Families USA
FOUNDATION

April 20, 1994

Harold Ickes
Deputy Chief of Staff
The White House
West Wing - Ground Floor
Washington, DC 20500

Dear Harold:

On Thursday, April 21, Families USA will release our new report, "How Americans Lose Health Insurance." We are releasing the report at a press conference in the Capitol with Majority Leaders George Mitchell and Dick Gephardt as well as House Energy and Commerce Committee Chairman John Dingell and Senator Tom Daschle.

The report clearly supports the Administration's approach of health benefits guaranteed at work. According to this first report on how people lose coverage, the most common reasons 2.25 million Americans lose health insurance each month are job loss, change of job, or other loss of employer-provided insurance. Almost two-thirds of the people losing coverage lose it due to these job-related reasons.

We are bringing in seven families -- mostly from the districts of swing members on Energy and Commerce -- who recently lost their insurance. We are arranging satellite television interviews of these families in their districts. We are also arranging meetings for them with their members, and we are organizing the normal panoply of media outreach through radio actualities and other satellite interviews.

Numerous organizations, including various members of the Health Care Reform Project, will simultaneously release this report in approximately 30 locations around the country. They will have newly-uninsured people at those press conferences as well. We believe this should very helpfully add to our local coverage in key media markets.

Best regards,

Ronald F. Pollack
Executive Director

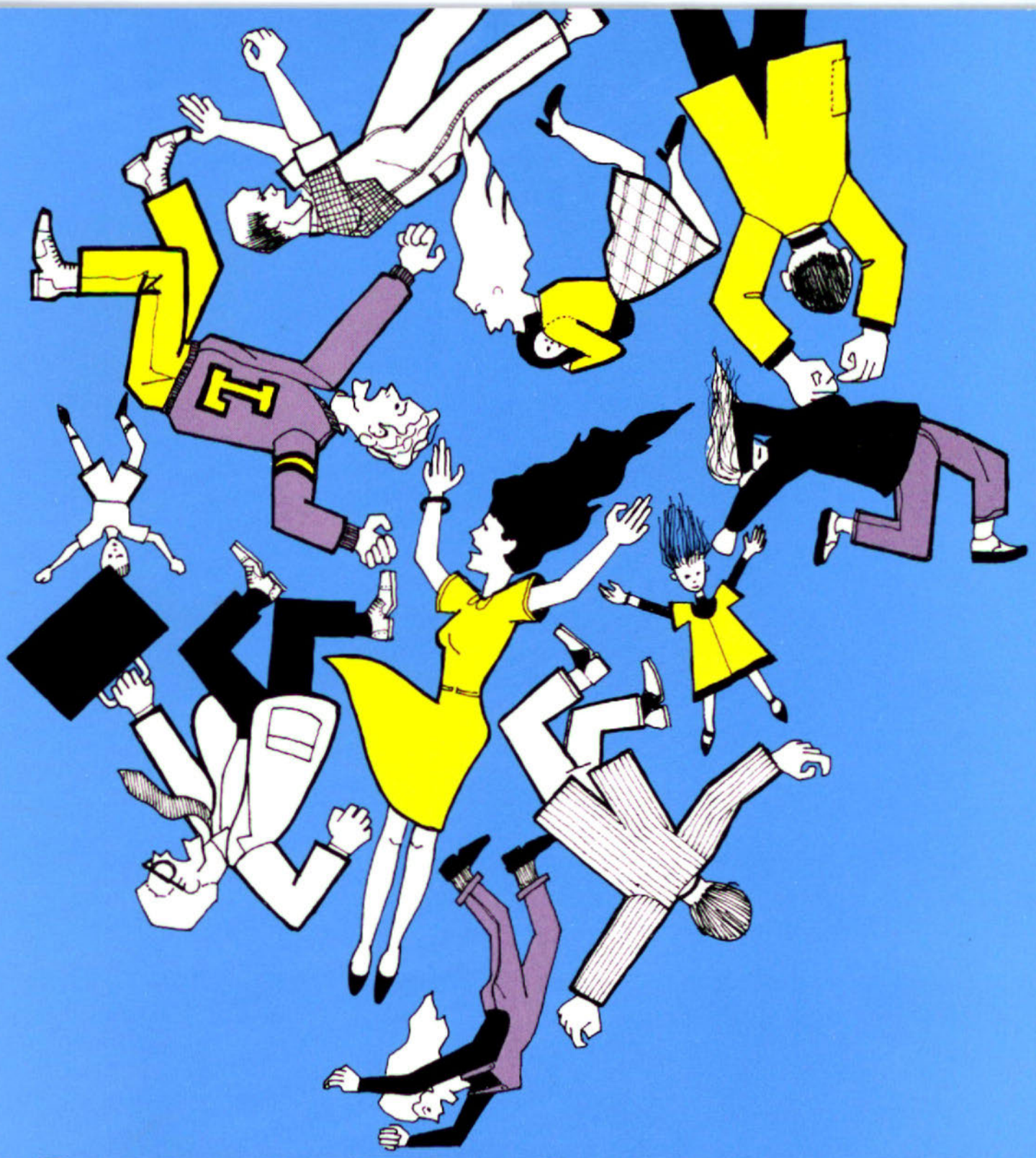
1334 G STREET, NW • WASHINGTON, DC 20005 • 202-628-3030 • FAX 202-347-2417

