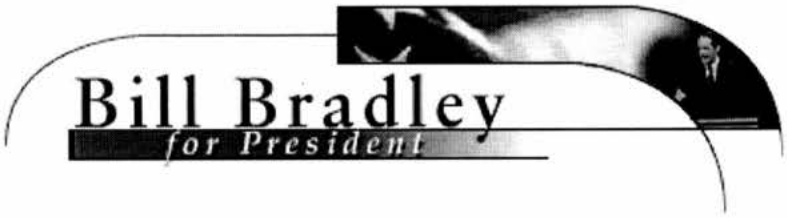

Newly Insured Americans under the Health Care Proposals of Bill Bradley and Al Gore

Prepared by:

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This paper summarizes the expected number of newly insured people under the proposals of Senator Bradley and Vice President Gore. The summary estimate is as follows:

Bradley Plan: -- 30 million newly insured
Gore Plan: -- 7 million newly insured

BRADLEY PLAN

The Bradley Plan has several features that will increase insurance coverage. Table 1 summarizes these aspects of the plan. The specific features differ among the following four groups of people:

1. Children

All parents are required to obtain insurance for their children. This mandate is coupled to: (a) universal access to insurance purchased through the Federal Employees Health Benefits Program (FEHBP); (b) a universal tax exclusion for health insurance premiums; (c) and subsidies for children from families whose incomes are 300% of poverty level or below.

The Bradley Plan would cover all of the 11.1 million currently uninsured children.

2. Adults with incomes below the poverty line

Full subsidies are provided to adults with income below the Federal poverty line.

There are 8.1 million uninsured adults who have incomes that fall below the poverty line. They qualify for a full subsidy. Under the Bradley plan, these subsidies would be sent directly to insurers. Adults who qualify for the full subsidy and do not choose a specific

health plan would automatically be enrolled into a default plan. Thus, coverage would effectively be universal for this population. To be conservative, it is assumed that takeup among this population is only 95 percent. This results in additional coverage for 7.7 million people.

3. Adults with income between the poverty line and twice the poverty line

Partial subsidies, a tax exclusion, and the ability to purchase through FEHBP are provided to adults with incomes between 100% and 200% of the federal poverty line.

There are 8.9 million uninsured adults with income between the poverty line and twice the poverty line. These individuals qualify for a partial subsidy that phases out as income rises from the poverty line to 200% of poverty. They also receive a tax exclusion for the purchase of insurance, and will be able to purchase insurance through the FEHBP, which has greater variety and a lower administrative load than the private and small group policies that are the only options currently available for many of these individuals. We assume that two-thirds of these individuals, or 5.9 million individuals, will take up coverage.

4. Adults with incomes more than twice as great as the poverty line

The tax exclusion and the ability to purchase through FEHBP are available to adults with income exceeding 200% of the federal poverty line.

There are 15.7 million uninsured adults whose incomes are more than twice the poverty line. These people will receive the tax exclusion on purchase of insurance and have the option to purchase through FEHBP, with lower administrative expense and greater choice of plans than is currently available to many of them. In addition, some of these individuals are children living in their parent's home (or with other relatives) who will now be eligible for coverage as dependents under their parents' policies. We assume that 1/3 of these individuals, or 5.2 million, will receive coverage.

The total number of people who will be newly insured under the Bradley plan is the sum of the numbers from each of these four groups, or 29.9 million people.

GORE PLAN

The Gore Plan use three mechanisms to increase insurance coverage, as summarized in Table 2.

1. States are allowed to extend eligibility for CHIP to 250 percent of poverty

Because states are not required to extend eligibility, it is impossible to know how many states will take this up. It is likely that many will not; 17 states do not cover children up to the maximum possible (200 percent) today.[1] If they do not take advantage of the existing program provisions, raising the eligibility ceiling to 250 percent of poverty should not give them any further reason to expand the CHIP program. Thus it would be very optimistic to assume that all states extend CHIP to 250 percent of poverty. If they did, this feature would make about 1 million children newly eligible for insurance.

Even with state cooperation, not all of the newly eligible children would be enrolled in the program. Estimates from the Medicaid expansions and CHIP program features suggest that a takeup rate of less than 50% is expected. Some of these newly-insured

children (as many as one-half) will have been insured privately prior to the CHIP expansion, and will thus not reduce the number of uninsured. To estimate an upper range of new coverage, we assume that the takeup rate will be 50%, with no substitution from private to public coverage. This yields an estimate of new enrollment of about 0.5 million.

2. Medicaid and CHIP eligibility is extended to adults when children are eligible

There are 3.3 million uninsured adults with incomes below 250 percent of poverty whose children are currently enrolled in Medicaid or CHIP. Not all of these parents will enroll in the new program. Estimates in the literature suggest that a CHIP expansion might insure 80 percent of eligible adults. [2] These estimates imply that the extension of adult eligibility will lead to 2.6 million newly insured parents.

Some parents of the newly eligible children will also enroll in the program. We assume there is one new parent enrolled for each new child enrolled (some children are from the same family; some families have only one adult). This yields 0.5 million new parents with insurance.

3. Increase outreach efforts for children and adults eligible but not enrolled in Medicaid and CHIP

Many children and adults eligible for Medicaid/CHIP do not choose to enroll in the program. The Gore plan states that it would increase outreach efforts to enroll these groups, although it does not describe how outreach would be conducted. It also proposes additional financial inducements for states to cover these children. Since many states already receive close to 100 percent Federal subsidies for their Medicaid and CHIP programs, it is unclear how effective the unspecified financial incentives would be. To account for the effects of increased outreach, it is assumed that these efforts will result in the enrollment of 0.5 million new children and parents.

4. Medicare buy-in for people 55-64 and Medicare/Medicaid buy-in for the disabled

Consistent with the CBO, these policies are assumed to cover 0.6 million people.

5. Tax credits for small firms and individuals

The Gore plan includes: (a) a 25 percent refundable tax credit for people lacking access to employer-based health insurance who purchase coverage in the individual market; and (b) a 25 percent tax credit for premium costs for each employee of a small business that joins a "purchasing coalition." Net of the other initiatives, there are 39 million people to whom these options would apply.

Analysts have highlighted three aspects of program design that influence how many people enroll in a health insurance plan: price and income; barriers to enrollment, such as the ease of obtaining benefits; and cash flow and uncertainty.[3] The response to this policy is likely to be lower than to the Bradley proposals, for each of the following reasons.

First, the subsidies are less generous than the Bradley proposal. The Gore Plan's refundable tax credit is modest and does not even reach the level of the tax credits that recent legislation has made available to the self-employed. Second, insurance policies sold to individuals are as much as 35 percent more expensive and are less generous than FEHBP policies.[4] Individual insurance purchasers rarely have a range of choices as extensive as those

offered through FEHBP. Third, the active effort required to enroll in an individual plan and to obtain the tax credit is a major barrier that will discourage many from taking advantage of the tax credit by obtaining insurance. Fourth, the FEHBP is more familiar to people than the individual market and has government backing, leading to less uncertainty about benefits. Fifth, there are few purchasing alliances or coalitions today, and they might not be available to most of the uninsured.

Estimates from the Institute for Health Policy Solutions indicate that fewer than 350,000 people are insured through purchasing alliances today, compared to nine million people insured through the FEHBP. To estimate the effects of this policy on coverage, we assume that for every 10 percent reduction in insurance price, 2.5 percent more people enroll in coverage. This increases coverage by 2.5 million people.

The total estimated effect of the Gore Plan would be to increase coverage by 7.2 million people.

COMPARISON WITH OTHER ESTIMATES

These estimates differ from the Kenneth Thorpe numbers cited by the Gore campaign in several ways:

1. The Thorpe estimate does not account for the mandate that parents cover their children. This increases the number of children to be insured by 5 million.

2. The Thorpe estimate assumes that only 75 percent of adults eligible for a full subsidy will take up the subsidy. As noted above, the Bradley plan proposes universal coverage of this group by choosing a default plan for those who do not elect a plan on their own. As such, the Bradley plan will at minimum insure 95 percent of this population. This increases the number of insured adults by 2 million.

3. The Thorpe estimate is that 4.8 million children will be covered by the CHIP expansion and outreach efforts. About 7 million children who are currently eligible for Medicaid/CHIP are not enrolled, and an additional one million would be made newly eligible under the Gore proposal. With a 50% expected enrollment rate, only 0.5 million additional children (50% of the additional one million eligible children) could be expected to enroll under the proposed CHIP expansion. Consequently, to be consistent with Thorpe's estimates, the outreach efforts would need to produce 4.3 million additional enrollees, the vast majority of whom come from the pool of children who are already eligible but not enrolled. Enrollment at these rates would exceed estimates of enrollment even for the poorest of families that receive cash benefits as well as Medicaid.

4. The Thorpe estimate assumes that current definitions of health insurance units remain in place, but the Bradley plan proposes to change this. This change will make it possible for adult children and other relatives residing in a single family to be covered through that family's policy. This will increase the number of adult children and other adults covered by making it possible for them to obtain coverage at little or no incremental cost to the family. The net effect of this policy is several million newly covered people.

5. The Thorpe estimate assumes that the features of the Gore and Bradley plans will promote the purchase of insurance by about the same amount, given equal dollar subsidies. In fact, the Bradley plan is likely to be more effective at increasing insurance enrollments, for five reasons:
    1. the Bradley plan will automatically enroll individuals

who qualify for the full subsidy in a health plan, unless they choose otherwise;
2. the FEHBP option in the Bradley plan is more familiar and more easily accessible than the individual market or the yet-to-be-created purchasing pools for small firms in the Gore proposal, reducing uncertainty about benefits;
3. administrative costs and thus premiums will be lower in the FEHBP than the individual market, by as much as 35 percent;
4. the range of choices in the FEHBP is greater than people can receive in the individual market;
5. and the Bradley proposal gives the tax credit to individuals, so no employer action is needed to activate any part of the subsidy.

---

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Table 3. Newly Insured and Remaining Uninsured Under Status Quo, Gore Plan, and Bradley Plan			
Plan	**Status Quo**	**Gore**	**Bradley**
Newly Insured	--	7 million	30 million
Remaining Uninsured	44 million	37 million	14 million
Total Insured,	224 million	231 million	254 million
Percentage of Population Insured	84%	86%	95%

Paid for and authorized by:

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Even with state cooperation, not all of the newly eligible children would be enrolled in the program. Estimates from the Medicaid expansions and CHIP program features suggest that a takeup rate of less than 50% is expected. Some of these newly-insured children (as many as one-half) will have been insured privately prior to the CHIP expansion, and will thus not reduce the number of uninsured. To estimate an upper range of new coverage, we assume that the takeup rate will be 50%, with no substitution from private to public coverage. This yields an estimate of new enrollment of about **0.5 million.**

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The total estimated effect of the Gore Plan would be to increase coverage by **7.2 million** people.

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3. The Thorpe estimate is that 4.8 million children will be covered by the CHIP expansion and outreach efforts. About 7 million children who are currently eligible for Medicaid/CHIP are not enrolled, and an additional one million would be made newly eligible under the Gore proposal. With a 50% expected enrollment rate, only 0.5 million additional children (50% of the additional one million eligible children) could be expected to enroll under the proposed CHIP expansion. Consequently, to be consistent with Thorpe's estimates, the outreach efforts would need to produce 4.3 million additional enrollees, the vast majority of whom come from the pool of children who are already eligible but not enrolled. Enrollment at these rates would exceed estimates of enrollment even for the poorest of families that receive cash benefits as well as Medicaid.

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Adults, Total	**18.8 million**
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Table 2: Estimates of New Coverage Under the Gore Plan

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Extend CHIP to 250 percent of poverty	0.5 million
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Table 3. Newly Insured and Remaining Uninsured Under Status Quo, Gore Plan, and Bradley Plan

