HC Reform Project groups hc

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR HAROLD ICKES
ALEXIS HERMAN
GREG LAWLER

FROM: CAREN WILCOX CW

SUBJECT: PRE-MEDICARE DONATION TO HEALTH CARE REFORM PROJECT

DATE: JUNE 3, 1994

I spoke yesterday with the head of the Washington office of Bethlehem Steel. In the course of the conversation, he told me that the coalition had sat through a presentation by the HCRP of its advertising plans and other communications efforts. He also told me that Senator Rockefeller had apparently expressed concern and perhaps has rejected the donation of the Pre-Medicare coalition's donation for advertising.

The Senator, according to Bethlehem, was satisfied with the effort of $150,000 raised by Bethlehem, USX and LTV, given their financial situations, and other commitments. However, he was dissatisfied with the effort of the big three auto makers on the funding.

In the interim, I believe there is consideration by these companies of other places to put monies.

I have tried to clarify this situation, but those in a position to do so are out of town until Monday.

cc: Mike Lux

6/9
This follows
Laura Quinn's
conversation
with you re
JR's refusal

HC Reform Proj
- groups

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR HAROLD ICKES
ALEXIS HERMAN
GREG LAWLER

FROM: CAREN WILCOX CW

DATE: MAY 26, 1994

SUBJECT: PRE-MEDICARE COALITION DONATION TO HCRP

Today I spoke with Letitia Chambers, President of Chambers Associates, and director of the Pre-Medicare Coalition, and co-convenor of the ad hoc health care reform group of lobbyists supporting the President's principles on the Hill.

When I asked her whether the Pre-Medicare Coalition would be running television advertising she told me that they would be donating $300,000 to support TV advertising to the Health Care Reform Project, and that she was leaving her office to inform Senator Rockefeller of that fact today.

It is our understanding that this money comes from the auto and steel companies, and perhaps from some of the other heavy industry companies in the coalition.

cc: Mike Lux

Groups
Health Care
Reform
Proj.

THE WHITE HOUSE

WASHINGTON

January 27, 1994

Stanley H. Lowell, Esq
Goodkind et al.
100 Park Avenue
New York, NY 10017-5563

Re: Howard Newman

Dear Stanley:

Forgive the delay in my responding to your 13 December 1993 letter about Howard Newman. I am familiar with the Health Care Reform Project and I will make it my business to get in touch with him in the next week or so.

I appreciate your help. Please keep in touch.

Sincerely,

Harold Ickes

Harold Ickes
Assistant to the President
and Deputy Chief of Staff

Reform Project groups hc

**HEALTH CARE REFORM PROJECT**

**THE VOICE OF AMERICANS FOR CHANGE, NOW.**

For Immediate Release
July 20, 1994

Contact: Bob Chlopak, Charlie Leonard
202/289-5900

**Reform Leaders Tell Congress They'll Oppose Legislation Unless It Includes Universal Coverage, Shared Responsibility**

Washington, D.C. -- The Health Care Reform Project, the largest and most diverse pro-reform coalition, comprised of 54 member organizations representing more than 65 million Americans, told Congress today that it would urge its members to consider opposing any legislation that did not guarantee universal coverage financed through an employer mandate.

In a letter to every Member of Congress, the Project said "incremental reform will hurt the middle class." The letter warns that "Congress should not be under the illusion that incremental reform is a step in the right direction. In New York where insurance reforms were implemented without universal coverage, premiums shot up 18% in the first year. That's not what the middle class wants or expects from health reform."

The letter relies on a recent study sponsored by the Catholic Health Association which concludes that incremental reforms like those included in the Dole, Senate Finance, Cooper and Rowland Bilirakis bills would cost middle income families an additional $7.8 billion annually. In contrast, universal coverage along the lines of the President's plan and bills passed by three congressional committees would actually reduce costs by $5 billion.

