

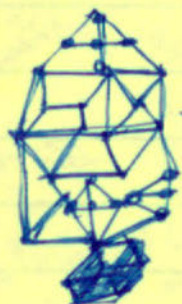
9/12/84 - Health Care 7:00pm - Panethos office

- | | |
|-------------|--------------|
| • Panethos | • Poyryne |
| • Greenberg | • Klyne |
| • Speer | • P. Stran |
| • Vanden | • W. E. |
| • Rubin | • Griffin |
| • Rubin | • P. Schmitt |
| | • George S. |

- ① Not del - c - conclude agent BC can support
or don't agree & we stop
- ② Am not del to stop
- ③ Am not del to stop & go to back
- ④ We initiate back del

SG/GS - if we go up other political fronts, it will
draw out the legislative process & provide opportunity
to get any other legislative thoughts

A. Rubin - Two sets run to get something decent



→ Dale process must run out for a while -

BC shouldn't declare health care yet - otherwise
regulators will down down we believe
health care

③ GS let it play out (after having been asked
to drop down the discussion) w/ change

→ Stop n-c drums / re n-dent case to agent w/c



→ Let n-c play out

→ M ends the process

→ n + GCB report to BC no deal - can't pass v/c

→ BC agrees w/ leadership can't get w/c

→ BC rules controlling speech re how long round
reform ~~for~~ takes
entire the fight -
BC takes some responsibility

9/12/94:

→ WRC / Release / Iran / H.S. -

- ① No comment
- ② We get beat by the interests
- ③ DC ~~is not~~ ^{is} ~~propagating~~ ^{propagating} the myth of ~~reins~~ ^{reins} w/ ~~madness~~ ^{madness} ~~into~~ ^{into} that for a ~~preparation~~ ^{preparation} that ~~is not~~ ^{is not} ~~work~~ ^{work} -

→ unlikely that not del / change will be able to get around

→ House shouldn't say anything - wait for the Senate
BE should say he will come back w/ a plan next year.!! - ~~perhaps~~ ^{perhaps} it'd be smart

→ Outlook - worst part Sunday → 

Spin in failure!!



THE WHITE HOUSE
WASHINGTON

11 September 1994

MEMORANDUM TO THE PRESIDENT
THE FIRST LADY
LEON PANETTA

FROM: HAROLD ICKES 

SUBJECT: Health care

Attached is an 8 page memo, dated 11 September 1994, about certain aspects of health care. We have concluded a 4 week period of drift which began Friday 19 August, with a 5th week to go, unless averting action is taken.

I strongly suggest a meeting this Monday -- Tuesday at the latest -- to determine what course the President wishes to pursue.

The President is scheduled to meet with Mitchell, Foley and Gephardt at 2:30 p.m. Monday and with a broader group of the Democratic Congressional leadership at 6:00 p.m. on Tuesday.

cc: Pat Griffin
Melanne Verveer

9/11/94

Current situation regarding the health care
initiative and possible alternatives

The current drift surrounding the pending health care initiative is becoming increasingly politically untenable and is putting the White House in political jeopardy.

All are awaiting the outcome of the Mitchell-Chafee discussions, but the clock is about to run out. Since Chafee will not return to Washington until Wednesday (14 September), and the Senate is expected to recess beginning late Wednesday until next Monday (19 September), it is unlikely that those discussions will be definitively concluded one way or the other, at the earliest, until the rest of the mainstream Senators return to Washington on 19 September. The House will be back this Monday and Tuesday, but will go out on recess this Wednesday until Tuesday (20 September).

Congress is currently scheduled to adjourn Friday (7 October), although that could slip until the following week.

Although from a legislative point of view, we may well want the Congress to stay in until at least 15 October, from the point of view of the '94 general election, it is critical that Congress adjourn no later than 7 October (many argue that a week earlier would be preferable) to permit them to get distance from the morass of Washington and to permit them to develop their campaigns.

Given the current posture of the health care "debate", it is difficult for the White House to squarely blame the Republicans for the failure to achieve comprehensive health reform. To date there has been only modest debate in the Senate, which has primarily worked to the disadvantage of those pressing for health reform, and, more importantly, there

Health care options - 9/11/94

have been no defining votes that permit the White House and Congressional Democrats to lay blame at the Republican door step.

Although the White House can blame special interests for the inability to achieve health reform, this is a double edged argument, because it implies the President and the Democratic Congress were not strong or skillful enough to overcome the interests.

We decided to let the Mitchell-Chafee discussions go forward, during which the White House position on health care has been (a) that the President continues to fight for health care reform and (b) we are waiting for the conclusion of the Mitchell-Chafee discussions. In short we have been in a long drift since 19 August, unable to say anything else. The result of the past 4 week hiatus (with a 5th week still to go) is that neither the press (which universally declared health care dead by Friday 26 August) nor supporters of health care reform, know where the White House stands. Many suspect the White House is waiting to support a probable unacceptable Mitchell-Chafee deal. Others are at a total loss. Many supporters of reform (including many in Congress) would feel relieved if the process were declared ended for this session.

Given that there are effectively 3 legislative weeks left (19 September to 7 October), unless adjournment slips to 14/15 October, the clock is very much against any health care reform this year -- even a so-called minimalist bill. Such a minimalist bill would conceivably cover all kids, would contain modest, but workable insurance reform (e.g. requiring portability, limits on pre-existing conditions, preventing the insured from being

dropped and preventing unreasonable increases in premiums); and, establishing a bi-partisan commission charged with developing a workable plan to put the country on the path to universal coverage, to be reported to the next session of Congress.

Even if a kids bill were achievable within the next 3 weeks¹, many argue the White House should not be seen as promoting it for 2 reasons: (a) to be seen as a White House initiative will substantially reduce the chances of adoption, and (b) were it to fail, it would be one more defeat for the White House.

There are a number of other complications: Dole is reliably reported as developing a modest reform proposal which he and House leaders may introduce when Congress reconvenes, thereby possibly putting the Democrats in a box and on the defensive. In addition, no one (the President, Mitchell or Foley/Gephardt) wants to be the first to declare health care dead for this session -- although weeks ago the press and many others had declared that to be the case. Moreover, the House is in political turmoil, if not complete chaos, regarding health care, and given the pending Gephardt bill, the other legislation yet to be considered, recent statements by single payer McDermott, and other factors, it is doubtful, as of the date of this memo, whether the House has the political will to consider

¹ There are substantial pieces of pending legislation to be dealt with in the 3-4 remaining legislative weeks: GATT, campaign finance; lobbying reform; superfund; congressional reform; communications; mining reform; banking reform.

In addition, the Haitian situation hovers over all Administration and congressional activity.

Health care options - 9/11/94

and adopt even a modest "kids" bill. Then there are the wide spread reports from members on recess that there is little, if any, pressure in the districts for health reform this year. Not to be forgotten is the President's veto pledge, and how that will intersect with any proposed action, especially action promoted by him. Finally, and perhaps most critical, is the Haitian situation which may completely divert the Congress from any further serious consideration of health reform.

Although it certainly appears that comprehensive health reform is unattainable this session, many continue to strongly urge that a "kids" bill, described above, can be achieved, that it will greatly benefit the country, that it will chart the course for additional legislation toward universal coverage, that it will greatly benefit Democrats in the upcoming midterm elections, that it will benefit the President politically in 1996, even if additional health reform legislation is not enacted by then, and if it is not passed, it will at least unmask the Republicans and permit the White House and the Congressional Democrats to finger them as responsible for the failure to achieve health reform.

Others argue that given the legislative clock and the political situation in the Senate and the House, it is virtually impossible to achieve enactment of a "kids" bill and that the health care debate should be cut short and ended.

In any event, it is critical that we decide on an "exit" strategy early this week. The drift and indecision must be brought to an end. The President must be seen as having taken charge of the process. And hopefully the "exit" will (a) reduce the finger pointing at the

Health care options - 9/11/94

White House, in particular, and Democrats, in general, as the ones who screwed up the chances of any health care reform; (b) shift some blame to the Republicans, rather than to Congress as a whole; (c) prevent the Republicans from outflanking the Democrats in the remaining weeks with their own modest "health reform" proposal ; and (d) hopefully (although unlikely) permit Congress to initiate and adopt a very modest kids-insurance reform - Commission bill that works.

There are several options including:

1. Let the Mitchell-Chafee discussions conclude:

- If successful, they may produce a bill:
 - . That neither the President nor many on the left in the Senate, nor many support groups will be able to support, which would put the President, in particular, on the spot.
 - . That will be supported by only 52-55 Senators, which, given the shortness of the remaining legislative session, will permit the Republicans to kill it merely by legitimate sounding debate without a filibuster, thereby preclude fingering the Republicans as killing health care reform.
 - . That, even if adopted, will be unacceptable to the House.
 - . That given the lack of time remaining, will preclude the Senate from considering a "kids" bill currently being promoted by Harkin, et al., or something similar.
- If Mitchell-Chafee are unsuccessful:
 - . Permits Mitchell to go forward with his pending bill, or to declare health reform unattainable this session.

- Permits the Senate to consider a "kids" bill.

2. Ask Mitchell to terminate his discussions with Chafee this week and try to move a "kids" bill:

- Mitchell may be unwilling to do this since it may cause great political embarrassment to Chafee.
- But it would permit Mitchell either to declare health reform not achievable this session or to continue the debate of his pending bill, or to consider a "kids" bill, thereby precluding Dole, et al. from doing something along those lines, which would permit the Republicans to put the Democrats in a box and on the defensive.
- There are several rumors that Dole, at least, is considering offering a "kids" bill.
- If the goal were to try to have Congress adopt a "kids" bill, coordination between the Senate and House would probably be necessary as well as a strong behind the scenes push by the White House.
- At the very least, having the Democrats move a "kids" bill would put the Democrats in a stronger offensive position, precluding the Republicans from offering similar legislation first - thereby putting the Democrats in a box and on the defensive. If the Republicans vote against a "kids" bill, it unmasks them for what they are and permits the White House and Congressional Democrats to place the blame.
- Based on our conversations with top House staff last week, it is very far from clear, whether the House is able to get a majority for a "kids" bill -- but the attitude of the House may change in this regard depending on action by the Senate.

3. Ask Mitchell to terminate his discussions with Chafee and call for a hard vote on his pending bill (e.g., on the mandate or similar very controversial issue), which would probably lose but which would hopefully force the Republicans into the open about their opposition to any reform:

Health care options - 9/11/94

- Mitchell may be unwilling to take this course.
 - Mitchell may well be unwilling to have health care die in the Senate.
 - Some in the White House argue strongly against taking a losing vote.
 - This would permit the President to take the very credible position that he had fought to the bitter end but he will be back next year and, most importantly, that the Republicans sealed health care's death this session.
 - Given that comprehensive reform has been declared dead by the press and many others, to revive debate on the pending Mitchell bill and move for a vote on a difficult but hopefully defining issue, may take great political effort and runs the risk of being characterized as somewhat goofy.
4. Let Mitchell-Chafee discussions continue but urge the House to put together a "kids" bill and attempt to pass it:
- The politics of the House are very confused and difficult, at best. McDermott, representing many single payers, recently said comprehensive reform was unattainable this session and that his group wouldn't vote for anything less. Reliable information is, however, that Waxman and other liberals want to try to get a modest bill out this session.
 - The House is unlikely to be able to act until resolution in the Senate.
5. The President and the Democratic legislative leaders meet this week, at the end of which they all declare health reform unattainable this year, but will continue the fight the next session.
- The President should probably do an Oval office speech explaining to the American people what he attempted to achieve, what went wrong, that he will carry on the fight for health reform, but he will not continue to engage in a process that would result in legislation detrimental to the country. (NOTE: Absent other overriding factors, the President may well want to give such a speech no matter which course of action is chosen.)

Health care options - 9/11/94

- This course of action will not permit the White House/Congressional Democrats to lay blame squarely on the Republicans.
6. Let the current process continue dribbling away to oblivion to the end of the session:
- Unless the White House forces action to avert the current process, this is a distinct likelihood.
 - To permit the status quo to continue will further permit the Republicans to lay entire blame on the White House/Democrats, and will further jeopardize the political standing of the President and Congressional Democrats. In addition it opens the door to a Republican initiative for modest reform.

- John Walling - 7/8/84 -

- ① - adjourn - by 15:00 ?
Public comment 7:00 }



- need to get 3 weeks between adjournment & election

- ② G.M. wants to get adjournment if possible
③ Vote tallying about checks should be done before
reform
④ Need not deal

→ ⑤ full complement complement 55 votes

If we can get closer now that feels

Issues:

- ① individual deduction where one doesn't pay for insurance
8-10 billion/year -

- ② Tax reform

* long run

- * ② Area plans - individual community rating system
Permits groups to perform individually
rated pools & healthy people

- * ③ state flexibility - ERISA

will have Wellstone & Fennell
on this -

long term
will have this
on Senate floor
- will have Wellstone
& Fennell after
this

- ④ long term benefit - means look tested
10 billion over 10 years

220 billion
nets in
medium cuts
compared to
150 billion in
net still

- * ⑤ no pre-empted drops - even though 220 billion in
medium cuts over 10 years

- * ⑥ not pre-empted - they would cap in run
down

- * ⑦ work force - 55 years / 45 specialists

- * ⑧ Tax cap - can't do

- * ⑨ fuel reform - all cuts & one runs from
existing mechanism as well as the
new bill & cuts

don't know if Clayton + ramps are million to low

Koch bill - [Harkin]:

- republicans ~~want~~ want vote for any types

Dale - market reform + runs out of medical

*G-N looking at ~~something~~ Koch bill - something about
Dale

Watts - 8/30/94

- Iron
- Lewis
- Summers
- H&B
- Prescott

- Lew: threaten the House may stall out if we don't move ~~for~~ it w/ Gebhart et al

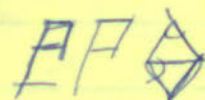
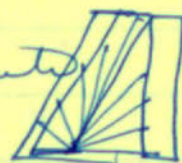
NOTE: -

Summers - Senate liberals/moderates want to do something this week -

- begin in House first & get a bill then & send it ~~as~~ one to the Senate

Proble - need ~~more~~ Republicans in Senate support a House drafted bill

- N&B to get some House Dems involved



Redwood - if no redwood introduced (w/ committee rating) rating) then no \$

Lew - cent century House needs members ~~are~~ are ready on a normal bill already & totally w/ Lew

Some of \$ - [• Tobacco tax
• Redwood introduced

Senate - ~~now~~ need to educate the Senate on what constitutes real income reform

Summers

→ Summers - get outside efforts to promote what constitutes ~~to~~ income reform

→ Lew to ~~push~~ promote education ~~process~~ promotes a normal bill

Health unity - 8/22/24.

- Leves
- HRC
- HE
- GS
- Ira M
- Stue G
- Pat G
- Ira M
- N. Veneer

Don County - since a
spike spike through
the heart of health &
care

1. reduced / maintain

2.

① reduced / changes -

- urgent in people
- can BC once

② can more reduced - drop band to be put on
urgent

③ cut it off - red covers box line - no action

④ cut it off, red covers line; but covers events
'minimal health care -

- does BC seem or or not

- cover that
minimal reforms
will not work
in long run

Possible but will alter rules :

- cover children
- cover out of work etc
- income reforms
- reduce healthcare costs

possible how to frame
it to a queer
elderly, mostly
- need tobacco tax
+ healthcare cuts

* but w/ leadership over the years //

• HRC - need to get groups to say the
mainstream is no good

SG - the ~~down~~ go home strategy will be
entire as a failure by BC who couldn't
get a Don Congress to end health

- need to show progress on other fronts

eg - group from frame reform / lobbying

Wants unity (and'd):

HRC every time we (cons) move toward them,
- they move away -



• Need to let it play out
STW - public don't want to see end
of you w/ PC / unusual failure
How to end run on success



HRC - we must show that we went up
against the republicans not nearly going
up against arches (cons)



HE - have we really shown we went as
far as we could -

② [declare upon if ~~Stofee~~ & ret'd can't agree
& send Congress home]

If GA can't get over w/ cluber
- Tla -

- + Go home
- or get 50 votes on ret'd
- but ret'd but not so great

F

THE WHITE HOUSE

WASHINGTON

August 31, 1994

MEMORANDUM FOR MELANNE VERVEER

FROM: HAROLD ICKES 

SUBJECT: Health Care Press Wednesday 24 August -
Friday 26 August

Melanne, in my view, White House sources, reported in the press beginning Wednesday 24 August to Friday 26 August, certainly contributed to Senator Mitchell's statements on Friday that comprehensive health care reform was not in reach this year. He must have read these three days of press from White House sources and concluded that the White House had given up on achieving comprehensive health care reform this year and that he, therefore, was not going to be the last one standing.

The first White House sources to this effect appeared in The Wall Street Journal of 24 August. That was followed by The Los Angeles Times article of 25 August, a copy of which is attached. Then came the press interpretation of Leon Panetta's remarks before the Sperling Breakfast (actually lunch that day). Based on what I know, Leon's comments were taken out of context by the press, but gave a basis for continued press speculation that the White House had given up on comprehensive health care reform. Attached is a copy of the Gannett New Service wire copy of Friday 26 August recording Leon's remarks.

Also attached is the Washington Associated Press story of 26 August 1994, filed 17:54 EDT, another Washington Associated Press story of 26 August, filed 11:54 EDT and a Washington, D.C. UPI story of 26 August 1994 filed 18:17 EDT.

THE WHITE HOUSE
WASHINGTON

25 August 1994

MEMORANDUM TO LEON PANETTA
From Harold Ickes *HI*
Subject Today's Los Angeles Times (25 August)

Leon, the attached Los Angeles Times' article of today (Thursday) is extremely disconcerting in that it refers to Administration sources saying that the White House is nearing the conclusion that action on meaningful healthcare reform is all but impossible this year and has begun laying the groundwork for moving the debate into the next session of Congress.

According to the article, "Clinton has discussed the prospect of suspending the healthcare debate until next year with several influential Senators....". It goes on to state that "aides are already planning how to present to the public the defeat of Clinton's central political promise and to contain the damage to the Clinton presidency."

This article follows the unfortunate comments attributed to White House aides in yesterday's Wall Street Journal.

Continual leaks of this nature severely handicap us in discussing strategy inside the White House and, as importantly, undercut Senator Mitchell and our other supporters on the Hill. They also have an extremely adverse impact on the outside support groups.

cc: Mark Gearan
Melanne Verveer
John Angell
Barry Toiv

Los Angeles Times

Thursday

August 25

1994

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DAILY 75¢

AN EDITION OF THE LOS ANGELES TIMES

White House Sees Chances Fading for Action on Health

■ Legislation: Administration takes measures to revive debate in next Congress, sources say. Clinton remains determined not to settle for half steps on reform.