Plan	Status Quo	Gore	Bradley
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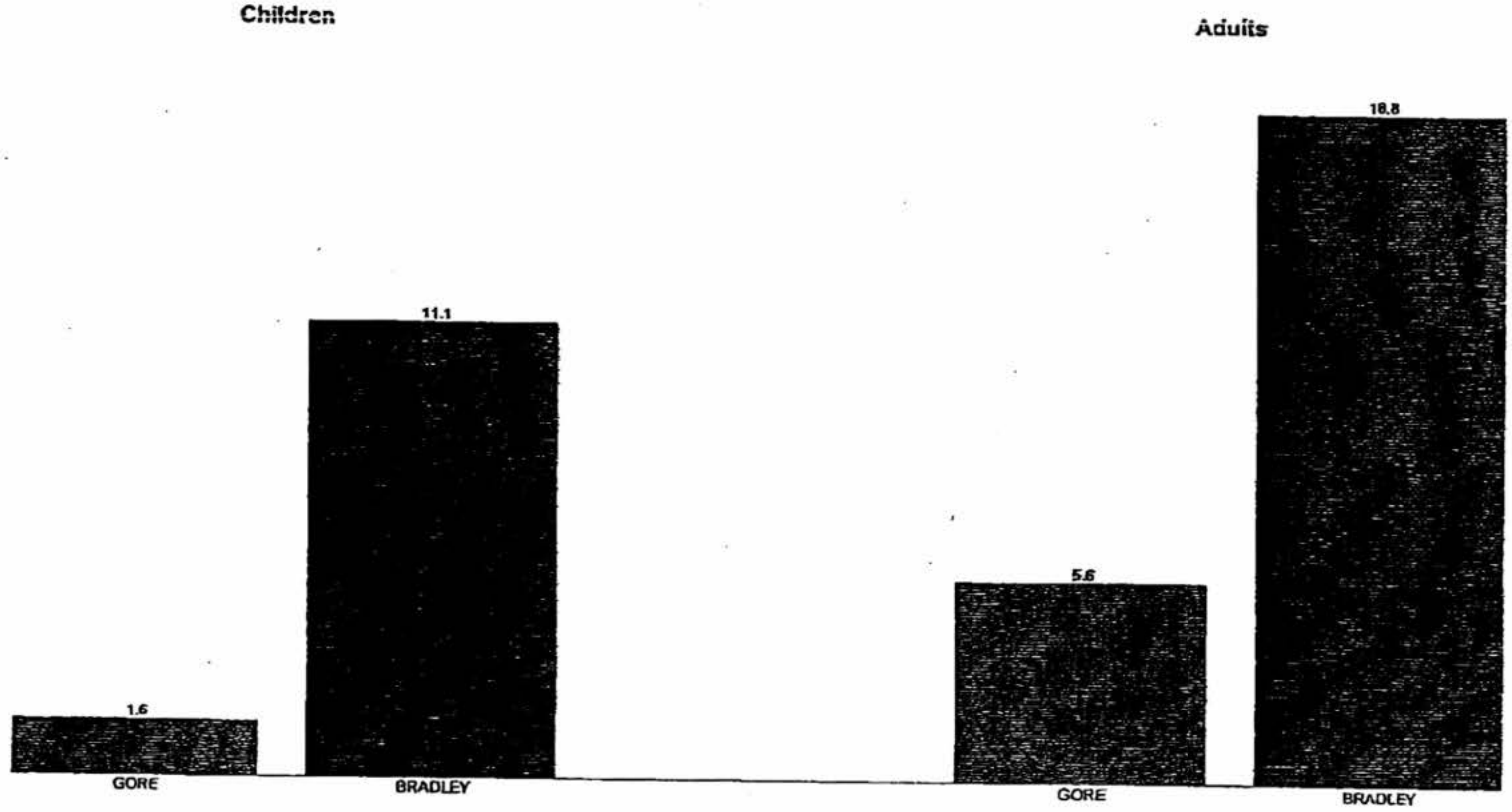
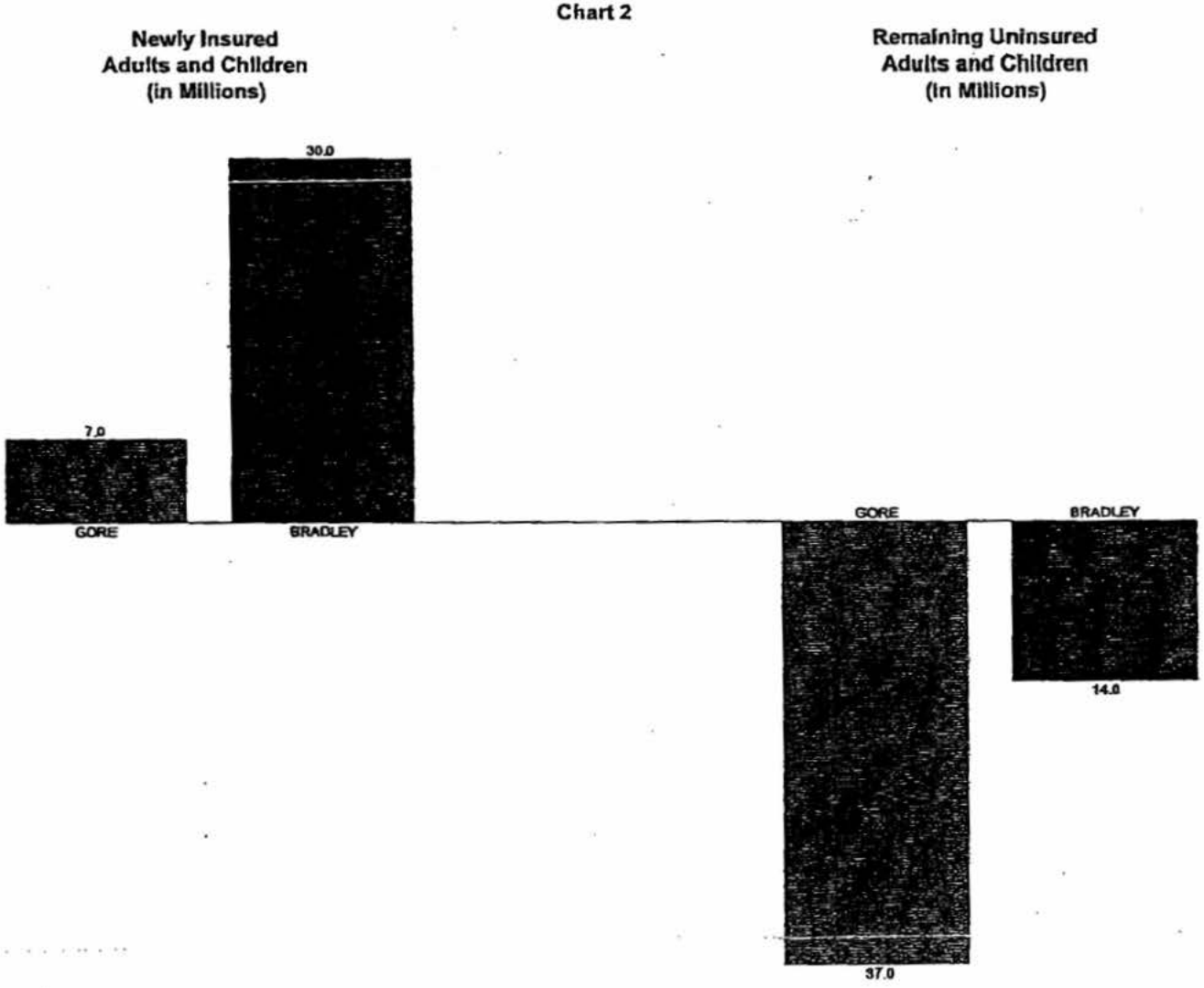
Remaining Uninsured	44 million	37 million	14 million
Total Insured,	224 million	231 million	254 million
Percentage of Population Insured	84%	86%	95%

Chart 1
Newly Insured Individuals
(in Millions)



Source: Cutler, Gruber, Waldfogel

Chart 2



Source: Cutler, Gruber, Marks

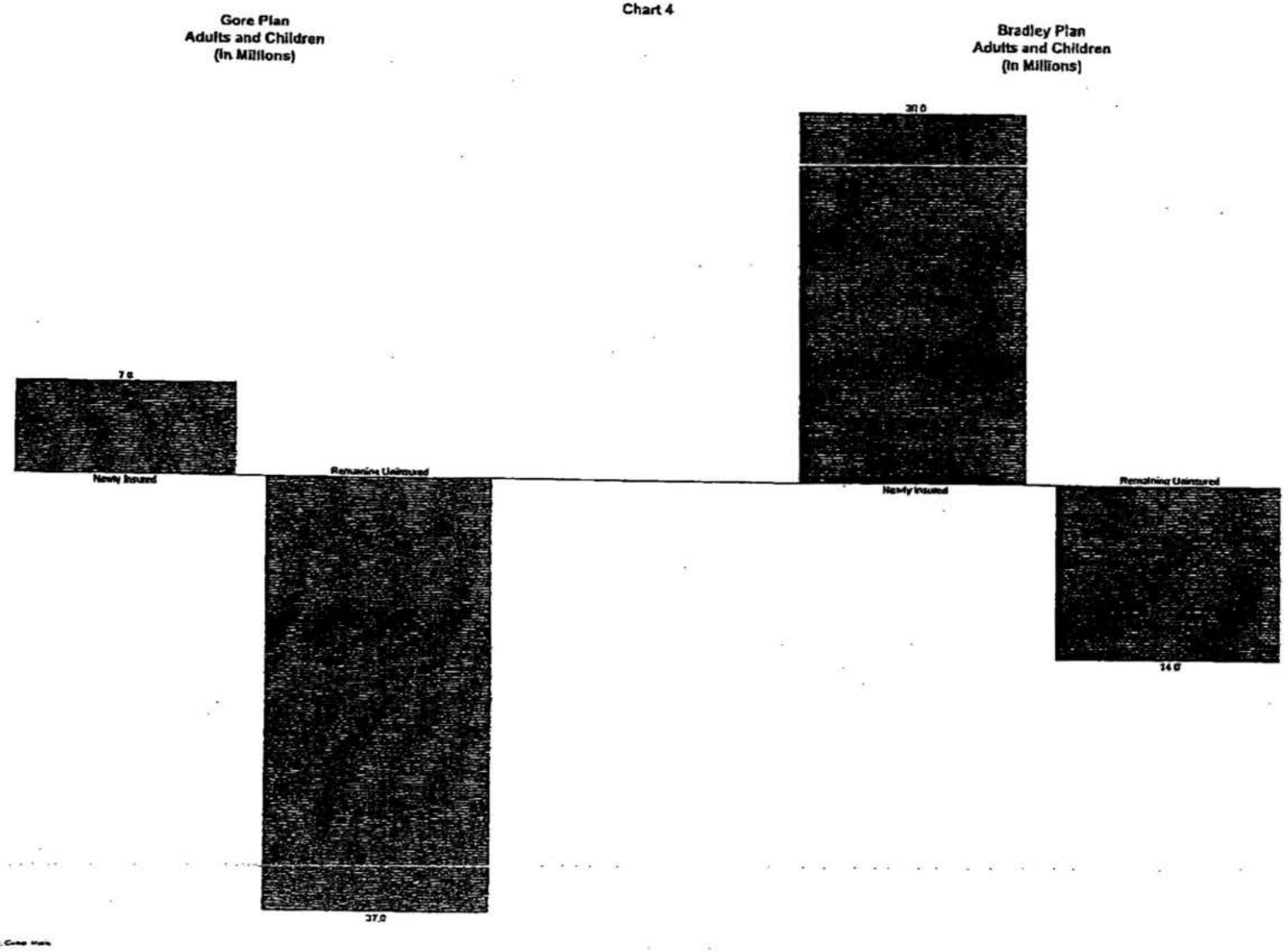
Chart 3

Children without Health Insurance
(in Millions)

Adults without Health Insurance
(in Millions)

Source: Cutler, Gorter, Macia

Chart 4


Gore Plan
Adults and Children
(In Millions)
7.8
Newly Insured
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37.0
Bradley Plan
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Initial Reactions to New Estimates of the Newly Insured Under Vice President Gore's and Senator Bradley's Health Insurance Proposals Developed by the Bradley Campaign Staff

Kenneth E. Thorpe

December 18, 1999
404-727-3373

In response to questions from the press regarding the new Bradley campaign estimates, I have outlined some initial comments regarding the revised estimates from the Bradley campaign staff concerning the estimated number of newly insured. The following brief notes provide a very introductory view of how the Bradley campaign staff estimates differ from my own.

The first and most important difference concerns what was modeled. I completed an analysis of the Bradley and Gore health plans as described in writing through their web pages. I re-checked these web pages, and found that the plans I modeled are precisely the same today as they were when I undertook my analysis. Based on this most recent look at the plans, my estimate remains unchanged:

Table 1. Estimated Costs and Newly Insured Under the Gore and Bradley Health Proposals, Based on Written Versions of Both Plans, December 17, 1999

Gore	**FEDERAL COSTS**
Covers 88% of the population	$312 Billion between 2001-2010
Bradley	
Covers 89% of the population	$1.06 Trillion between 2001-2010

The existing version of the Bradley plan does not change key elements of his plan including:

1. The plan notes that adults will receive a premium subsidy to purchase health insurance up to $1800 and families up to $5000. These caps will not cover the cost of purchasing either a plan in the FEHB or a typical employment based plan. With these caps in place, adults living poverty will have to contribute toward the cost of health insurance, resulting in participation rates far below those offered by the Bradley campaign. The participation rates used in my analysis reflect this fact.

FACTS:

- The average cost of a plan that Bradley offers—plans within the FEHB—is $2465 for a single policy and $6211 for a family policy in the year 2000. The earliest the plan would start is 2001, making the caps even more problematic for purchasing insurance.

- 95 percent of all plans in the FEHB are more expensive than $1800 per year for a single policy and 90 percent of all plans in the FEHB are more expensive than $5000 per year for family coverage (source OPM at www.OPM.gov) . Moreover, plans that do cost $1800 are generally in rural areas, with virtually none available in areas with the greatest concentration of uninsured.

- The national average cost for employer-sponsored health insurance in 1998, a full three years before any plan offered by Gore or Bradley would be adopted, was $2100 for single coverage and $5532 for family coverage.

- The national average cost per Medicaid adult (excluding the aged, blind, and disabled) in 1997 was over $2,600.

Since the written versions of both plans remain unchanged, I stand by my original estimates concerning these caps and the treatment of coverage for children, my original estimates of the Bradley plan remain unchanged.

What, then accounts for the differences between Table 1and those advanced by the Bradley campaign? In short, they model a completely different Bradley plan than I did, one that differs from the current web version, as well as the one described to me by his campaign staff. They also do not model the Gore plan as proposed.

A second reason concerns assumptions the Bradley staff use to estimate the number of uninsured that would participate in the program. I use the same assumptions for both plans, based on the economics literature as well as those used by independent, professional estimators at the Congressional Budget Office and the Office of Management and Budget. The Bradley campaign uses dramatically different assumptions concerning program participation in the Bradley and Gore plans—unrealistically high participation assumptions for the Bradley plan and low participation assumptions in the Gore plan. The high participation rates assumed by the Bradley campaign for the Bradley plan are approximately 4 times higher than those used either by the CBO or OMB. The Gore participation rate assumptions are generally similar to the CBO/OMB assumptions

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Jon Gabel "Job-Based Health Insurance, 1977-1998: The Accidental System Under Scrutiny" Health Affairs 18(6) 1999:62-74

for some elements of the plan while lower participation rate assumptions are used for other aspects of the Gore plan. As noted above, I treat both plans on the same footing.

The Specifics:

1. **The Bradley campaign models a new Bradley plan, one that I did not model.** The plan estimated in the paper is not the plan presented by the Senator on his website (www.billbradley.com) as of December 17, 1999. The campaign has generated a completely new version of the plan, one that I did not estimate. I relied on the paper version of his plan for my estimates, the one still on his website.

- Under the campaigns new estimates, children are now mandated to have coverage. The current version of the Bradley plan on his website, as well as the version transmitted to me by his full-time campaign staff, that I used for my estimates does not mandate such coverage. Ironically, my estimates that did not include the mandate, were based on campaign staff, as well as from the campaign adviser generating the new estimates. David Cutler clearly states in the version of the Bradley plan still on his website that the plan will "increase insurance coverage without mandates or disruptions in the labor market".

2. **They do not model the Gore plan**.

- Uninsured parents of either Medicaid eligible or CHIP eligible parents are targeted in the Gore plan. The Bradley campaign estimates mistakenly assume only that parents of enrolled children are eligible, accounting for nearly all the difference in the number of adults enrolled in my estimates and the Bradley campaign. What the Bradley campaign models is not what Gore proposes or what I estimated. They assume that 80 percent of the 3.3 million uninsured adults of enrolled children would participate—2.6 million parents. In fact, there are 8 million uninsured parents of Medicaid and CHIP **eligible children.** With their participation rate assumptions, 6.4 million parents would participate. This difference along moves the Gore plan to 88 percent covered—precisely what I estimated.

- People do not receive coverage through the CHIP or the tax credit provisions of the Gore plan in the individual market. States have pooled their purchasing in CHIP and rely on purchasing pools for tax credit. States would create markets and insurance pools for newly insured persons taking advantage of the credits--just as they have with the CHIP. Administrative costs under these pooling arrangements are nearly identical to

the administrative costs of insurance under the FEHB program.

- Ignored carrot and stick incentives. The Bradley staff assumes no change in federal incentives for states to participate in the CHIP or the expansion. They model the CHIP as it currently is, ignoring the changes in both program structure and incentives. For instance, they assume virtually no additional children or parents currently eligible for Medicaid or CHIP enroll under the Gore plan. This is also not correct. My own empirical research shows higher participation rates when families are jointly eligible for coverage, precisely the Gore plan. These higher participation rates are included in the analysis since families are now eligible for coverage under the CHIP, not simply children. States also face financial penalties if they do not achieve certain coverage and participation rates under the Gore plan—a substantial and important change from today's CHIP.

3. **Inconsistent and Inflated Participation Assumptions**. For each program, the Bradley campaign uses **wildly** inflated assumptions about program participation in the Bradley plan and substantially lower rates for the Gore plan. Their results are achieved largely by tilting the analysis in favor of the Bradley plan. Their assumptions are not supported by the academic literature and are not used by professional estimators in Washington who model such programs. The Bradley campaign estimates use different assumptions even when the reduction in the price of insurance is the same in the programs offered by Bradley and Gore. I evaluated the plans using the same assumptions! The participation rate assumptions applied by the Bradley advisors to their own plan are approximately 4 times higher than those used by CBO or OMB. In particular, the participation rates assumed for adults in poverty and through 200 of poverty are wildly inflated, substantially higher than those that would be assumed by more traditional assumptions used by the OMB or CBO. They assume substantially higher participation rates for children that receive free care in the Bradley plan compared to the Gore plan. In fact, the administrative mechanisms ultimately used to find and enroll the children will be similar.