##

1400 L Street, NW Washington, DC 20005
Grassroots Organization: 202/783-6323
Fax: 202/783-6327
Press & Other Inquiries: 202/289-5900
Fax: 202/289-4141

**HEALTH CARE REFORM PROJECT**

**THE VOICE OF AMERICANS FOR CHANGE, NOW.**

July 20, 1994

Dear Member of Congress:

The Project and one of its member organizations have released two important studies in the last week that demonstrate both the critical importance of guaranteeing health coverage to every American and the fairness of relying on shared employer-employee financing to pay for it. Before summarizing these studies, we want to reiterate clearly that the Project supports universal coverage financed through shared employer-employee responsibility. The Project's management committee has decided to recommend to our member organizations, representing 65 million Americans, that they oppose legislation that does not achieve these goals.

Further, as the Catholic Health Association study makes clear, incremental reform will hurt the middle class. In other words, Congress should not be under the illusion that incremental reform is a step in the right direction. In New York where insurance reforms were implemented without universal coverage, premiums shot up 18% in the first year. That's not what the middle class wants or expects from health reform. Congress would be wise to heed the New York experience and the Catholic Health study.

The Catholic Health study, conducted by Lewin-VHI, examines the impact of health reform on middle income households by comparing universal health reform including shared responsibility and cost containment with incremental reform. The study shows that incremental reform, which includes market reform, but does not achieve universal coverage, include shared responsibility or contain enforceable cost containment, would have a devastating impact on the middle class, forcing families with insurance making between $20,000 and $75,000 (60% of all insured families) to spend more on health care. Overall, these middle income families would pay $7.8 billion more on an annual basis. This is because insurance reforms without universal coverage will significantly change the insurance pool, bringing in more older and sick people who can't get insurance today, while encouraging many young and healthy people to drop out.

In contrast, universal coverage financed through shared responsibility and including cost containment would reduce household health spending for families with insurance making between $20,000 and $75,000 by $5 billion. For a family making between $30,000 and $39,000 -- the median income in America

1400 L Street, NW Washington, DC 20005
Grassroots Organization: 202/783-6323
Fax: 202/783-6327
Press & Other Inquiries: 202/289-5900
Fax: 202/289-4141

-- incremental reform will mean a $344 increase compared with a $165 reduction for universal coverage, a difference of $504 per family.

The second study by the Project revealed that some large companies like Pizza Hut and McDonald's pay to cover their workers' health insurance overseas, but are leading the lobbying effort against shared responsibility in the United States where they do not pay to cover many of their restaurant workers. These companies have told Congress that shared responsibility would erode their profits, stifle their growth and reduce employment. Yet, Pizza Hut has forecast a 3 1/2 fold increase in their stores in Japan, and has increased revenues 38.4% in two years, and employment 23.4% in the last year in Germany.

Now Pizza Hut, which blocked our TV ads from running on Washington stations by threatening to sue, is claiming that pizza prices in the U.S. would rise from $11 to $19 or $25 as they charge in Germany and Japan, respectively, if Pizza Hut had to pay for health insurance. But Pizza Hut's own numbers suggest that labor constitutes about 30% of sales. Thus, under the Senate Labor bill which caps expenditures for low wage firms at 12%, Pizza Hut would need to raise prices by only 3.6% to recover its costs -- an increase of just $.40 on an $11 pizza, assuming all of the costs are passed through to consumers.

If you would like any further information about either of these studies, please call Cara Millard at 202/289-5900.

In closing, true health reform must include a guarantee of coverage for every American, financed through shared responsibility, just like every Member of Congress has. Anything less will hurt the middle class. That's why we will oppose it.

Sincerely,

Robert Chlopak

Robert A. Chlopak

Charles G. Leonard

Charles G. Leonard
For the Health Care Reform Project

Reform Project groups
hc

HEALTH CARE REFORM PROJECT

THE VOICE OF AMERICANS FOR CHANGE, NOW.

FOR IMMEDIATE RELEASE
July 19, 1994

Contact: Mark Johnson
202/289-5900

**Project Delivers Pizzas to Congress; Holds 20 Events at Pizza Huts Nationwide**

**Pizza Hut's Prediction of '$19 Pizzas' Rebuffed**

Washington, D.C. -- The Health Care Reform Project today escalated its campaign in support of shared responsibility with a continued focus on Pizza Hut, a company that pays for its workers' health insurance overseas while denying insurance to many American workers.