By JOHN M. BRODER and EDWIN CHEN, TIMES STAFF WRITERS

WASHINGTON—The White House is nearing the conclusion that action on meaningful health care reform is all but impossible this year and has begun laying the groundwork for moving the debate into the next session of Congress, according to Administration and congressional sources.

Even though officials continue to voice hope that Senate leaders can craft a workable compromise from two competing health care reform plans, time and tempers are growing short on Capitol Hill. The House already has left town after its rancorous debate on the crime bill, which is now stalled in the Senate, and there has been virtually no progress in recent weeks toward consensus on health care.

President Clinton remains determined not to settle for half steps on health care, which he believes may do more harm than good and doom chances for the sweeping reformation of the American health care system that he wants.

Unless the Senate can surmount numerous obstacles in the next few days and produce a bipartisan plan that makes significant progress toward universal health care coverage, the White House is prepared reluctantly to call it quits for this year, officials said.

Clinton has discussed the prospect of suspending the health care debate until next year with several influential senators who share his concern about the chances of passing an even minimally acceptable bill this year.

And if Clinton's push for health care reform fails this year, aides are already planning how to present to the public the defeat of Clinton's central political promise and to contain the damage to the Clinton presidency.

The White House is expected to argue that health reform is not

Please see HEALTH, A3

HEALTH: White House Sees Debate Ending for Year

Continued from A1

dead and that it will be revived when the next Congress convenes in January. Although the new Congress likely will have considerably more Republicans in both chambers than the current one, officials said that any health plan will require bipartisan support and fresh Republican minds may make the task easier rather than more difficult.

Clinton has repeatedly made the point in public that the "Brady bill" handgun-control measure took several years to enact, anti-crime legislation has been pending for six years and the Americans With Disabilities Act required five years for passage.

An initiative as ambitious as the reform of one-seventh of the American economy cannot be expected to be implemented overnight, Clinton has said.

The White House is expected to attack congressional Republicans for blocking the Administration's health care plan and to challenge House and Senate GOP leaders to come up with a plan for providing health coverage for all Americans—or explain why they are against it.

The Administration pitch will also cite substantial progress toward its goal. Health reform is now on the national front burner and the public expects action, the chief problems have been identified and countless hours have been spent drafting legislation and analyzing the benefits and liabilities of various proposals.

Clinton has said that, in all the debate over the various health plans now before Congress, his basic position has not changed. He is for comprehensive health benefits for all Americans, provided by private insurers and paid for through employer and worker contributions and savings from the existing system.

Anything less will not satisfy him and he would rather continue the debate next year than sign a bill that falls short of his fundamental goals, he insisted again Wednesday.

"If you are asking me where I am, I am still where I always was," Clinton told the international convention of B'nai B'rith in Chicago in a satellite hookup. "The main thing we must do is we must do something that will work and it will be better not to do anything at all than to adopt a program that would actually increase costs of health care and reduce coverage. That's what we don't want to do," Clinton said.

White House officials concede that the prospects for action this year are growing dimmer by the day. Even upbeat public pronouncements are qualified now.

Asked whether Clinton expects an acceptable bill this year, White House Press Secretary Dee Dee Myers said Wednesday, "WE'LL THINK IT'S HOPEFUL AS HE HAS BEEN THROUGHOUT THIS PROCESS. CERTAINLY IT'S DIFFICULT. HE KNEW FROM THE BEGINNING IT WOULD BE VERY, VERY DIFFICULT."

Harold M. Ickes, the White House deputy chief of staff who is overseeing health care strategy, insisted in an interview with wire service reporters that "health care is alive and well," despite the assertion Tuesday by House Speaker Thomas S. Foley (D-Wash.) that Congress was unlikely to enact anything beyond incremental health insurance reforms this year.

"I think the predictions that this is going to be shut down are—there's no basis for that," Ickes said. But, he acknowledged, "there's no question that the clock is running against us."

In the Senate, members of the bipartisan "mainstream" coalition and their aides continued meeting throughout the day, putting the finishing touches on a plan that they intend to be an alternative to the bill proposed by Majority Leader George J. Mitchell (D-Me.).

One coalition member, Sen. David L. Boren (D-Okla.), said late Wednesday afternoon that the group expected to finish its work Wednesday night in time to send the proposal to the Congressional Budget Office for analysis.

As the group of about 20 senators and their staffs worked in a stuffy room just off the Capitol Rotunda, members were grimly aware that the window of opportunity for enacting health reform was closing.

"It's getting late," said Sen. Nancy Landon Kassebaum (R-Kan.).

Sen. Bob Kerrey (D-Nebr.) added: "I think we're within a few days of just putting the whole health care issue to bed for the year."

Separately, Minority Leader Bob Dole (R-Kan.) agreed with that assessment. "Time is ticking away," he told reporters.

Aside from substantive differences between the "mainstream" coalition plan and Mitchell's, another potential obstacle toward some compromise is that most of the bipartisan group members are insisting that their plan be, in Kassebaum's words, "a separate package."

By that, they mean that they want their proposal to be considered as an alternative to Mitchell's.

Mitchell's bill, backed by the White House, aims to attain 95% coverage by the year 2000, relying on voluntary measures and a variety of insurance reforms and subsidies to the needy. It would trigger an employer mandate by 2002 in states that do not achieve 95% coverage, requiring large businesses to pay at least 50% of a worker's premiums.

The "mainstream" coalition's plan, unveiled Friday evening, eliminates the employer mandate altogether and would trim \$400 billion from future growth of Medicare and Medicaid over 10 years to generate funds to help poor people buy health insurance. It aims for about 91% coverage by the year 2002.

Both plans call for a number of insurance market reforms, barring insurers from denying or canceling coverage on the basis of a customer's health. All health plans would be available to all applicants and policy renewals would be guaranteed.

The discussion over the next few days will hinge on whether the coalition bill can be combined in some way with the Mitchell plan into a coherent package acceptable to a majority in the Senate and to Clinton. On that effort hangs the fate of health reform this year.

"It's all a judgment call by the Democratic leadership," said Sen. Dave Durenberger (R-Minn.).

Times staff writer Karen Tumulty contributed to the story.

'The main thing we must do is we must do something that will work and it will be better not to do anything at all than to adopt a program that would actually increase costs of health care and reduce coverage. That's what we don't want to do.'

PRESIDENT CLINTON

10. Harold

6-1799

bc-panetta

WHITE HOUSE SOFTENING

STANCE ON HEALTH CARE REFORM

By RICHARD BENEDETTO=

Gannett News Service=

Friday 8/26/94

WASHINGTON White House Chief of Staff Leon Panetta indicated Friday that President Clinton's position is softening considerably on health care reform. Faced with the prospect of either a sharply scaled-down health care package this year or none at all, Panetta signaled that Clinton might support specific, targeted fixes so long as they are not billed as "comprehensive reform."

"If they try to push something that carries the title of 'health-care reform' but doesn't achieve health-care reform ... then that's not good enough," Panetta said.

"But if they decide to can health-care reform, if they basically decide they can't do it, and they fall back to perhaps trying to do some minimal approach to health care (such as insurance reform), then obviously that's a different ballgame."

When he introduced his health care reform plan last fall, Clinton vowed to veto any legislation that did not achieve universal coverage. But analysts said that by employing some semantic gyrations not calling piecemeal reform "comprehensive" he can sign a bill and save face.

However, Panetta said the battle for health care reform is not over, even though Congress recessed until after Labor Day without taking action. "We are going to fight back on health care just as we fought back on crime," he said, referring to final passage Thursday night of the embattled \$30.2 billion crime bill.

**** filed by:GN-F(--) on 08/26/94 at 16:38EDT ****
**** printed by:WHPR(LMCH) on 08/26/94 at 16:58EDT ****

5/26/94 Friday

Senate Leader Abandons Major Reform Effort This Year

Eds: SUBS 10th graf, Proponents claim ... to CORRECT that 39 million, not 39 million families, are uninsured

By JILL LAWRENCE= Associated Press Writer=

WASHINGTON (AP) Senate Majority Leader George Mitchell abandoned his quest for sweeping health care reform Friday and President Clinton hinted he, too, might settle for less.

Laying the groundwork for a limited bill when Congress returns after Labor Day, Mitchell conceded comprehensive reform was not in the cards this year.

Clinton, asked three times whether he was standing by a threat to veto any bill that didn't guarantee universal insurance coverage, refused three times to answer.

A relatively modest bipartisan Senate plan, meanwhile, gathered steam in a negotiating session between Mitchell and three of its authors. Clinton, who sharply criticized the plan earlier this week, sounded more receptive Friday.

"I certainly don't want to embrace an approach that will do more harm than good and that won't achieve our objectives. But let's see what they're doing," Clinton said. "I'm not prepared to make a final judgment ... at this time."

White House chief of staff Leon Panetta indicated the veto threat was eroding. Insurance reforms and other limited steps are "something obviously the president would look at," Panetta said at a lunch with reporters. He added hastily, however, "It isn't health reform. No one should be misled."

In a significant move, Mitchell agreed to scrap his own comprehensive reform measure and use the mainstream group's narrower blueprint as the basis of a compromise.

"He's going to work from the language of our bill," said Sen. David Durenberger, R-Minn., a participant in the meeting. "We don't start with anything of the Mitchell bill."

The so-called mainstream plan centers on deficit reduction, extensive insurance reforms and subsidies for low-income families to buy health insurance.

Proponents claim it would cover half the country's 39 million uninsured while reducing the deficit by \$100 billion over 10 years. Financing would come from a cigarette tax increase and Medicare cuts. Cost control would hinge largely on tax incentives.

Major objections center on the plan's several hundred billion dollars in planned Medicare savings, lack of prescription drug and long-term care benefits, a failsafe deficit reduction mechanism that could cut subsidies, and the potential it will encourage employers to drop worker insurance and let the government pick up the slack.

The end product "clearly will not be a bill as comprehensive as I would prefer, but there's much that can be done that would represent progress," Mitchell said before the negotiating session started.

Later, after talking with Clinton at the White House, Mitchell said "incremental, like the word beauty, is in the eye of the beholder."

He said Congress could accomplish a lot by changing unfair insurance practices and reversing the "tragic downward trend" in coverage, particularly among children and pregnant women.

Senate Minority Leader Bob Dole issued a conciliatory statement urging Democrats to move in his direction if they want health reform this year.

Dole's bill, a mini-version of the mainstream plan, contains subsidies and insurance reforms designed to help those who can't afford coverage or can't get it because of pre-existing medical conditions.

"I believe we can still reach agreement on this kind of reform package that can help millions of people," said the Kansas Republican, setting himself apart from GOP conservatives who want to block all action this year.

Mitchell, D-Maine, made a watershed decision this week to let senators go home after an acrimonious week of debate on the crime bill. He said the time

would be used for staff-level health negotiations with the mainstream group.

The bipartisan trio that met with Mitchell on Friday described him as determined to conclude a workable deal.

"I was really more encouraged by the tone of this meeting and the willingness of the leader to engage in serious discussions," said Sen. John BreauX, D-La.

Added Sen. John Chafee, R-R.I.: "When our approach first came out, many people dismissed it as not doing enough. Now I think many of those folks are seeing that in the brief time we have, that looks pretty good."

Many Democrats had favored keeping the Senate in session until it completed health reform on the theory that opposition would have a chance to build during a recess. But Chafee said he was confident his plan would weather such assaults.

"There are people out there, and indeed many, who think we ought to do something," Chafee said.

He said governors are very anxious for a bill this year and predicted interstate corporations will be, too, as they realize that without a national reform plan, "they're going to be driven crazy" by different moves in every state.

**** filed by:APE(--) on 08/26/94 at 17:54EDT ****

**** printed by:WHPR(LMCH) on 08/26/94 at 17:55EDT ****

8/26/84 Friday

PM Health Reform, 1st Ld-Writethru, a0441,790 Clinton Doesn't Think Congressional Recess Will Kill Health Reform

EDS: Leads with 13 grafs Mitchell conceding comprehensive reform won't pass this year; picks up 12th graf pvs, With legislators

By NANCY BENAC= Associated Press Writer=

WASHINGTON (AP) Senate Majority Leader George Mitchell joined other key Democrats today in conceding that comprehensive health reform is not possible this year. But he said Congress still may pass a worthwhile bill.

"It clearly will not be a bill as comprehensive as I would prefer, but there's much that can be done that would represent progress," Mitchell said today before meeting with leaders of a self-styled "mainstream" group pushing a modest package of subsidies and insurance reforms.

The majority leader, who was scheduled to meet with President Clinton later today, rejected contentions by Sen. Phil Gramm., R-Texas, that health reform is dead for the year.

"He said that about the crime bill. And he said that about the president's economic plan last year," Mitchell said with a grin. "On two for two he's been wrong, and I hope that it will be three for three."

The White House is hoping a two-week break in Congress' work on health care will help cool tempers strained by the rancorous crime debate and foster a better climate for compromise.

"I don't think the recess will kill it," Clinton said Thursday. "I think we just have to let this thing develop a little bit and see what happens."

Chief of Staff Leon Panetta acknowledged that the White House would have preferred that Congress work straight through August to rescue the centerpiece of Clinton's domestic agenda.

But as the Senate made plans Thursday to beat a quick retreat after finishing work on the crime bill, Panetta jokingly admitted he "wouldn't want to stand at the exit door" blocking their escape.

"It's been a long, hard summer," he said. "They're exhausted and, frankly, I think all of us are not sure that the best product would be produced in that atmosphere."

With the House already in recess, the White House believes the two-week break will give the bipartisan "mainstream" group more time to negotiate toward a compromise with Democratic leaders.

Clinton said he wanted to see how the senators' talks progress and added that in the meantime, "I think the less I say about it, the better."

Earlier this week House Speaker Thomas Foley said he could live with a bill that made at least initial progress toward goals of insurance reform, cost controls and universal coverage. But conservative Republicans saw the Senate break as the death knell for even narrow health reform in 1994.

"This is a dead body that they've been dragging around for the last two weeks," said Gramm.

With legislators hoping to adjourn for the year in early October, there is little time left to find common ground in a Congress that is deeply divided.

And there is still a considerable gap between Clinton's call for guaranteed health insurance for all Americans and the mainstream group's work on a plan that would provide coverage for about 92 percent of the population.

As Election Day approaches, most legislators are anxious to get out of Washington to go home and campaign. But at the same time, they don't want to leave without being able to point to some action on health reform.

Polls show Americans are wrestling with conflicting emotions as well.

Many are eager for health reform but worried about how it will affect them personally. A Gallup survey for CNN and USA Today found 39 percent of Americans would be angry if health reform did not pass this year, while 47 percent said they would be relieved.

Paul Begala, a political consultant who advises the White House, predicted legislators would get an earful from voters while they're home and come back motivated to find a compromise.

``What they'll hear more and more is `I don't want partisan posturing, I want a solution,``` Begala said.

Many of those still holding out hope for action on health care in 1994 believe Congress will come up with something considerably short of the president's call for universal coverage. But the White House is doing its best to dispel the notion that Clinton will grudgingly settle for less than he's demanded.

Panetta warned legislators against getting so caught up in the long health-care battle that ``you ultimately just want to try to get something through the process that has `health reform' in the title, that you lose sight of what this whole effort is about.''

**** filed by:APE(--) on 08/26/94 at 11:54EDT ****

**** printed by:WHPR(LMCH) on 08/26/94 at 13:38EDT ****

Clinton faces clock on health care

8/26/94 - Friday

By PAUL BASKEN=

WASHINGTON, Aug. 26 (UPI) President Clinton, staring into a congressional clock all but mandating major compromises on health care reform legislation, declined Friday to restate his demand for a program of universal coverage.

Clinton, pressed by reporters for his strategy entering a two-week congressional recess that would leave barely more than a month for final legislative action, said lawmakers told him to keep quiet while they continue their behind-the-scenes work on a compromise health care plan.

"I think the less I say right now the better," the president told reporters in the Oval Office. The comments came after he spoke by telephone with the mayors of several large cities to thank them for their support in the administration's largely partisan victory Thursday night on the \$30 billion crime bill.

"This debate is now going on in the Congress," Clinton said of a health care struggle also snarled in partisan posturing. "It depends on what the Congress is capable of producing, and I think we need to wait on that."

Both the House and Senate, which remained in session beyond the scheduled start Aug. 12 of their summer recess, left Friday on an abbreviated two-week break after Democrats spent much of the extended session battling for the crime bill rather than making up lost time on health care legislation.

Clinton, elected in 1992 after a campaign that focused on health care, began this year by proposing a sweeping reform plan and vowing to veto anything Congress offers that falls short of providing guaranteed coverage to all Americans.

But months of fierce conservative opposition have left Congress veering toward a package that, at its most ambitious, would resemble the proposal by Senate Democratic leader George Mitchell for leaving only 5 percent of all Americans or some 13 million people without coverage by the year 2000.

Mitchell had vowed to counter an admitted Republican strategy of parliamentary foot-dragging by keeping the Senate in session throughout the recess if necessary to pass a health care reform plan. But after Republicans managed to eat up two more weeks of the legislative calendar by also stalling action on the crime bill, he agreed Thursday to call the two-week break.

The recess means Congress, among its several other remaining priorities, would have little more than a month for the House and Senate to debate and pass their health care plans, let a conference committee consolidate them into a single plan, debate and vote again on the final product, and then adjourn with enough time for lawmakers to spend at least a couple weeks campaigning for their Nov. 8 elections.

Republican leader Bob Dole, near to realizing the fruits of his party's delaying strategy, said Friday the remaining timetable would force Democrats to meet their demands.

"The fact is, unless we sacrifice congressional action on everything else, there is no way we can pass health care reform this year unless we can agree on targeted reform efforts such as the Dole-Packwood plan or the bipartisan Rowland-Bilirakis plan," said Dole, citing two GOP-favored plans that would fail to extend health coverage to large portions of the nation's uninsured.

Mitchell said he would spend the recess in negotiations with Sens. John Chafee, R-R.I., and John Breaux, D-La., the leaders of a bipartisan coalition of senators pushing a reform plan that only would whittle the uninsured nationwide to about 8 percent from the current figure of about 15 percent.

Clinton, who has insisted over the grumbling of some supporters that Mitchell's plan would meet his demand for universal coverage by proposing a government commission to study ways of covering the remaining 5 percent, declined Friday to say whether he would compromise further.

The president instead hosted Mitchell at the White House and said he would honor the request of his congressional allies for presidential silence.