   The Bradley campaign also assumes that incentives to purchase health insurance differ substantially under a tax deduction versus a tax credit. The Bradley campaign assumes that each 10 percent reduction in the price of insurance resulting from a deduction would enroll 11 percent of the eligible uninsured whereas the Bradley campaign assume that the same 10 percent reduction in the price of health insurance resulting from a tax credit in the Gore plan would enroll 2.5 percent of the eligible uninsured. The economics literature, as well as that used by government estimators is closer to the 2.5 percent figure. By using different assumptions, the Bradley campaign provides a favorable estimate for Bradley's plan relative to Gore's. **In contrast, I assume a dollar benefit from either a credit or deduction has the same impact on enrollment.** Thus, the campaign assumes that families receiving a tax deduction that reduces the price of insurance by 10 percent would enroll 11 percent of the uninsured, while they assume that a family in the Gore plan that receives a tax credit that reduces

the price of insurance by 10 percent would only enroll about 2.5 percent of the uninsured. The Bradley assumptions concerning their deduction are 4.4 times higher than those typically used.

The Bradley campaign also uses substantially higher rates of participation among adults between 100 and 200 percent of poverty relative to those used by estimators at the Congressional Budget Office as well as those supported by the economics literature. The assumed rates of participation are over 6 times higher than those used by the CBO and are similarly higher than those found in the literature.

4. **They change the private health insurance industry**. To increase enrollment in the Bradley plan, the staff change how private health plans provide coverage. These assumptions have far-reaching implications for the private insurance industry, and the costs of providing health insurance today. Today, private plans cover families--moms, dads and children (through age 23 if the child is a full time student). They typically do not include other relatives (aunts, uncles, grandparents, etc) in the same policy. The campaign staff changes all of this by assuming that plans cover all individuals in a household--moms, dads, aunts, uncles, grandparents, and other relatives in a household would now become covered under private insurance. This would increase the cost of a typical private health insurance package by approximately 8 percent for families with health insurance today. **The would reduce the number of persons with private health insurance today from 190 million to 186 million--an increase of 4 million persons without health insurance**. This increase in the number of uninsured due to this substantial change in the private insurance industry is not reflected in their estimates. I did not make a similar assumption in my estimates.

5. **The children's mandate to have coverage, and the very high rates of program participation increase costs to families and the government compared to my estimates.**

I model the current Bradley plan as outlined as of today on his website. This new version of the plan would result in additional costs I did not calculate:

- The mandate would result in a mandated tax increase of $2.2 Billion for families with uninsured children. Mandating coverage also mandates that families pay for the cost of insurance. A family of four earning $51,000 per year would face a mandated payment of $2400 per year for insurance.

- The costs associated with these new estimates would, if the new plan could actually cover this many uninsured would increase sharply from my previous estimates. Federal costs of the plan would rise from $1.07 Trillion to $1.4 Trillion over a ten year period. The new plan outlined today would increase federal spending by approximately $400 Billion over ten years.

Bill Bradley
for President

The Bradley Health Care Proposal

America's Health and America's System of Health Care

Bill Bradley's health care proposal is designed to revitalize America's approach to improving the health of its people. Its ultimate goal is to achieve the best possible health for all Americans, for their families and their communities. As a vital support for good health, the Bradley proposal calls for a fairer, simpler, and more effective system of health care. The Bradley proposal intends to restore trust in America's health care system.

The Health Care Proposal from Bill Bradley addresses the fact that there are 45 million Americans who are living without health care insurance and, thus, lack dependable access to essential health care services. It further addresses the quality of health care. The proposal is simple, fair, and comprehensive. It begins a national conversation on health care. It keeps what works for many Americans, while streamlining the parts of the system that are unnecessarily complex or inequitable. It clarifies federal and state roles by mainstreaming Medicaid into the private systems available to all Americans. It draws upon the strengths of both the public and private sectors. It recognizes that private health care will be the backbone of our health care system. It views health care as a shared priority and encourages individuals, families and communities, the private sector, and government to share the responsibility of improving health and health care. It invites America's public health system to be a primary catalyst of this movement and it will take vigorous steps to help contain health care costs.

> "The Bradley health plan is a sound economic plan built on reasonable assumptions. The plan will increase insurance coverage without mandates or disruption in the labor market. The estimates of the plan's costs are reasonable, built on assumptions and techniques long used in the government and private sector. Those who have attacked the plan's costs are making fundamental errors."
>
> *-- David M. Cutler, Professor of Economics, Department of Economics and*
>
> *Kennedy School of Government, Harvard University*

The Bradley Proposal:

- Gives all Americans access to affordable health care
- Guarantees all children health care insurance
- Preserves Medicare and expands it with an optional prescription drug benefit for all seniors
- Creates a Medicare option for home and community-based

coordinated care systems that is based on successful demonstration projects

- Invests in public health and prevention

Goals of the Bradley proposal are:

- Increase access, choice, affordability, and quality of care for all Americans
- Improve protections for patients and a consumer's right to know
- Maintain current insurance coverage systems that work for many people
- Build new approaches to health care so that people are no longer disadvantaged by race, ethnicity, gender, income, geography or health status
- Require access to equitable mental health services

First Stage - Children (Birth-18)

The Bradley proposal invests in the nation's children by requiring that all children be covered by health insurance from birth. In the Bradley proposal, there are two ways to insure children:

- enrollment in their parents' coverage
- enrollment in new federally-approved private insurance plans for children or families. These plans either currently exist or will develop under the Federal Employees Health Benefits Program (FEHBP).

> "Health care interests have always sought a proposal that is simple, fair, comprehensive -- and realistic. What Senator Bradley has proposed is that solution. It recognizes that health care is a shared priority among individuals, families, and communities, and private sector and government."
>
> -- *Bernard Tresnowski, retired President & CEO of the national Blue Cross and Blue Shield Assocation*

Parents will select the health care plan for their children.

- For children living in households with annual incomes under $32,800 for a family of four, the Bradley proposal will ensure that full premium payments ($1200 per child) are made to the federally-approved health care plan that parents select.
- The subsidy depends only on income. This means that the same subsidy applies to children living in households under $32,800 for a family of four, even if they remain in their parents' employer-sponsored or other kind of insurance coverage.
- For children living in households with annual incomes between $32,800 (for a family of four) and $49,200 (for a family of four), the selected health plan will receive a graduated portion of the full premium payment.
- All health care insurance premiums will be excluded from income, allowing everyone to have a tax break similar to the one provided to people with employer-provided insurance. This will be available whether you itemize or not.

- Children enrolled in Medicaid and/or CHIP will be fully subsidized under this new program.

- A national public-private commission that includes consumers will determine a comprehensive benefits package that will be similar to Medicaid benefits in most States.

The Bradley proposal will guarantee that 84% of the nation's currently 11 million uninsured children will receive either a full or partial subsidy. Parents of the remaining 16% will receive assistance through a tax break.

Second Stage - Adults (19-64)

The Bradley proposal assures access to affordable health care insurance for all adult Americans. The proposal creates new choices for those who are uninsured, those who find it difficult to obtain individual health insurance, the self-employed, or those who are dissatisfied with their current coverage. This proposal reflects the changing face of work and families in America. The keynotes of the proposal are choice and portability. It respects the importance of the employer-based system, while recognizing the increasing need for complementary systems.

> "Bill Bradley's proposal builds upon the best our health care system has to offer and recognizes the weaknesses within it that must be changed. I applaud him for bringing forth a comprehensive proposal when it is not the politically correct thing to do. Once again, he is focusing on the issues that really need attention."
>
> *-- Dr. Ron Anderson, President & CEO, Parkview Memorial Hospital, Dallas, Texas and Chairman, Board of Trustees, Texas Hospital Association*

All adults will have two options for their health care insurance:

- continue to participate in their current coverage,

- or participate, at group rates, in the various private insurance plans currently available to Members of Congress and 9 million federal employees around the country. This is known as the Federal Employees Health Benefits Program (FEHBP). A special needs pool will be established to assist those with greater than usual health care needs.

The Bradley proposal:

- Provides that for all adults with annual incomes below $16,400 (for a family of four) and for all current Medicaid participants, full annual premium payments ($1800 per adult and up to $5000 per family) will be made to the plan selected.

- Provides that for all adults in families with annual incomes between $16,400 and $32,800 (for a family of four), partial premium payments will be made on a graduated basis to the plan selected.

- The subsidy of the adult's out-of-pocket cost of insurance depends only on income. That means it applies to eligible adults whether they obtain insurance through their employer, another means, or with participation in the federal employees program.

- All health care insurance premiums will be excluded from income, allowing everyone to have a tax break similar to

the one provided to people with employer-provided insurance. This will be available whether you itemize or not.

- Retains the employer tax exclusion for health care benefits.
- Fully subsidizes prenatal care for all pregnant women with annual family incomes up to $32,800 (for a family of four).

Third Stage - Medicare - Seniors (65+)

Medicare remains a federal guarantee at age 65. The Bradley proposal offers a new prescription drug benefit and creates a program of community and home-based coordinated care for more seniors. This program, which builds on successful Medicare demonstration projects, integrates medical and social services to help the elderly remain in their homes and communities. With these, family caregivers will no longer have to shoulder their burden alone. States will assume responsibility for institutional long-term care and assisting low-income elderly with their Medicare cost-sharing. The Federal government will maintain support for this effort.

> "Finally, a plan to provide all Americans with access to health care that's economically sound, politically feasible, and consistent with American values. Senator Bradley's life stage approach provides us with a clear and sensible path from where we are to where we need to be. Equally important, he recoginizes that in a mobile world, our public health needs revitalization and strengthening."
>
> -- *John Rodat, President, Signalhealth, Delmar, New York*

The Bradley proposal:

- Adds an optional prescription drug benefit with a $500 deductible, $25 monthly premium and a 25% copay; encourages use of generic drugs whenever appropriate
- Uses pharmacy benefit managers to assure efficiencies and to provide education about the appropriate use of medications
- Expands the opportunities to join community care systems

Public Health/America's Health

The Bradley proposal relies on a broad understanding of what creates health. Many factors are involved. These include genetics, exposure to viruses, toxins and bacteria, environment, behavior and lifestyle, community, even income inequality.

> "The wisest part of the Bradley proposal is its focus on investment in prevention, community-based strategies, and the array of factors that create good health in the first place. Clearly, Bill Bradley understands the issues of health and health care. This is all the more evident in the life stage approach he's developed."
>
> -- *Tyler Norris, Executive Director, Coalition for Healthier Communities, Boulder, Colorado*

The Bradley proposal invigorates the public health system to collaborate with states and local communities to:

- Strengthen the public health infrastructure
- Create healthy environments for the 21st century
- Emphasize health education in traditional and innovative ways with the Internet

Program Costs

Annual total program costs:	$55-65 Billion
(Estimated costs by category)	
Subsidies for premium support:	$38 - 46 Billion
Tax cut:	$5 - 7 Billion
Prescription Drug Benefit:	$10 Billion
Public Health:	$2 Billion

These cost estimates do not include savings from the application of information technologies to medical payments and records or from the appropriate reduction in practice variation. Estimated savings from these and other cost-containment measures in the proposal are $30 billion.

"The Bradley plan is based on reasonable assumptions about the cost of purchasing health insurance through the Federal Employee Health Benefits Program. Some of the attacks on cost have been based on the assumption that the subsidy will cover far more expensive plans than the Senator proposes."

-- Alan M. Garber, M.D., Professor of Medicine, Economics and Health Research and Policy, Stanford University

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Toby Chaudhuri

From: Toby Chaudhuri [toby@flam.net]
Sent: Tuesday, December 07, 1999 2:20 PM
To: Doug Hattaway; Nick Baldick; David Ginsberg
Cc: David Anderson; Parissa Golkar
Subject: Longabaugh Calls for Retraction Misinformed Statements

BRADLEY NEW HAMPSHIRE STATE DIRECTOR CALLS FOR RETRACTION OF MISINFORMED STATEMENTS

December 07 --

(Manchester, NH) Bradley for President New Hampshire State Director Mark Longabaugh today called on state Senators Katie Wheeler and Sylvia Larsen to retract recent statements they have made on Bill Bradley's health care plan, calling them "misinformed."

In a letter to both senators, Longabaugh wrote, "During recent weeks I have been alarmed by statements you have made misleading the public about Bill Bradley's health care plan.... These statements concern me because, knowing that you are both thoughtful legislators, I believe they were made based on false information passed on to you (and the general public) by the Vice President's campaign. In fact, given Senator Wheeler's admission of this fact during our conversation on WSMN radio yesterday, I would like to give you the opportunity to retract your statement at this time."

Longabaugh's four-page letter outlines the most common attacks against Bill Bradley's health care plan, and offers a point-by-point clarification of the facts. The letter comes one day after Senator Wheeler admitted during a radio discussion with Longabaugh on "Between the Lines" with Woody Woodland on WSMN-radio, that her comments were based on information given to her by the Gore campaign.

"It is disingenuous for the Vice President's campaign to attack Bill Bradley for wanting to replace Medicaid," Longabaugh writes. "That is essentially the same thing he supported in 1993. The Clinton/Gore Administration at that time proposed eliminating Medicaid and replacing it with a system that enrolled the poor in private plans. Today, however, the Vice President has walked away from that principle and is attacking it in a cynical attempt to score political points."

Longabaugh also likened the Vice President's attacks to the "Harry and Louise" television advertising campaign waged against the Clinton/Gore plan in 1993. "In this debate, here in New Hampshire, in 1999, the Gore campaign has stooped to Harry and Louise tactics. Recent weeks have seen the Gore campaign resort to an utter fabrication of the facts, and the Vice President knows it. The Bradley plan would give Medicaid recipients better coverage and better access to health care. Since Vice President Gore was the victim of Harry and Louise tactics in 1993, he should know better than to use them himself," Longabaugh wrote.

# # #

Longabaugh's letter follows. For more information, please contact Mo Elleithee at the Bill Bradley for President New Hampshire headquarters at (603) 622-1919.

December 7, 1999

The Honorable Senator Katie Wheeler
The Honorable Senator Sylvia Larsen

State Capitol
Concord, NH 03301

Dear Senators Wheeler and Larsen:

During recent weeks I have been alarmed by statements you have made misleading the public about Bill Bradley's health care plan. You have said that Senator Bradley's plan would eliminate Medicaid and leave "millions of vulnerable people with less protection and fewer benefits." These statements concern me because, knowing that you are both thoughtful legislators, I believe they were made based on false information passed on to you (and the general public) by the Vice President's campaign. In fact, given Senator Wheeler's admission of this fact during our conversation on WSMN radio yesterday, I would like to give you the opportunity to retract your statement at this time.

If you need further evidence, please allow me to clarify the issue for you with the essential facts about Senator Bradley's bold plan to offer access to health care for all Americans.

The Health Care Proposal from Bill Bradley addresses the fact that there are 45 million Americans who are living without health care insurance and, thus, lack dependable access to essential health care services. In fact, just last month, a New Hampshire study showed that 96,000 people in New Hampshire lack health insurance, including 25,000 children, and over 70,000 adults (many of whom do not qualify for Medicaid).

The Bradley plan stresses the issues of portability, affordability, and provides a prescription drug benefit for seniors on Medicare. It gives people the opportunity to enroll in the Federal Employees Health Benefit Program (FEHBP), the same program that Members of Congress are enrolled in. It views health care as a shared priority and encourages individuals, families and communities, the private sector, and government to share the responsibility of improving health and health care.

Allow me to now address some of the misleading statements made by the Vice President's campaign about the plan.

DISTORTION #1: Senator Bradley's health care proposal does not strip Medicaid beneficiaries of the benefits they now have.