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.



HOW AMERICANS LOSE HEALTH INSURANCE

FAMILIES USA REPORT TEN DOLLARS

Families USA FOUNDATION

PRESS RELEASE

FOR RELEASE 10:30 AM
THURSDAY, APRIL 21, 1994

New Research Shows:

JOB LOSS, CHANGE OF JOBS BIGGEST REASONS TWO MILLION LOSE HEALTH INSURANCE EACH MONTH

The most common reasons two million Americans lose health insurance each month are job loss, change of job, or other loss of employer-provided insurance, according to new research by the health consumer group Families USA.

"The people at risk of losing health insurance in America today are most of us who work for a living. The biggest ways people lose insurance are to lose their job or change jobs," according to Ron Pollack, executive director of Families USA.

At a press conference today at the Capitol with Senate Majority Leader George Mitchell, House Majority Leader Richard Gephardt and other Members of Congress, Families USA issued the first report ever to document how 2.25 million Americans lose health insurance each month. [NOTE TO EDITORS: STATE-BY-STATE NUMBERS OF MONTHLY LOSSES ATTACHED.]

Nearly two out of three Americans who lose health insurance this year will lose it because of a workplace change, such as job loss, switching jobs, reduced work hours or a loss of workplace benefits, according to the report. [NOTE TO EDITORS: ATTACHED CHART SHOWS MORE DETAILED BREAKOUTS.]

- more -

CONTACT: ARNOLD BENNETT OR AVIVA SHLENSKY (202) 628-3030
1334 G STREET NW • WASHINGTON DC 20005 • FAX (202) 347-2417

Many will lose insurance after losing their job, according to the report.

"Imagine yourself--the breadwinner--coming home to your family after getting your pink slip. You not only have to tell them you lost your job, but you lost their health insurance too," Pollack said.

A larger number of Americans will lose insurance this year because the family member who provides insurance coverage changes jobs, according to the report. They will lose it because their new employer does not offer insurance, because there is a waiting period before they become eligible for health insurance under the new employer's policy, or because a drop in take home pay makes insurance premiums unaffordable.

"If you lose or change your job today, your whole family may lose their health insurance. Many American families face this terrifying loss of security when their work situation changes. Many others are locked in a job because they can't risk losing their insurance," Pollack said.

The new research shows that many Americans lose their workplace insurance even without any change in their employment status, according to the report. In some cases rapidly rising premiums force employers to drop coverage. In other cases, insurance companies drop coverage for an entire small business when an expensive illness strikes one employee. In some cases the insurance company goes out of business.

"If you work for a small company and someone in the company gets sick, the insurance company may boost your premiums sky high, or they may drop you altogether. It's a tragedy, but running a small business can cost your family their health security," Pollack said.