Today at Pizza Hut restaurants in 25 states the Project staged demonstrations to focus on Pizza Hut's hypocrisy and turn up the pressure on key members of Congress who do not yet support shared employer-employee responsibility. The Project has sharpened its message to Congress, telling Members to stand with American workers instead of companies that give better health benefits to their foreign workers.

Meanwhile in Washington, Project volunteers delivered Pizza Hut pizzas at lunchtime today to 50 congressional offices, topped with a message to support shared responsibility.

The Project also issued an analysis of Pizza Hut's claim that it would be forced to raise the price of a Pizza to $19 or even $25 if it had to pay for health care benefits for its American employees like it pays for many of its foreign employees.

"First, Pizza Hut hired an army of lawyers to accuse us of libel and to intimidate TV stations into not running our ad last week," said Bob Chlopak, a consultant to the Project and author of the report. "Now Pizza Hut is trying to scare consumers by making outlandish claims about the price of pizza under an employer mandate. The fact is that Pizza Hut is slicing up the truth in order to justify cutting out American workers from their health insurance pie."

Below are the major responses Pizza Hut has made to the Project report followed by the Project's factual responses:

1. Pizza Hut says: "To cover the costs of mandated health care and other benefits, we are forced to raise the prices of our pizzas. In Germany we charge $19 for a pizza that costs $11 in the U.S. In Japan, we charge $25." (Pizza Hut's ad, Wichita Eagle, July 18, 1994).

   The fact is virtually everything costs more in Germany and Japan than in the U.S. But the claim that Pizza Hut will have to raise pizza prices from

$11 to $19 or $25 to pay for health insurance has no basis in fact. Indeed, PepsiCo's own numbers show these estimates to be 20-35 times greater than the actual increase needed. It's VP for Compensation told the Ways and Means Committee that labor costs at its restaurants amount to about 30% of sales. Under the Kennedy bill, as one example, health insurance costs for a large employer in a low wage business could not exceed 12% of payroll. Thus, to recover the increase costs for health insurance, Pizza Hut would only need to raise prices by 30% of 12% or 3.6%. On an $11 pizza, the increase is just $.40. The $8 and $14 increases suggested by Pizza Hut are 20-35 times this amount.

2 Pizza Hut says: "We offer health insurance to all of our employees in the U.S., full-time and part-time. And we share the costs of that insurance with them." (Pizza Hut's ad, Wichita Eagle, July 18, 1994).

The fact is that Pizza Hut repeatedly has tried to blur the difference between "offering" insurance and "paying" for it. The claim that Pizza Hut shares the cost for all employees including part-timers is totally false. PepsiCo's study included in its Ways and Means testimony says that only 14% of hourly restaurant workers at Pizza Hut participate in the insurance program, largely because they have to pay 100% of the cost. Pizza Hut's own health insurance plan description and its lawyers' letter to the Project make clear that the company contributes to health insurance for these employees <u>only after they have paid 100% of its cost for six consecutive months</u>. Then the company pays for added coverage if the employee continues to pay 100% of the cost for basic coverage. The bottom line: only 14% of hourly restaurant employees participate in the Pizza Hut insurance program and many fewer, given the 150% annual turnover in employment, get a contribution from Pizza Hut for their insurance.

3. Pizza Hut says growth in Germany has been stagnant and that only 240 jobs have been created in five years. (AP story, 7/15/94, by Christopher Connell). Pizza Hut's ad also implies that employer mandates are the cause of higher unemployment rates in Germany.

The fact is, according to the Hoppenstedt Companies and Executives in Germany, a respected compendium of information on businesses, employment at Pizza Hut in Germany increased by 400 employees from 1992 to 1993, an increase of 23.4%. In Japan, Pizza Hut has forecast a 3 1/2 fold increase in the number of stores in five years. Clearly, the employer mandate in Germany and Japan is not restraining Pizza Hut's foreign growth. Indeed, Pizza Hut's growth and success under the mandate proves the opposite of their argument: that they can provide health insurance, provide more jobs and thrive all at the same time.