Clinton said several senators who back comprehensive reform told him they

``think that we ought to give this break a few days to occur and give Senator Mitchell and Senator Chafee and a couple of others a chance to talk before we make any decisions.

``I certainly don't want to embrace an approach that will do more harm than good, and that won't achieve our objectives," he said.

Clinton specifically refused to state his new bottom line. ``I'm not prepared to make a final judgment on that at this point," he said.

White House spokeswoman Dee Dee Myers, briefing reporters earlier in the day, also tried to walk the line between Clinton's January promise and his November realities. ``His bottom line has not changed," Myers said. ``But," she quickly added, ``the process is ongoing."

**** filed by:UPI-(us) on 08/26/94 at 18:17EDT ****

**** printed by:WHPR(LMCH) on 08/26/94 at 18:30EDT ****

To: Harold Ickes, Chris Jennings
From: Walter Zelman
RE: Mainstream and Mitchell

Wednesday, August 24

I know I should go home and take a break. But I can't resist at least crack at this. Maybe it will help you to have some input.

Outlined below are some potential compromise positions. In my view at, if Mainstreamers are serious (and many are probably not) they should be open to most what is listed below.

1. **There must be a "commitment" to the goal of universal coverage --not to 95%. Everyone accepts this. Whether there is a hard or soft trigger is another issue.**
2. **Seniors and deficit reduction: Something must be given to seniors.** No one expects reform that expands coverage to produce deficit reduction of \$100 billion. Give them the drug package, add to subsidies, and reduce deficit reduction goals.
3. **Fold in Medicaid --or if that is politically or otherwise impossible-- at least acknowledge it should be done and set a process in motion to get it done in the future. Even Dole agrees here.**
4. **Address the issues of high premiums in the community-rated pool.** Putting in all the individuals --often very sick and costly-- and leaving "associations" to do their own thing could produce very high premiums for small employers in the community-rated pool. Potential fixes include:

--Limit growth of "association plans" by grandfathering only those associations that **have already had** health plans established for three years, not any association that has been in existence and may want to start a plan.

--Recognize that larger employers may have to share some of the costs of the sick individuals put into the pool. It isn't fair to make small employers carry that burden. The result will be higher premiums for small employers and then employers dropping coverage. **One possible solution:** have the Commission follow this issue and see if premiums in the pool are too high relative to premiums outside the pool.

5. **Maintain current incentives to keep employers buying insurance. Therefore, do not allow individuals to buy insurance and exclude 100% of the cost from their income.** (Mitchell allows only 50%, HSA had 100% but we had universal coverage). It sounds good, but it reduces the incentive for employers to purchase insurance. If individuals can buy

insurance at the same price as others (via insurance reforms) , and get the same tax break as the employer, many employers/employees will see advantages in dropping coverage, paying higher salaries, and letting those eligible for subsidies take them. Result: more employers drop coverage and higher subsidy costs to government.

6. **Malpractice provisions in Mainstream are very tough and very controversial.** At minimum, they should be subject to a separate vote. They are **not** an essential part of reform, and do **not** have to be addressed. (Most of things listed above do have to be addressed).
7. **Tax cap and high-cost plan issues:** They accomplish similar goals and we need both revenue and the cost-consciousness. See which one labor hates least. At minimum, change Mainstream proposal to make a portion of high cost benefits deductible to the employer and taxable to the employee. Making them non-deductible to the employer assures they won't be given. The other way at least offers the choice. Labor may be (somewhat) less hostile to it.

There are many more details that need to be evaluated. But the above are some of the most critical issues. If Mainstreamers are serious, they should be willing to negotiate on them.

Now I'm going home for this afternoon and probably tomorrow. If I can be of help, call. 703-533-8198

919-480-3854 *Stew*

202-332-0692 *Nancy Ann*

202 919-201-2396 *Chris*

668-2764

Chris
page

*Has great difficulty even if they
have 92%+ + get off floor
Have colleagues about couple plus*

OPTIONS

1. Mitchell accommodates enough of Chafee to permit broader support of Mitchell with balance of Chafee proposals being submitted to floor for debate.

2. Mitchell cannot accommodate enough of Chafee.

A. Continue the debate on Mitchell and perhaps have a relatively early vote on the mandate.

- Problem is holding the Senate in session after the crime bill is adopted

B. The President declares an "impasse" and sends the Senate home.

- Question, what is the next step, if any?

C. Force a narrow but losing vote on the Mitchell mandate provision, which will permit the President to declare he has done all he can do and he is now asking Mitchell to draft a lesser bill that still works and which charts the path for eventual universal coverage.

D. Force a narrow but losing vote on the Mitchell mandate provision, which will permit the President to call the joint Democratic leadership (and perhaps some Senate Republicans) to a meeting to hammer out a lesser bill but one that will work.

E. Press for a vote on the Mitchell bill mandate provision and if it loses, the President sends the Senate home at the same time declaring that it doesn't appear that the Republicans will permit the adoption of a health care bill. If, upon returning in September, the Congress fashions a bill, the President can take a completely hands off attitude and decide at the last minute whether to sign it or not.

- Problem with this approach, is if he ends up signing the bill, will he be able to claim credit?

F. The President declares an "impasse" without a vote on the Mitchell mandate, sends the Senate home on recess, declares that the Republicans are blocking any progress and following the scenario in "E" above.

care lengths

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control on*

8/20/94

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*But P.A. L.S. / H.S. says my BC can't done for less than v/c
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it put together*

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more
person
in
bills*

*Not all
wants to
pull it
in
Chafee*

Options - 8/20/94

Other issues:

1. The House and the Gephardt bill.
2. Impact of Senate action or inaction on the House and on the Gephardt bill.
3. If the Senate adopts something less than current Mitchell, what effect will that have on the House (especially the 100 or so on the "left"), in general and on Gephardt, in particular.
4. Timing:
 - House out until Thursday 8 September
 - If Senate goes on recess after adopting a crime bill, and if it doesn't return until Monday 19 September, will necessary momentum be lost?
 - . will the House act before the Senate?
 - . will there be enough time for final action by both chambers and on a conference report before the election?
 - Even if Mitchell and Chafee can't work a compromise, is it possible to hold the Senate in to continue forward with Mitchell?
5. What lesser than Mitchell is acceptable especially if Mitchell and Chafee are unable to reach an agreement.

For example a congressional resolution (a) declaring a national goal to achieve universal coverage by a date certain; (b) appointing a bipartisan commission to make recommendations to the next session of Congress to achieve that goal; (c) enacting critical insurance reforms dealing with portability, pre-existing conditions, life time limits, rate bands, medical underwriting (increasing rates), etc; (d) providing coverage for children, pregnant women, and selected others to the extent monies are available; and (e) providing prescription drugs and the beginning of long term care for seniors; and (f) affordability.

Handwritten notes: "date" circled, "OK" with arrow pointing to "monies", "Burd" circled.

~~CONFIDENTIAL~~

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: SML DATE: 7/14/22
2022-0433-S
August 30, 1994

~~CONFIDENTIAL~~

MEMORANDUM TO HAROLD ICKES, BOB RUBIN, IRA MAGAZINER, PAT GRIFFIN

From: Gene Sperling

Subject: Health Care: Children and Temporary Unemployed

UNIVERSAL COVERAGE FOR CHILDREN

I just want to add a few thoughts on why I believe the coverage piece for children should be so central to our thinking as we go forward. I know this idea is out there and has been proposed by Mitchell and others, but I believe it is important to consider how we should go forward with it and present it.

Currently, the notion of covering children is discussed in the press in the same way that longterm coverage or community rating is -- as one of many good things that could be done short of universal coverage. "Settling" on only covering children would be seen as simply one of many variations of incremental reform.

Yet, the opportunity that seems to be out there for us is to link on to the notion of *universal coverage for children*. The fact is that the President has made the concept of universality a foundation of his pitch on health care reform. While covering many of the uninsured will never be seen as fitting this concept, the notion of covering all children is not only right on moral and economic grounds, but it allows the President to show that he is getting the first major step on his way to universal coverage -- universal coverage for children.

If we were indeed to achieve this universal coverage for children, the President could rightfully say that he fought the good fight for universal coverage for all Americans, but that his fight had at least established the principle that there should be universal coverage for all young people and that never again in the United States will children go without health care because their parents can't afford it. That is powerful stuff. Having succeeded in getting his rationale -- universality for such a crucial part of the population, he would have strong grounds for signing it.

To the degree that there are about 69 million people under 18, and 8-9 million uncovered, even a plan that left only one million uncovered (those over 240% or over 300% of poverty), would mean that we had achieved 98% coverage of children -- which is as close to universal coverage as anything gets. If we were offering something to families above the 240%-300% of poverty line -- tax credits (?) -- we would have even a better case for saying that we are achieving universal coverage for young people.

Perhaps the best strategy for getting there is to quietly encourage those in the Congress to go in the direction of children, without making a big deal of the universality theme -- so as to keep it a less political issue. Once there is firm bipartisan support, however, we can then stress the message of universality for children and link it to the President's overall message.

TEMPORARY UNEMPLOYED:

This provision of the Mitchell bill has gone relatively unnoticed. Yet, it offers a tremendous tangible benefit to the 100-200 million people who do have coverage from someone in their family who works. Just as we have unemployment insurance -- which does not go on forever -- we would now offer every American who has insurance, health care unemployment insurance. We could even look closer at the income disregard to make sure that millions of Americans saw that this was real insurance if they lost their job. We could say that with this provision, tens and tens of millions of Americans are no longer one pink slip and one illness away from financial ruin. It would be portability with substance. This provision also fills the meets the President's commitment to offer people the security to change in a growing economy.

Consider the following: if a family making \$37,000 lost their job today, under the Dole bill, they would have already made too much money to be eligible for any assistance. Under the Mitchell bill, however, that same family would get nearly all of their health care paid for rest of the year. Come Christmas, the family under the Dole bill would probably be without insurance, the same family under Mitchell would have still have health security.

POLICY DEVELOPMENT: These two provisions, while strong, seem to have some of the most significant challenges on administrative grounds and on pertaining to issue of horizontal equity. It might be worthwhile at the end of next week to get some people together from the health care and economic teams to discuss some of the implications here and get the range of views.

THE WHITE HOUSE
WASHINGTON

25 August 1994

MEMORANDUM TO LEON PANETTA
From Harold Ickes *HI*
Subject Today's Los Angeles Times (25 August)

Leon, the attached Los Angeles Times' article of today (Thursday) is extremely disconcerting in that it refers to Administration sources saying that the White House is nearing the conclusion that action on meaningful healthcare reform is all but impossible this year and has begun laying the groundwork for moving the debate into the next session of Congress.

According to the article, "Clinton has discussed the prospect of suspending the healthcare debate until next year with several influential Senators....". It goes on to state that "aides are already planning how to present to the public the defeat of Clinton's central political promise and to contain the damage to the Clinton presidency."

This article follows the unfortunate comments attributed to White House aides in yesterday's Wall Street Journal.

Continual leaks of this nature severely handicap us in discussing strategy inside the White House and, as importantly, undercut Senator Mitchell and our other supporters on the Hill. They also have an extremely adverse impact on the outside support groups.

cc: Mark Gearan
Melanne Verveer
John Angell
Barry Toiv

*This is who are
Taville - who are
these fucking people?*

HI

Los Angeles Times

Thursday
August 25
1994COPYRIGHT 1994
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AN EDITION OF THE LOS ANGELES TIMES

White House Sees Chances Fading for Action on Health

■ **Legislation:** Administration takes measures to revive debate in next Congress, sources say. Clinton remains determined not to settle for half steps on reform.

By JOHN M. BRODER and EDWIN CHEN, TIMES STAFF WRITERS

WASHINGTON—The White House is nearing the conclusion that action on meaningful health care reform is all but impossible this year and has begun laying the groundwork for moving the debate into the next session of Congress, according to Administration and congressional sources.

Even though officials continue to voice hope that Senate leaders can craft a workable compromise from two competing health care reform plans, time and tempers are growing short on Capitol Hill. The House already has left town after its rancorous debate on the crime bill, which is now stalled in the Senate, and there has been virtually no progress in recent weeks toward consensus on health care.

President Clinton remains determined not to settle for half steps on health care, which he believes may do more harm than good and doom chances for the sweeping reformation of the American health care system that he wants.

Unless the Senate can surmount numerous obstacles in the next few days and produce a bipartisan plan that makes significant progress toward universal health care coverage, the White House is prepared reluctantly to call it quits for this year, officials said.

Clinton has discussed the prospect of suspending the health care debate until next year with several influential senators who share his concern about the chances of passing an even minimally acceptable bill this year.

And if Clinton's push for health care reform fails this year, aides are already planning how to present to the public the defeat of Clinton's central political promise and to contain the damage to the Clinton presidency.

The White House is expected to argue that health reform is not

Please see HEALTH, A5

HEALTH: White House Sees Debate Ending for Year

Continued from A1

dead and that it will be revived when the next Congress convenes in January. Although the new Congress likely will have considerably more Republicans in both chambers than the current one, officials said that any health plan will require bipartisan support and fresh Republican minds may make the task easier rather than more difficult.

Clinton has repeatedly made the point in public that the "Brady bill" handgun-control measure took several years to enact, anti-crime legislation has been pending for six years and the Americans With Disabilities Act required five years for passage.

An initiative as ambitious as the reform of one-seventh of the American economy cannot be expected to be implemented overnight, Clinton has said.

The White House is expected to attack congressional Republicans for blocking the Administration's health care plan and to challenge House and Senate GOP leaders to come up with a plan for providing health coverage for all Americans—or explain why they are against it.

The Administration pitch will also cite substantial progress toward its goal. Health reform is now on the national front burner and the public expects action, the chief problems have been identified and countless hours have been spent drafting legislation and analyzing the benefits and liabilities of various proposals.

Clinton has said that, in all the debate over the various health plans now before Congress, his basic position has not changed. He is for comprehensive health benefits for all Americans, provided by private insurers and paid for through employer and worker contributions and savings from the existing system.

Anything less will not satisfy him and he would rather continue the debate next year than sign a bill that falls short of his fundamental goals, he insisted again Wednesday.

"If you are asking me where I am, I am still where I always was," Clinton told the international convention of B'nai B'rith in Chicago in a satellite hookup. "The main thing we must do is we must do something that will work and it will be better not to do anything at all than to adopt a program that would actually increase costs of health care and reduce coverage. That's what we don't want to do," Clinton said.

White House officials concede that the prospects for action this year are growing dimmer by the day. Even upbeat public pronouncements are qualified now.

Asked whether Clinton expects an acceptable bill this year, White House Press Secretary Dee Dee Myers said Wednesday, "Well, I think he's hopeful as he has been throughout this process. Certainly it's difficult. He knew from the beginning it would be very, very difficult."

Harold M. Ickes, the White House deputy chief of staff who is overseeing health care strategy, insisted in an interview with wire service reporters that "health care is alive and well," despite the assertion Tuesday by House Speaker Thomas S. Foley (D-Wash.) that Congress was unlikely to enact anything beyond incremental health insurance reforms this year.

"I think the predictions that this is going to be shut down are—there's no basis for that," Ickes said. But, he acknowledged, "there's no question that the clock is running against us."

In the Senate, members of the bipartisan "mainstream" coalition and their aides continued meeting throughout the day, putting the finishing touches on a plan that they intend to be an alternative to the bill proposed by Majority Leader George J. Mitchell (D-Me.).

One coalition member, Sen. David L. Boren (D-Okla.), said late Wednesday afternoon that the group expected to finish its work Wednesday night in time to send the proposal to the Congressional Budget Office for analysis.

As the group of about 20 senators and their staffs worked in a stuffy room just off the Capitol Rotunda, members were grimly aware that the window of opportunity for enacting health reform was closing. "It's getting late," said Sen. Nancy Landon Kassebaum (R-Kan.).

Sen. Bob Kerrey (D-Nebr.) added, "I think we're within a few days of just putting the whole health care issue to bed for the year."

Separately, Minority Leader Bob Dole (R-Kan.) agreed with that assessment. "Time is ticking away," he told reporters.

Aside from substantive differences between the "mainstream" coalition plan and Mitchell's, another potential obstacle toward some compromise is that most of the bipartisan group members are insisting that their plan be, in Kassebaum's words, "a separate package."

By that, they mean that they want their proposal to be considered as an alternative to Mitchell's.

Mitchell's bill, backed by the White House, aims to attain 95% coverage by the year 2000, relying on voluntary measures and a variety of insurance reforms and subsidies to the needy. It would trigger an employer mandate by 2002 in states that do not achieve 95% coverage, requiring large businesses to pay at least 50% of a worker's premiums.

The "mainstream" coalition's plan, unveiled Friday evening, eliminates the employer mandate altogether and would trim \$400 billion from future growth of Medicare and Medicaid over 10 years to generate funds to help poor people buy health insurance. It aims for about 91% coverage by the year 2002.

Both plans call for a number of insurance market reforms, barring insurers from denying or canceling coverage on the basis of a customer's health. All health plans would be available to all applicants and policy renewals would be guaranteed.

The discussion over the next few days will hinge on whether the coalition bill can be combined in some way with the Mitchell plan into a coherent package acceptable to a majority in the Senate and to Clinton. On that effort hangs the fate of health reform this year.

"It's all a judgment call by the Democratic leadership," said Sen. Dave Durenberger (R-Minn.). Times staff writer Karen Tumulty contributed to this story.

'The main thing we must do is we must do something that will work and it will be better not to do anything at all than to adopt a program that would actually increase costs of health care and reduce coverage. That's what we don't want to do.'

PRESIDENT CLINTON

F

THE WHITE HOUSE
WASHINGTON

26 August 1994

MEMORANDUM TO THE FIRST LADY

FROM: HAROLD ICKES

SUBJECT: Today's (26 August) Washington Post re health care

The comments from unnamed White House staff and senior administration officials in today's Washington Post, a copy of which is attached, are extremely destructive. This round of similar comments by White House/senior administration officials began on Wednesday in the Wall Street Journal, continued yesterday in the Los Angeles Times and now today.

Major Reform Unlikely in '94; Modest Measures Are Still Alive

By Ann Devroy and Dana Priest
Washington Post Staff Writers

AT

Senate Majority Leader George J. Mitchell (D-Maine) said yesterday that the Senate will recess without enacting health care legislation, effectively ending any chance of fulfilling President Clinton's hopes for comprehensive reform this year.

Both Mitchell and Clinton yesterday said the recess until after Labor Day does not mean the end of health care reform. But Democrats and Republicans across the political spectrum, including some of the president's strong defenders and many White House officials, said the epic legislative battle that began last fall when Clinton delivered to Congress his ambitious reform plan is now effectively over.