It is disingenuous for the Vice President's campaign to attack Bill Bradley for wanting to replace Medicaid. That is essentially the same thing he supported in 1993. The Clinton/Gore Administration at that time proposed eliminating Medicaid and replacing it with a system that enrolled the poor in private plans. Today, however, the Vice President has walked away from that principle and is attacking it in a cynical attempt to score political points.

The current Medicaid system fails the most vulnerable citizens in our society. Over 40% of our nation's poor are unable to enroll in Medicaid. Moreover, those that are able to enroll are offered second-rate care and reduced access as two-thirds of the nation's doctors refuse to treat Medicaid patients. In effect, we have a two-tiered medical system in which people with money receive better care than those without it, while 45 million Americans continue to lack any health insurance.

In fact, the American Academy of Pediatrics and the Century Fund, two non-partisan organizations, have recently released reports advocating that Medicaid be replaced with a system that provides better coverage to more people.

To further illustrate the point, consider this - two years after passage of the Children's Health Insurance Program (CHIP) and three years after welfare reform, fewer children in the 12 states that contain two-thirds of

all uninsured children are enrolled in both the CHIP and Medicaid programs than were enrolled in Medicaid alone in 1996. In fact, right here in New Hampshire, CHIP is failing. There are over 18,000 New Hampshire children who currently qualify for assistance, but have no insurance. Senator Bradley's plan would guarantee coverage for these children --- Al Gore's plan would not.

Bill Bradley's plan is simple. He will replace Medicaid with a stronger system - a system that will provide better coverage to a greater number of people, by allowing them to enroll in the FEHBP. People who are currently on Medicaid will receive the same benefits as now required by the federal government, but will have greater choice in the doctors and programs that provide services to them.

In fact, the plan also creates a Special Needs Fund to as a supplement to ensure that people with disabilities receive the benefits they need. The plan also creates a federal support system for community health centers as a mechanism for promoting health, not just health insurance.

Unfortunately, Al Gore's plan does not guarantee health care for all children. And his plan does nothing to give health care to the thousands of working adults who cannot afford health care but do not qualify for Medicaid.

DISTORTION #2: Bill Bradley does not provide insufficient money for children and Medicaid recipients to buy any policy that currently exists in the FEHBP, forcing them to pay huge out of pocket expenses that they cannot afford.

You made several specific factual errors in your news conference two weeks ago. First, was your claim that there is only one health plan offered as part of the FEHBP in New Hampshire. This is patently false. Besides Harvard Pilgrim, federal employees in New Hampshire also have the option to enroll in several insurance plans, including Mail Handler's Standard - a plan that costs $4,801 a year.

You also incorrectly claimed that the Bradley proposal contained a $5,000 cap on coverage. This is also patently false. There is no $5,000 cap in the Bradley plan. According to the Bradley plan, the $5,000 figure cited for a family of four represents the average cost of providing the full range of federal Medicaid benefits, as estimated by health economists, budget analysts and a skilled health insurance actuary. It is expected that cost of providing benefits will vary from area to area - and will be adjusted accordingly while keeping overall costs within the range anticipated. This is specifically the reason Bradley would establish a private-public commission to establish coverage criteria.

In fact, there are 40 some plans in the FEHBP that fall under the $5,000 figure, providing Medicaid recipients more options and better care than they currently receive.

To tie these points together, you and the Gore campaign have distorted both the current facts about the FEHBP in New Hampshire and what the Bradley health care plan specifically proposes. Under either standard the Bill Bradley would offer access to affordable coverage to the citizens of New Hampshire.

DISTORTION #3: Bill Bradley's plan will not hurt poor people with disabilities by cutting benefits they now receive through Medicaid, particularly harming people with HIV and AIDS.

Once again, the Gore campaign is misrepresenting the facts. The Bradley health proposal sets aside the full amount now spent on the disabled under Medicaid specifically so that their benefits will be protected. The Bradley plan also supplements coverage with a Special Needs Fund, further

demonstrating that people with disabilities have no reason to fear their health services will disappear.

What the Gore campaign also fails to mention is that under the current law, people with HIV, even though they meet all other eligibility criteria, are not considered disabled and are not eligible for services, such as prescription drugs that might prevent their getting full-blown AIDS. They are only eligible if they get AIDS and qualify under other criteria. Senator Bradley's plan would actually increase benefits for these people - he believes that the current system is not only less humane but makes no sense financially since AIDS is more expensive to treat than HIV.

DISTORTION #4: Bill Bradley will spend the entire surplus, leaving no money to protect Medicare or to fund any other program.

The Gore campaign has based this argument on a flawed and biased study by Kenneth Thorpe of Emory University, a former Clinton/Gore official who Emory University has called a former advisor to the Vice President. That analysis artificially inflates the cost of the Bradley proposal, overstates the number of people who are likely to be covered and arbitrarily increases the cost per person of the Bradley proposal.

Senator Bradley's proposal, on the other hand, has been estimated by health economists from Harvard, Stanford, a former Congressional Budget Office analyst, and an actuary from Price Waterhouse Coopers, who have correctly established the price at between $55 and $65 billion.

Additionally, the nonpartisan group Consumers Union has evaluated both the Bradley and Gore proposals, and has rated Senator Bradley's plan higher in 7 out of 8 categories, including commitment to universality, insuring children, Medicare coverage of prescription drugs and realistic cost estimates.

Bill Clinton and Al Gore had the right idea when, during a time when there were record deficits and Social Security was in danger, they promoted universal access to health care. Unfortunately, today, with record surpluses, low unemployment, and a thriving economy, Al Gore has walked away from that commitment.

Bill Bradley believes it is morally unacceptable that 44 million Americans are uninsured during a time of unprecedented prosperity.

As one of your Senate colleagues recently pointed out, the last time we had a debate on universal health insurance in this country was in 1993, when the Clinton-Gore administration put forward its plan. That debate was marred by the infamous "Harry and Louise" ads, which were designed to distort and misrepresent the Clinton-Gore plan.
In this debate, here in NH, in 1999, the Gore campaign has stooped to Harry and Louise tactics. Recent weeks have seen the Gore campaign resort to an utter fabrication of the facts, and the Vice President knows it. The Bradley plan would give Medicaid recipients better coverage and better access to health care. Since Vice President Gore was the victim of Harry and Louise tactics in 1993, he should know better than to use them himself.

The Democratic New Hampshire primary election will present a clear choice between these two candidates. Regardless of whom you support, we think we should be able to agree upon two important principles:

First, assuring that affordable and good quality health care is available to all Americans is a fundamental Democratic principle that all Democrats - especially those running for President--should support and pledge to accomplish.

Second, Democrats should agree to leave negative attacks, distortions and misinformation to the Republicans. I know, as skilled and respected New

Hampshire legislators, that you would never knowingly resort to this type of distortion, and that your comments were based on the misinformation given to you by the Gore campaign. I trust that with this clarification, you will no longer continue these attacks on Senator Bradley's plan, and I would once again offer you this opportunity to retract your comments.

Warmest regards,

Mark Longabaugh
New Hampshire State Director
Bill Bradley for President

Paid for and authorized by Bill Bradley for President Committee.

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From: Toby Chaudhuri [toby@fiam.net]
Sent: Tuesday, December 07, 1999 2:22 PM
To: Doug Hattaway; Nick Baldick; David Ginsberg
Cc: David Anderson; Parissa Golkar
Subject: BB: JUST THE FACTS --- Gore's Distortion of the Record: His Own and Bill Bradley's

JUST THE FACTS --- Al Gore's Distortion of the Record: His Own and Bill Bradley's

December 07 --

Bill Bradley
For President

JUST THE FACTS
Al Gore's Distortion of the Record: His Own and Bill Bradley's

(1) Gore Distortion: Gore charges that Bill Bradley voted to take funds away from public schools and give them to private schools.
-- In an appearance in New Hampshire, Gore charged that "for 18 years, the former New Jersey senator had voted to siphon funds from public schools to private ones." [Baltimore Sun, 12/6/99]

Fact:
-- In 1992, Senator Bradley voted to authorize $30 million in entirely new funding for a six-city experiment with school choice for low-income students. In his statement at the time, Bradley said, "If this amendment were much different than it is, I would not be able to support it," going on to list five specific conditions under which he would consider a voucher experiment, including anti-discrimination provisions that he had demanded, and the fact that "the funding will be new money and will not cut into our other investments in education." [S Amdt. #1476, Vote #5, 1/23/92; Bradley Floor Statement, Congressional Record, 1/23/92]
-- In 1994, Senator Bradley voted for an identical amendment sponsored by Senator Lieberman, which also authorized $30 million in new funding for six cities. At that time, he put forward the same set of conditions, including that the amendment authorize new funding beyond the existing authorization for public school programs. He also reaffirmed his "commitment to systematic reform in our public schools," and noted, "I support full funding for every public program that works for kids, including Head Start and Chapter 1 [now Title I]." [S Amdt. #1386, Vote #25, 2/8/94; Bradley Floor Statement, Congressional Record, 2/8/94]
-- Also in 1994, Senator Bradley voted for an amendment intended to allow parents of students in schools plagued by severe violence to consider other options. Like the earlier provisions, it would have authorized $30 million in entirely new money. It differed from the previous two amendments only in that it concentrated on helping students escape violent situations and it would have allowed up to 20 grants, rather than just six. [S Amdt. #2417, Vote #238, 7/27/94]
-- In 1996, Senator Bradley voted twice to end a filibuster on the District of Columbia appropriations bill, which included an appropriation of $5 million in altogether new money for the District to establish an experimental voucher program of its own design. The money would have been entirely new, an addition to the President's request and an increase over the previous year's appropriation for the District. [H.R. 2546, Vote #23, 3/5/96; Vote #25, 3/12/96]
-- These five votes were the only occasions on which Senator Bradley supported an experiment with vouchers, and all of them would have fully protected funding for public schools.

Gore Distortion: Bill Bradley's health care plan will eliminate federal nursing home standards.
-- "Ordering an aide to fetch a copy of Bradley's plan, Gore then read from the section affecting long-term care. 'If he does that the national nursing home standards are GONE!' Gore said, his voice rising. Then, using more hushed tones as he theatrically drew his hand across his throat, he added, 'And to use a gesture banned in the NFL [National Football League], the nursing home standards are gone." [Washington Post, 12/6/99]

Fact: Under the Bradley health care plan, Health Care Financing Administration would continue to enforce federal nursing home standards.
-- Even Gore analyst Kenneth E. Thorpe concedes that the standards will be there: "The [Bradley] proposal retains the current Medicaid funding arrangements between the federal government and the states for institutional and long-term care." These funding arrangements incorporate the federal standards for nursing homes, the spousal impoverishment rule and the other provisions that Gore contends would be 'undermined' or 'eliminated.'" [Ken Thorpe, "New Estimates of the Federal Costs and Numbers of Newly Insured in Senator Bradley's Health Insurance Proposal," 11/8/99, www.emory.edu]

(2) Gore Distortion: Gore discovered Love Canal.
-- Al Gore said, "I found a little place in upstate New York called Love Canal. I had the first hearing on the issue and Toona, Tenn. But I was the one that started it all." [New York Times, 12/1/99]

Fact: Gore did not discover Love Canal. It had been declared a disaster area two months before Gore held his first hearing.
-- "Gore held congressional hearings on the matter in October 1978. But two months earlier President Jimmy Carter had declared Love Canal a disaster area, and the federal government, after much howling by local residents, had offered to buy the homes." [New York Times, 12/1/99]

(3) Gore Distortion: Gore cosponsored the McCain-Feingold campaign finance reform bill.
-- Al Gore "noted that he had backed a sweeping campaign finance bill sponsored by Senators John McCain, Republican of Arizona and Russell D. Feingold, Democrat of Wisconsin. 'Unlike Senator Bradley, I was a cosponsor of it,' Gore said..." [New York Times, 11/24/99]

Fact: Gore not only did not, but could not have cosponsored McCain-Feingold.
-- Russ Feingold was not elected until 1992. Al Gore quit the Senate in 1992 to become Vice President. FEINGOLD AND GORE NEVER SERVED TOGETHER. In 1991-1992, Bradley cosponsored S 3, which was the campaign finance reform bill that passed both houses of Congress and was vetoed by President Bush. Al Gore was NOT a cosponsor of this bill. [thomas.loc.gov, S 3, 102nd Congress]
-- Gore also did NOT cosponsor S Amdt. 259, which was the Kerry amendment that provided 90 percent public financing for elections. Bill Bradley WAS a cosponsor of this amendment. In fact, Gore cosponsored no campaign finance reform legislation in the 102nd Congress. [thomas.loc.gov, S Amdt 259, Vote #74, 1991; thomas.loc.gov]

(4) Gore Distortion: Al Gore has always supported the death penalty.
-- "Defending his position on the death penalty, Gore said 'I've always supported it because I think society has a right to make judgments about when that ultimate penalty might be applied.'" [Associated Press, 11/19/99]

Fact: In Minnesota, the Gore campaign touted the fact that he opposed the death penalty.
-- "Bill Bradley voted for the death penalty in 1990. Al Gore voted against the death penalty." [Gore 2000 literature piece]

Fact: Gore voted against the death penalty 10 times as a Senator.
-- Gore voted against the death penalty for drug related killings. [Vote #175, 6/10/88]
-- Gore supported limiting for the death penalty for drug related killings. [Vote #174, 6/10/88]
-- Gore voted against ending debate on the measure to impose the death penalty on drug kingpins. [Vote #172, 6/9/88]
-- Gore supported substituting mandatory life imprisonment for the death penalty for drug related killings. [Vote #174, 6/9/88]
-- Gore voted to kill a proposal to impose the death penalty for drug related killings. [Vote #142, 5/16/88]
-- Gore voted to substitute life imprisonment for the death penalty for terrorists. [Vote #274, 10/26/89]. Note: When the amendment failed, Gore then voted for the death penalty for terrorists.
-- Gore voted against the death penalty for a death that occurs from a civil rights violation. [Vote #141, 6/28/90]
-- Gore voted against the death penalty for drug kingpins. [Vote #140, 6/28/90]
-- Gore voted to substitute life imprisonment for the death penalty for terrorists. [Vote #12, 2/20/91]. Note: When the amendment failed, Gore then voted for the death penalty for terrorists.
-- Gore voted against the death penalty for gun crimes. [Vote #109, 6/26/91]

(5) Gore Distortion: Bill Bradley hired the advertising executive who created Joe Camel.
-- On the Gabe Pressman show, Gore accused Bill Bradley of hiring the ad executive who created the Joe Camel ads: "The fellow who works for me severed all connections to an advertising account which wasn't designed to sell cigarettes, but a point of view. I plead guilty to having him work for me. He's been my friend for almost 30 years, but I plead guilty to a lesser offense. And I think a lot of these people who are professionals have at one time or another had accounts that I don't agree with. I'm glad he wasn't the creator of Joe Camel; I'll say that. Somebody, that's the other guy." [Gabe Pressman, WNBC-TV, 11/21/99]

Fact: Alex Kroll and Young and Rubicam did not create Joe Camel.
-- The character created by a British artist in 1974 for a French advertising campaign that was used in other countries. [New York Times, 12/12/91]
-- Joe Camel first appeared in this country in 1988 in materials created for the 75th anniversary by Trone Advertising of Greensboro, NC. [New York Times, 12/12/91]
-- The logo was designed by the brand's ad agency at the time, McCann-Erickson of New York. [New York Times, 12/12/91; Associated Press, 7/27/89]
-- Young and Rubicam served as the ad agency for Camel from 10/31/89 until 1991, after the character had been created. [New York Times, 12/12/91; Associated Press, 7/27/89; Associated Press, 10/14/91]

(6) Gore Distortion: Gore authored the EITC.
-- Gore: "[Bradley's proposals were] an old-style approach that spends a lot of money but doesn't have any new ideas. [He proposes] the expansion of the Earned Income Tax Credit. I was the author of that proposal. I wrote that, so I say, welcome aboard. That is something for which I have been the principal proponent for a long time." [Time, 11/1/99]

Fact: Gore did not author the EITC.
-- According to the Center on Budget and Policy Priorities, the Earned Income Tax Credit was in enacted in 1975, and started by the Ford Administration. Al Gore was first elected to the U.S. House of Representatives in 1976, and the Almanac of American Politics lists Gore's profession from 1971 to 1976 as a subdivision business operator. [Center for Budget and Policy Priorities, "New Research Findings on the Effects of

the EITC", 3/11/98; Almanac of American Politics, p. 1107]
-- In Congress, Al Gore voted against raising the EITC to 15 percent. [CQ Vote #362, 10/11/88]

(7) Gore Distortion: Al Gore has always been pro-choice.
-- Al Gore: "I've always supported a woman's right to choose." ["This Week", ABC-TV, 10/31/99]
-- In a May interview with WomenConnect Politics Daily, Gore 2000 Deputy Chair Marla Romash denied that Gore had ever flip-flopped on the abortion issue, saying that Gore "has always, always protected and supported a woman's right to choose."