Americans who buy insurance on their own are extremely vulnerable to losing their insurance. One in five Americans who lose coverage this year will have purchased insurance on their own rather than in their workplace, according to the report. These people, who tend to be between the ages of 45 and 64, may lose their coverage because skyrocketing premiums price them out of protection or because the insurance company cancels their policy.

More than a million young Americans will lose health insurance this year, because they will no longer qualify for protection under their parents' policies, according to the report. A smaller number of Americans will lose coverage when they become divorced or widowed.

A number of low income Americans will lose Medicaid insurance this year, often when they leave welfare to get a job, according to the report. Many low wage entry level jobs provide no health benefits.

But the majority of Americans who lose health insurance are in the middle class. Of the two million Americans losing health insurance each month, two out of five had household incomes over $30,000. More than one sixth had incomes over $50,000.

The region hit hardest by loss of health insurance is the Southeast, followed by the West, Midwest and Northeast.

The report is based primarily on data from the Census Bureau's 1990 Survey of Income and Program Participation. The 1990 numbers are updated to 1994 with Census Bureau estimates of population changes.

The Families USA report was funded by a grant from the Robert Wood Johnson Foundation.

Families USA is the consumer group fighting for comprehensive health reform.

-30-

Number of Persons Losing Health Insurance Each Month By State, 1994

State	Average Number of Persons Losing Health Insurance Each Month
United States	**2,248,000**
Alabama	35,000
Alaska	6,000
Arizona	44,000
Arkansas	28,000
California	312,000
Colorado	43,000
Connecticut	23,000
Delaware	6,000
District of Columbia	6,000
Florida	112,000
Georgia	66,000
Hawaii	11,000
Idaho	13,000
Illinois	86,000
Indiana	44,000
Iowa	22,000
Kansas	20,000
Kentucky	33,000
Louisiana	51,000
Maine	11,000
Maryland	43,000
Massachusetts	49,000
Michigan	74,000
Minnesota	36,000
Mississippi	27,000
Missouri	41,000
Montana	11,000
Nebraska	14,000
Nevada	16,000
New Hampshire	8,000
New Jersey	45,000
New Mexico	21,000
New York	128,000
North Carolina	66,000
North Dakota	6,000
Ohio	86,000
Oklahoma	31,000
Oregon	27,000
Pennsylvania	85,000
Rhode Island	8,000
South Carolina	33,000
South Dakota	6,000
Tennessee	45,000
Texas	175,000
Utah	25,000
Vermont	5,000
Virginia	54,000
Washington	50,000
West Virginia	17,000
Wisconsin	37,000
Wyoming	5,000

Source: Lewin-VHI estimates based on the 1990 Survey of Income and Program Participation (SIPP), the 1987 National Medical Expenditures Survey (NMES), four years of pooled March Current Population Survey (CPS) data, Bureau of the Census, *State Population Estimates by Age and Sex: 1980-1992*, P25-1106, and Bureau of the Census, *Population Projections of the United States, by Age, Sex, Race and Hispanic Origin: 1993 to 2050*, P25-1104.

How Americans Lose Health Insurance by Characteristics, 1994

(numbers in thousands)