Most agreed that the only remaining hope is for modest regulatory measures and perhaps low-income subsidies when Congress reconvenes Sept. 12.

"There's a growing consensus that an incremental approach is all we can do," said Sen. Christopher J. Dodd (D-Conn.), who has supported Clinton-style change. "A very legitimate question is, can you even do that? The clock is the 101st senator and has tremendous power around here, with elections" just eight weeks after Congress is scheduled to return.

"The moment of truth, when you have to face facts, has come this week," said Sen. Harris Wofford (D-Pa.), whose 1991 upset victory propelled the health care issue into the national political arena. A supporter of broad-based reform, including the universal coverage sought by Clinton, Wofford said yesterday he believes a much scaled-back bill

HEALTH, From A1

could pass and would be a "historic first installment . . . that the president should sign."

Part of what strangled the White House hopes was the drawn-out combat this month over the crime bill, which dragged Clinton and many of his aides into a two-week battle, first in the House and this week in the Senate. Their vacation eaten away, senators on both sides of the aisle pressed hard to go home once the crime bill was dealt with.

Asked whether health care reform is now officially dead, Clinton said yesterday, "I wouldn't say that." In deference to Mitchell's efforts to continue informal discussions over the Labor Day recess, he added, "I think the less I say the better."

But privately, several officials involved in the effort at the White House acknowledged that whatever may emerge from here on will be so far from what the president once envisioned as to leave him with no choice but to opt for "strangling it at birth and calling for . . . a new Congress with a fresh outlook."

A senior official said this week that Clinton and his top aides have been "politically gaming" what to do about their lost hopes for major reform, with Clinton opposed to what he calls "half-

steps" that do more harm to the health care system than good. The president and his aides have had several discussions about formally calling for a suspension of any further debate on health care in this session of Congress, but have opted in deference to Mitchell to avoid making the decision to totally throw in the towel until after the recess.

Time has always been the major problem. Two weeks ago, with the House at an impasse and waiting for the Senate to act, Mitchell had said he would keep senators in six days a week with no vacation as long as progress could be made on forging a compromise bill. With both bodies now stalled, the clock has started running toward the Nov. 8 elections, with House and Senate members wondering how early leaders will let them go home in October to campaign.

Democrats and Republicans said yesterday the only health care bill that could win passage in the likely space of a month available to them after Labor Day is one that would only impose new rules on the insurance industry and provide modest insurance subsidies for low-income people from a cigarette tax and from multibillion-dollar cuts in Medicare and Medicaid.

Mitchell said he plans to use the two-week recess to negotiate with leaders of a self-described "mainstream coalition" of 20 senators. The loose-knit group, with an equal number of Democrats and Republicans, has proposed a plan that falls far short of Clinton's original plan and the scaled-back version of the president's plan proposed by Mitchell.

Clinton on Wednesday sharply criticized the direction that group was taking and said its refusal to support the cost controls and employer mandates he proposes was "the nub of all our other problems."

Although liberals had hoped to make significant changes to the bipartisan group's bill—adding an employer mandate, dropping a proposed tax on some health benefits and adding new subsidies for the poor—many members of the group threatened to walk away from any kind of health care reform if their proposal is not kept more or less intact.

That stance has left liberals and others to decide whether to accept a bill that is far different from the one Clinton and Mitchell proposed or to fight on, knowing there is not a majority for a more substantial measure.

"Everyone, including liberals, agrees an incremental approach is better than nothing," said Sen. Max Baucus (D-Mont.). Over the recess, "the mainstreamers, Mitchell and non-mainstreamers are going to try to all swim together with the idea of helping

each other rather than drowning."

White House Chief of Staff Leon E. Panetta and Deputy Chief of Staff Harold Ickes yesterday both tried to leave open hope that Mitchell and his group could produce something. Panetta said, "I think it may be healthier for everyone to be able to take this break and to have the key parties continue to negotiate in what I think will be a quieter atmosphere."

Ickes said, "We are close to the edge" of concluding there is no possibility for significant reform, "but not at the edge."

Others, however, described Ickes as arguing privately, along with most others in the White House, that nothing the mainstream group is likely to do, considering its distance from Clinton, is close to acceptable to a president who in January, wielding a pen, said he would veto anything that did not provide universal coverage for all Americans.

Senior officials said that the only health care legislation that still is possible and that the president could sign is "minimalist . . . and not reform, only health care steps that would aid some part of the population." Such legislation, for example, could include insurance industry reform, guaranteed coverage for children under a certain age, expanded prescription drug coverage, and at least temporary subsidies for some coverage for workers who lose their jobs. But deciding how to pay for that expansion would be likely to cause major debate.

"The fact of the matter is there is no time to pick up any pieces anymore," said a senior official. "When Congress comes back, you have at best a month. There is no conceivable way to put together anything, probably anything even modest, and it is now time for us to frame this issue as a fight for the next Congress and a president who won't give up rather than have it just ooze away."

Sixteen Democrats committed to a universal coverage bill painted yesterday's developments as a positive step. "It really is a breakthrough for all of us," said Sen. Thomas A. Daschle (D-S.D.). The recess, he said, would give Democratic leaders and the mainstream group time to work out their differences.

Several Republicans said yesterday that they would be willing to accept an incremental approach close to the mainstream proposal. But others readied for a fight. "These guys have got to accept the fact that for two weeks they've been dragging a dead body around," said Sen. Phil Gramm (R-Tex.). " . . . Mitchell held up a small flag today, but it was a white flag" of surrender.

AUG 29 1994 10:17 AM CLARITY 5012250353 FROM PEDIATRICS/ACH

T-551 F.22

P.2

To: President Clinton, First Lady Hillary Rodham Clinton, Counselor to the President Thomas F. (Mack) McLarty, The Hon. Senator Tom Foley, The Hon. Congressman Richard Gephardt.

Re: Health Care Plan crisis

SOLUTION: KID CARE

Fact: The White House and congressional allies appear to be throwing in the towel to make major compromises on the main features of the President's Health Care Plan. The President appears both unauthoritative and, if he compromises, will appear to waffle on his promises. If inadequate health care reform is passed the President doesn't get re-elected.

Solution: Pass a universal plan with all the principles the President asked for but limited in scope.

Fact: Americans are too scared to overhaul the entire process at one time. It is too great an experiment to try without testing. No scientist would do so without a smaller trial.

Solution: only overhaul part of the health care system.

Fact: The President said he would veto anything that didn't have universal coverage.

Solution: bring a bill to him that is universal, a bill that covers kids 18 and under universally.

Fact: the strongest supporters of health care reform are family doctors and pediatricians.

Solution: appeal to your strongest support within the medical community. Betty Lowe will endorse it.

Fact: the Republicans and Bob Dole, who wishes to be the next challenger, need to look like they are supporting some reform.

Solution: not even Bob Dole wants to be portrayed as voting against children.

Fact: Universal coverage will cost money.

Solution: Children's health consumes only a small per cent of the total health care budget.

Fact: The President wants to pass a plan that has a real impact.

Solution: dollars spent on kids now will last for 7 decades. What better legacy.

AUG 29 1994 10:10 MCLINCY 5012252363 FROM PEDIATRICS/ACH

T-561 P.03

P.4

Fact: The president literally has only days left to pass a bill.

Solution: Kiddie Care is a plan that was introduced almost 20 years ago and requires very little separate planning. Just use the current plan and limit enrollment to those under 18. Small business owners will be so thrilled at the cut back in premiums they will bite at the compromise. Another option is a national insurance for kids. Theodore Marmer, Ph D at Yale wrote this option 20 years ago and can be utilized overnight to draft a new plan.

In short, the President looks great because Kiddie Care is universal, is reform, has major impact and the President comes across as not compromising. The country feels good because this experiment is an economically less devastating one if it doesn't work. Everyone feels good because children are the beneficiaries. *And the President gets re-elected.*

This is the solution. Put up the white flags, acknowledge that a test period is indicated with a smaller program, maintain your principles, and after the next election, if managed care and Kiddie Care have really worked, go for the whole banana. *But get off your hands and move. There is little time left.*

8/29/94

Gary Wheeler, MD

Pediatrician

Arkansas Children's Hospital

Little Rock, AR

501-320-1060

Fax 501-320-3551

TO: THE PRESIDENT

FR: ELLIS MOTTUR *Ellis*

DT: AUGUST 26, 1994

RE: HOW TO SALVAGE THE HEALTH CARE ISSUE

This is a proposal for a radically different approach to salvage the health care issue. With the approach described below, I believe it would be possible to leapfrog the incrementalist efforts now underway and enact sweeping health legislation before the November elections.

The legislation would establish as national policy a set of health care goals and create a set of mechanisms guaranteed to achieve those goals over specified periods of time. The goals and mechanisms would be designed in such a way that moderate Republicans would feel compelled to vote for them -- and vote to permit debate on them in the Senate.

The legislation would set in motion an ironclad process that would lead to the kind of comprehensive health care system we want. And its broad elements would be simple and clear enough so that the American people would recognize its enactment as a major breakthrough -- before the November elections.

Thus as a primary goal, the legislation would stipulate universal coverage, with X percent to be achieved by a certain date, Y percent by a later date, and universal coverage by a final date. With respect to financing, the goal would be simple: a system in which all elements of society would pay their fair share, to be phased in over a period of years. Cost containment and other broad goals would be established as national policy, keeping the total number of broad goals small enough so that the entire package could be readily grasped by Joe Sixpack.

Establishing the goals by themselves, of course, would be a hollow exercise, without the ironclad mechanisms for achieving them within specified periods of time. Thus the following mechanism could be legislated for achieving a health financing system in which all elements of society pay their fair share:

Establish a bipartisan National Commission on Health Financing, with members appointed by the House and Senate leadership on both sides of the aisle, and by the President. The Commission would hold extensive public hearings across the nation and make its final recommendations to the President and the Congress by a date certain. The recommendations would be handled similarly to the base closing process, with Congress having to accept or reject them within a specified time period. And voting in the Senate would be similar to budget reconciliation, where a minority could not block floor action and a simple majority would prevail.

Appropriate mechanisms could be established for achieving each of the other health policy goals. In every case, the mechanism would not only establish a procedure for arriving at consensus recommendations, but would always accompany that by an ironclad method whereby minority obstructionism would be blocked and Congressional action on the recommendations would be ensured within a reasonable time frame.

I don't mean to assert that it would be easy to pull this together and get Congressional action on it before November. It would be exceedingly difficult, but I believe it is doable. It would take a major war room type effort at the White House, working in close concert with the House and Senate leadership and with bipartisan involvement at every stage of the process.

But I believe the moderate Republicans would be compelled to go along with it because the kinds of goals and the procedures for achieving them would be ones no reasonable public figure could oppose, and because the American public clearly wants those goals to be achieved and clearly wants a bipartisan approach to ending gridlock in Washington.

And even if such an effort failed, the onus would clearly be on the Republicans who obstructed it; and the stature of the President and the Democratic Party would be immeasurably enhanced for having made the fight on clear-cut grounds that the public could readily understand.

In my judgement this option is infinitely preferable to: (a) settling for minimal incremental reform; or (b) throwing in the towel at this point and hoping to convince the American public that it's all the Republicans fault. In the event of option (b), I think the public would react against all incumbents, not just the Republicans.

I will be distributing copies of the memo to key people in the White House and, if anyone wishes to discuss it with me, can be reached at my office (202/482-1872) or home (301/816-0898).



U.S. DEPARTMENT OF COMMERCE
International Trade Administration

To : JANICE ENRIGHT

From: Ellis R. Mottur
Deputy Assistant Secretary for
Technology and Aerospace Industries

Attached is a copy of a
2 pg memo I sent to the
President on "Salvaging the
Health Care Issue" —
which I thought
Harold would want to see.

Ellis

8/26

Harold - please look
at this -



FORM CD-62A LP
(10-87)
DAQ 214-2



J.

Schum-
414-
299-
1242
202-452-2217

from Harold

Should we
Talk to
President
of group.
A look
@

8/29

We received
this note
from Leon
today.

J.

D R A F T

8/21/94

Possible Options

1. Mitchell accommodates enough of the mainstream to gain broader support of Mitchell, as revised, with the balance of mainstream proposals being debated and voted on.
 - How critical is the triggered mandate in Mitchell? If it is supplanted by the 95% goal of the mainstream, and if the rest of Mitchell revised works, can it be argued that it puts the country on the path to universal coverage and, if so, should the President support it?

The definition of "what works" is critical. If the President cannot support Mitchell revised, should he declare an impasse; that the Republicans are unwilling to support health care reform this year; but that he will fight for health care reform next year.

If, after recess, the Congress enacts health care legislation, the President can then decide whether to sign it or not.
 - It is likely, however, that many of the leadership groups supporting health reform will walk away from Mitchell revised.
 - Even if the President wants to declare an "impasse" and to ask the Senate to adjourn, Senator Mitchell may resist this course.
 - If Mitchell revised cannot be supported by the President, should he demand a vote on the Mitchell triggered mandate as well as on the key provisions to show the country who is blocking health reform?
 - Even if Mitchell revised, without the Mitchell mandate, should be pushed, what effect will it have on the House? This will depend upon the configuration of Mitchell revised.
2. If Mitchell cannot accommodate Chafee:
 - A. Carry on with the debate on Mitchell and force an early vote on the Mitchell mandate.

- If the vote retains the Mitchell mandate, it is unclear where the process then goes.
 - If the vote defeats the Mitchell mandate, the President can declare an "impasse"; state that the Republicans blocked health reform; ask the Senate to recess; and state he will fight for health reform next year.
- B. Mitchell tells the President that he needs a recess to work out a modified bill (thus effectively telling the President there isn't sufficient support in the Senate to enact the pending bill); the Senate goes on recess; the press declares health reform dead this session; during the recess, the President and at least the Democratic leadership devise a bill that can be characterized as putting the country on the path to universal coverage, along the lines of the congressional resolution (or some other workable minimal approach) described in paragraph numbered 2 below.
- The President could say that while the universal coverage as he has worked for so hard can't be achieved this year, this alternative proposal, which he devised with the Congress, is a giant step toward that goal.
 - Although the public would likely support such a proposal, the leadership groups favoring health reform may disown it.
- C. Mitchell tells the President that he cannot get his bill through the Senate. The President declares an "impasse"; states that he has done everything possible to achieve universal coverage, but the Republicans block it; call a Democratic leadership summit (perhaps including some Republicans) to work out an alternative that can command the necessary votes in both chambers, but which will not include universal coverage.
- Even under this option, the President may need a vote on the Mitchell mandate before declaring an impasse and calling the leadership summit to show he went the distance in trying to achieve universal coverage.
 - This is a very risky strategy because it is highly probable that the process will drag out, no agreement will be reached that can

command sufficient support, and the President will merely become bogged down in the process.

Other issues:

1. The clock: If Mitchell cannot reach an accommodation with the mainstream, at least in principle, this week, he may well not be able to hold the Senate in session after the final vote on the crime bill. If so, the Senate is not scheduled to return until 12 (Monday) September at the earliest and perhaps not until 19 September.

The House is scheduled to return on 8 September (Thursday), but if the Senate has not acted on health reform, it is unlikely that the House begin considering health reform before the Senate has acted.

Even if the House begins debate before the Senate acts, will enough time remain to enact health care this year?

2. If Mitchell is unable to accommodate Chafee, is there any proposal that is less than Mitchell that would be acceptable both politically and policy wise?

For example a congressional resolution (a) declaring a national goal to achieve universal coverage by a date certain; (b) appointing a bipartisan commission to make recommendations to the next session of Congress to achieve that goal; (c) enacting critical insurance reforms dealing with portability, pre-existing conditions, life time limits, rate bands, medical underwriting (increasing rates), etc; (d) providing coverage for children, pregnant women, and selected others to the extent funds are available; (e) providing prescription drugs and the beginning of long term care for seniors; and (f) some deficit reduction (whether all of (d),(e) and (f) can be financed may be questionable).

THE WHITE HOUSE

WASHINGTON

August 4, 1994

MEMORANDUM FOR LEON PANETTA

✓HAROLD ICKES

CC: HILLARY RODHAM CLINTON
ROBERT RUBIN

FROM: IRA C. MAGAZINER *ICM*

SUBJ: HEALTH CARE POLICY PROCESS

The meeting the other night was very useful. As a follow-up and with the agreement of the First Lady, I have asked Bob Rubin to convene a series of NEC meetings with HHS representation to review the policy and financing for the Mitchell and Gephardt bills.

This will help us prepare for amendments and conference.

The purpose of these meetings is to forge Administration consensus on the two bills and how they might be defended and improved. Since health care will have such a profound effect on the economy and the budget, a careful review process involving senior economic officials in the Administration would be well worth everyone's time and effort.

There are four topics which I would like to include on the agenda to start these meetings.

1. We spent months debating and scrubbing the economic and behavioral assumptions behind the costs and financing in the Health Security Act, knowing that they would receive additional months of careful review by CBO and outside groups. The other night, Laura Tyson expressed a desire to review more carefully the assumptions in the Democratic Leadership bills. I agree with her.

The health care teams in the Administration and Congress have worked diligently and effectively to supply analysis for the bills now being considered by Congress. However, OMB and CBO staff would be the first to admit that the frantic pace of the Finance Committee, Rump Group and Mitchell and Gephardt processes has forced quick decisions on assumptions underlying cost and financing estimates which increase risk and uncertainty.

I would like the NEC to become more engaged in examining assumptions and estimates and their economic implications, to provide an additional perspective.

The nation will live for a long time with the policies put in place on health care. Discovering possible problems and fixing them now rather than later will avoid trouble down the road.

2. I am deeply concerned about expanding coverage extensively in the absence of cost containment. The history of health care reform has been one of new entitlements which cause public and private costs to skyrocket or which are underfunded.

We all share this concern, but I fear that there may be a lack of political will in Congress to enact real cost containment unless we push hard for it. I would like us to undertake a more intensive effort to find cost containment measures that work and can be sold.

I am particularly concerned about any strategy which would have us secure coverage this year and go for cost containment in future years. That has been the strategy on too much past social legislation and it has not worked well.

3. The President has always intended that health reform should produce significant deficit reduction during the second five years. If health care uses all Medicare and Medicaid savings and produces no deficit reduction, it will be almost impossible to keep the deficit on a downward path into the next century.

We should explore ways to accomplish this goal.

4. I don't think there will be much disagreement on how to proceed if we lose a mandate vote in the Senate. We should pursue as strong a "Mitchell bill" as possible.

However, if the mandate fails (and possibly even if it succeeds) we may not sustain the high cost plan assessment or the cafeteria plan revisions in their present form. Last estimates showed these raising between \$160-\$200 billion which would then be lost for financing coverage. We will then be left with less subsidies due to lack of funds.