Fact: Al Gore has not always been pro-choice.
-- As a member of the House of Representatives from 1977 to 1984, Al Gore supported the position taken by the National Right to Life Committee 84 percent of the time. [National Right to Life Committee Vote Ratings, 1977-1984]
-- Al Gore Opposed Federal Funding for Abortion: "It is quite correct that a position like mine in opposition to the federal funding of abortion results in unequal access to abortions on the part of poor women. Nevertheless, I feel the principle of the government not participating in the taking of what is arguably human life is more important." [Washington Monthly, 11/86]
-- Al Gore: "I have not supported direct federal funding of abortion. I understand that for many people this raises a serious question of equality of access. I understand fully. The financial barriers to the procedure have been lowered significantly from what they once were but barriers still remain." [Des Moines Register, 9/27/87]
-- Gore voted 19 times against federal or local DC funding for abortion. [CQ Vote #466, passed 238-182, 8/2/77; CQ Vote #550, defeated 164-252, 9/27/77; CQ Vote #596, passed 263-142 10/12/77; CQ Vote #675, failed 172-193, 11/3/77; CQ Vote #603, failed 163-234 10/13/77; CQ Vote #681, failed 172-193, 11/3/77; CQ Vote #696, failed 172-193, 11/3/77; CQ Vote #701, failed 172-193, 11/3/77; CQ Vote #382, failed 198-212, 6/13/78; CQ Vote #584, passed 226-163, 8/9/78; CQ Vote #790, failed 188-216, 10/12/78; CQ Vote #815, passed 198-195, 10/14/78; CQ Vote #270, failed 180-241, 6/27/79; CQ Vote #487, failed 162-234, 10/9/79; CQ Vote #550, failed 187-219, 10/30/79; CQ Vote #630, Passed 217-169, 12/6/79; CQ Vote #452, Failed 182-192, 9/3/80; CQ Vote #274, Motion to table rejected 46-46, 10/24/85; CQ Vote #334, Passed 231-184, 9/22/83]

(8) Gore Distortion: Gore says his vote to define a fetus as a person from the moment of conception is a procedural vote.
-- Cokie Roberts: "Can I just follow up on that in terms of the Civil Rights Act. Back in July of 1984, when you were in the House of Representatives, you voted for an amendment that would put unborn children from the moment of conception as persons under the Civil Rights Act to be protected under the Civil Rights Act. Would you vote that way today?" Gore: "First of all, that was a procedural vote in the House." ["This Week", ABC-TV, 10/31/99]

Fact: Gore voted to define a fetus as person from the moment of conception.
-- In 1984, Gore voted on an amendment to the Civil Rights Act of 1984. The amendment stated that for the purposes of this act, "the term 'person' shall include unborn children from the moment of conception." [CQ Vote #242, 6/29/84]
-- The Congressional Quarterly Almanac describes the votes as follows: "242. HR 5490. Civil Rights Act of 1984. Siljander, R-Mich. amendment to define the world 'person' under the Age Discrimination Act of 1975 to include unborn children from the moment of conception. Rejected 186-219; R 112-40; D 74-179 (ND 40-127, SD 34-52)." [1984 CQ Almanac, p 76-H]
-- As presidential candidate in 1988, Gore denied his vote: When asked about this vote on "Meet the Press" in February of 1988, Gore denied his vote saying, "No, no, I did not. I have never supported restrictions on the

ability of the woman to make a choice in having an abortion." [Transcript, "Meet the Press", NBC 2/21/88]
-- Gore Strategy = "Deny, Deny, Deny": According to a Gore campaign strategist, when the Gore campaign had to confront Gore's anti-choice record, their choice was to deny it. A Gore strategist said, "Since there's a record of that vote, we only have one choice. In effect, what we have to do is deny, deny, deny." [US News and World Report, 3/7/88]

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Bill Bradley
for President

Economic Advisers Find That Bradley Plan Extends Insurance Coverage to 30 Million

December 17 -- In a report released today, three economic advisers to Democratic presidential candidate Bill Bradley conclude that the Bradley plan insures 30 million new people while the Gore proposal only expands insurance coverage by 7 million. The report, released by the Bradley campaign in New Hampshire, also finds that the Bradley plan covers an additional 11 million children while the Gore proposal reaches only 1.6 million uninsured children.

"This report validates the fact that Al Gore and I have very different goals on health care, and very different proposals. I cover all children. He does not. I broaden access to all Americans. He does not. I help millions of hard-working Americans pay for the health insurance they have. He does not. I give the poor on Medicaid something better. He perpetuates a two-tiered health system that stigmatizes low-income people," Bradley said.

"Leadership is about having a big idea and never losing sight of it," he said.

The report released today was prepared by Harvard University economics professor David Cutler, Stanford University Health Research and Policy Director Alan Garber, and Neal Masia, Director of Strategic Planning at ChannelPoint Inc. All three were advisers to Bradley on his health care proposal.

The report also points out several flaws with an earlier analysis by Ken Thorpe, a former adviser to the Gore campaign. For instance, the report states that Thorpe did not account for the mandate that parents cover their children, he underestimated the number of low-income adults who will take advantage of the Bradley subsidy, and he overestimates the number of children who will be covered by outreach and expansion of the Children's Health Insurance Program in the Gore plan.

Finally, the report concludes that Bradley's proposal will be far more effective than the Gore plan in increasing the number of people with health insurance for the following reasons: greater choice and more simplicity in the FEHBP, lower administrative and therefore lower premium costs through FEHBP, automatic enrollment under the Bradley plan for those who qualify full subsidy (unless they choose otherwise), and direct tax credits to individuals without the need for employer action.

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Bill Bradley
for President

Newly Insured Americans under the Health Care Proposals of Bill Bradley and Al Gore

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This paper summarizes the expected number of newly insured people under the proposals of Senator Bradley and Vice President Gore. The summary estimate is as follows:

Bradley Plan: -- 30 million newly insured
Gore Plan: -- 7 million newly insured

BRADLEY PLAN

The Bradley Plan has several features that will increase insurance coverage. Table 1 summarizes these aspects of the plan. The specific features differ among the following four groups of people:

1. Children

All parents are required to obtain insurance for their children. This mandate is coupled to: (a) universal access to insurance purchased through the Federal Employees Health Benefits Program (FEHBP); (b) a universal tax exclusion for health insurance premiums; (c) and subsidies for children from families whose incomes are 300% of poverty level or below.

The Bradley Plan would cover all of the 11.1 million currently uninsured children.

2. Adults with incomes below the poverty line

Full subsidies are provided to adults with income below the Federal poverty line.

There are 8.1 million uninsured adults who have incomes that fall below the poverty line. They qualify for a full subsidy. Under the Bradley plan, these subsidies would be sent directly to insurers. Adults who qualify for the full subsidy and do not choose a specific

health plan would automatically be enrolled into a default plan. Thus, coverage would effectively be universal for this population. To be conservative, it is assumed that takeup among this population is only 95 percent. This results in additional coverage for 7.7 million people.

3. Adults with income between the poverty line and twice the poverty line

Partial subsidies, a tax exclusion, and the ability to purchase through FEHBP are provided to adults with incomes between 100% and 200% of the federal poverty line.

There are 8.9 million uninsured adults with income between the poverty line and twice the poverty line. These individuals qualify for a partial subsidy that phases out as income rises from the poverty line to 200% of poverty. They also receive a tax exclusion for the purchase of insurance, and will be able to purchase insurance through the FEHBP, which has greater variety and a lower administrative load than the private and small group policies that are the only options currently available for many of these individuals. We assume that two-thirds of these individuals, or 5.9 million individuals, will take up coverage.

4. Adults with incomes more than twice as great as the poverty line

The tax exclusion and the ability to purchase through FEHBP are available to adults with income exceeding 200% of the federal poverty line.

There are 15.7 million uninsured adults whose incomes are more than twice the poverty line. These people will receive the tax exclusion on purchase of insurance and have the option to purchase through FEHBP, with lower administrative expense and greater choice of plans than is currently available to many of them. In addition, some of these individuals are children living in their parent's home (or with other relatives) who will now be eligible for coverage as dependents under their parents' policies. We assume that 1/3 of these individuals, or 5.2 million, will receive coverage.

The total number of people who will be newly insured under the Bradley plan is the sum of the numbers from each of these four groups, or 29.9 million people.

GORE PLAN

The Gore Plan use three mechanisms to increase insurance coverage, as summarized in Table 2.

1. States are allowed to extend eligibility for CHIP to 250 percent of poverty

Because states are not required to extend eligibility, it is impossible to know how many states will take this up. It is likely that many will not; 17 states do not cover children up to the maximum possible (200 percent) today.[1] If they do not take advantage of the existing program provisions, raising the eligibility ceiling to 250 percent of poverty should not give them any further reason to expand the CHIP program. Thus it would be very optimistic to assume that all states extend CHIP to 250 percent of poverty. If they did, this feature would make about 1 million children newly eligible for insurance.

Even with state cooperation, not all of the newly eligible children would be enrolled in the program. Estimates from the Medicaid expansions and CHIP program features suggest that a takeup rate of less than 50% is expected. Some of these newly-insured children (as many as one-half) will have been insured privately

prior to the CHIP expansion, and will thus not reduce the number of uninsured. To estimate an upper range of new coverage, we assume that the takeup rate will be 50%, with no substitution from private to public coverage. This yields an estimate of new enrollment of about 0.5 million.

2. Medicaid and CHIP eligibility is extended to adults when children are eligible

There are 3.3 million uninsured adults with incomes below 250 percent of poverty whose children are currently enrolled in Medicaid or CHIP. Not all of these parents will enroll in the new program. Estimates in the literature suggest that a CHIP expansion might insure 80 percent of eligible adults. [2] These estimates imply that the extension of adult eligibility will lead to 2.6 million newly insured parents.

Some parents of the newly eligible children will also enroll in the program. We assume there is one new parent enrolled for each new child enrolled (some children are from the same family; some families have only one adult). This yields 0.5 million new parents with insurance.

3. Increase outreach efforts for children and adults eligible but not enrolled in Medicaid and CHIP

Many children and adults eligible for Medicaid/CHIP do not choose to enroll in the program. The Gore plan states that it would increase outreach efforts to enroll these groups, although it does not describe how outreach would be conducted. It also proposes additional financial inducements for states to cover these children. Since many states already receive close to 100 percent Federal subsidies for their Medicaid and CHIP programs, it is unclear how effective the unspecified financial incentives would be. To account for the effects of increased outreach, it is assumed that these efforts will result in the enrollment of 0.5 million new children and parents.

4. Medicare buy-in for people 55-64 and Medicare/Medicaid buy-in for the disabled

Consistent with the CBO, these policies are assumed to cover 0.6 million people.

5. Tax credits for small firms and individuals

The Gore plan includes: (a) a 25 percent refundable tax credit for people lacking access to employer-based health insurance who purchase coverage in the individual market; and (b) a 25 percent tax credit for premium costs for each employee of a small business that joins a "purchasing coalition." Net of the other initiatives, there are 39 million people to whom these options would apply.

Analysts have highlighted three aspects of program design that influence how many people enroll in a health insurance plan: price and income; barriers to enrollment, such as the ease of obtaining benefits; and cash flow and uncertainty.[3] The response to this policy is likely to be lower than to the Bradley proposals, for each of the following reasons.

First, the subsidies are less generous than the Bradley proposal. The Gore Plan's refundable tax credit is modest and does not even reach the level of the tax credits that recent legislation has made available to the self-employed. Second, insurance policies sold to individuals are as much as 35 percent more expensive and are less generous than FEHBP policies.[4] Individual insurance purchasers rarely have a range of choices as extensive as those offered through FEHBP. Third, the active effort required to enroll in an individual plan and to obtain the tax credit is a major barrier that

will discourage many from taking advantage of the tax credit by obtaining insurance. Fourth, the FEHBP is more familiar to people than the individual market and has government backing, leading to less uncertainty about benefits. Fifth, there are few purchasing alliances or coalitions today, and they might not be available to most of the uninsured.

Estimates from the Institute for Health Policy Solutions indicate that fewer than 350,000 people are insured through purchasing alliances today, compared to nine million people insured through the FEHBP. To estimate the effects of this policy on coverage, we assume that for every 10 percent reduction in insurance price, 2.5 percent more people enroll in coverage. This increases coverage by 2.5 million people.

The total estimated effect of the Gore Plan would be to increase coverage by 7.2 million people.

COMPARISON WITH OTHER ESTIMATES

These estimates differ from the Kenneth Thorpe numbers cited by the Gore campaign in several ways:

1. The Thorpe estimate does not account for the mandate that parents cover their children. This increases the number of children to be insured by 5 million.

2. The Thorpe estimate assumes that only 75 percent of adults eligible for a full subsidy will take up the subsidy. As noted above, the Bradley plan proposes universal coverage of this group by choosing a default plan for those who do not elect a plan on their own. As such, the Bradley plan will at minimum insure 95 percent of this population. This increases the number of insured adults by 2 million.

3. The Thorpe estimate is that 4.8 million children will be covered by the CHIP expansion and outreach efforts. About 7 million children who are currently eligible for Medicaid/CHIP are not enrolled, and an additional one million would be made newly eligible under the Gore proposal. With a 50% expected enrollment rate, only 0.5 million additional children (50% of the additional one million eligible children) could be expected to enroll under the proposed CHIP expansion. Consequently, to be consistent with Thorpe's estimates, the outreach efforts would need to produce 4.3 million additional enrollees, the vast majority of whom come from the pool of children who are already eligible but not enrolled. Enrollment at these rates would exceed estimates of enrollment even for the poorest of families that receive cash benefits as well as Medicaid.

4. The Thorpe estimate assumes that current definitions of health insurance units remain in place, but the Bradley plan proposes to change this. This change will make it possible for adult children and other relatives residing in a single family to be covered through that family's policy. This will increase the number of adult children and other adults covered by making it possible for them to obtain coverage at little or no incremental cost to the family. The net effect of this policy is several million newly covered people.

