T. Hawes
medisave
— health

Reassuring Non-Nuclear Nations

What security assurances should the United States offer to countries like North Korea if they give up their efforts to acquire nuclear weapons? Will the U.S. refrain from using nuclear threats against them? Will it press the United Nations to come to their aid if they are threatened by other nuclear powers?

These questions need to be addressed in the Administration's review of nuclear policy now nearing completion. Finding the right answers could prove critical to current efforts by the Clinton Administration to curb the spread of nuclear arms in Korea and elsewhere.

It usually takes a serious security threat to prompt countries to develop nuclear arms. Indeed, in most cases to date, nuclear threats fed nuclear ambitions. Feeling menaced by a nuclear-armed rival set off chain reactions to acquire nuclear arms in the Soviet Union, Britain and France, and later in China, India and Pakistan.

In contrast, states like Argentina, Brazil and South Africa, which started down the nuclear path without feeling in nuclear peril, subsequently gave up their nuclear ambitions.

With that historical pattern in mind, efforts to curb the spread of nuclear arms need to satisfy the security concerns of their potential possessors. One way is to provide countries that renounce nuclear arms with adequate security assurances, like guaranteeing never to threaten them with nuclear weapons and pledging aid if others make such threats against them.

In recent years the U.S. has given Ukraine and Kazakhstan such assurances as part of deals to disarm. The issue of assurances has also arisen in negotiations to ban nuclear testing and is likely to come up next year when the Nuclear Nonproliferation Treaty is scheduled to be extended.

That treaty itself contains no such assurances. Instead, after it was concluded in 1968, the U.S., Britain and the Soviet Union made identical declarations to seek "immediate" action by the U.N. Security Council to assist any state that signed the treaty if it were attacked or threatened by a nuclear power.

But the U.S. refused to give up the option of threatening to use its nuclear arms, even against an adversary that was not nuclear-armed, until 1978. Only then did it formally renounce the use of nuclear arms against states that signed the Nonproliferation Treaty or any other international accord not to acquire nuclear arms. But it made an exception for countries like Poland and India, which had nuclear-armed allies.

That exception applied to North Korea as well. The U.S. could drop the exception in Korea's case in return for a verifiable end to its nuclear program. That would reflect the reality that North Korea's security pact with the former Soviet Union is dead and it has no nuclear guarantee from China. Moreover, the U.S. and South Korea have ample conventional deterrent against the North. What sense does it make to threaten a country with nuclear attack while trying to coax it out of nuclear arming?

To induce states to ban nuclear tests and extend the Nonproliferation Treaty, the U.S. might take a step toward no first use of nuclear arms. That is best not done as part of either treaty because it would delay their completion. But the U.S. could seek a joint declaration with Russia, China, Britain and France not to use or threaten to use nuclear arms against any state that is observing international treaties barring weapons of mass destruction — regardless of who its allies are — and binding all five to seek U.N. action.

Given its superiority in conventional arms, the U.S. can afford to give up nuclear threats against non-nuclear states. Preventing the spread of nuclear arms makes the U.S. more secure than retaining the threat to use them.

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Don't Be Seduced by Medisave

Medisave, the proposal for medical savings accounts, is a bad idea that has crept into the health-care bills proposed by the Democratic leadership in the House and by Bob Dole, the minority leader, in the Senate. Medisave would allow people to save money by purchasing health insurance policies with very high deductibles and then invest the savings in tax-free accounts.

Advocates say Medisave can help control health-care costs through consumer choice rather than heavy-handed government regulation. Catastrophic coverage requires consumers to pay ordinary medical bills out of pocket, leaving insurance to pick up only large bills that exceed an annual threshold of, say, $3,000. That, according to advocates, will compel consumers to monitor physician and hospital fees carefully. But what advocates do not say is that Medisave would hurt the poor and the chronically ill and inadvertently disrupt private insurance markets.

Medical savings accounts would attract the rich, because they get the biggest benefit from tax-free investments. And the accounts would attract healthy people because they would not expect to spend much money out of pocket for health care. But as healthy people gravitate toward catastrophic coverage, the pool of applicants for regular coverage would consist increasingly of people who are more chronically ill and more costly to insure; that would drive premiums higher.

The problem grows worse under health-care reform. Every bill would require health plans to cover nearly any applicant at rates that would not vary with their medical condition. The combination of Medisave and reform invites a scheme: healthy people buy catastrophic policies until they become sick or pregnant; then they switch to ordinary coverage. The scheme would destroy the elementary need of insurers to charge healthy customers premiums when they are well to cover their costs when they get sick.

Medisave will not work for another reason. Most health-care costs are accounted for by patients who exceed the $3,000 annual threshold. If these high-cost patients own fee-for-service policies, they lose any reason to search for low-cost providers. Studies show that surgical costs among comparable hospitals can vary by tens of thousands of dollars; under catastrophic coverage, patients will lose incentive to reward hospitals that charge low fees. Catastrophic coverage can also drive consumers away from low-cost primary care, which would come out of their pockets, toward high-tech, costly fixes when they let a preventable problem fester.

Medisave advocates are correct when they say consumer choice can help control costs. But the choice that consumers — rich and poor, healthy and sick — should have to make is between standard packages of benefits. That way health plans would be forced to attract applicants by offering high-quality care and attractive prices — rather than picking off low-risk applicants with catastrophic policies and leaving the high-cost patients for some other plan to cover. Medisave is a needless payoff to rich families and a body blow to market reform.