4 Pizza Hut says the Project changed the ad because the script released last Friday differed from one that allegedly said Pizza Hut "did not offer insurance or pay for insurance for any of our employees. (New York Times, 7/16/94)

The fact is there is only 1 script and spot and it has not been changed. Pizza Hut has produced no evidence to the contrary. Now that Pizza Hut's attempt to the intimidate the Project and local TV stations has been exposed, the company appears to backing off their original claims that the ad was false and libelous. Now they're claiming that our ads are misleading or bogus, while still providing no documentation to support their charges.

5. Pizza Hut says that company surveys show that 70% of its restaurant workers already have health insurance from other sources. "Therefore, to state or imply that most Pizza Hut employees want, seek or need health insurance... is false and misleading." (Letter from Pizza Hut lawyers to the Project, July 14, 1994)

   The fact is that, by not paying for insurance for all of its employees, Pizza Hut is responsible for massive cost-shifting, making other employers and families pay the cost of insurance for Pizza Hut employees. Again, using PepsiCo's own survey and plan description, fewer than 14% of Pizza Hut hourly employees have health insurance to which Pizza Hut contributes. That means the rest of us with health insurance pay to cover over 86% of its hourly employees through cost-shifting and uncompensated care. With upwards of 100,000 hourly employees in the United States, Pizza Hut is shifting a huge burden onto other businesses and families. The fact that everyone else is picking up Pizza Hut's tab is hardly a justification for the company to shirk its responsibility.

##

Reform Project F
hc

THE WHITE HOUSE

WASHINGTON

15 May 1994

MEMORANDUM FOR MELANNE VERVEER

FROM: HAROLD ICKES

SUBJECT: The Health Care Reform Project

Melanne, attached is a copy of a 6 May 1994 memorandum to me and others from Bob Chlopak and Julianna Smoot of the Project regarding fundraising prospects.

**HEALTH CARE REFORM PROJECT**

THE VOICE OF AMERICANS FOR CHANGE. NOW.

TO: Harold Ickes
Lane Bailey
David Tittsworth
Bob Burkett

FR: Bob Chlopak
Julianna Smoot

DT: May 6

RE: Fundraising Prospects

---

Following is a chart showing the current status of some prospects and action that has been taken or needs to be taken. We are going to make an effort to update this chart several times a week and fax it to you. It would most helpful if you could call Julianna(202/783-6407) with any updates as you get them.

Thank you all for your help.

2550 M Street, N.W. Washington, D.C. 20037

# HEALTH CARE REFORM PROJECT
## FUNDRAISING PROSPECTS/ACTION

5/6/94

| PERSON TO FOLLOW UP | ORGANIZATION | ACTION/RESULT | TARGET AMOUNT |
|---|---|---|---|
| UAW<br>JDD | Chrysler<br>Rob Liberatore<br>202/862-5400 | 5/4 UAW & JDD to call ($25,000 already pledged to Burkett & Dingell) | $100,000 |
| UAW<br>JDD | Ford<br>Elliott Hall<br>202/962-5371 | 5/4 UAW & JDD to call ($25,000 already pledged to Burkett & Dingell) | $100,000 |
| UAW<br>JDD | General Motors<br>Jim Johnston<br>202/775-5027 | 5/4 UAW & JDD to call ($25,000 already pledged to Burkett & Dingell) | $100,000 |
| Burkett | USX<br>Marilyn Harris<br>202/783-6333 | 5/4 Burkett got pledges upped from $25,000 to $50,000. $ should be coming in next week. | $ 50,000 |
| Burkett<br>Smoot | Bethlehem Steel<br>Bill Wickert<br>202/775-6200 | 5/5 Smoot lm for Wickert<br>5/2 Smoot to talk to Bill Wickert on 5/5 as to when we can get check. | $ 50,000 |
| Burkett | LTV<br>Gael Sullivan<br>202/872-5521 | 5/4 Burkett got pledges upped from $25,000 to $50,000. $ should be coming in next week. | $ 50,000 |
| JDR | Small steel companies | 5/4 JDR to call | |
| Chlopak | American Airlines<br>Ed Faberman<br>202/857-4204 | 5/4 Chlopak to try and get $25,000 in tickets and $.<br>4/94 $25,000 pledge made to JDD & Burkett | $ 25,000 |
| Burkett | Hank Greenberg/Ned Cloonan | 5/4 Burkett said $ will be in next week | $100,000 |