5. The Thorpe estimate assumes that the features of the Gore and Bradley plans will promote the purchase of insurance by about the same amount, given equal dollar subsidies. In fact, the Bradley plan is likely to be more effective at increasing insurance enrollments, for five reasons:
    1. the Bradley plan will automatically enroll individuals who qualify for the full subsidy in a health plan, unless they choose otherwise;

2. the FEHBP option in the Bradley plan is more familiar and more easily accessible than the individual market or the yet-to-be-created purchasing pools for small firms in the Gore proposal, reducing uncertainty about benefits;
3. administrative costs and thus premiums will be lower in the FEHBP than the individual market, by as much as 35 percent;
4. the range of choices in the FEHBP is greater than people can receive in the individual market;
5. and the Bradley proposal gives the tax credit to individuals, so no employer action is needed to activate any part of the subsidy.

---

[1] Frank Ullman, Ian Hill, and Ruth Almeida, "CHIP: A Look at Emerging State Programs", Washington, D.C.: The Urban Institute, September 1999.

[2] The number of uninsured and takeup rates are discussed in Judith Feder, Cori Uccello, and Ellen O'Brien, "The Difference Different Approaches Make: Comparing Proposals to Expand Health Insurance", Kaiser Family Foundation, October 1999.

[3] Judith Feder, Cori Uccello, and Ellen O'Brien, "The Difference Different Approaches Make: Comparing Proposals to Expand Health Insurance", Kaiser Family Foundation, October 1999.

[4] Congressional Research Service, Costs and Effects of Extending Health Insurance Coverage, Washington, D.C.: Library of Congress, 1988.

Table 1: Estimates of New Coverage Under the Bradley Plan	
Children: Subsidies and insurance mandate	11.1 million
Children, Total	**11.1 million**
Adults: Below poverty	7.7 million
Between poverty and twice poverty	5.9 million
Above twice poverty	5.2 million
Adults, Total	**18.8 million**
Total	**29.9 million**

Table 2: Estimates of New Coverage Under the Gore Plan	
Children: Extend CHIP to 250 percent of poverty	0.5 million
Tax subsidies for individuals/small firms	0.6 million
Increased outreach	0.5 million
Children, Total	**1.6 million**
Adults: Extend eligibility for Medicaid/CHIP	2.6 million
Parents of newly eligible children	0.5 million
Medicare/Medicaid buy-in for disabled and People 55-64	0.6 million
Tax subsidies for individuals/small firms	1.9 million
Adults, Total	**5.6 million**
Total	**7.2 million**

Table 3. Newly Insured and Remaining Uninsured Under Status Quo, Gore Plan, and Bradley Plan			
Plan	**Status Quo**	**Gore**	**Bradley**
Newly Insured	--	7 million	30 million
Remaining Uninsured	44 million	37 million	14 million
Total Insured,	224 million	231 million	254 million
Percentage of Population Insured	84%	86%	95%

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Many children and adults eligible for Medicaid/CHIP do not choose to enroll in the program. The Gore plan states that it would increase outreach efforts to enroll these groups, although it does not describe how outreach would be conducted. It also proposes additional financial inducements for states to cover these children. Since many states already receive close to 100 percent Federal subsidies for their Medicaid and CHIP programs, it is unclear how effective the unspecified financial incentives would be. To account for the effects of increased outreach, it is assumed that these efforts will result in the enrollment of 0.5 million new children and parents.

4. Medicare buy-in for people 55-64 and Medicare/Medicaid buy-in for the disabled

Consistent with the CBO, these policies are assumed to cover 0.6 million people.

5. Tax credits for small firms and individuals

The Gore plan includes: (a) a 25 percent refundable tax credit for people lacking access to employer-based health insurance who purchase coverage in the individual market; and (b) a 25 percent tax credit for premium costs for each employee of a small business that joins a "purchasing coalition." Net of the other initiatives, there are 39 million people to whom these options would apply.

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First, the subsidies are less generous than the Bradley proposal. The Gore Plan's refundable tax credit is modest and does not even reach the level of the tax credits that recent legislation has made available to the self-employed. Second, insurance policies sold to individuals are as much as 35 percent more expensive and are less generous than FEHBP policies.[4] Individual insurance purchasers rarely have a range of choices as extensive as those offered through FEHBP. Third, the active effort required to enroll in an individual plan and to obtain the tax credit is a major barrier that

will discourage many from taking advantage of the tax credit by obtaining insurance. Fourth, the FEHBP is more familiar to people than the individual market and has government backing, leading to less uncertainty about benefits. Fifth, there are few purchasing alliances or coalitions today, and they might not be available to most of the uninsured.

Estimates from the Institute for Health Policy Solutions indicate that fewer than 350,000 people are insured through purchasing alliances today, compared to nine million people insured through the FEHBP. To estimate the effects of this policy on coverage, we assume that for every 10 percent reduction in insurance price, 2.5 percent more people enroll in coverage. This increases coverage by 2.5 million people.

The total estimated effect of the Gore Plan would be to increase coverage by 7.2 million people.

COMPARISON WITH OTHER ESTIMATES

These estimates differ from the Kenneth Thorpe numbers cited by the Gore campaign in several ways:

1. The Thorpe estimate does not account for the mandate that parents cover their children. This increases the number of children to be insured by 5 million.

2. The Thorpe estimate assumes that only 75 percent of adults eligible for a full subsidy will take up the subsidy. As noted above, the Bradley plan proposes universal coverage of this group by choosing a default plan for those who do not elect a plan on their own. As such, the Bradley plan will at minimum insure 95 percent of this population. This increases the number of insured adults by 2 million.

3. The Thorpe estimate is that 4.8 million children will be covered by the CHIP expansion and outreach efforts. About 7 million children who are currently eligible for Medicaid/CHIP are not enrolled, and an additional one million would be made newly eligible under the Gore proposal. With a 50% expected enrollment rate, only 0.5 million additional children (50% of the additional one million eligible children) could be expected to enroll under the proposed CHIP expansion. Consequently, to be consistent with Thorpe's estimates, the outreach efforts would need to produce 4.3 million additional enrollees, the vast majority of whom come from the pool of children who are already eligible but not enrolled. Enrollment at these rates would exceed estimates of enrollment even for the poorest of families that receive cash benefits as well as Medicaid.

4. The Thorpe estimate assumes that current definitions of health insurance units remain in place, but the Bradley plan proposes to change this. This change will make it possible for adult children and other relatives residing in a single family to be covered through that family's policy. This will increase the number of adult children and other adults covered by making it possible for them to obtain coverage at little or no incremental cost to the family. The net effect of this policy is several million newly covered people.

5. The Thorpe estimate assumes that the features of the Gore and Bradley plans will promote the purchase of insurance by about the same amount, given equal dollar subsidies. In fact, the Bradley plan is likely to be more effective at increasing insurance enrollments, for five reasons:
    1. the Bradley plan will automatically enroll individuals who qualify for the full subsidy in a health plan, unless they choose otherwise;

2. the FEHBP option in the Bradley plan is more familiar and more easily accessible than the individual market or the yet-to-be-created purchasing pools for small firms in the Gore proposal, reducing uncertainty about benefits;
3. administrative costs and thus premiums will be lower in the FEHBP than the individual market, by as much as 35 percent;
4. the range of choices in the FEHBP is greater than people can receive in the individual market;
5. and the Bradley proposal gives the tax credit to individuals, so no employer action is needed to activate any part of the subsidy.

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Table 2: Estimates of New Coverage Under the Gore Plan	
Children: Extend CHIP to 250 percent of poverty	0.5 million
Tax subsidies for individuals/small firms	0.6 million
Increased outreach	0.5 million
Children, Total	**1.6 million**
Adults: Extend eligibility for Medicaid/CHIP	2.6 million
Parents of newly eligible children	0.5 million
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Total Insured,	224 million	231 million	254 million
Percentage of Population Insured	84%	86%	95%

Newly Insured Americans under the Health Care Proposals of Presidential Candidates Bill Bradley and Al Gore

David M. Cutler, Ph.D.
Professor of Economics
Harvard University

Alan M. Garber, M.D., Ph.D.
Professor of Medicine, Economics, and
Health Research and Policy
Director, Center for Health Policy
Stanford University

Neal A. Masia, Ph.D.
Director, Strategic Planning
ChannelPoint, Inc.

This paper summarizes the expected number of newly insured people under the proposals of Senator Bradley and Vice President Gore. The summary estimate is as follows:

Bradley Plan:	30 million newly insured
Gore Plan:	7 million newly insured

BRADLEY PLAN

The Bradley Plan has several features that will increase insurance coverage. Table 1 summarizes these aspects of the plan. The specific features differ among the following four groups of people:

1. Children

All parents are required to obtain insurance for their children. This mandate is coupled to: (a) universal access to insurance purchased through the Federal Employees Health Benefits Program (FEHBP); (b) a universal tax exclusion for health insurance premiums; (c) and subsidies for children from families whose incomes are 300% of poverty level or below.

The Bradley Plan would cover all of the 11.1 million currently uninsured children.

2. Adults with incomes below the poverty line

Full subsidies are provided to adults with income below the Federal poverty line.

There are 8.1 million uninsured adults who have incomes that fall below the poverty line. They qualify for a full subsidy. Under the Bradley plan, these subsidies would be sent directly to insurers. Adults who qualify for the full subsidy and do not choose a specific health plan would automatically be enrolled into a default plan. Thus, coverage would effectively be universal for this population. To be conservative, it is assumed that takeup among this population is only 95 percent. This results in additional coverage for 7.7 million people.

3. Adults with income between the poverty line and twice the poverty line

Partial subsidies, a tax exclusion, and the ability to purchase through FEHBP are provided to adults with incomes between 100% and 200% of the federal poverty line.

There are 8.9 million uninsured adults with income between the poverty line and twice the poverty line. These individuals qualify for a partial subsidy that phases out as income rises from the poverty line to 200% of poverty. They also receive a tax exclusion for the purchase of insurance, and will be able to purchase insurance through the FEHBP, which has greater variety and a lower administrative load than the private and small group policies that are the only options currently available for many of these individuals. We assume that two-thirds of these individuals, or 5.9 million individuals, will take up coverage.

4. Adults with incomes more than twice as great as the poverty line

The tax exclusion and the ability to purchase through FEHBP are available to adults with income exceeding 200% of the federal poverty line.

There are 15.7 million uninsured adults whose incomes are more than twice the poverty line. These people will receive the tax exclusion on purchase of insurance and have the option to purchase through FEHBP, with lower administrative expense and greater choice of plans than is currently available to many of them. In addition, some of these individuals are children living in their parent's home (or with other relatives) who will now be eligible for coverage as dependents under their parents' policies. We assume that 1/3 of these individuals, or 5.2 million, will receive coverage.

The total number of people who will be newly insured under the Bradley plan is the sum of the numbers from each of these four groups, or 29.9 million people.

GORE PLAN

The Gore Plan use three mechanisms to increase insurance coverage, as summarized in Table 2.

1. States are allowed to extend eligibility for CHIP to 250 percent of poverty

Because states are not *required* to extend eligibility, it is impossible to know how many states will take this up. It is likely that many will not; 17 states do not cover children up to the maximum possible (200 percent) today.[1] If they do not take advantage of the existing program provisions, raising the eligibility ceiling to 250 percent of poverty should not give them any further reason to expand the CHIP program. Thus it would be very optimistic to assume that all states extend CHIP to 250 percent of poverty. If they did, this feature would make about 1 million children newly eligible for insurance.

Even with state cooperation, not all of the newly eligible children would be enrolled in the program. Estimates from the Medicaid expansions and CHIP program features suggest that a takeup rate of less than 50% is expected. Some of these newly-insured children (as many as one-half) will have been insured privately prior to the CHIP expansion, and will thus not reduce the number of uninsured. To estimate an upper range of new coverage, we assume that the takeup rate will be 50%, with no substitution from private to public coverage. This yields an estimate of new enrollment of about 0.5 million.

2. Medicaid and CHIP eligibility is extended to adults when children are eligible

There are 3.3 million uninsured adults with incomes below 250 percent of poverty whose children are currently enrolled in Medicaid or CHIP. Not all of these parents will enroll in the new program. Estimates in the literature suggest that a CHIP expansion might insure 80 percent of eligible adults.[2] These estimates imply that the extension of adult eligibility will lead to 2.6 million newly insured parents.

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3. **Increase outreach efforts for children and adults eligible but not enrolled in Medicaid and CHIP**

Many children and adults eligible for Medicaid/CHIP do not choose to enroll in the program. The Gore plan states that it would increase outreach efforts to enroll these groups, although it does not describe how outreach would be conducted. It also proposes additional financial inducements for states to cover these children. Since many states already receive close to 100 percent Federal subsidies for their Medicaid and CHIP programs, it is unclear how effective the unspecified financial incentives would be. To account for the effects of increased outreach, it is assumed that these efforts will result in the enrollment of 0.5 million new children and parents.

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Consistent with the CBO, these policies are assumed to cover 0.6 million people.

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Analysts have highlighted three aspects of program design that influence how many people enroll in a health insurance plan: price and income; barriers to enrollment, such as the ease of obtaining benefits; and cash flow and uncertainty.[3] The response to this policy is likely to be lower than to the Bradley proposals, for each of the following reasons. First, the subsidies are less generous than the Bradley proposal. The Gore Plan's refundable tax credit is modest and does not even reach the level of the tax credits that recent legislation has made available to the self-employed. Second, insurance policies sold to individuals are as much as 35 percent more expensive and are less generous than FEHBP policies.[4] Individual insurance purchasers rarely have a range of choices as extensive as those offered through FEHBP. Third, the active effort required to enroll in an individual plan and to obtain the tax credit is a major barrier that will discourage many from taking advantage of the tax credit by obtaining insurance. Fourth, the FEHBP is more familiar to people than the individual market and has government backing, leading to less uncertainty about benefits. Fifth, there are few purchasing alliances or coalitions today, and they might not be available to most of the uninsured. Estimates from the Institute for Health Policy Solutions indicate that fewer than 350,000 people are insured through purchasing alliances today, compared to nine million people insured through the FEHBP. To estimate the effects of this policy on coverage, we assume that for every 10 percent reduction in insurance price, 2.5 percent more people enroll in coverage. This increases coverage by 2.5 million people.