	Lose Job[a]	Change Job[a]	Decrease in Hours[a]	Same Job/Lose Insurance[a,b]	Change in Marital Status	Lose Medicaid	Change in Dependent Status[c]	Lose Non-Employer Coverage[d]	Total
Total	5,189	5,011	398	3,688	256	2,457	1,227	4,694	22,920
(row %)	22.6%	21.9%	1.7%	16.1%	1.1%	10.7%	5.4%	20.5%	100.0%
Region									
Northeast	952	851	NA	681	NA	448	152	622	3,764
(row %)	25.3%	22.6%	NA	18.1%	NA	11.9%	4.0%	16.5%	100.0%
Midwest	1,177	982	42	555	46	527	285	1,043	4,656
(row %)	25.3%	21.1%	0.9%	11.9%	1.0%	11.3%	6.1%	22.4%	100.0%
West	1,198	1,202	97	803	NA	470	238	1,089	5,125
(row %)	23.4%	23.4%	1.9%	15.7%	NA	9.2%	4.6%	21.2%	100.0%
South	1,863	1,976	231	1,649	152	1,012	553	1,939	9,374
(row %)	19.9%	21.1%	2.5%	17.6%	1.6%	10.8%	5.9%	20.7%	100.0%
Age									
<18	740	1,457	139	1,073	136	1,254	417	1,597	6,813
(row %)	10.9%	21.4%	2.0%	15.8%	2.0%	18.4%	6.1%	23.4%	100.0%
18-29	2,109	1,760	112	1,020	61	630	810	931	7,434
(row %)	28.4%	23.7%	1.5%	13.7%	0.8%	8.5%	10.9%	12.5%	100.0%
30-54	2,154	1,661	121	1,261	59	478	NA	1,633	7,367
(row %)	29.2%	22.5%	1.6%	17.1%	0.8%	6.5%	NA	22.2%	100.0%
55+	186	133	NA	334	NA	95	NA	532	1,306
(row %)	14.2%	10.2%	NA	25.6%	NA	7.2%	NA	40.8%	100.0%
Sex (adults only)									
Adult male	2,560	1,707	105	1,475	NA	383	402	1,700	8,344
(row %)	30.7%	20.5%	1.3%	17.7%	NA	4.6%	4.8%	20.4%	100.0%
Adult female	1,889	1,847	154	1,140	108	820	408	1,397	7,763
(row %)	24.3%	23.8%	2.0%	14.7%	1.4%	10.6%	5.3%	18.0%	100.0%
Race									
White	4,034	4,224	279	2,694	186	1,752	915	3,818	17,902
(row %)	22.5%	23.6%	1.6%	15.0%	1.0%	9.8%	5.1%	21.3%	100.0%
Non-White	1,155	787	119	994	70	705	312	876	5,018
(row %)	23.0%	15.7%	2.4%	19.8%	1.4%	14.0%	6.2%	17.5%	100.0%
Employment Status (in month prior to losing)									
Full-time	3,113	3,817	229	2,750	103	930	666	2,529	14,138
(row %)	22.0%	27.0%	1.6%	19.5%	0.7%	6.6%	4.7%	17.9%	100.0%
Part-time	517	533	139	283	53	303	244	817	2,890
(row %)	17.9%	18.5%	4.8%	9.8%	1.8%	10.5%	8.5%	28.3%	100.0%
Unemployed	781	183	NA	158	NA	166	68	299	1,668
(row %)	46.8%	11.0%	NA	9.5%	NA	9.9%	4.1%	17.9%	100.0%
Non-Worker*	779	477	NA	497	93	1,058	249	1,048	4,224
(row %)	18.4%	11.3%	NA	11.8%	2.2%	25.0%	5.9%	24.8%	100.0%

NA -- Weighted sample less than 30,000.

[a] Individuals or dependents with employer-provided coverage during the six month period prior to losing health insurance.

[b] Individuals or dependents with employer-provided health insurance during the six month period prior to losing health insurance, but who also had no change in job status (i.e., no change in employer, occupation, industry, hours worked, or class of worker). Includes persons dropping coverage for themselves or dependents (due to unaffordability or other circumstances); employers dropping coverage; and insurance companies canceling coverage or going out of business.

[c] Persons age 25 or less who start or leave school or turn 18 through 25 during the six month period prior to losing health insurance.

[d] Individuals or dependents who do not have any of the status changes above and lose non-employer coverage. These losses of coverage occur due to the unaffordability of premiums; insurers canceling coverage; or other reasons.

* Includes retirees.

Source: Lewin-VHI estimates based on the 1990 Survey of Income and Program Participation (SIPP) for persons who lost health insurance between August 1990 and July 1991 and Bureau of the Census, *Population Projections of the United States, by Age, Sex, Race and Hispanic Origin: 1993 to 2050*, P25-1104.