| | | | |
|---|---|---|---|
| GShea<br>UFCW<br>JDD | Safeway/John Shepherd<br>510/891-3070 | 5/4 GShea to call UFCW to call Shepherd<br>JDR also has call sheet for Safeway<br>4/94 Shepherd expressed serious interest to Chlopak | $100,000 |
| HRC | VITAS/Carol Shields(West-brook's wife)<br>305/931-4526-H<br>035/933-9631-O | 5/4 HRC to call Carol since Hugh is not giving to DNC.<br>3/94 Chlopak asked Westbrook for $100,000 | $100,000 |
| JDR<br>JDD | Lew Wasserman<br>818/777-2345 | 5/4 JDR to call & ask for $500,000 in personal $ & ask him to call friends. Burkett said that Wasserman had not called CEOs, but had sent out letters to 5 people. | $1,500,000 |
| JDR<br>JDD | Southern California Edison/John Bryson, CEO<br>818/302-4813 | 5/4 JDR & JDD to call<br>4/94 Burkett met w/TAdlhock who suggested that JDR call CEO | $100,000 |
| GShea<br>JDD<br>JDR | NEA/Keith Geiger<br>202/822-7020 | 5/4 GShea having labor leaders call Geiger JDD to call right away also.<br>4/94 JDR has call sheet to ask for $50,000<br>11/93 made $50,000 commitment | $100,000 |

| | | | |
|---|---|---|---|
| JDR Smoot | American Academy of Pediatrics/ Jackie Noyes 202/347-8600 | 5/5 Smoot lm 4/20 JDR called & asked for $50,000. She will try to get $ from her board & consider doing a special mailing to her membership | $50,000 |
| JDR | College of Physicians/ Howard Shapiro 202/393-1650 | 4/20 JDR has call sheet | $50,000 |
| Smoot | American Psychological Association/ Bryant Welch 202/336-5500 | 5/5 Smoot lm for Welch 3/30 sent Welch letter asking for fulfillment of $50,000 pledge. | $50,000 |
| JDD | Waxman | 5/4 JDD to call for help in CA | |
| JDD | Gephardt | 5/4 JDD to call for help with liquor industry. | |
| Chlopak | Wine Institute/John DeLuca | 5/4 Chlopak friend at Wine Institute to call Ernest Gallo 1/94 JDR met w/DeLuca. Has call sheet to follow up. | $100,000 (from industry) |
| JDR | Merck/Medco Marty Wygod | 5/4 JDR to call. Merck probably more responsive since change in bill re:breakthrough drugs. | $100,000 |

| | | | |
|---|---|---|---|
| Smoot Burkett | Susan Thomases 212/935-8000 Karen Kessler 908/322-6002 | 5/5 Smoot spoke to Karen Kessler re:several prospects. Smoot to follow up & send information. 5/3 Susan's asst. called & asked for HCRP's address so one of her clients could send $. | |

Reform Proj
Groups
HC

F

THE WHITE HOUSE

WASHINGTON

**MEMORANDUM TO THE FIRST LADY**
**FROM: HAROLD ICKES**
**DATE: APRIL 26, 1994**
**RE: HEALTH CARE REFORM PROJECT**

---

You may be interested in the attached 13 April 1994 memorandum from Amy W. Slemmer of the Health Care Reform Project.

HEALTH CARE REFORM PROJECT

THE VOICE OF AMERICANS FOR CHANGE, NOW.

MEMORANDUM

TO: Health Care Reform Project Principals

FROM: Amy W. Slemmer

DATE: April 13, 1994

RE: Provider Press Conferences

The Health Care Reform Project has sponsored four provider press conferences in the last week. The first was held in Philadelphia on April 7, 1994. WPVI Channel 6, the local ABC affiliate covered the event. The Project was represented by members of CHA, ACP, ANA and AAP. Mike Menster, who coordinated the press conference for St. Agnes hospital, did an outstanding job. The television stations ran the story both Thursday night and Friday morning. Jim Wilson, the hospital's CEO did a radio availability spot which was played on several stations throughout the city. Mike said that he has had some very good feedback on the event, and send me a videotape of the conference early next week.