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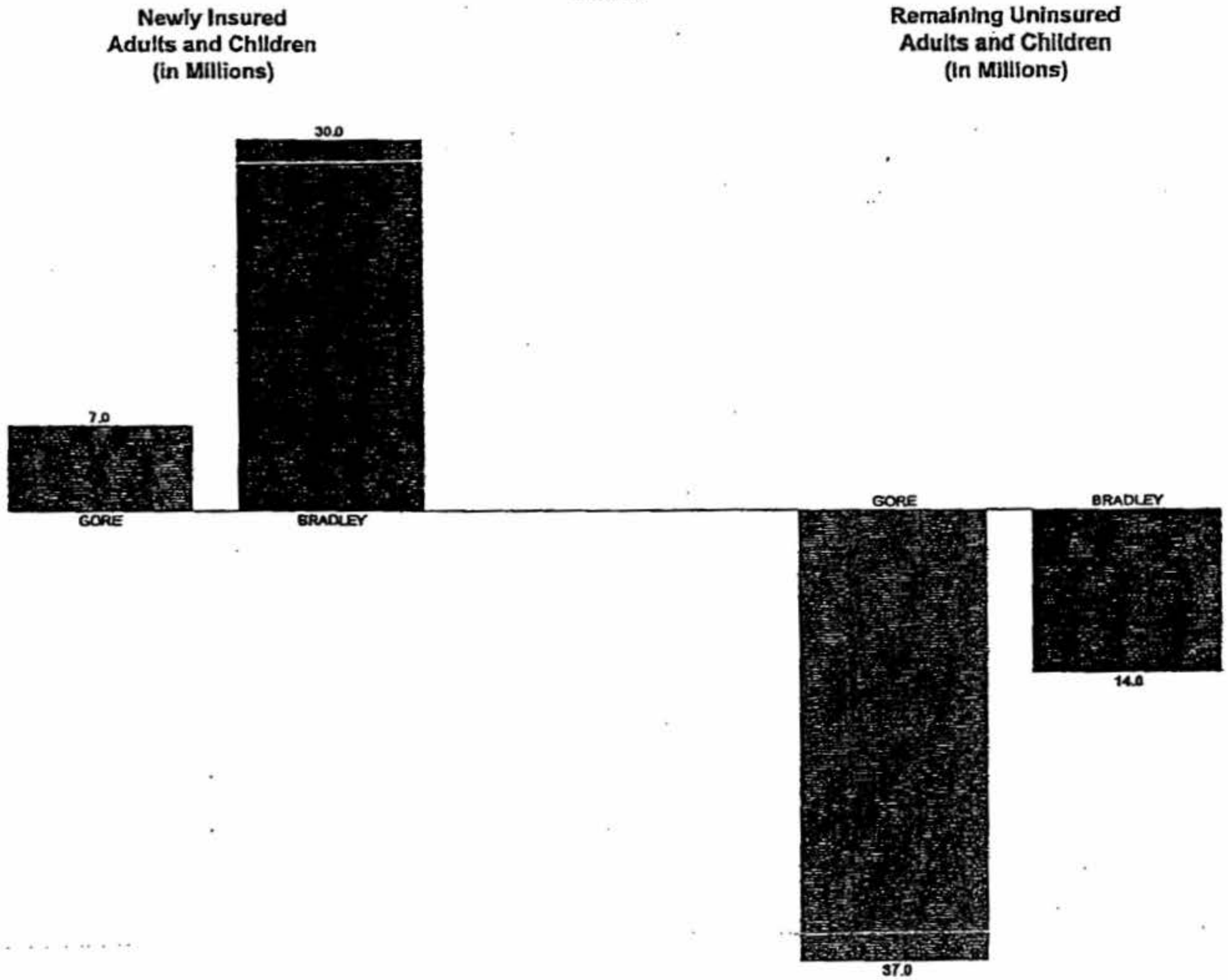
Total Insured,	224 million	231 million	254 million
Percentage of Population Insured	84%	86%	95%

Chart 1
Newly Insured Individuals
(in Millions)

Source: Cutler, Gruber, Waidmann

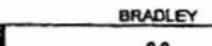
Chart 2



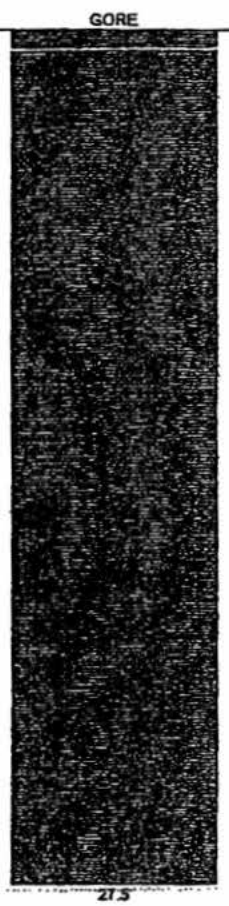
Source: [illegible]

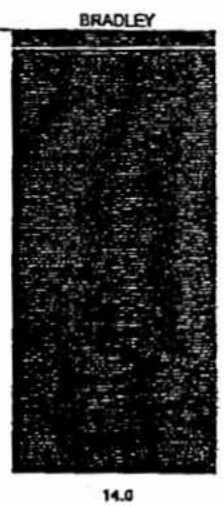
Chart 3

Children without Health Insurance (in Millions)



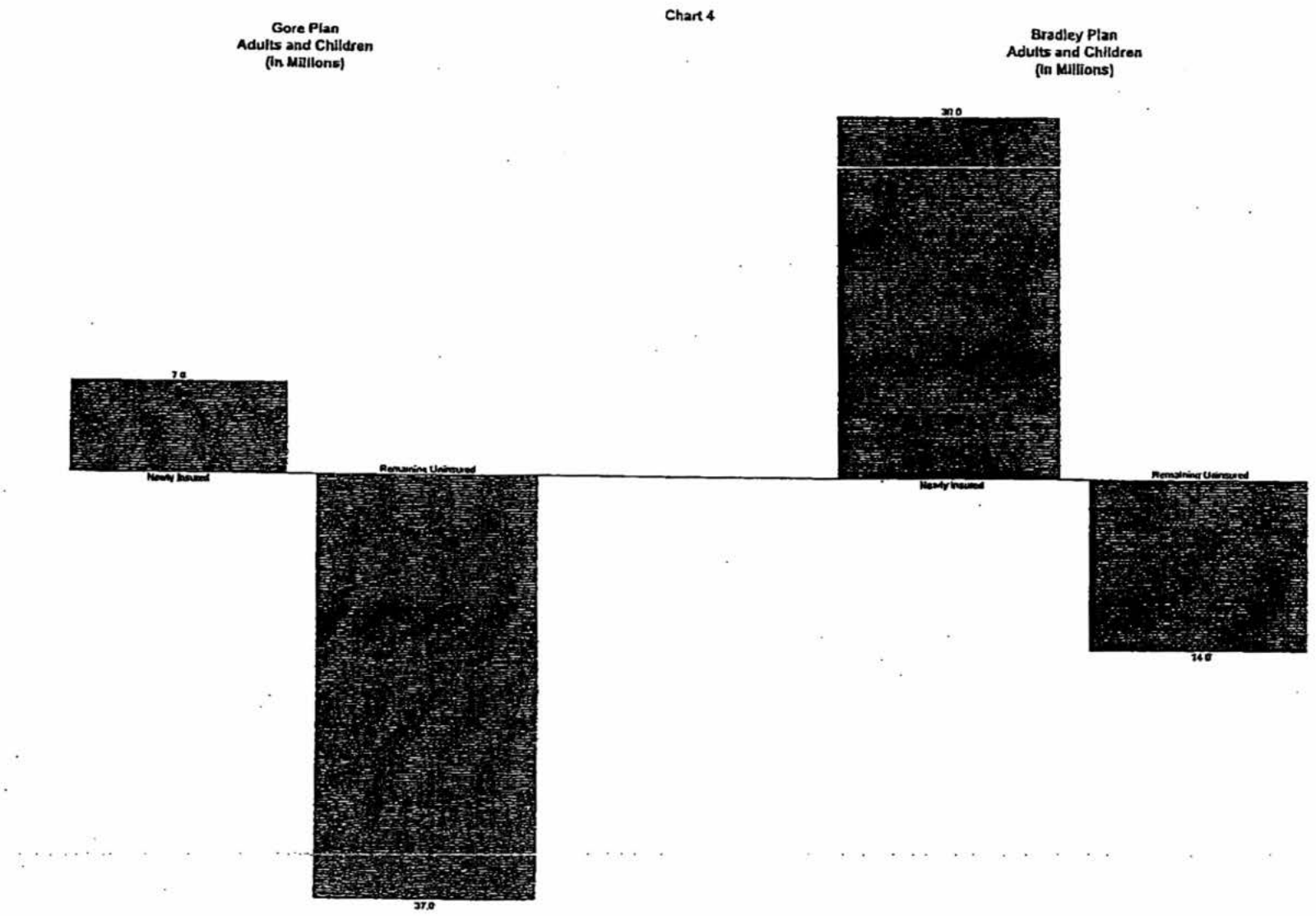
Adults without Health Insurance (in Millions)





Source: Cutler, Gorter, Mazie

Chart 4


Gore Plan
Adults and Children
(In Millions)
7.0
Newly Insured
Remains Uninsured
37.0
Bradley Plan
Adults and Children
(In Millions)
31.0
Newly Insured
Remaining Uninsured
14.0

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Toby Chaudhuri

From: Toby Chaudhuri [toby@fiam.net]
Sent: Tuesday, December 07, 1999 2:20 PM
To: Doug Hattaway; Nick Baldick; David Ginsberg
Cc: David Anderson; Parissa Golkar
Subject: Longabaugh Calls for Retraction Misinformed Statements

BRADLEY NEW HAMPSHIRE STATE DIRECTOR CALLS FOR RETRACTION OF MISINFORMED STATEMENTS

December 07 --

(Manchester, NH) Bradley for President New Hampshire State Director Mark Longabaugh today called on state Senators Katie Wheeler and Sylvia Larsen to retract recent statements they have made on Bill Bradley's health care plan, calling them "misinformed."

In a letter to both senators, Longabaugh wrote, "During recent weeks I have been alarmed by statements you have made misleading the public about Bill Bradley's health care plan.... These statements concern me because, knowing that you are both thoughtful legislators, I believe they were made based on false information passed on to you (and the general public) by the Vice President's campaign. In fact, given Senator Wheeler's admission of this fact during our conversation on WSMN radio yesterday, I would like to give you the opportunity to retract your statement at this time."

Longabaugh's four-page letter outlines the most common attacks against Bill Bradley's health care plan, and offers a point-by-point clarification of the facts. The letter comes one day after Senator Wheeler admitted during a radio discussion with Longabaugh on "Between the Lines" with Woody Woodland on WSMN-radio, that her comments were based on information given to her by the Gore campaign.

"It is disingenuous for the Vice President's campaign to attack Bill Bradley for wanting to replace Medicaid," Longabaugh writes. "That is essentially the same thing he supported in 1993. The Clinton/Gore Administration at that time proposed eliminating Medicaid and replacing it with a system that enrolled the poor in private plans. Today, however, the Vice President has walked away from that principle and is attacking it in a cynical attempt to score political points."

Longabaugh also likened the Vice President's attacks to the "Harry and Louise" television advertising campaign waged against the Clinton/Gore plan in 1993. "In this debate, here in New Hampshire, in 1999, the Gore campaign has stooped to Harry and Louise tactics. Recent weeks have seen the Gore campaign resort to an utter fabrication of the facts, and the Vice President knows it. The Bradley plan would give Medicaid recipients better coverage and better access to health care. Since Vice President Gore was the victim of Harry and Louise tactics in 1993, he should know better than to use them himself," Longabaugh wrote.

# # #

Longabaugh's letter follows. For more information, please contact Mo Elleithee at the Bill Bradley for President New Hampshire headquarters at (603) 622-1919.

December 7, 1999

The Honorable Senator Katie Wheeler
The Honorable Senator Sylvia Larsen

State Capitol
Concord, NH 03301

Dear Senators Wheeler and Larsen:

During recent weeks I have been alarmed by statements you have made misleading the public about Bill Bradley's health care plan. You have said that Senator Bradley's plan would eliminate Medicaid and leave "millions of vulnerable people with less protection and fewer benefits." These statements concern me because, knowing that you are both thoughtful legislators, I believe they were made based on false information passed on to you (and the general public) by the Vice President's campaign. In fact, given Senator Wheeler's admission of this fact during our conversation on WSMN radio yesterday, I would like to give you the opportunity to retract your statement at this time.

If you need further evidence, please allow me to clarify the issue for you with the essential facts about Senator Bradley's bold plan to offer access to health care for all Americans.

The Health Care Proposal from Bill Bradley addresses the fact that there are 45 million Americans who are living without health care insurance and, thus, lack dependable access to essential health care services. In fact, just last month, a New Hampshire study showed that 96,000 people in New Hampshire lack health insurance, including 25,000 children, and over 70,000 adults (many of whom do not qualify for Medicaid).

The Bradley plan stresses the issues of portability, affordability, and provides a prescription drug benefit for seniors on Medicare. It gives people the opportunity to enroll in the Federal Employees Health Benefit Program (FEHBP), the same program that Members of Congress are enrolled in. It views health care as a shared priority and encourages individuals, families and communities, the private sector, and government to share the responsibility of improving health and health care.

Allow me to now address some of the misleading statements made by the Vice President's campaign about the plan.

DISTORTION #1: Senator Bradley's health care proposal does not strip Medicaid beneficiaries of the benefits they now have.

It is disingenuous for the Vice President's campaign to attack Bill Bradley for wanting to replace Medicaid. That is essentially the same thing he supported in 1993. The Clinton/Gore Administration at that time proposed eliminating Medicaid and replacing it with a system that enrolled the poor in private plans. Today, however, the Vice President has walked away from that principle and is attacking it in a cynical attempt to score political points.

The current Medicaid system fails the most vulnerable citizens in our society. Over 40% of our nation's poor are unable to enroll in Medicaid. Moreover, those that are able to enroll are offered second-rate care and reduced access as two-thirds of the nation's doctors refuse to treat Medicaid patients. In effect, we have a two-tiered medical system in which people with money receive better care than those without it, while 45 million Americans continue to lack any health insurance.

In fact, the American Academy of Pediatrics and the Century Fund, two non-partisan organizations, have recently released reports advocating that Medicaid be replaced with a system that provides better coverage to more people.

To further illustrate the point, consider this - two years after passage of the Children's Health Insurance Program (CHIP) and three years after welfare reform, fewer children in the 12 states that contain two-thirds of

all uninsured children are enrolled in both the CHIP and Medicaid programs than were enrolled in Medicaid alone in 1996. In fact, right here in New Hampshire, CHIP is failing. There are over 18,000 New Hampshire children who currently qualify for assistance, but have no insurance. Senator Bradley's plan would guarantee coverage for these children --- Al Gore's plan would not.

Bill Bradley's plan is simple. He will replace Medicaid with a stronger system - a system that will provide better coverage to a greater number of people, by allowing them to enroll in the FEHBP. People who are currently on Medicaid will receive the same benefits as now required by the federal government, but will have greater choice in the doctors and programs that provide services to them.

In fact, the plan also creates a Special Needs Fund to as a supplement to ensure that people with disabilities receive the benefits they need. The plan also creates a federal support system for community health centers as a mechanism for promoting health, not just health insurance.

Unfortunately, Al Gore's plan does not guarantee health care for all children. And his plan does nothing to give health care to the thousands of working adults who cannot afford health care but do not qualify for Medicaid.

DISTORTION #2: Bill Bradley does not provide insufficient money for children and Medicaid recipients to buy any policy that currently exists in the FEHBP, forcing them to pay huge out of pocket expenses that they cannot afford.

You made several specific factual errors in your news conference two weeks ago. First, was your claim that there is only one health plan offered as part of the FEHBP in New Hampshire. This is patently false. Besides Harvard Pilgrim, federal employees in New Hampshire also have the option to enroll in several insurance plans, including Mail Handler's Standard - a plan that costs $4,801 a year.

You also incorrectly claimed that the Bradley proposal contained a $5,000 cap on coverage. This is also patently false. There is no $5,000 cap in the Bradley plan. According to the Bradley plan, the $5,000 figure cited for a family of four represents the average cost of providing the full range of federal Medicaid benefits, as estimated by health economists, budget analysts and a skilled health insurance actuary. It is expected that cost of providing benefits will vary from area to area - and will be adjusted accordingly while keeping overall costs within the range anticipated. This is specifically the reason Bradley would establish a private-public commission to establish coverage criteria.

In fact, there are 40 some plans in the FEHBP that fall under the $5,000 figure, providing Medicaid recipients more options and better care than they currently receive.