Families USA
FOUNDATION

February 16, 1994

Harold Ickes
Deputy Chief of Staff
The White House
West Wing - Ground Floor
Washington, DC 20500

Dear Harold:

Enclosed is our analysis of the Balanced Budget amendment's impact on Medicare, Medicaid and health reform. We released this analysis immediately prior to the hearings conducted by Senator Byrd this morning.

Best regards,

Ronald F. Pollack
Executive Director

RFP/gj
Encls.

1334 G STREET, NW • WASHINGTON, DC 20005 • 202-628-3030 • FAX 202-347-2417

Families USA FOUNDATION

PRESS RELEASE

FOR RELEASE:
TUESDAY, FEBRUARY 15, 1994

BALANCED BUDGET AMENDMENT WOULD SLASH MEDICARE, MEDICAID, SET BACK HEALTH REFORM

The Balanced Budget Amendment would slash Medicare and Medicaid, according to a report released today by the health consumer group Families USA.

Passage of the Balanced Budget Amendment would also seriously damage prospects of comprehensive health reform, according to the report. Implementing the Balanced Budget Amendment would require more than a doubling of the Medicare and Medicaid cuts proposed in the Clinton health reform proposal, thereby weakening the opportunity to pass health reform. At the very least, it would cause drastic cuts in Medicare and Medicaid, and elimination of significant benefits in the reform package.

"The backers of the so-called Balanced Budget Amendment are playing politics with the future of Medicare, Medicaid and comprehensive health reform. We can't let them slip this one past us. Our future health security depends on it," said Ron Pollack, executive director of Families USA.

All health reform proposals, not just the Clinton reform, would be devastated by the Balanced Budget Amendment, as all rely on savings in Medicare and Medicaid, in part, to finance reform.

If the Balanced Budget Amendment took effect in 1999, Medicare would likely be cut by $32 billion and Medicaid would be cut by $35 billion that year, according to the analysis. If the Amendment took effect in 2001, as recently proposed, Medicare would be cut by $43 billion and Medicaid would be cut by $48 billion that year.

The Families USA report was released today to coincide with testimony on the Amendment's impact by Donna Shalala, Secretary of Health and Human Services, before the Senate Appropriations Committee, chaired by Sen. Robert Byrd.

Families USA is the consumer group fighting for health and long term care reform.

- 30 -

CONTACT: ARNOLD BENNETT OR AVIVA SHLENSKY (202) 628-3030
1334 G STREET NW • WASHINGTON DC 20005 • FAX (202) 347-2417

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

Balanced Budget Damages Medicare, Medicaid, Health Reform

This month the Congress will be voting on a Constitutional amendment requiring a balanced federal budget. The proposed amendment, Senate Joint Resolution 41 sponsored by Senator Paul Simon (D-Illinois) and House Joint Resolution 103 sponsored by Representative Charles Stenholm (D-Texas), would require the Congress to eliminate the federal budget deficit unless three-fifths of both houses of Congress approve deficit spending. The amendment would take effect in federal fiscal year 1999, or the second federal fiscal year following ratification by three-fourths of the states, whichever is later. Some sponsors of the amendment have stated that they will change the effective date of the amendment to federal fiscal year 2001, or the second federal fiscal year following ratification by three-fourths of the states, whichever is later.

The proposed amendment is likely to result in large federal spending cuts since it requires the approval of a majority of all members of both the House and the Senate by a rollcall vote in order to raise taxes. The proposed amendment protects no federal programs from the impact of the Constitutional amendment.

Enactment of the Balanced Budget amendment would require large cuts in the Medicare and Medicaid programs. This Families USA Special Report looks at the impact of the proposed Constitutional amendment on these important health programs and on the prospects for comprehensive health reform, as proposed by President Clinton. This analysis assumes that the Balanced Budget amendment would take effect either in 1999 or 2001; that the Congress would choose to balance the federal budget through spending cuts and without a tax increase; and that cuts in federal programs would be proportional to the amount each program comprises of the federal budget.