The option I proposed the other night was based on this premise -- being forced to scale down the Mitchell proposal to use the Medicaid, Medicare and tobacco tax funds in the bill to fund some of the coverage programs in the bill and provide greater deficit reduction. We might want to explore this and other alternatives.

In any event, the NEC forum, I believe, would be a good one to guide our discussion of these issues as well as others as we go forward.

We will want a bill to emerge from conference which works both substantively and politically. We will be best able to work with the conference, if we have a united health care and economic policy process which produces clear analysis and recommendations for the conferees.

Bob Felsen - 8/14/94

Ira, Throp, Felsen all agree on the numbers but
don't necessarily agree on what they mean

- incidence on capex - problem

Ira feels that while costs for industrial
capex will be down, overall national spending
by private sector will be higher

- cost containment:

• No one has any good ideas that are
politically salable

- Skulala feels market forces are working & will
do so & should get as much coverage as
possible - by Felsen



- BA: entitlement issues will be up front next couple of
years

• BA needs a good definite reduction program in
health care care



Ramada
Patricia
Reh

• Plan
907-543-
2024

7/1/94 - BC meeting w/ Senate / House leadership

- | | |
|------------|--------------|
| • BC | • P. Griffin |
| • HRC | • Iron N |
| • Gore | • Panetta |
| • Mitchell | • McLarty |
| • Foley | • H.E. |
| • Gebhardt | • George S |

Gebhardt - Can pass around a bill as in House, as long as Senate has at least had tripped
If ~~House~~ House thinks Senate is less ~~than~~
than ~~much~~ more ~~concern~~, House will move down -

- G.N. - 3 options: - use SFC bill
- use Kennedy bill
- or use a substituted bill
- SFC may not repeat out this need -
 - Unfortunate that DPN found a vote intensity
~~with~~ on the hard tripped intensity
 - hard tripped on intensity will lose
3 republicans & give ~~them~~ them
votes to liberals

[HRC - we need senate ~~bill~~ bills ~~as~~ in
~~the~~ both bodies]

- G.N. - many no problem is that the opponents
to an intensity is well organized &
- Therefore an intensity are no passing
- Difficult to turn congress around by
a public campaign

Gebhardt - low 30s for those against intensity

- G.N. - 50 Days - Can lose only 6
- can't get 51 votes for hard tripped on intensity
right now

HRC -

- G.N. - may be intensity to negotiate w/
Dole

(A)

Ed Clancy
Filibuster
HRC
WISUT
CSEA

242-
598-
6800
222-7300

cut

G M @ Senate members are moving to the right

(b) he don't think public pressure will
move members back

(c) members meet in way that structure
of society & they are against society

(d) willing to act in any way the
President wants, ~~however~~ however —

DG - 2d week in August

3rd

Shelby

Nunn

Hoffa

Bryson

12th

Leah

Schmitt

Dem govt leadership meeting 7/20/94

- Foley - fundamental problems re budget

Mitchell - must make a decision in next few days -

= any bill must be drafted quickly after we

subject to 60 votes part of order

- CBO will take 1 week to review

- wants to begin Senate by end of month

Galehouse - virtually impossible to change course

at end of process -

• can win re budget issues

• if we can't get it past -- means people will
be disappointed

- Republicans don't are reasonable

(*) Mitchell - must expose the deal proposed for
budget it is

→ Must discuss credit it - to prevent it
from being voted as more reasonable

Parshall - pres veto would be a disaster

Mitchell - need pointed even someone on pub TV

6/10/99 - Health Care needs w/ BC

- | | | |
|-------------|-------------------|-------------|
| • PC | • D. Gange | • P. Gibbon |
| • DG | • J. Law | • Mr. Gane |
| • HE | • I. Nagayama | • George S |
| • C. Jamp | • S. R. Archibald | • HRC |
| • P. Vaneau | | • RCLarty |

1. Emergency - may be stalled

2. Ways & means - need 1 person to get votes out

3. Government/related matters last night

- Government has lost 35 who won't vote for him

• Gov may be able to pass a ~~new~~ bill -

4. Kennedy bill

5. Parliamentary route -

- Board will never approve any bill that doesn't have my regulation report
- need to work ~~with~~ Board, change
- Have changed about report ~~required~~ in Senate
- Can we get DPN to shift a bit

BC -  • Can we recruit this to personnel
• We have no way to get public support

HE - There is no it system

HRC - Kennedy bill to be used as vehicle - ?

Ad copy copy -

Bal Dale -

- AG - public presence -

• Need to get out of Finance

GS - "must go this extra mile to try to get regulations before we can go against them"

[- Every change is over]

DG - Could have had a deal 10 days ago w/ parliament

HE - "Tougher than usual" that rule the invest cost effort

Need to make effort effort of regulations to get Ball running to now

DC - • don't think Bush will run for President

• There was a lot there 10 days ago

• squabbling don't know what we mean by universal

HRC - we are in trouble because we have
let the committee have the bill
call rush

6/19/99 -		
• HRC	• Griffin	• Poyage
• Paul	• Geyer	• Geyer
• Tra	• Pauter	• Ecker
• George	• Poyage & Thun	•
• Delance	• Bob Rubin	
• Reschulte		
9/1/99		

① ① 91% / 97% funded:

- subsidies reduce the market clearance
- \$300 billion short
- 8 million people will be dropped by end
- will put up 20 million poor people
- many people w/ subsidies will pay 10% + more
- will raise price for ~~the~~ exporters & will cause them to not drop drop people

Parade of all banks

- ① lower benefit package -
still \$30 billion short for 5 years
- ② reduce subsidies - ~~the~~
- but will cause less people
- this will reduce number of people covered



② ② Tinny - goals:

- - etc

~~affordable~~ benefits

① embury - manage disrupt risk of disruption:

- increase prices for young people
- in very deep deep

② Need transient income refuge

- ③ waiting period for pre-emptive credits
- for previously insured

② program

Problems - subsidies won't reduce clearance a great deal

- subsidies will go towards providing to people who have income

- If no cost contained during transition period, the costs will go up and you will have costs at end of period & thus transition would be pulled
- appeared to have real nearly none

Design: to reduce costs during transition:

- Targeting subsidies during transition period
- reduced benefit package

Cost contained issue:

- limit federal expenses
- many availability of benefits by Federal Employees Health Plan

Good design indicated

Markets on very loose form -

→ Jeff Bayh - has good proposals

Uninsured coverage must be affordable at the end - (after transition period)
If may need less benefit package & fewer subsidies -

③ Premium cap -

① Brady Tax Cap -

- original had targets
- health benefits above the targets are taxed to help pay for transition

② Very Capitated

③ States by state -

give each state a specific amount of subsidy \$ & let each state determine when to go out with the plan

(3) Use menu up

(4) Have menu up one only Fed
length plus

→ Cost content is content

→ can limit federal treaties

*→ * Cost content is content to make the notes work
• This is the long holder name

- IM - mention about denying a cost content
notes that will work

→ Brandy note by early next week

* Can we put a good better package to work

Package

*
Brandy
Brandy
Brandy

8/4/94 - Leach's meeting
 • Mitchell hP action - put G
 • Gelbhart • B. view
 • Foly • GS
 • W*

Gelbhart - need to get to floor

- CBO - still in Senate bill
- can't get CBO into next week
- Republicans still unity a bill
- intention to get to floor next
3rd week ~~at~~ Aug at earliest
- probably not until 4 or 5th week

Wally - CBO for fiscal ~~next~~ this week

Gel - need 4-5 days

still need to do bi-partisan bill &
 amend bill by CBO

Have & Gelbhart

- Single range
- bi-partisan
- Richard

	<u>Days</u>
8 - No rules	1
15 - No rules	8
22	15
	22
	29

can't buy Mitchell bill in House

Have agreed into rule -

Probably can't change

[If Mitchell loses portfolio, Have bi-partisan
 bill will be written by Congress]

If lose portfolio or no Mitchell bill perhaps offer
 it to House

± 6 live mutants noted in Santa!

← Have caused another rule on mt del
w/o mutants

- Gebhart - can't pass mt del to
even w/ band transfer

- Summit →

- Quick history of the fly

- GR don't don't see think of a
Summit

Geb - can't get mt del but transfer the
Hase

→ 12 PM - Santa Vador Market

→ 17 - WOL - Rule →

Fabricated not certain if see see a a mutant

- 22 August - large Wane debate -

→ [Must note on Gebhart even if live mutants
on mt del]

8/1/94 - pitched meeting 9:15 am

- BC • GM • HF
- HRC • GS
- L. Panto • Pat G
- From M

= Valerity system will get 95%+ per CBO by 2000

- default payment of interest 95%

- if an interest holder in, it must default
payment 120-300 billion

- interest system less efficient because provide
subsidies to people/ens that otherwise
would pay -

BC - Hawaii / Wash don't ~~subsidize~~ subsidize
ens

- GM - can't totally demonstrate a result we
may end up going to as full back -
eg 95% w/o interest

• Timing: • Issue version early this week

• return needed for Wash - debate Wed/Thu

→ Fri 12 August first vote

return

GM
proposal

Mon/Tue debate
Wed begin amendment

- Next week
at the subject

HRC - gives in buying re tiny a benefits

• proposed change coming in too late, even though
we cut national spending

• cost containment ~~needed~~ unless -

GM - focuses default not the goal -

BC - problem of how to pay those who now
have ins a group it to those who don't

GM - can't pass

Chapman vote

• 32	}	40 yes & leaving yes
• 8		
• 8	}	52 no or leaving no
• 12		
• 40		

To do -

- work on better cost control
- get on results despite neutral

Health Bill Heads for House Floor

Democrats Retain Clinton Provisions

By Dana Priest
and David S. Broder
Washington Post Staff Writers

House Democratic leaders agreed last night to send a health care bill including most of the major provisions sought by President Clinton to the House floor, where it faces an uncertain fate.

While maintaining the bill's ambitious features for now, including universal coverage, they acknowledged that its main financing provision—the employer mandate—may not survive strong Senate opposition to requiring all companies to pay for their workers' health insurance.

As they met with House Majority Leader Richard A. Gephardt (D-Mo.) to iron out the final wrinkles in the bill, which they will make public this morning, top Democrats acknowledged that they had asked for an early Senate vote on the employer mandate.

If the employer mandate fails in the Senate, as current forecasts suggest, several of them said it also would fail in the House, forcing major revisions in the proposal or, some said, its abandonment.

The meeting with Gephardt failed to resolve the final language on abortion services, which were included in the bills passed by the two House committees considering health legislation. An informed source said that issue

HEALTH, From A1

promised to announce today. The leaders agreed to cut back somewhat on the size of the proposed reductions in Medicare reimbursement payments—a major concern of hospitals. Those savings were to help pay for the expanded insurance coverage.

They agreed to seek a compromise on the contentious issue of having the government pick up insurance costs for early retirees of big firms, primarily in the auto and steel industry.

Gephardt, who took on the task of melding a single measure from the bills passed by the House committees, will give the House Democratic caucus this morning the product of weeks of conferences.

Senate Majority Leader George J. Mitchell (D-Maine) is going through the same melding procedure in the Senate. Differences between Senate and House bills must ultimately be reconciled in a conference and be returned to both chambers for final passage before going to President Clinton for his signature.

Clinton formally outlined his proposal last September, starting intensive debate on a measure described as the most significant piece of domestic legislation in at least three decades.

As Clinton requested, the Democratic leadership bill would require employers to pay 80 percent of their workers' insurance premiums and guarantee consumers a choice of health plans, including at least one with an unrestricted list of physicians.

It would place broad new regulations on the insurance industry, prohibiting insurers from denying coverage to sick people or those who have changed jobs. It would compel insurers to sell a comprehensive standard package of benefits to everyone. It also would eventually impose government fee schedules for doctors and hospitals as a backup measure if market forces do not adequately restrain medical inflation.

Gephardt plans to bring the bill to the House floor on Aug. 8 or 9 and aims for a vote on passage by Aug. 13.

Drafters of a more conservative, bipartisan bill, which could become the main threat and alternative to the Gephardt measure, also met last night. They reported "good progress" toward a final draft of their proposal, which they said they hoped to complete at the beginning of next week.

The draft of the Gephardt bill obtained by The Washington Post last night is portrayed as being deficit-

insurance program for the elderly, to include part-time workers, the unemployed, welfare clients and others who do not get insurance on the job. The new Medicare "Part C" would replace the current federal-state Medicaid program for the needy.

It is an acknowledgment of their nervousness about their ability to pass such a comprehensive bill that House leaders asked Mitchell to schedule a vote on the employer mandate in the first few days of debate, which could come as early as next week.

"The request was made in good faith," said Rep. Barbara B. Kennelly (D-Conn.), a deputy whip. "Mr. Mitchell said he would try to do it." But Senate rules limit Mitchell's ability to force such a vote.

If the mandate vote fails in the Senate, as many expect, Kennelly said the House "would be wide open" on whether to press ahead with the mandate, seek an alternative funding mechanism or to cut back the whole program. Rep. Pat Williams (D-Mont.), whose subcommittee endorsed a bill even more ambitious than Clinton's, said an adverse Senate vote would mean "the employer mandate would then be dead" in the House. Williams said he then would prefer to abandon the health care effort for this year rather than pass a scaled-down bill. Clinton has vowed to veto any bill that does not guarantee universal coverage.

Rep. Jim McDermott (D-Wash.) gave Gephardt only 10-to-1 odds of holding a pro-mandate majority in the House if it fails in the Senate.

For months, House Democratic leaders have promised members they would not be forced to vote for controversial health measures that were doomed to defeat in the Senate.

The early retirement question, affecting mainly executives between 55 and 64, is of major importance to auto, steel and other companies that have promised early retirement benefits and would be relieved of the burden.

Chairmen John D. Dingell of the House Energy and Commerce Committee and William D. Ford of the House Education and Labor Committee, both Democrats from Michigan, have strongly championed the proposal, but the cost has been placed at more than \$180 billion over 10 years. Rep. Fortney "Pete" Stark (D-Calif.), principal architect of the Ways and Means bill, called it an unaffordable "major subsidy to auto and steel."

Sources said Gephardt was seeking a compromise, perhaps one that would shift the burden for those now

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The meeting with Gephardt failed to resolve the final language on abortion services, which were included in the bills passed by the two House committees considering health legislation. An informed source said that issue would not be settled until next week—and then would be subject to change on the floor.

After last night's meeting, House Speaker Thomas S. Foley (D-Wash.) said all Americans would be guaranteed health insurance by 1998 or 1999, a date he

See HEALTH, A18, Col. 1

caucus this morning the product of weeks of conferences.

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The draft of the Gephardt bill obtained by The Washington Post last night is portrayed as being deficit-neutral. An official estimate will be made by the Congressional Budget Office shortly. In addition to the required contributions from employers and workers, it includes a 45-cents-a-pack increase in the cigarette tax, a 2 percent excise tax on health insurance premiums and a similar levy on large companies that insure their employees' health care themselves.

The Gephardt bill relies largely on the proposal from the Ways and Means Committee, which added a major feature not included in the Clinton plan. It is an expansion of Medicare, the government's health

ability to force such a vote.

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Sources said Gephardt was seeking a compromise, perhaps one that would shift the burden for those now receiving early retirement benefits, but not making it a permanent program that might encourage firms to offer more early buyouts as a way to trim payrolls.

The leaders decided to stay with the Ways and Means provision offering tax credits of up to 50 percent to offset small firms' new health insurance costs. Some had argued for a higher subsidy in hopes it would reduce small-business opposition to the bill.

Staff writer Spencer Rich contributed to this report.

mtg / Policy / Get back 7/21/94

BC	Goffin	135 (13)
HRC	McLary	
VP		
GS	I. Royne	
L. Panto	M. Vence	

- BC -
- must stay w/ bill for C/C
 - ensure shows the less expense if you don't work
 - need strong partner to put Congress
 - may be able to get the votes
 - if we get beat, we can come back -

GM - we will do whatever you (BC) wants

- will be prepared even to filibuster at outset because will give republicans base bang to filibuster later

- does it include an order and included mandate or those most covered
- [had sell]

- should national commission be set up early or state by state

- when should the trigger be pulled

BC we have a lot of flexibility on place in

GM - chrome bill next Friday

- bill as 1 month

- republicans will filibuster even if we get so re votes - we will come

- if we say trigger pulls only at 95 or more we have re-defined re-defined more coverage [even if we have a chrome commission]

10 days left left

Senate will stay in session on Saturday

Foly - House will follow Senate

BC - this is like Brady bill

QM- 95 is ~~defy~~ defying CIA at 95%

- must be definite members recruited
- will brief Senators to a T by 2 PM -
- A round by 5 PM afternoon
- will submit the bill before getting paid CBO also scary - scary
- want hear from CBO on preliminary scoring by end of next week -

Goal

so it
is affordable
for all
parents

- health insurance / leaves us for those
- cost / reimbursement for those who have it
- cost containment / reimbursement for the deficit / low cost
- expense / reimbursement / one
- we have to look at the / one
- maintaining quality & choice

- = plan is less beautiful
- = fewer bonds & unions
- = provide more volatility
- but more comp
- ~~= plan plan plan in~~
- = have plan in

— represent ~~spatial~~ clothes —

Plus

- think work

- maybe upheld fought, but President is committed to the fight

GD

- Good meeting
- Letter to Anne - up + down
- different approaches to achieve same objectives
- less

modules one way to achieve it
where necessary

Letter to Anne for all areas

④ Not this way at all - i.e. open
modules

⑤ Will be similar meeting over 10 days

Foly:

- Have a similar but different
- by end of month
- for 2d week of August
- Same objectives as first but described
- DC plan - objectives fixed, but open
to different changing needs

→ will be significant differences for HSD

- in modules in Home

- didn't commit to numbers re split 80/20
funded on capital -

no no change in related details

Have been largely followed 4/5/11
+ other activities

~~2/11/11~~

~~Don't know~~

AD came to confirm that we need
to approach legislators w/ new
point
view

THE WHITE HOUSE

WASHINGTON

July 19, 1994

MEMORANDUM FOR LEON PANETTA

FROM: PATRICK GRIFFIN

SUBJECT: HEALTH CARE STRATEGY OPTIONS

As we discussed last night, there are two legislative strategy options which should be presented to the President this evening. This memorandum will outline both options and the pros and cons for each. Both choices are based on the same evaluation of where we are today and the same strategy for the remainder of this week.