The press turn-out in Boucher's district was very strong - two television stations (WSLS, and WDBJ) plus Radford University's telecommunication's department, three radio stations (WRAD, WVRU, and WVTF) and two newspapers (The News and the Roanoke Times). I have attache. copies of the two newspaper stories that ran the night of the press conference. Bo.. local network affiliates ran the story Thursday night. One of the local papers ran an op-ed piece written by two doctors who advocated medical IRAs as the solution to the health care crisis. I think that we will try to respond directly to this next week. The Project was represented by three members of ANA who were joined by three representatives from the Radford Community Hospital which hosted the event.

Our efforts in Fresno were also well received. Participating for the project were representatives from ACP, AAP, ANA, APA and an optometrist. Two television stations covered the press conference, one of which was a spanish speaking station. Several of the participants who spoke spanish were interviewed. A Fresno news clip is attached.

Today's press conference in Topeka, Kansas was covered by the AP wire and the local NBC affiliate. We were represented by two people from APA, two from ANA, one representative from CHA, and one from ACP. According to Barb Coufal the questions and answers were particularly interesting. One of the reporters said that he thought that providers (he cited the AMA) were against comprehensive reform. The ACP representative explained that his group, AAFP and AAP, representing the majority of primary care physicians in the country, are all members of the project and support comprehensive health care reform. There were also several questions about the funding for the HCRP, and the participants explained that we are a broadly based coalition.

2550 M Street, N.W. Washington, D.C. 20037

HEALTH CARE
REFORM PROJECT

THE VOICE OF
AMERICANS FOR
CHANGE, NOW.

*For Immediate Release*
April 14, 1994

Contact: Charlie Leonard,
Bob Chlopak
(202) 296-2777

## Small Business Representatives Respond to NFIB

Washington, D.C. -- The following letter was sent to Members of Congress today from representatives of small business in response to an NFIB media event. The text of the letter follows:

Dear Member of Congress:

There they go again!

The National Federation of Independent Business today released a study purporting to document massive layoffs if an employer-based financing mechanism is included in health care reform. We've seen this scare tactic before. As representatives of 60 million Americans who support health care reform, including thousands of small businesses across America, we know that reform is good for small business. We do not buy the NFIB rhetoric.

Last October, the Washington Post contacted several small business owners at the suggestion of NFIB and other partisan opponents of reform (Washington Post 10/10/93). Rather than confirm that an employer mandate would put them out of business, as NFIB claimed, most of these small business owners said they could easily cover all employees. Several found they would actually save money under the President's plan.

Indeed, several respected, nonpartisan studies substantiate our view that job displacement under health care reform will be minimal:

o Rand Corp., a nonprofit public research institute, determined "that job losses due directly to increased cost to employers will be under one-quarter of one percent of total employment. We conclude that direct job loss need not be a major consideration in the evaluation of the President's plan."

- The Congressional Budget Office found that "the effect of the proposal on the total labor force would be relatively small and limited largely to second workers in households in which one person already works." CBO also found that the President's plan would save businesses more than $150 million annually in health care costs by the year 2004.

- Lewin-VHI, in a study for the Heritage Foundation, concluded that few small firms will be forced to lay off workers or go out of business. At most, 155,000 to 350,000 jobs could be cut due to the employer mandate. That number is far less than the number of new jobs that will be created this year alone due to economic growth.

- Two independent studies (Economic Policy Institute and the Employee Benefit Research Institute) predict that health care reform will cause a net increase in jobs.

- The General Accounting Office said that "Hawaii's employer mandate did not have a large adverse impact in the small business sector." For the past 20 years, Hawaii has been the only state to implement an employer mandate. Dr. John Lewin, director of health for Hawaii, said that "Hawaii is living proof that the significant job loss and serious economic damage naysayers claim will result from an employer mandate has not occurred."

- The Employee Benefit Research Institute found that an average business with nine employees and an average salary of $13,000 per person would actually save more than $12,000 a year in health care costs.

The NFIB's dire predictions fail to take into account the effects of lower insurance costs resulting from universal coverage and the fact that small businesses will have greater ability to join together to receive lower group rates. And through reductions in cost shifting and administrative charges, many small business owners who presently insure their workers will experience significant savings, which presumably would result in their ability to create new jobs.