Slashing Medicare and Medicaid

The Medicare program provides health insurance to the nation's elderly and persons with disabilities and the Medicaid program provides health insurance to persons eligible for Aid to Families with Dependent Children; Supplemental Security Income; and certain other categories of needy persons. Over the last decade, the costs of Medicare and Medicaid have skyrocketed along with all health care costs.

The federal government has taken many steps to control the cost increases in these programs. These cuts have resulted primarily in reduced payments to providers. As the federal and state governments have reduced Medicare and Medicaid payments to providers, beneficiaries' access to providers has become increasingly threatened. This is because private insurance payments are relatively more generous and providers

Families USA
FOUNDATION

January 27, 1994

Harold Ickes
Deputy Chief of Staff
The White House
West Wing - Ground Floor
Washington, DC 20500

Dear Harold:

I wanted to give you a heads up on what we are doing next week.

Enclosed is our "ten families" report that compares the Clinton bill with the Cooper and Chafee bills. There is a very vivid contrast of how the three bills deal with the problems exemplified by these families. We are releasing this analysis on Monday, January 31, in press conferences and media tours in Nashville, New Orleans and Providence. Phyllis Torda will represent us in Providence; Jeff Kirsch will represent us in New Orleans; and I will be in Nashville. Local families and organization representatives will join us at our press conferences. We already have very filled television, radio and print press schedules in these locations, and we have heavy remote interview schedules for other parts of Tennessee, Louisiana and Rhode Island. This Friday evening, I am debating Jim Cooper on MacNeil-Lehrer.

Subsequent to our releases in the three states, we are doing remote interviews in Kansas, Texas and Iowa. The report is being widely disseminated to the press generally.

ARNOLD BENNETT'S ORGANIZATION

Best regards,

Ronny

Ronald F. Pollack
Executive Director

RFP/gj
Encls.

1334 G STREET, NW • WASHINGTON, DC 20005 • 202-628-3030 • FAX 202-347-2417

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

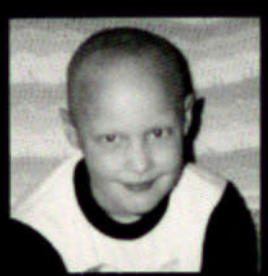
This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

FAMILIES USA REPORT

TEN DOLLARS

THE HUMAN IMPACT OF HEALTH REFORM



CLINTON VS. COOPER VS. CHAFEE

Families USA
FOUNDATION

February 4, 1994

Harold Ickes
Deputy Chief of Staff
The White House
West Wing - Ground Floor
Washington, DC 20500

Dear Harold:

Enclosed you will find our press release and report criticizing the Balanced Budget Amendment's impact on Social Security. Joining us at the press conference were Senator Robert Byrd and representatives of the AARP, the Save Our Security Coalition (Dr. Arthur Flemming, Chairman), the National Council of Senior Citizens, the National Center and Caucus on the Black Aged, the Older Women's League, the National Committee for the Preservation of Social Security and Medicare, and the People With Disabilities Coalition.

Since Senator Simon indicated that he may change the effective date of the proposed amendment from 1999 to 2001, we offered impact data for both years. In 1999, if federal spending were cut on a pro rata basis, the average annual Social Security cut would be $1,081 per beneficiary, and in 2001 it would be $1,306. These are based on CBO data and reflect benefit cuts of 12 percent and 14 percent, respectively.

The state-by-state data are being disseminated through state-specific radio actualities and satellite tv interviews.

Best regards,

Ronald F. Pollack
Executive Director

RFP/gj
Encls.

1334 G STREET, NW • WASHINGTON, DC 20005 • 202-628-3030 • FAX 202-347-2417

Families USA FOUNDATION

PRESS RELEASE

FOR RELEASE 11 AM
FRIDAY, FEBRUARY 4, 1994

NEW REPORT: BALANCED BUDGET AMENDMENT WOULD CUT MORE THAN $1,000 A YEAR OUT OF SOCIAL SECURITY CHECKS

AARP, OTHER NATIONAL AGING GROUPS ATTACK "RAID ON SOCIAL SECURITY"

The Balanced Budget Amendment would cut Social Security checks by more than $1,000 a year on average, according to a report released today by the consumer group Families USA.