President Tones Down Rhetoric

Crime Bill Strategy Shifts From Attacking To Compromise Mode

By Ann Devroy
and Kenneth J. Cooper A1
Washington Post Staff Writers

President Clinton yesterday turned from four days of attacks on Republicans over crime legislation to more soothing words of bipartisanship as the administration searched for compromises that would produce eight votes to revive the $30 billion bill.

None of the 19 House Republicans the White House is targeting to change votes indicated yesterday that the attacks by Clinton and his team over the weekend had produced the desired result. But administration officials said yesterday they are open to compromise on some parts of the crime bill, a tack that may move some votes.

Of the 58 House Democrats who deserted the White House on Thursday's procedural vote that blocked the crime bill, officials said some members of the Black Caucus were hinting they might bow to White House appeals, including Rep. Charles B. Rangel (D-N.Y.). Rep. Bill Richardson (D-N.M.), lead vote-counter for House Democrats, said he believed supporters had gained a couple of votes because of Clinton's four-day blitz.

The crime bill has taken on vast political and symbolic importance for Clinton, whatever its actual effect on crime might be. Senior aides are arguing that if the president turns Thursday's defeat into victory, it will give his faltering presidency new life.

Virtually everyone in the administration is working on the issue. Even First Lady Hillary Rodham Clinton, whose previous appearances have been almost exclusively in the health care arena, starred in an event yesterday to promote the crime bill. The president has little on his schedule all week—a week the White House once thought would be devoted to health care—but lobbying for

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CRIME, From A1

the anti-crime legislation. Another attempt at passing the procedural resolution that would allow the bill to come to the House floor for final action would not likely come before Wednesday night or Thursday.

The question of how much Clinton would compromise was in doubt, but the moderate Republicans who voted with the White House offered suggestions on how he could pick up more GOP votes—mainly by trimming some of the bill's spending and toughening two provisions.

One provision would toughen prosecutions for rape; the other would require community notification when a repeat sexual offender was released from prison and moved into a neighborhood. On the overall funding, Republicans have argued that in its route from the White House to the House to the Senate, the legislation has moved from being a $22 billion bill to a $30 billion bill and some of that should be trimmed.

After months of focusing on death penalty and prison provisions, Republicans since last month have turned to attacking the bill's crime prevention programs as wasteful. The House-Senate conference report contains about the same amount of prevention funding as the House bill, which passed in April with support from 65 Republicans. Most of the increase in spending is for prisons and law enforcement programs.

Sticking to the one-message-a-day discipline rarely seen in the Clinton White House, the president yesterday invited families of prominent crime victims to a Rose Garden ceremony in which he said the crime bill is about protecting Americans, not about political wins or losses.

Marc Klaas, father of kidnap-murder victim Polly Klaas; Steven Sposato, whose wife, Jody, was killed in a shooting and Janice Payne, whose 9-year-old son was killed only days after he wrote a letter to Clinton about his fear of crime, were featured. All three called for passage of the legislation.

"There should be no more excuses, no more tricks, no more delays and no more discussion about whether this bill is a Democratic bill or a Republican bill or a Clinton bill," Clinton said. "So let Congress hear this: Pass the Darby-Klaas-Sposato crime bill, and do it now."

The White House primarily has its eyes on 19 House Republicans who voted for the crime bill, voted to ban assault weapons, but then refused last week to vote to send the compromise bill to a final House vote. Several of those yesterday said changes will have to occur before they switch their votes.

"If the bill's identical, I won't vote for it," said freshman Rep. Deborah Pryce (R-Ohio). "If I were being p sured, I'd go the other way. . . . T majority of people in my congressiona district are against the crime bill."

"I'm not looking to change my vote unless there are some changes in the bill," Rep. E. Clay Shaw Jr. (R-Fla.) said. Shaw, after reading in Monday's newspaper he was among targeted Republicans, sent a letter to Attorney General Janet Reno vowing "not to support legislation that is loaded down with pork-barrel projects." That missive followed another anti-pork letter addressed to Clinton on Friday and signed by 23 House Republicans, including more than a dozen of the targeted 19. They urged "nongermane items" be removed to win their support for a crime bill.

Interviews with aides to most of the targeted Republicans indicated that Reps. Bob Franks (N.J.), Christopher H. Smith (N.J.) and Steve Horn (Calif.) were receiving enough calls to feel a sense of political pressure.

"We've been getting a lot of phone calls from constituents concerned about his vote. . . . There seems to be an effort to attack all Republicans who voted against the rule," reported Janet Thompson, a Franks aide who said at least 80 percent of callers criticized his vote. The freshman lawmaker has scheduled a news conference in his district today to explain his opposition to certain prevention programs and revisions in sex crime provisions.

Connie Sziebl, director of Horn's district office, said constituent callers "are astounded that he would vote for the weapons ban and then vote against the crime bill. We cannot make them understand it was not the crime bill he voted against."

A Smith aide said a large number of calls was generated by a toughly-worded editorial in Sunday's Philadelphia Inquirer, headlined "Congressional Cowards," that listed office numbers for six area lawmakers who voted against the rule, including Smith. But the aide said calls had been running "pretty much even" for and against Smith's vote.

Persuading some of the 10 black Democrats who opposed the procedural rule to protest the bill's expansion of the death penalty may be an easier White House task. Nearly all those members of the Congressional Black Caucus have won their primaries and face little political risk in November.

Rangel indicated on "Fox Morning News" that he might reconsider his vote. He faces a Sept. 13 primary against Adam Clayton Powell IV, who criticized Rangel's vote as being out of touch with crime problems in his Harlem-based district.