PLAN FOR THIS WEEK

The Senate's ability to maintain a majority for a mandate is clearly the factor which is most directly driving whether or not the mandate can survive congressional votes. The crucial task for this week is to make a final push to determine whether there are fifty one votes in the Senate or not. In order to make this determination, the President needs to engage with the swing Senate votes intensively. In his meetings with Senators, the President will need to be very direct about the stakes for both his Administration and the Democratic party -- a scorched earth speech which holds nothing back.

This strategy purposely ignores the House for the balance of this week, during which time the leadership and the committees would complete work on a consensus universal coverage bill with a mandate. This is consistent with the signals we are getting from the House leadership which indicate that the only reason they would not move forward with such a bill would be if the Senate fails to produce a majority for universal coverage.

By Friday, the President and Majority Leader Mitchell must arrive at a conclusion about whether or not there is a realistic potential for a majority in the Senate for a mandate. If there is, then Senator Mitchell will move forward with a bill that provides a mechanism to reach universal coverage. We expect that this would include an automatic fallback to a fifty/fifty mandate if Congress fails to approve an alternative plan to achieve universal coverage.

If the President and Majority Leader Mitchell determine that it is unlikely, or impossible, that a majority can be achieved in the Senate around a mandate approach, a strategic choice must be made about how to proceed.

OPTION ONE

Senate proceeds as quickly as possible to the floor with a bill which would provide for a mandate, with the clear understanding that a vote to strike the mandate is likely to pass. The Administration and our Senate allies would make an all out effort to sustain the mandate, with the outside chance of winning.

To have an adequate amount of time to sell the proposal, Senator Mitchell would unveil his proposal as early as the beginning of next week. From that moment on, we would have to have five days in order to frame the debate, a portion of which would likely coincide with the floor debate on this proposal. [As an alternative, Senator Mitchell could proceed in the same manner, but reserve the option of substituting an alternative vehicle at the last minute when the outcome is clear, and thereby avoid losing a vote.]

If the vote to strike the mandate carries, the President would convene a mini-summit with House and Senate Democratic leadership to decide whether to proceed immediately with the underlying Senate bill (with the addition of a soft trigger mechanism) or to review other substantive options (such as covering kids first).

The compromise Senate bill would constitute a non-mandate fallback--a combination of insurance reforms that provide as much protection as possible while minimizing increases in rates for the currently insured, and substantial targeted subsidies that would increase the number of insured to over ninety percent, but not attain universal coverage. [For House liberals to be satisfied, the House bill would have to include medicaid integration as well.]

In either case, the objective would be to resume Senate action almost immediately to pre-empt a campaign being waged against the remaining provisions. [If Senator Mitchell chooses the alternative approach, the Senate would proceed directly to the substitute vehicle (without losing a vote) -- which presumably will have a majority, and potentially a filibuster proof level of support.]

In order to pass even the scaled back approach, there would still be a significant fight in the Senate, but we can expect at least some Republican votes for a non-mandate approach to increase coverage through subsidies and insurance reform.

ARGUMENTS IN FAVOR OF OPTION ONE

- (1) Permits the President the opportunity to demonstrate strong commitment to his original principles and avoid characterization of the President as too quick to compromise.
- (2) Provides a vehicle for outside groups, congressional allies and other supporters to wage an all out fight right to the end.
- (3) Provides opportunity to develop strongest message.

- (4) Avoids putting House in the position of voting for a mandate and then being BTU'ed.
- (5) Provides time to determine with near certainty whether or not there is a majority in the Senate for mandates.
- (6) Allows time to develop the best possible fallback while there is still a fight being waged, maximizing the bargaining position of our allies. This would be particularly true if the leadership follows the alternative approach and holds out the option of avoiding a mandate vote.
- (7) The left in the House will not feel abandoned.

ARGUMENTS AGAINST OPTION ONE

- (1) Risks the appearance that the President is being dragged to a compromise deal after a defeat.
- (2) If the mandate vote loses there is every reason to believe that Senator Mitchell will lose leverage, and House leaders will lose leverage with their moderates. [If Senator Mitchell substitutes a compromise vehicle to avoid losing a vote, this could be prevented.]
- (3) Because time is so tight, the Senate effort to fight for the mandate may be undermined since the House and Senate leadership will be simultaneously developing and floating fallback positions for a non-mandate approach while the Senate is still fighting for the mandate.
- (4) Opponents will argue that the residual approach is a tax and spend approach -- too big, creating expensive new entitlements, relying on new taxes for funding.
- (5) If there is a mini-summit to review alternatives, there is a risk of delay, which would seriously undermine efforts to win a vote on a substantial fallback package.
- (6) There is not likely to be a single fallback bill, which will complicate the job of communications. The House will need to include provisions important to the single payor votes (possibly an opening of Medicare Part C in a voluntary world and certainly a state single payor option) which the Senate would be unlikely to include.

OPTION TWO

At the end of this week acknowledge that there is not a majority in the Senate for a mandate. Have the President take the lead in seeking a sustainable middle ground. The next week would be spent developing a middle ground and fighting for it rather than the mandate.

In order to achieve success with this alternative, a massive outreach effort will be required with our base supporters in the Congress and with our groups. This will entail numerous meetings between the President and our supporters. The time necessary for this outreach effort and for developing the policy alternative will mean that the bill could not reach the respective Congressional floors before the week of August 1st.

ARGUMENTS IN FAVOR OF OPTION TWO

- (1) President would be ahead of the debate rather than catching up after a defeat.
- (2) The President will have the ability to define the package in a way which confers legitimacy upon it (even in terms of the definition of universal coverage).
- (3) The Administration has the potential to be viewed as less dogmatic and ideological about its approach and more aligned with a centrist legislative agenda.
- (4) The House will have the ability to devise a package for floor consideration with full knowledge and disclosure of where the Senate majority is moving.
- (5) This package has a potential for real bi-partisan support up front, satisfying the request of some Senate Democratic moderates.

ARGUMENTS AGAINST OPTION TWO

- (1) Negotiations with moderates takes place with very little leverage and the scope of the fallback is likely to shrink.
- (2) President appears unwilling to engage in final battle for his top priority, and will appear to be abandoning a central principle of his health care effort, and the real meaning of his veto threat.
- (3) Supporters, particularly on the outside, feel abandoned. They sincerely believed his veto threat and agreed to follow the President down the difficult road of universal coverage. This may cause long term damage among the groups and among some members of Congress.
- (4) The elite media is extremely likely to charge that you have broken your holding up the pen veto promise and will spend weeks if not months suggesting that the President is a "waffler."
- (5) House and Senate liberals may move away from the package permanently.

7/17/94

Press events

- Tony
- Spelling - do
- Betts - relays data w H Press of
- Economic team
- VP moving along

HRC - Health Rpts
- Gebhart sunny
expression

- ① - 3 Net weeks showed the/very
- ② - Nathan Mitchell
- ③ - Darrell + 20-25 Senators - want support w/c
- ④ - Rockefeller / n. Cantt
- ⑤ - Groups

- We had made real progress
- = chartered -- elite media
- our allies - inside/outside
- may not be able to get Senate liberals to vote for now universal
- Elite media - will tell you on everything anyway
- little people who elected you -- you let them down
- Need to negotiate from strength - w/ republicans
- This ~~and~~ need 51
- Long term change w/ allies on both Hill & base
- U/C my goal
- not want for asking too many
- partial solution could make it worse
- charter arm strategy
- more reform can make it worse

BC meeting 7/14/94

- BC
- HRC
- VP
- GS
- HIE
- Fern
- Pat G
- S. Hyman
- Mark
- Len
- Rebecca U
- Chris Jennings

5-10 mins blur

• Pmt Time Run before

HF: minus of Congress

Iron: internal period

- all kids
- ~~too~~ pay for COBRA

BC: → How to get bill out of W & N boxes
that need get 218

→ How to get a story bill out of
Wave of Senate is the key

→ How to change public perception

LP: if Senate can ~~do~~ do a base change
in program

PG: • 34 rules
10 - articles can be written w/ effort
44 -

• not slow a n we have 42 votes
before we can force
retire to go forward

③ 20 many votes / 10 how many we have to keep panel
- 20 day
• 10 we can get if ~~the~~ given chance

④ AG = agrees w our strategy for sent
- over w/ someone - reliable class -

⑤  we have changed

① Build up support

- ② Meet w/ different - went up and back

- ③ Paragraphs on the minutes

2-3 pages

- ④ Play -

HEALTH SECURITY EXPRESS

IN LATE JULY and early August, Congress will weigh one of the most important legislative decisions of our time: whether to guarantee comprehensive private health insurance to all Americans—insurance that can never be taken away.

Millions of Americans will follow the debate closely. Thousands of citizens will do more than listen and watch. They will ride into history—on caravans of buses from every region of the country, arriving on Capitol Hill at the beginning of August. They will be nurses, doctors, working people and retirees, celebrities, and political leaders. The “reform riders” will be carrying handwritten messages from their neighbors back home, addressed to elected representatives, demanding that Congress respond to President Clinton’s leadership for universal coverage and *guarantee that no American ever loses their health insurance.*

AMERICA RALLIES

ON THE WAY, they will attend electrifying events in cities around the country with big name entertainers, state and community leaders and, we expect, the President, the First Lady, Vice President and Mrs. Gore, and Cabinet members. The reform riders will be treated as honored guests along the routes, where they will be greeted by local officials and enjoy meals cooked by religious and community organizations.

Reaching Washington, they’ll be greeted on Capitol Hill by leaders of the House and Senate. The reform riders will deliver thousands of personal messages to each member of Congress. Other events in Washington that week may feature the First Lady and Cabinet members, as well as entertainment celebrities.

PURPOSE

- Demonstrate an outpouring of support for passage of health reform.
- Influence swing members of Congress by holding high-profile community events in their backyards.
- Enable supportive groups, businesses, and community leaders to join the groundswell of public support for health reform.

- Put the American people back in the driver’s seat of the health care reform movement.

PROJECT SPONSORSHIP

The Health Security Express is supported by a diverse group of organizations, corporations, and unions. National sponsors include: the American Federation of State, County and Municipal Employees; Healthright; Families USA; Hospital Employees Local 1199; the United Auto Workers; Communications Workers of America; Alzheimer’s Association; Waste Management, Inc.; Laborers International Union of North America; Service Employees International Union; and United Food and Commercial Workers. Organizations or individuals may sponsor a bus or donate supplies and services.



ROUTES

Bus routes are planned to maximize media coverage in the districts of targeted lawmakers. Starting in the West, Midwest, South, and Northeast, routes will run from one to eight days.

The caravans will pass through many towns without long stops. Nonetheless, photo and interview opportunities will be arranged for local media. Reporters will be invited to ride with the Health Security Express through their communities and supporters will be encouraged to cheer the reform riders as they pass through town.

HOW YOU CAN GET INVOLVED

The Health Security Express is gaining momentum. People from every corner of America are getting involved. For more information about endorsing the project or about becoming a sponsor or a reform rider, please call or write:

(202) 639-8850 or (800) 368-8478,
fax (202) 639-8661

Health Security Express, Attn: Heather Booth
1334 “G” St. NW, Washington, DC 20005

HEALTH SECURITY EXPRESS – SPONSORSHIP OPPORTUNITIES

THE HEALTH SECURITY EXPRESS is pulling out of the station. In late July and early August, thousands of Americans from every corner of the country will carry a single, unified message to Congress: pass President Clinton's health reform now.

Three levels of sponsorship will get the Health Security Express rolling wearing America's colors:

Red Tour Sponsors
White Tour Sponsors
Blue Tour Sponsors

RED TOUR SPONSORSHIP – THE NATIONAL TOUR

EACH RED TOUR sponsor will enable 40 citizens to go to our nation's capital and demand universal health care for all Americans. The Red Tours will be organized in every corner of the continental United States. A Red Tour Sponsor will pay for the bus, driver and all meals and accommodations needed for riders on their trip across the country.

Once in Washington, DC, bus tour participants will go to Capitol Hill and personally lobby their members of Congress for passage of health reform. Assembled from hundreds of communities around the country, these folks will hand deliver messages from friends and neighbors asking Congress to pass this vital health care legislation.

Sponsors will be key participants in this nationwide effort. They are assured the following benefits:

■ **Bus Boards** The sponsor's company name will be displayed on the side of the bus for the entire trip to Washington, DC (averaging five days). These buses will be the tour's focus. Numerous side trips and stops are planned for each bus. The media will be welcomed along the route and at events.

■ **Events** Each day events will be scheduled for the buses. The sponsor's name will be included on event banners and literature. The event would be hosted by a celebrity or VIP who would announce and thank the sponsoring organization.

■ **Media Information** Sponsors will be listed in press releases and media packets. Special events and daily rallies will acknowledge the sponsors. Written materials prepared for the riders, including brochures and flyers, will also feature information on the sponsor.

■ **T-Shirts and Caps** Each bus rider will be given an official T-shirt and baseball cap. The sponsors' names will be prominently displayed on these items. Riders will be encouraged to wear their shirts and caps on the bus ride and on TV.

■ **Capitol Photograph** A photograph of your bus and riders will be taken in front of the Capitol Building in Washington, DC, and sent to both the media and the sponsor.

Red Tour Sponsorships are \$20,000. Half bus sponsorships are \$12,000, with publicity shared with one other organization.

WHITE TOUR SPONSORSHIP – SINGLE DAY TOURS

THE WHITE TOURS will be organized in the Mid-Atlantic region of the United States. Sponsors will fund one bus to drive 40 citizens from the region to Washington, DC. Meals for day trip tours will also be paid for by the sponsor.

Once in Washington, DC, riders will be taken to Capitol Hill to join other tour participants from around the nation. They will be given the opportunity to personally lobby members of Congress for action to guarantee health security that can never be taken away.

White Tour Sponsors will be assured of the following benefits:

■ **Bus Boards** The sponsor's company name will be displayed on the side of the bus for the one-day trip to Washington, DC. The media will be welcomed along the route and at the large event planned for Washington, DC.

■ **Events** Each day events will be scheduled for the buses. The sponsor's name will be included on event banners and literature. The event would be hosted by a celebrity or VIP who would announce and thank the sponsoring organization.

■ **Media Information** Sponsors will be listed in press releases and in media packets. Special events and daily rallies will acknowledge the sponsors. Written materials prepared for the riders, including brochures and flyers, will also feature information on the sponsors.

■ **T-Shirts and Caps** Each bus rider will be given an official T-shirt and baseball cap. The sponsor's

name will be prominently displayed on these items. Riders will be encouraged to wear their shirts and caps on the bus ride and on TV.

■ **Capitol Photograph** A photograph of your bus and riders will be taken in front of the Capitol Building in Washington, DC and sent to both the media and sponsor.

White Tour Sponsorships are available for \$5,000. It is possible to sponsor half a White Tour bus for \$3000. In this case, sponsors would enjoy all of the same privileges listed above, however, all publicity would be shared with one other sponsor.

BLUE TOUR SPONSORSHIP - GOODS AND SERVICES

KEY TO THE SUCCESS of Health Security Express is the donation of goods and services. Our outreach team is looking for contributions of everything from computers to water bottles. As a Blue Tour Sponsor, you can contribute by financing a component of the project or by providing in-kind goods or services.

Blue Tour Sponsors will be listed in tour literature and mentioned in press packets and at special events.

Cash Sponsorship

Blue Tour Sponsorships are available for \$1,000.

In-Kind Contributions

Organizations may choose to donate or lend any of the following to the Health Security Express:

■ **Staff** Volunteer staff will be critical to the success of the tours. We need skilled individuals for the following positions:

- Field Staff
- Advance Staff
- Meal Coordinators
- Day Trip Coordinators
- Transportation Coordinators
- Computer Specialists
- Lawyers
- Insurance Professionals
- Accountants
- Database Managers
- Telecommunication Specialists

- Outreach Coordinators
- Volunteer Coordinators
- Graphic Designers
- Printers
- Travel Agents

■ **Automobiles** A team of volunteers and staff will help on-site before and during the tour. Cars and minivans will be needed at each location to transport volunteers, staff, media and VIPs.

■ **Events** Events will be scheduled daily for each bus. Services and equipment will be needed at each event site. These services and equipment include:

- Lighting
- Staging
- Sound
- Security
- Banners
- Flyers
- Posters
- Signs

■ **Accommodations** Rooms and meals will be needed for staff and volunteers traveling to the various sites. Churches located at appropriate places along the route are especially urged to contribute meals. In-kind contributions may include any of the following:

- Hotel rooms for advance staff, bus travelers and press
- Box lunches
- Reception
- Meals for advance people, bus travelers and press
- Press hospitality

■ **Logistical Needs** Telecommunication services, office machines and office space will be used to help coordinate buses, people and events. Items needed include:

- Computers
- Software
- Printers
- Cellular phones
- Beepers
- Radios
- Office space with telephone, fax and computer services

■ **Miscellaneous** A variety of items will be needed for the bus riders. These include:

- T-shirts
- Baseball caps
- Travel care packages
- Water bottles
- Healthy snacks
- Fruit juices
- First Aid kits

HEALTH SECURITY EXPRESS

ORGANIZATION ASSISTANCE

ORGANIZATION: _____

CONTACT NAME: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

Health Security Express Needs Your Help

THE HEALTH SECURITY EXPRESS bus tour is an effort to make Congress aware of this country's urgent need and support for guaranteed health security that can never be taken away. People, funding, and in-kind services are needed to ensure that the Health Security Express is successful. Several ways you and your organization can get involved are listed below.

Please check those areas in which your organization could help.

☐

Sponsor a bus

Red—National Tour sponsoring one bus across the country (\$20,000)

White—Day Tour sponsoring one bus from the DC area to the Capitol (\$5,000)

NOTES: _____

☐

Provide bus riders (cost per rider based on distance traveled)

NOTES: _____

☐

Bring supporters and bus riders to events

Portland, OR Independence, MO New Orleans, LA Dallas, TX Trenton, NJ Boston, MA Washington, DC

NOTES: _____

☐

Endorse Health Security Express

NOTES: _____

☐

Provide in-kind goods or services

These may include staff, office equipment, transportation, hotel, meals, printed materials, etc.