"The politicians are trying to slip this one past us, but here's the truth: the so-called Balanced Budget Amendment is a raid on Social Security," said Ron Pollack, executive director of Families USA.

Senator Robert Byrd (D-WV), chairman of the Senate Appropriations Committee, joined Families USA, the American Association of Retired Persons and other national seniors' organizations at a press conference today in Washington. The groups vowed an all out fight against the Balanced Budget Amendment.

"Many Americans, especially the elderly, depend on their monthly Social Security checks to buy food and medicine. How are you going to tell them you're going to cut $1,000 a year from their checks? Senators need to know that this is the kind of real pain the Balanced Budget Amendment will cause if they decide to vote for it," Byrd said.

Under the Balanced Budget Amendment, Social Security checks would be cut by an average of $1,081 a year, according to the report. This would amount to a 12 percent cut in benefits, and a $50 billion dollar Social Security cut overall.

Also participating in the press conference were Dr. Arthur Flemming of the Save Our Security coalition and leaders of the National Council of Senior Citizens, the Older Women's League, the National Committee to Preserve Social Security and Medicare, the National Caucus and Center on Black Aged.

Families USA is the national consumer group working for health and long term care reform and income security for older Americans.

- 30 -

CONTACT: ARNOLD BENNETT OR AVIVA SHLENSKY (202) 628-3030
1334 G STREET NW • WASHINGTON DC 20005 • FAX (202) 347-2417

Families USA
FOUNDATION

February 4, 1994

Harold Ickes
Deputy Chief of Staff
The White House
West Wing - Ground Floor
Washington, DC 20500

Dear Harold:

Earlier today I sent you a copy of our report on Social Security and the Balanced Budget Amendment. That report contained an error concerning the amendment's procedure for approving a tax increase. The enclosed document corrects that error.

Best regards,

Ronald F. Pollack
Executive Director

RFP/gj
Encl.

1334 G STREET, NW • WASHINGTON, DC 20005 • 202-628-3030 • FAX 202-347-2417

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

Damage to Social Security of Balanced Budget Amendment

This month the Congress will be voting on a Constitutional amendment requiring a balanced federal budget. The proposed amendment, Senate Joint Resolution 41 sponsored by Senator Paul Simon (D-Illinois) and House Joint Resolution 103 sponsored by Representative Charles Stenholm (D-Texas), would require the Congress to eliminate the federal budget deficit unless three-fifths of both houses of Congress approve deficit spending. The amendment would take effect in federal fiscal year 1999, or the second federal fiscal year following ratification by three-fourths of the states, whichever is later.

The proposed amendment is likely to result in large federal spending cuts since it requires the approval of a majority of all members of both the House and the Senate by a rollcall vote in order to raise taxes. The proposed amendment protects no federal programs from the impact of the Constitutional amendment.

This Families USA Special Report looks at the impact of the proposed Constitutional amendment on Social Security beneficiaries. This analysis assumes that the amendment would take effect in 1999; that the Congress would choose to balance the federal budget through spending cuts and without a tax increase; and that cuts in federal programs would be proportional to the amount each program comprises of the federal budget.

The Social Security Safety Net

Many elderly persons and persons with disabilities depend on Social Security benefits to meet their daily living expenses. Elderly persons with low and moderate incomes are far more dependent on Social Security benefits than those with higher incomes. Elderly units with incomes between the poverty line and 150 percent of the poverty line, for example, depend on Social Security benefits for over three-fourths of their income, on average. By contrast, elderly units with incomes over $50,000 receive less than 20 percent of their income from Social Security benefits.[1] As of 1992, half of all elderly families had incomes of $17,160 or less.[2]

Impact of the Balanced Budget Amendment

The nation's 46 million Social Security beneficiaries would lose $1,081 in annual Social Security benefits, on average, in 1999 under the Balanced Budget Constitutional amendment. This amounts to a 12 percent cut in benefits. Nationwide, the Social Security cuts would total $50 billion. *(See Table 1.)*