requires all plans to offer a package of benefits that exceeds many private policies and what the government itself now offers. Broader coverage inevitably leads to greater utilization of medical services.

Among the benefits in the basic plan are most dentists bills for children, preventive checkups, psycho-




logical counseling, prescription drugs, home health care and limited nursing home care. These would be offered not only to those in private plans, but also to Medicaid and Medicare recipients.

The administration calculates that, by itself, this proposal for universal health care would add $93 billion annually to the nation's health

*"We should all be humbled in the certitude with which we present these numbers."*

— Robert Reischauer, CBO director

tab by the year 2000, once all the direct costs and indirect savings are considered.

The idea behind the administration's plan for managed competition is to create enough competition in the health industry to drive down prices and drive inefficient hospitals, doctors and laboratories from the health care system.

The vehicle for this competition would be a new government-run purchasing alliance in each region to negotiate per capita premium rates from every insurer and health maintenance organization (HMO) on behalf of all consumers in that region.

While economists are in agreement that the health system suffers from too little price competition and too much paperwork, many concede it is impossible to predict what effect managed competition would have on health care prices—particularly at a time when the universal coverage and expanded benefits under the Clinton plan are increasing the demand for medical services.

The CBO, for example, is not expected to "score" even a dollar of potential savings from increased competition. And even some administration economists privately complain that the projected savings won't materialize as fast as hoped.

Others say it simply can't be done. "Competition and paperwork reduction won't get within hailing distance of the kind of savings they are talking about," said Henry Aaron, a Brookings Institution economist who has written a book on health care financing.

1/2

SUNDAY, SEPTEMBER 19, 1993
THE WASHINGTON POST

As a backup, the administration proposes a series of price controls in case competition doesn't do the trick. But in calculating the effect of these price caps, the Clinton plan runs up against the confounding reality about health care costs: Even if you control the prices charged for health services, it is nearly impossible to control how much of the services are used.

Under the Clinton plan, for example, private health insurance premiums would be required not to grow faster than the general rate of inflation by the year 2000—after years of running two or three times ahead of the consumer price index.

Ideally, insurers would use that cap on their annual premiums to force doctors and hospitals to cut waste and inefficiency. But the insurers' control over these independent health service providers is tenuous.

Skeptics worry that doctors and hospitals would respond to premium caps not by reducing their incomes or making their operations more efficient, but by forcing patients to wait longer for service, rationing care in some way and slowing introduction of expensive new drugs and technologies.

The administration also proposes to cap increases in Medicare spending, which, unlike private insurance, does involved a fixed annual premium but simply reimburses doctors and hospitals for whatever services the elderly demand.

The Clinton plan would limit increases in the fees Medicare pays doctors and hospitals for various procedures, and limit the total amount the government will pay for any one medical "incident" such as an operation. But the CBO has found that whenever such controls have been tried in the past, doctors have found ways to make up in volume for about half of what they lose from price controls.

"You can't get there just by controlling fees," said Aaron of the administration's projected Medicare savings.

In Medicaid, the other major federal health program, the administration proposes to hold down increases by using financial incentives to steer welfare families and the disabled to HMOs.

Pilot programs in some states have shown one-time savings of up to 10 percent from such transfers because HMOs do a better job at eliminating unnecessary procedures and hospital stays, and the administration in its plan is counting on only 5 percent. But studies also show that after the one-time gain, HMO premiums begin rising faster than general inflation. The administration plan assumes they would not.

## The Drug Industry

To bolster these controls, the administration would require drug companies, which stand to see new business from universal insurance and expanded benefits, to lower prices 15 percent for both Medicare and Medicaid recipients.

Perhaps even more threatening to these companies, the plan also would give the government the power to thwart the introduction of any new drug if its price was considered too high.

Most health economists believe some efficiencies can be wrung from the drug industry.

Drug companies, they point out, still spend 15 percent of their revenues on an expensive doctor-by-doctor marketing program that would become largely irrelevant in an environment dominated by a few large purchasing cooperatives. And some of that research, they argue, now goes into developing "me-too" drugs that merely steal market share from other drug companies and could be eliminated without affecting the quality of medical care.

What still is to be proven, however, is whether the Clinton program would really force drug companies to rationalize their marketing and research efforts. The drug industry argues that the controls would inevitably force them to cut back on core research. Others fear that the industry would try to make up for the government discounts by raising prices artificially on those drugs that have no competition.

## Income Tax Bonus

Altogether, the administration estimates that its program of managed competition will shave $136 billion in annual health care spending by the year 2000. Those savings, in turn, carry with it another supposed bonus: $19 billion in extra income tax payments the administration is counting on from businesses with higher profits and employees with higher take-home pay as a result of lower health costs.

Princeton University economist Uwe Reinhart, however, warns against counting on such a generous increase in tax collections.

"Remember, if General Motors saves $100 million in health care premiums and pays higher taxes, somewhere in Detroit there are doctors that will be earning less money," he said. "That will have an impact on income tax payments, too."

THE WASHINGTON POST

SUNDAY, SEPTEMBER 19, 1993

## FINANCING THE CLINTON HEALTH PLAN IN THE YEAR 2000

ESTIMATES, IN BILLIONS

| New Spending | Savings | Taxes/Fees |
|---|---|---|
| **$83:** Additional premiums to cover the uninsured and underinsured | **$30:** Payments by business, households for previously uninsured | **$16:** Alcohol/ tobacco taxes |
| **$92:** Subsides to small firms, low – income households | **$46:** Federal payments for previously uninsured | **$19:** Higher income tax revenue |
| **$45:** Enhanced benefits for Medicaid/Medicare | **$116:** Cap on Medicaid/Medicare | **–$4:** Tax deductions for self-employed and long-term care |
| **$2:** Government administrative expenses | **$151:** Cap on insurance premiums | **Undetermined:** Higher Medicare premiums |

SOURCE: Calculations based on estimates from White House and Lewin-VHI Inc.

THE WASHINGTON POST

2/2