NOTES: _____

☐

Generate messages and letters to members of Congress on special Health Security Express message forms

NOTES: _____

☐

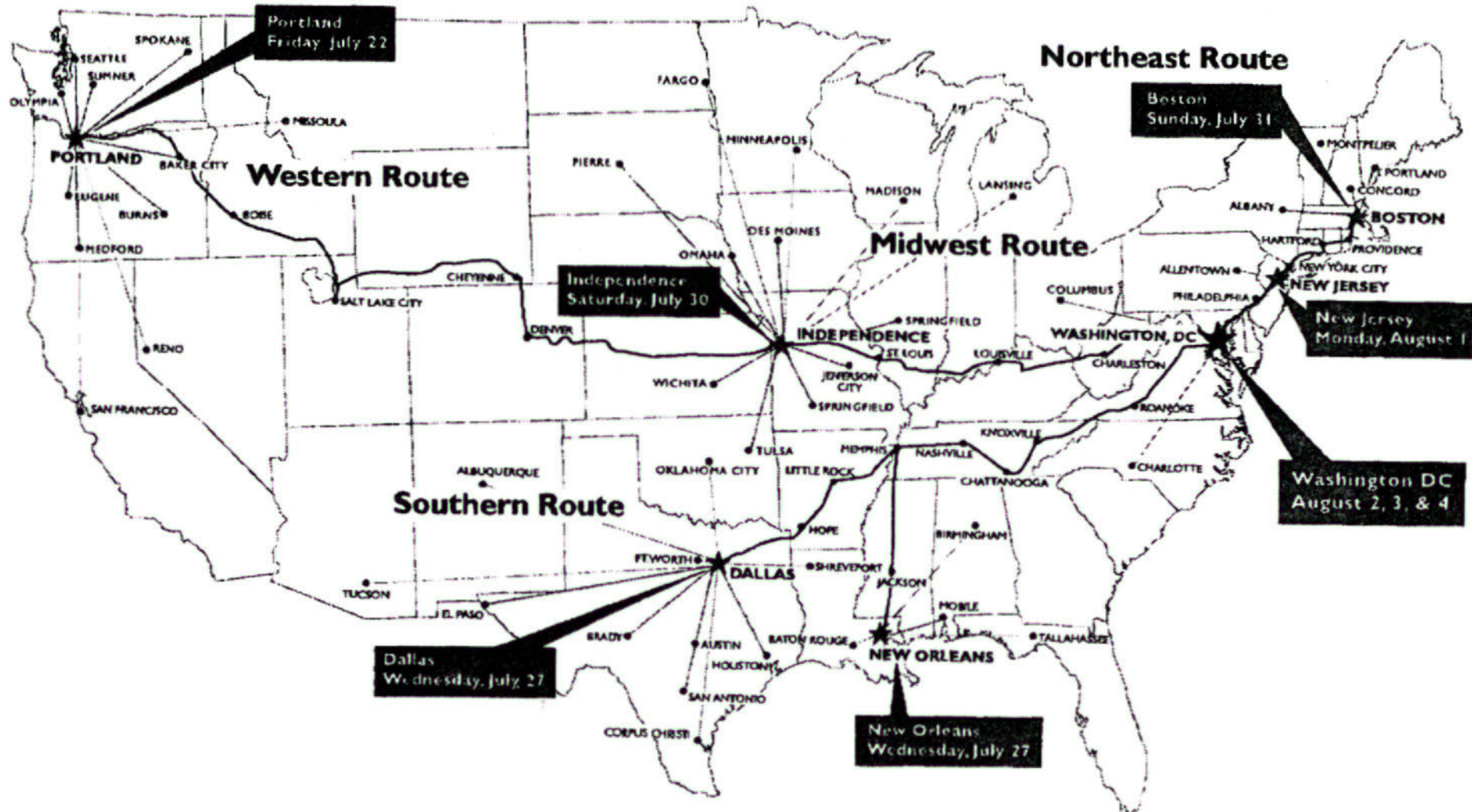
Identify people with personal and professional stories of health care difficulties

NOTES: _____

Please return this form to:
Health Security Express, Attn: Heather Booth
1334 "G" Street NW
Washington, DC 20005

For further information please contact
Health Security Express at:
(202) 639-8850 OR (800) 368-8478
FAX (202) 639-8661

HEALTH SECURITY EXPRESS – ROUTES



⑤ Tanganyika Sent 7/11/94 - Pat
Ruschith
Ivan / .45
Qum

rechen -

can be done for all cut 4

Qum - ^{par} No ^h rechen

OK on attn outside activity

Order - don't spec & rechen

Laurie - don't spec & rechen

NS - rocks only

Culo - rocks - is Cycled in change change -

ND -

Ray - no rechen rechen - rechen setting

Kay - new new rocks -

Pla - new rocks

Web - rocks / TV 2 vats

④ Comm - rocks

Nevada - rocks / TV

ND - rocks / TV

④ Culy - no rechen - but from roots prime

Hally - light rocks - Nat
he will
new rocks

* Wisc - Kalt - will be had TV + rocks
up for elect

Va - Robb - very light - rocks
" Natto Va Pros

- ed books OK for all

- nitro beads - OK for all

Kalt, Kalt

" Light beads

- Events/inputs to offer -
Expts.

- La - be careful
- Pla - be careful
- Ky - "
- Nb - "
- Any - do nothing in Any

open leads:

- ~~NT~~
- ~~Ner~~
- Neb
- Wisc

- ND
- cuto
- .

• Calcut - notify/cash -

• <u>Ky</u>	<u>be careful</u>
• <u>Ca</u>	
• <u>Nb</u>	
• <u>La</u>	

THE WHITE HOUSE
WASHINGTON

Steve

* Brian Wheeler - Cavanaugh
* Kay Cass Stearns - Ed

July 8, 1994

MEMORANDUM FOR LEON PANETTA

FROM: Patrick Griffin
Chris Jennings
Jack Lew
Steve Ricchetti

SUBJECT: Health Care Legislative/Strategic Options

Following up on yesterday's discussion about legislative strategy options for health care, this memo outlines the pros and the cons related to each of the options which we have been considering.

Option One: Senate moves up to universal coverage bill with a hard trigger mandate.

Arguments in Favor of Option One

- (1) Clear definition allows for a relaunch and campaign.
- (2) Protects the House and allows the House to move to the strongest possible bill.
- (3) Assures that end product will include a mandate that will produce universal coverage.

Arguments against Option One

- (1) Extremely unlikely to sustain a majority in the Senate.
- (2) Starting too high may lead to a free fall to an unacceptable package in the Senate because rejection seriously undermines Mitchell and his proposal's credibility.
- (3) This approach would likely ensure that conservative Democrats and Republicans would develop a "mainstream coalition" alternative package that we would find objectionable.
- (4) Free fall in Senate would undermine the ability of the House to reach even a minimally acceptable universal coverage/mandate bill.

Option Two: Senate finds own level at which a majority can be sustained and that moves at a timetable parallel (or close to parallel) to the House.

Arguments in favor of Option Two

- (1) Optimistic path -- a base closure approach to triggers (with a statutory employer/employee fallback) -- would produce a strong enough Senate bill for the House to proceed with its own bill.
- (2) If the House is not willing to be at all out of step with the Senate on mandates, the optimistic path may also lead naturally to a "deal" with the House and the White House towards the end of floor consideration.
- (3) Although there is a risk of the Senate lowering the bar below universal coverage, this approach has the chance of producing their own universal coverage package.
- (4) Keeps options open so that the House/White House can choose to fight, make a deal or switch to a House first strategy as the Senate plays out.
- (5) It smokes out Senate's true position and stretches out Senate consideration, allowing time for the House to move on a more concurrent schedule -- hopefully with a stronger position.
- (6) Although it may be more difficult, this option still permits a credible relaunch and public strategy.

Arguments against Option Two

- (1) Pessimistic scenario risks losing the mandate and universal coverage, which may well result in a loss of control. This could easily undermine subsequent efforts to reach a deal at the end.
- (2) Pessimistic path also leaves House defending a mandate when the Senate is not, which may be untenable.
- (3) Lowers the Senate mark right from the start.
- (4) Delay in reaching a consensus on a single approach to universal coverage makes the relaunch around two different bills more difficult.

Option Three: Try to make a deal between the House, Senate and White House as a starting point for both House and Senate floor action.

Arguments for Option Three

- (1) If the President and the leadership engage now they may be able to agree on a base closing or other approach that can be defended as universal coverage, avoiding the risk of the Senate collapsing and taking the House with it.

Arguments against Option Three

- (1) Does not leave room for improvement in conference.
- (2) Selling a bill which the left perceives as a weaker compromise, without a fight, will require an effort to hold on to both the right and the left, particularly in the House.
- (3) It is difficult to see a front end compromise between the two Houses being acceptable as a starting point either in the House or the White House.

Option Four: Reverse Order and let the House go first.

Arguments for Option Four

- (1) If the House is able to move ahead of the Senate, which is not at all certain, a higher mark can be set. At a minimum this preserves a stronger option in conference and may pressure the Senate to reach higher.

Arguments Against Option Four

- (1) House is likely to oppose any effort which raises Member fears of being "BTUed"
- (2) Any procedural shortcuts are likely to make an already difficult vote on the Rule even more difficult, particularly for members who are marginal to begin with.
- (3) As a practical matter, House Rules action and Senate floor action commencing at the same time will result in House completing action prior to the Senate anyway.

Health care ^{poll} 7/11/94

Stu
Rory
Qum

1/3 sample

30% favorability / sol
performance has
already affected

- errors in activity

- 11% for change
- 30% - same rate

cost - impact - how it is paid for

4/11/38 Clinton plan better than current
system

Budget for problem

- ⊕ {
- people thinking small
 - 2 to 1 - for med or reforms rather
than the big thing

⊕ - no reform but not serious interest:

- 43 needs - down from 70%
- 47 support

1st choice ⊕ { freedom of choice - stressed element
- must be able to ~~choose~~ stay with
current plan

2nd choice ⊕ plan holds down individual costs

3rd choice ⊕ left several basic issues

.95%

60% reports had turned w/ results

70/21 was trying to keep his promise

- 95% w/ bone ~~clearing~~ clearing -
[right turned]

- 60% reports

sum } done
lower }

① week of 25 July - white suits
= HRC ed Bonds

② ~~Full report~~
- ~~Full~~ - Talk w/ Mouge

② 7/22 Photo Talk show looks

qum ③ Vine res - in Poland

→ ④ Jail qum - New summer in VP office -
New J.Q. to law

→ ⑤ Debate 22 July

• meet w/ Mouge re HRC's schedule

• J.Q. qum re VP schedule + Louie -

• BC ??

• Debut

• Group -

→ Christie

→ Christie • Tuesday

• Thursday

ed Bond Bond
• Senator

• Bus

⑥ Bustup -

{ Party } New York w/ BC
Sta

22 July - Patton

31 July - Bonds

10 Sept NYC

Group -

7

WW → Luf
• Wilby
• Young
→ • Zehner
• S. Hitter

Party of our Herbs

• Project
• Kinn
• Bonni
DNC - • Wilby
• Uehner

~~• Hitter~~

• Hitter

→ Uehner

Buddy Ren
→ Just Thayer

* Roy D

① Kds.

② Specter

③ JRC - ev & unit

④ UP/det

⑤ Unit before

Mat + Red

7/9/84 - Went to one meeting -

- Len
- Ira
- Pat
- Judy

① Pat's memo

How Tony & Ned did

Options - Pat's memo to LP 7/8/84

① How Tony & Ned did -

- PG - that it's useless to require GN to try to sell the bill

- nodators will organize around him

- Breyer told PG that he would work around like this but he needs GN to back out to Kennedy et al

② Option 2 -

PG already in play

= intend to get Breyer / ~~nodator~~ nodator / clopper

- Breyer told PG 7/8 that he could probably get his Treasury

- Have probably want calligraphy as long as this is C/C

Conference
\$

How before Senate

Policy by cost control

IN

#2 is the right strategy not only if we get a serious serious bill -

LP/PG - need to have BC ~~begin~~ talk w/ lay

Senators this right need to ~~back up~~ sell them on

Policy above

= Trigger a number of joint responsibility

- authorized importance of ~~the~~ statute

- iff ~~the~~ committee covers don't act

- CBC anticipates there is real cost control

- Breyer
- Breyer
- Breyer
- Conrad
- Heflin



- Nunn
- Shelby
- Boren
- Schuster

meeting w/ people - BC/HR -

- ① Strategy we reviewed
- ② set of people BC wants - 3 to 4 key people
- ③ lobbying strategy
- ④ media strategy

Bringing - ① cost real cost control

- Senate version may be weaker
- House version is hated by the medical community

② Taxes, Pat, Globe, etc will be meeting w/ our w/c & cost control

We agree that the 95% solution doesn't mean w/c

BC says 95% & ~~doesn't~~ doesn't constitute

w/c but is a long way & we will fight in conference & (assuming the House has a w/c bill)

- ①
- | |
|----------------|
| • R. L. Lister |
| • B. B. B. B. |
| • R. R. R. R. |
| • K. K. K. K. |

② People's meeting -

- Ben's own leadership meeting

- * R. L. Lister
- G. B. B. B.

other + phone calls abt after R. L. Lister

• Other meeting

③ Next week - (25th)

Wanted Case - following 7/8/95 -

- ~~Wanted~~ Taman Shanti -

- What he puts out
- How he puts it out
- What who it is put out

① Commence work

Need to prove Paragman was too right

② regulations very hostile hostile to Mitchell
in camp group

* ④ camp group summary ans -

* ⑤ Mitchell needs to work the press now -
but he is uncomfortable

⑥ - needs to be informed re other Sentors

- needs to spend time w/ approx 3 regulations

• Bray

• see Sentors who are up on now as a group

* look the committee chairs

all

→ ⑥ Woman sentors

→ ⑦ Tarby groups groups of regulators

→ eg - Robefellers as truth regulator -
- Series
- Woman etc

* Mitchell really needs to do the

Parents → Sabans ← close to not Mitchell
• NRC
• Series
• liberal

* ⑧ Need to talk w/ Hally one process / procedure
→ Mitchell must show action

- Heath's one meeting 3/7/94 -

- Ken • HI
- Pat • Page 10
- Tony K
- Tony R

- Sento - needs 3 weeks debate

- Hane - needs extra week for Rules

- could go to rules 25 Aug

Sento to floor 28 ~~July~~ July



Sento works:

- Although says Tony intends as that there isn't 51

Hane:

- Pambles getting the committee closer to agree / start a ~~ball~~ Gubbins holiday and -

- Sento wants to play

- into bed

- C go to Sento now

② - Pat / HI to

③

Health case 7/7/94

5 low
risky + other
Q em

① Pres speed

② neck

- Pres Speed

- Pres must be seen as maintaining the
process - taking taking charge

PG - that as full round energy but
goes to Sento, it is a non started

- Needs to start w/ real life

PC - that G. Mitchell will (if left to
own device) ~~will~~ go to a bit
that the rodents will run on to

When: • C me passed by butts long
3rd meet in Tug

• Sun can be

• Do spend 2-3 days before route
initiating

BC not spend before Sento initiating

[Speed - 21st but the
initiated 22 Feb

When: PG (ST) over and over -
crazy, tired, speaking
over and over

MG/

Health care needs 7/6/94

- Mary
- QM

① Press needs meeting



- Review
- Press
- Group
- Scheduling

- Now ~~review~~ review transferred to now



Focus independently agreed

→ New people: - by focal moderators
• Kamil

• Use VP to check even analysis



Data base analysis

② Pat - Now carry page in east end state

Answers: ③
① Whaley
② Reger

Free press: Target 23 Senter
- new middle class
- economically independent
→ Reger → BC - I have heard change

• Add Whitehead - message -

→ Learn 4 up corner -
V.P.

→ Need to increase intensity
until out shell -

• form a medium network / stitching message

• Should BC / Admin be recess as weekly w/ the 16 targets

• Return Date - Change -

• Return Date

• BC / WEC must begin to drive away on no more

DRAFT

To: Harold, Laura, Greg
Fr: Dwight
Dt: June 12
Re: Draft Outline of Congressional Role in and Pending Marriage to the War Room

Background

In past war rooms, the legislative presence has served two functions:

- Political referee for all information flowing to the Hill--from talking points which go to the Hill to determining which Administration official is best to deliver a certain message to a member; and
- Repository of all information regarding contacts to the Hill, ensuring that no contact is made without proper political and substantive background information.

Political Job

I cannot over emphasize that the job is clearly a *political* job and not a nuts and bolts legislative job. The legislative team must know what levers to push to influence members--which issues are of special concern to each member, the Election '94 outlook for each district, voting history, etc. Knowledge of the specifics of the health plan is clearly a secondary qualification only.

Whereas the WH legislative affairs staffers on the Hill spend their time with specific member contact, working to cut deals and smooth out concerns, the legislative staff in the war room is the clearinghouse of information servicing the legislative staff on the Hill, the Leadership, and individual members. Since the legislative staff on the Hill couldn't possibly handle member contact *and* respond to their requests for paper, schedule member contacts by Administration officials, etc, the legislative staff serves the response and scheduling functions. In addition, the legislative staff in the war room serves as a central "desk" for the staff on the Hill--a place they can call to get information to one another, find out the result of Administration contacts, etc.

Why in the War Room?

The legislative shop in the war room is completely co-dependant with several other departments in the war room--research/writing, scheduling, and public liaison--which is why it is imperative that the legislative shop actually set up here in the war room. For example, the writing staff cannot provide complete and politically potent talking points for a member contact without a legislative presence here. The blending of substantive and message information with political background specific to a member is imperative. In fact, Karen Hancox--the legislative vet from the Budget Room--feels it's important that the writer and the legislative lead actually sit together.

Customers of the War Room Legislative Shop

The leg shop in the war room services several groups:

- the WH leg. affairs staffers who need material and support
- the Leadership
- members who make specific requests directly to the war room.

It is incredibly important that the Hill know they have a place here in the insanity of the war room that will get thing done for them. Members, and specifically the Leadership, must feel comfortable that they can call directly to the leg. person here without waiting for the leg. staffers on the Hill to relay requests for substantive talking points, etc. Past war rooms have sent members a memo which published a special legislative phone number in the war room and identified the legislative staff in the war room. We should at least circulate a similar memo once we have settled on the legislative presence here, and might also consider a brief meeting with Leadership staff to find out what we could improve upon from past war rooms. We already plan to seek Leadership staff suggestions on the database/CD profile we are gathering for floor fights.

Past war rooms have relied on 2-3 legislative staff and 1 researcher/writer from communications. Both the Budget and Nafta room included a department presence on the legislative team.

Effective Hill Contact

Paper flow

The war room will send tremendous amounts of paper to the Hill. The legislative lead in the war room serves as the clearinghouse of *everything* that goes to the Hill--reviewing documents for both appropriateness and effectiveness. The war room leg. shop's role as paper clearinghouse serves to:

- make sure we are delivering the most politically potent message possible;
- ensure we are not sending mixed messages; and
- build the legislative lead's knowledge of what specific information has been delivered to each member throughout the process [and what has been helpful, and what has not].

To ensure that paper is drafted to maximize political-legislative effectiveness from the outset, the legislative lead works directly with the lead researcher/writer to help in drafting. [Karen Hancox, the leg. staff for the Budget Room, insisted that it is imperative that the leg. staff actually sit next to the writer/researcher.

Given the volume and the need for rapid response, the leg. lead in the past had Paster's authority to sign off on all paper. Likewise, our legislative lead must serve as Pat's presence here and have that kind of authority. Types of paper the legislative and writing staff will produce during the floor battle include:

Talking points for specific member contact: Whenever the Leadership or our leg affairs office requests a member contact or a specific member, the request will come in to the war room leg. shop. The legislative lead, along with a writer, will draft talking points for the contact based on the specific concerns voiced by the member.

General daily talking points: the leg. shop in the war room will send talking points for general distribution at least once a day during the floor fight, often several times a day.

White House Press Releases and Statements: the leg. shop reviews and has authority to approve press statements regarding Hill activity

Individual member requests: as outlined above, individual members can and will call the war room with specific requests for message and/or substantive help. The leg. shop-writer team responds to these requests, which might include:

- talking points/background information on specific topics
- press releases for members' district offices
- charts and other information for use on the floor and in press conferences
- draft remarks for the floor or other forums

Paper for Caucuses: The war room leg. shop provides paper to group caucuses on the Hill both in response to specific requests and proactively to deliver certain messages.

Administration statements, including Letters from the President: The leg-writing shop drafts and authorizes letters from administration officials and/or the President in response to member concerns regarding specific components or impact of the plan.

Scheduling Administration Contacts

The war room leg. shop serves as the repository of all requests for member contact--whether the request comes from WH leg. staff on the Hill or the Leadership [if the past is any lesson, the Leadership will often make its requests directly to the war room leg shop, rather than relaying a request through staff on the Hill]. In response to each request, the war room leg. shop:

- decides who is the most effective messenger--principal, Cabinet official, senior staff, etc. [unless the request was for a specific messenger]--and makes sure it's scheduled
- provides the messenger appropriate background material
- obtains a report on the contact once it's completed

The legislative shop in the war room also stays on top of the various caucuses on the Hill, scheduling Cabinet members to regular caucus meetings as appropriate.

Groups

To the extent permitted by ethics guidelines, the leg. shop in the war room works with the Public Liaison staff here to support helpful activities of constituency groups. For example, where appropriate, the leg. staff helps identify where activity might be helpful, and what groups are most effective [versus where it might must annoy the target, and thus prove destructive]. In addition, supportive members sometimes ask the leg. shop to work with Public Liaison to help in building support among constituency groups in his/her district.

Tracking Contacts

The talking points and background information which the leg. staff on the Hill rely upon are the spears which will turn votes for the President's plan or fall short of effectiveness. Incomplete information about past contacts can be fatal to our effort to deliver an effective message to a member. It is therefore imperative that all contact and the results of contacts be recorded in a central database. Centralizing tracking in the war room will help the legislative-writing team tailor talking points and background information to the specific member targeted for contract.

Steve Edelstein has become the keeper of this information, and will be moving into the war room in the next few days. His presence in the war room will make even more sense once the rest of the war room legislative staff moves in and takes over the reigns scheduling all Administration contact.

Staffing

The Legislative Lead

First and foremost, the legislative lead in the room must serve as Pat's presence here. We will need someone whom Pat trusts to make judgements on talking points, Hill contacts, etc, if for no other reason than because it will simply be impossible to get sign-off from Pat himself for the massive volume of work we expect in servicing members and the Leadership. In addition, the person must be someone Pat will empower so that he/she can call on department legislative staffs with authority to get things done.

Since the job is first and foremost a political job, the legislative lead must know the members exceptionally well--and know what levers will produce what reaction. With November just around the corner, the lead must also have a thorough understanding of the Election '94 landscape--who is safe, who isn't, and what will be the key issues in the district of potential supporters. [Karen Hancox feels that, given a choice between someone who know the House versus someone who knows the Senate, the House staff is probably the better choice, since there are fewer Senate members learn.]

Knowledge of health care, and the bill itself, is less important since the focus of the job is understanding members and the politics which will drive them. And there are plenty of substantive people here who can answer questions anyway.

Finally, the person must have the skill and confidence to get on the phone with a member and find out exactly what he or she needs/wants in the way of paper or support to come around to voting with the President.

Tracking

Steve Edelstein has served the tracking role for health care and will move into the war room this week. Steve knows a great deal about where specific members are on the issue, what their special concerns are, etc. Steve should help in tailoring talking points to specific members and evaluating who is the best messenger for certain messages. Finally, Steve has a thorough knowledge of the bill and can probably answer lots of the questions the lead will have about health care.

Department Legislative Staff

In past war rooms, departmental legislative staff have played critical support roles. The legislative lead has relied on the department person in the room to:

- help in handling the overwhelming volume of work generally; and to
- provide the lead technical help in translating complicated parts of the legislation.

The legislative lead in the health care war room will likewise need support on both of these tasks.

In addition, bringing in a department legislative staffer could help send a strong signal about the pivotal role we expect the departments--and specifically the economic team--to play in passing the President's health plan.

Writer

The war room will supply a writer to work in conjunction with the legislative shop here on drafting quick turn around talking points and background for member contacts.

Specific Staffing Ideas

Lead Role

After talking with her in preparation of this memo, I have come to the conclusion that Karen Hancox may be exactly the right person to be the legislative lead. Karen

- clearly has political knowledge necessary
- knows the House well and had substantial experience with the Senate in the Budget Room
- has some health care knowledge [she did Health Care for Beryl Anthony]
- has done this war room thing before, and knows how to do it, so . . .
 - she won't require any training
 - our risk that she "won't work out" -- a common problem with staffing in this kind of role -- is very, very limited; and
 - she can teach us a few things, probably teach us a few things about running a war room.

✓ The only qualification I don't know about is whether she is close enough to Pat to serve as his presence on this issue [I do not mean to express doubt about this issue, I just don't know anything about their relationship].

Karen is currently working on crime--which means she will probably spring free around the end of June. This may be a little late, but it doesn't seem realistic that we will get someone in here before that anyway. By the way, I have not mentioned this proposal to her, nor did she express any interest in it.

Another alternative which occurred to me is Marina--Bentsen's person. I don't know if she'd be interested, if Bentsen would spring her, or if her talents are better used elsewhere because she can [and thus should] handle a lot more important stuff than this job. I just know that she is Bentsen's person on health care and she knows the finance committee types cold. And boy, what stronger message could you possibly send about the economic team's role in this game. And she would raise the stature of this place.

Departmental role

My recommendation is that we bring in someone from Treasury¹. I know there is some sentiment that if we bring in someone from any of the departments, representatives from Labor and HHS are necessary. I don't think this is necessarily true. First of all, we honestly need all the people from those shops on the Hill pretty much all the time. In addition, I think we can distinguish the Treasury Department:

¹ If we were to bring in Marina as the lead, we would want the deputy to be a White House person--maybe still Karen Hancox, frankly.

·The war room legislative shop will need much more technical assistance on financing than on health care aspects of the bill;

-Greg and Christine, among others, serve the technical support role on strictly health care issues

-financing issues are likely to be the battlegrounds anyway

·likewise, the leg. shop here will already have resources on the members' health care profile/background--Greg and Steve among others. However, without a Treasury person, we won't have anyone with a working knowledge of members' backgrounds on finance issues

Target #
July 1, 1994

Health Care Reform Oregon

State Data Profile

Total state population	284,2321
Medicare recipients	443,961
Medicaid recipients	295,320
Persons with disabilities	178264
Health care payments per family	\$6,445
Payments as percent of family income	11.8%
Medicaid expenditure as a percent of state budget	
Doctors	7094
Nurses	14,788
Hospitals	86
Community and Migrant Health Centers	13
Population underserved	11.9
Health Service Corps members	24

What Reform Will Mean To Oregon

Guaranteed Private Insurance For Everyone

271,190 working uninsured people will gain coverage

63,286 uninsured children

27,000 people who lose insurance each month today, will be protected

0 people will return to work because they no longer need Medicaid

Comprehensive Benefits

1,284,000 people will gain dental benefit

1,890,000 people will receive a mental health benefit

23,447 two-year olds will be fully immunized

770,391 women will be able to get recommended breast cancer screening

Choice of Doctor and High-Quality Care

266 million gained by doctors and hospitals in fully compensated care

Outlawing Insurance Company Abuses

889,916 people with pre-existing conditions will no longer be at the mercy of insurance companies

547,364 people will no longer have life-time limits on their coverage

Preserve Medicare

237,000 Medicare recipients will gain prescription drug coverage

26,000 people who will be able to get help with home and community based care

Savings for Families, Businesses and States

\$208 million in savings for workers

\$1 billion in savings for businesses

\$800 million in higher wages for employees who now have insurance

\$503 million in savings for the state government

Oregon Supports Health Reform

Groups For Health Reform

Oregon Health Division

Oregon Advocacy Center

Businesses For Health Reform

Medical Professionals For Health Reform

Dr. John Alsever

Dr. John Alsever is a member of the American College of Obstetricians and Gynecologists.

Dr. Douglas Garmet

A pediatrician in Albany, Oregon.

Dr. Larry Hall

A pediatrician in Roseburg, Oregon. He is also currently the Chapter President of the American Academy of Pediatrics.

Dr. Allen Harlor

A pediatrician in Eugene, Oregon.

Dr. Mary Lundy

A family physician in Sherwood, Oregon.

Community Leaders For Health Reform

Ronald Rosenfield, M.D.

Doernbecher Children's Hospital at the Oregon Health Sciences University

Linda Bletko

Director of Pediatrics of Emmanuel Children's Hospital, Emanuel Hospital and Health Center

Sr. Helen Ann Gaidos, OSF

President and CEO of St. Anthony Hospital

Concerned Constituents For Health Reform

Finn, Deanna

202 South 53rd St. #4

Srpingfield OR

Deanna Finn was hospitalized for emergency surgery with a gangrenous appendix. She would have died without the operation. Her hospital bills totaled \$7,000 and she has no insurance what-so-ever. She tried to get help from Adult and Family Services, but because she is single with no kids, she does not qualify. She tried to get help from SSI, but she had to have a disability lasting longer than a year. The hospital wants \$273 a month to pay back her debt, and this is almost the total amount of her paycheck each month. "I worked so hard to make a better life for myself, and now I have absolutely nothing to look forward to. I can't pay these bills!"

To: Harold
Fr: Dwight
Dt: July 1

Basic functions/responsibilities of the war room leg shop in past war rooms ^{have} ~~has~~ been:

Paper flow

The war room leg. shop edits/vets/directs the paperflow to the Hill from the war room. During the floor battle, there will be a tremendous amount of paper sent from the war room:

- general daily talking points [1 to 2 times daily]
- caucus talking points
- talking points for specific members [as requested by leg affairs or the leadership]
- WH press statements
- help with member press releases, statements, etc.

Scheduling Administration Contacts

The war room leg. shop serves as the repository of all requests for member contact--whether the request comes from WH leg. staff on the Hill or the Leadership [if the past is any lesson, the Leadership will often make its requests directly to the war room leg shop, rather than relaying a request through staff on the Hill]. In response to each request, the war room leg. shop:

- decides who is the most effective messenger--principal, Cabinet official, senior staff, etc. [unless the request was for a specific messenger]--and makes sure it's scheduled
- provides the messenger appropriate background material
- obtains a report on the contact once it's completed

The legislative shop in the war room also stays on top of the various caucuses on the Hill, scheduling Cabinet members to regular caucus meetings as appropriate.

The war room leg. shop also schedules Cabinet members to attend message meetings on the Hill, and helps schedule members as surrogates.

Tracking Contacts

Contact and the results of contacts must be recorded in a central database. Centralizing tracking in the war room will help the legislative-writing team tailor talking points and background information to the specific member targeted for contract. The war room leg shop should be the repository for all information on contacts, including

- Cabinet
- Sr. staff
- leadership

Let me know if you need more -
Dwight

TO: LAURA QUINN, HAROLD ICKES, GREG LAWLER, MIKE LUX
FROM: ARNOLD BENNETT
DATE: 11 APRIL 1994

FIRST DRAFT, FOR COMMENTS

**PRO-REFORM GROUPS
ACTIVITIES PLAN**

COMMITTEES PHASE

Activities target key committee members both in DC and in their home districts/states. Our fundamental message is: a growing number of Americans demand that Congress pass the President's reform.

CENTERPIECE: Constituency Days on Capitol Hill [see Lux/Fine memo]. Proposed addition to that memo: ***where appropriate, we should offer these folks to friendly senators and reps for satellite feeds. For example, folks from Fresno and San Diego could be fed by Boxer.***

ADDITIONAL PROJECTS:

April 18 - May 27: SENIORS RADIO TALK SHOW INITIATIVE: booking a number of celebrities onto radio talk shows that target older listeners in target markets. The celebrities include Members of Congress, senior leaders, Hollywood stars. Joint operation by NHCC, NCSC, LIPA, FUSA, AFSCME and SEIU; coordinated by Janet Rivera of AFSCME.

PROPOSED: FIRE & RESCUE RALLY DAY: America's fire and rescue heroes tackle the health crisis, as uniformed firefighters/rescue squads stage dramatic mass rallies for the President's health reform in ten target cities on one day, with satellite video hookups to the POTUS who is either at one of the rallies (say, Philadelphia) or at the White House with uniformed DC/MD/VA fire and rescue teams. This reflects

the President's goal of using what's best in our health care system, such as America's uniformed fire & rescue teams, to cure what is worst.

APRIL 21 NEWS EVENT: Families USA, Senators Mitchell and Daschle, Congressmen Gephardt and Dingell, others, in Capitol Hill release of new report on How Americans Lose Health Insurance; radio interviews in target districts, satellite tour of target districts with victims.

MOTHERS DAY EVENTS: Older Women's League [OWL] traditionally does a Mothers Day event; *this should be in support of the President's health reform and we should help them get extra coverage.* The Women's Project of the UFCW has a project in the works that focuses on guaranteed workplace health benefits and employer responsibility.

PROPOSED UFCW LOCAL PRESS CONFERENCES WITH SUPERMARKET MANAGEMENT IN TARGET MARKETS. *The big IF is whether they can make this happen.*

✓ **PROPOSED VIDEOTAPE DISTRIBUTION TO DOCTORS.** *Phil Lee explains why the reform is good for doctors, then lays out the 5 points and calls on doctors to carry this message to their community. The tape is distributed by supportive doctor groups to their membership with a letter from the respective group's national leadership.*

✓ **PROPOSED DOCTORS' OP ED PROJECT.** *Doctors are recruited in target markets to do op eds in support of the President's reform.*

PROPOSED NEWS EVENT: *"The Enemy is Disease," a joint statement by the American Diabetes Association, the American Cancer Society, the American Heart Association, the American Lung Association, the National Health Council, the Arthritis Foundation, the Alzheimer's Association and the Breast Cancer Coalition, issued either at the White House with the POTUS or on the Hill with Senate and House Leadership, asserting that there is a crisis and that the President's reform will (A) speed efforts to find cures or prevention, (B) help encourage early detection and treatment and (C) help patients and families cope with these diseases, and calling on Congress to pass the reform. Group leadership present at the DC event includes at least one person from each target market, for feeds.*

PROPOSED NEWS EVENT: *American College of Pediatricians issues new report projecting number of children's lives likely to be saved by President's health reform, released on Capitol Hill by the Pediatricians with Senate and House leaders, and co-released in several target markets by a coalition of NEA teachers and ANA nurses.*

PROPOSED NEWS EVENT: *American College of Ob-Gyn issues new report projecting improved health of women and children as a result of increased mammograms, pap smears, physical check-ups and pre-natal care under the Clinton reform, released at the White House with POTUS and FLOTUS and women in the Cabinet. Co-released in several target markets by a coalition of NOW and ANA nurses.*

PROPOSED NEWS EVENT: *American College of Physicians and National Association of Retail Druggists issue new report projecting improved health of older Americans as a result of new drug benefits in the President's reform, released on Capitol Hill with Senator Pryor and Representative Wyden and others, co-released in a number of target markets by the National Council of Senior Citizens and NARD.*

PROPOSED SABBATH DAY OF PRAYER AND SERMONS FOR HEALTH REFORM *in African American churches in target regions, now being explored by Ben Johnson of OPL. This should be expanded into other churches and synagogues.*

TARGET DISTRICTS: An array of forums, demonstrations, leafletting, phoning, mailings, etc. by various groups, most of whom are members of the Health Reform Project, and by the Project itself; paid media, radio interviews, other media contacts.

FLOOR PHASE

Activities target swing members both in DC and at home. Our fundamental message remains: a growing number of Americans demand that Congress pass the President's reform.

PROPOSED CENTERPIECE: *3 BUS TRIPS ACROSS TARGET REGIONS with at least limited participation by POTUS, FLOTUS, VP and Mrs. Gore. Each trip would run several days and would involve a caravan*

made up of busloads of nurses, doctors, fire & rescue folks, retirees, working families, teachers, consumer activists, Hollywood celebrities, Cabinet members, and Members of Congress. Coordination of this is a big job: perhaps the Reform Project could do it; Families USA has expressed willingness to do it; the ANA and various unions could surely be involved in organizing pieces of it.

ADDITIONAL PROJECTS:

SENIORS RADIO TALK SHOW INITIATIVE: second flight, with new target markets.

PROPOSED: SPANISH LANGUAGE RADIO/TV TALK SHOW INITIATIVE: *booking some hispanic celebrities onto national spanish language tv and hundreds of radio stations with spanish language programming in target areas. Celebrities include Hollywood stars and hispanic leaders. Perhaps LCLAA or La Raza could operate, with help from Suzanna Valdez of OPL.*

PROPOSED DOCTORS RADIO TALK SHOW INITIATIVE: *booking national and state leaders of supportive doctors groups on talk shows in target markets. A coalition of the supportive groups would operate this initiative, with help from some of us.*

PROPOSED: GRAND ROUNDS WITH THE PRESIDENT. *Grand Rounds go on in teaching hospitals; unlike ordinary rounds, they take place in an auditorium setting, and medical problems are brought for discussion. They are the doctors' version of town meetings. It is proposed that the President do Grand Rounds by satellite, as part of supportive groups' internal education campaign to bring membership along.*

SUMMER PHASE

Activities concentrate in regions of the country where there are a lot of swing members. Our fundamental message remains: a growing number of Americans demand that Congress pass the President's reform.

FINAL PASSAGE PHASE

Activities target swing members both in DC and at home. Our fundamental message remains: a growing number of Americans demand that Congress pass the President's reform.

PROPOSED CENTERPIECE: MARCH ON WASHINGTON FOR HEALTH REFORM with sendoff rallies in target markets.