To tie these points together, you and the Gore campaign have distorted both the current facts about the FEHBP in New Hampshire and what the Bradley health care plan specifically proposes. Under either standard the Bill Bradley would offer access to affordable coverage to the citizens of New Hampshire.

DISTORTION #3: Bill Bradley's plan will not hurt poor people with disabilities by cutting benefits they now receive through Medicaid, particularly harming people with HIV and AIDS.

Once again, the Gore campaign is misrepresenting the facts. The Bradley health proposal sets aside the full amount now spent on the disabled under Medicaid specifically so that their benefits will be protected. The Bradley plan also supplements coverage with a Special Needs Fund, further

demonstrating that people with disabilities have no reason to fear their health services will disappear.

What the Gore campaign also fails to mention is that under the current law, people with HIV, even though they meet all other eligibility criteria, are not considered disabled and are not eligible for services, such as prescription drugs that might prevent their getting full-blown AIDS. They are only eligible if they get AIDS and qualify under other criteria. Senator Bradley's plan would actually increase benefits for these people - he believes that the current system is not only less humane but makes no sense financially since AIDS is more expensive to treat than HIV.

DISTORTION #4: Bill Bradley will spend the entire surplus, leaving no money to protect Medicare or to fund any other program.

The Gore campaign has based this argument on a flawed and biased study by Kenneth Thorpe of Emory University, a former Clinton/Gore official who Emory University has called a former advisor to the Vice President. That analysis artificially inflates the cost of the Bradley proposal, overstates the number of people who are likely to be covered and arbitrarily increases the cost per person of the Bradley proposal.

Senator Bradley's proposal, on the other hand, has been estimated by health economists from Harvard, Stanford, a former Congressional Budget Office analyst, and an actuary from Price Waterhouse Coopers, who have correctly established the price at between $55 and $65 billion.

Additionally, the nonpartisan group Consumers Union has evaluated both the Bradley and Gore proposals, and has rated Senator Bradley's plan higher in 7 out of 8 categories, including commitment to universality, insuring children, Medicare coverage of prescription drugs and realistic cost estimates.

Bill Clinton and Al Gore had the right idea when, during a time when there were record deficits and Social Security was in danger, they promoted universal access to health care. Unfortunately, today, with record surpluses, low unemployment, and a thriving economy, Al Gore has walked away from that commitment.

Bill Bradley believes it is morally unacceptable that 44 million Americans are uninsured during a time of unprecedented prosperity.

As one of your Senate colleagues recently pointed out, the last time we had a debate on universal health insurance in this country was in 1993, when the Clinton-Gore administration put forward its plan. That debate was marred by the infamous "Harry and Louise" ads, which were designed to distort and misrepresent the Clinton-Gore plan.
In this debate, here in NH, in 1999, the Gore campaign has stooped to Harry and Louise tactics. Recent weeks have seen the Gore campaign resort to an utter fabrication of the facts, and the Vice President knows it. The Bradley plan would give Medicaid recipients better coverage and better access to health care. Since Vice President Gore was the victim of Harry and Louise tactics in 1993, he should know better than to use them himself.

The Democratic New Hampshire primary election will present a clear choice between these two candidates. Regardless of whom you support, we think we should be able to agree upon two important principles:

First, assuring that affordable and good quality health care is available to all Americans is a fundamental Democratic principle that all Democrats - especially those running for President--should support and pledge to accomplish.

Second, Democrats should agree to leave negative attacks, distortions and misinformation to the Republicans. I know, as skilled and respected New

Hampshire legislators, that you would never knowingly resort to this type of distortion, and that your comments were based on the misinformation given to you by the Gore campaign. I trust that with this clarification, you will no longer continue these attacks on Senator Bradley's plan, and I would once again offer you this opportunity to retract your comments.

Warmest regards,

Mark Longabaugh
New Hampshire State Director
Bill Bradley for President

Paid for and authorized by Bill Bradley for President Committee.

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Sent: Tuesday, December 07, 1999 2:22 PM
To: Doug Hattaway; Nick Baldick; David Ginsberg
Cc: David Anderson; Parissa Golkar
Subject: BB: JUST THE FACTS --- Gore's Distortion of the Record: His Own and Bill Bradley's

JUST THE FACTS --- Al Gore's Distortion of the Record: His Own and Bill Bradley's

December 07 --

Bill Bradley
For President

JUST THE FACTS
Al Gore's Distortion of the Record: His Own and Bill Bradley's

(1) Gore Distortion: Gore charges that Bill Bradley voted to take funds away from public schools and give them to private schools.
-- In an appearance in New Hampshire, Gore charged that "for 18 years, the former New Jersey senator had voted to siphon funds from public schools to private ones." [Baltimore Sun, 12/6/99]

Fact:
-- In 1992, Senator Bradley voted to authorize $30 million in entirely new funding for a six-city experiment with school choice for low-income students. In his statement at the time, Bradley said, "If this amendment were much different than it is, I would not be able to support it," going on to list five specific conditions under which he would consider a voucher experiment, including anti-discrimination provisions that he had demanded, and the fact that "the funding will be new money and will not cut into our other investments in education." [S Amdt. #1476, Vote #5, 1/23/92; Bradley Floor Statement, Congressional Record, 1/23/92]
-- In 1994, Senator Bradley voted for an identical amendment sponsored by Senator Lieberman, which also authorized $30 million in new funding for six cities. At that time, he put forward the same set of conditions, including that the amendment authorize new funding beyond the existing authorization for public school programs. He also reaffirmed his "commitment to systematic reform in our public schools," and noted, "I support full funding for every public program that works for kids, including Head Start and Chapter 1 [now Title I]." [S Amdt. #1386, Vote #25, 2/8/94; Bradley Floor Statement, Congressional Record, 2/8/94]
-- Also in 1994, Senator Bradley voted for an amendment intended to allow parents of students in schools plagued by severe violence to consider other options. Like the earlier provisions, it would have authorized $30 million in entirely new money. It differed from the previous two amendments only in that it concentrated on helping students escape violent situations and it would have allowed up to 20 grants, rather than just six. [S Amdt. #2417, Vote #238, 7/27/94]
-- In 1996, Senator Bradley voted twice to end a filibuster on the District of Columbia appropriations bill, which included an appropriation of $5 million in altogether new money for the District to establish an experimental voucher program of its own design. The money would have been entirely new, an addition to the President's request and an increase over the previous year's appropriation for the District. [H.R. 2546, Vote #23, 3/5/96; Vote #25, 3/12/96]
-- These five votes were the only occasions on which Senator Bradley supported an experiment with vouchers, and all of them would have fully protected funding for public schools.

Gore Distortion: Bill Bradley's health care plan will eliminate federal nursing home standards.
-- "Ordering an aide to fetch a copy of Bradley's plan, Gore then read from the section affecting long-term care. 'If he does that the national nursing home standards are GONE!' Gore said, his voice rising. Then, using more hushed tones as he theatrically drew his hand across his throat, he added, 'And to use a gesture banned in the NFL [National Football League], the nursing home standards are gone." [Washington Post, 12/6/99]

Fact: Under the Bradley health care plan, Health Care Financing Administration would continue to enforce federal nursing home standards.
-- Even Gore analyst Kenneth E. Thorpe concedes that the standards will be there: "The [Bradley] proposal retains the current Medicaid funding arrangements between the federal government and the states for institutional and long-term care." These funding arrangements incorporate the federal standards for nursing homes, the spousal impoverishment rule and the other provisions that Gore contends would be 'undermined' or 'eliminated.'" [Ken Thorpe, "New Estimates of the Federal Costs and Numbers of Newly Insured in Senator Bradley's Health Insurance Proposal," 11/8/99, www.emory.edu]

(2) Gore Distortion: Gore discovered Love Canal.
-- Al Gore said, "I found a little place in upstate New York called Love Canal. I had the first hearing on the issue and Toona, Tenn. But I was the one that started it all." [New York Times, 12/1/99]

Fact: Gore did not discover Love Canal. It had been declared a disaster area two months before Gore held his first hearing.
-- "Gore held congressional hearings on the matter in October 1978. But two months earlier President Jimmy Carter had declared Love Canal a disaster area, and the federal government, after much howling by local residents, had offered to buy the homes." [New York Times, 12/1/99]

(3) Gore Distortion: Gore cosponsored the McCain-Feingold campaign finance reform bill.
-- Al Gore "noted that he had backed a sweeping campaign finance bill sponsored by Senators John McCain, Republican of Arizona and Russell D. Feingold, Democrat of Wisconsin. 'Unlike Senator Bradley, I was a cosponsor of it,' Gore said..." [New York Times, 11/24/99]

Fact: Gore not only did not, but could not have cosponsored McCain-Feingold.
-- Russ Feingold was not elected until 1992. Al Gore quit the Senate in 1992 to become Vice President. FEINGOLD AND GORE NEVER SERVED TOGETHER. In 1991-1992, Bradley cosponsored S 3, which was the campaign finance reform bill that passed both houses of Congress and was vetoed by President Bush. Al Gore was NOT a cosponsor of this bill. [thomas.loc.gov, S 3, 102nd Congress]
-- Gore also did NOT cosponsor S Amdt. 259, which was the Kerry amendment that provided 90 percent public financing for elections. Bill Bradley WAS a cosponsor of this amendment. In fact, Gore cosponsored no campaign finance reform legislation in the 102nd Congress. [thomas.loc.gov, S Amdt 259, Vote #74, 1991; thomas.loc.gov]

(4) Gore Distortion: Al Gore has always supported the death penalty.
-- "Defending his position on the death penalty, Gore said 'I've always supported it because I think society has a right to make judgments about when that ultimate penalty might be applied.'" [Associated Press, 11/19/99]

Fact: In Minnesota, the Gore campaign touted the fact that he opposed the death penalty.
-- "Bill Bradley voted for the death penalty in 1990. Al Gore voted against the death penalty." [Gore 2000 literature piece]

Fact: Gore voted against the death penalty 10 times as a Senator.
-- Gore voted against the death penalty for drug related killings. [Vote #175, 6/10/88]
-- Gore supported limiting for the death penalty for drug related killings. [Vote #174, 6/10/88]
-- Gore voted against ending debate on the measure to impose the death penalty on drug kingpins. [Vote #172, 6/9/88]
-- Gore supported substituting mandatory life imprisonment for the death penalty for drug related killings. [Vote #174, 6/9/88]
-- Gore voted to kill a proposal to impose the death penalty for drug related killings. [Vote #142, 5/16/88]
-- Gore voted to substitute life imprisonment for the death penalty for terrorists. [Vote #274, 10/26/89]. Note: When the amendment failed, Gore then voted for the death penalty for terrorists.
-- Gore voted against the death penalty for a death that occurs from a civil rights violation. [Vote #141, 6/28/90]
-- Gore voted against the death penalty for drug kingpins. [Vote #140, 6/28/90]
-- Gore voted to substitute life imprisonment for the death penalty for terrorists. [Vote #12, 2/20/91]. Note: When the amendment failed, Gore then voted for the death penalty for terrorists.
-- Gore voted against the death penalty for gun crimes. [Vote #109, 6/26/91]

(5) Gore Distortion: Bill Bradley hired the advertising executive who created Joe Camel.
-- On the Gabe Pressman show, Gore accused Bill Bradley of hiring the ad executive who created the Joe Camel ads: "The fellow who works for me severed all connections to an advertising account which wasn't designed to sell cigarettes, but a point of view. I plead guilty to having him work for me. He's been my friend for almost 30 years, but I plead guilty to a lesser offense. And I think a lot of these people who are professionals have at one time or another had accounts that I don't agree with. I'm glad he wasn't the creator of Joe Camel; I'll say that. Somebody, that's the other guy." [Gabe Pressman, WNBC-TV, 11/21/99]

Fact: Alex Kroll and Young and Rubicam did not create Joe Camel.
-- The character created by a British artist in 1974 for a French advertising campaign that was used in other countries. [New York Times, 12/12/91]
-- Joe Camel first appeared in this country in 1988 in materials created for the 75th anniversary by Trone Advertising of Greensboro, NC. [New York Times, 12/12/91]
-- The logo was designed by the brand's ad agency at the time, McCann-Erickson of New York. [New York Times, 12/12/91; Associated Press, 7/27/89]
-- Young and Rubicam served as the ad agency for Camel from 10/31/89 until 1991, after the character had been created. [New York Times, 12/12/91; Associated Press, 7/27/89; Associated Press, 10/14/91]

(6) Gore Distortion: Gore authored the EITC.
-- Gore: "[Bradley's proposals were] an old-style approach that spends a lot of money but doesn't have any new ideas. [He proposes] the expansion of the Earned Income Tax Credit. I was the author of that proposal. I wrote that, so I say, welcome aboard. That is something for which I have been the principal proponent for a long time." [Time, 11/1/99]

Fact: Gore did not author the EITC.
-- According to the Center on Budget and Policy Priorities, the Earned Income Tax Credit was in enacted in 1975, and started by the Ford Administration. Al Gore was first elected to the U.S. House of Representatives in 1976, and the Almanac of American Politics lists Gore's profession from 1971 to 1976 as a subdivision business operator. [Center for Budget and Policy Priorities, "New Research Findings on the Effects of

the EITC", 3/11/98; Almanac of American Politics, p. 1107]
-- In Congress, Al Gore voted against raising the EITC to 15 percent. [CQ Vote #362, 10/11/88]

(7) Gore Distortion: Al Gore has always been pro-choice.
-- Al Gore: "I've always supported a woman's right to choose." ["This Week", ABC-TV, 10/31/99]
-- In a May interview with WomenConnect Politics Daily, Gore 2000 Deputy Chair Marla Romash denied that Gore had ever flip-flopped on the abortion issue, saying that Gore "has always, always protected and supported a woman's right to choose."

Fact: Al Gore has not always been pro-choice.
-- As a member of the House of Representatives from 1977 to 1984, Al Gore supported the position taken by the National Right to Life Committee 84 percent of the time. [National Right to Life Committee Vote Ratings, 1977-1984]
-- Al Gore Opposed Federal Funding for Abortion: "It is quite correct that a position like mine in opposition to the federal funding of abortion results in unequal access to abortions on the part of poor women. Nevertheless, I feel the principle of the government not participating in the taking of what is arguably human life is more important." [Washington Monthly, 11/86]
-- Al Gore: "I have not supported direct federal funding of abortion. I understand that for many people this raises a serious question of equality of access. I understand fully. The financial barriers to the procedure have been lowered significantly from what they once were but barriers still remain." [Des Moines Register, 9/27/87]
-- Gore voted 19 times against federal or local DC funding for abortion. [CQ Vote #466, passed 238-182, 8/2/77; CQ Vote #550, defeated 164-252, 9/27/77; CQ Vote #596, passed 263-142 10/12/77; CQ Vote #675, failed 172-193, 11/3/77; CQ Vote #603, failed 163-234 10/13/77; CQ Vote #681, failed 172-193, 11/3/77; CQ Vote #696, failed 172-193, 11/3/77; CQ Vote #701, failed 172-193, 11/3/77; CQ Vote #382, failed 198-212, 6/13/78; CQ Vote #584, passed 226-163, 8/9/78; CQ Vote #790, failed 188-216, 10/12/78; CQ Vote #815, passed 198-195, 10/14/78; CQ Vote #270, failed 180-241, 6/27/79; CQ Vote #487, failed 162-234, 10/9/79; CQ Vote #550, failed 187-219, 10/30/79; CQ Vote #630, Passed 217-169, 12/6/79; CQ Vote #452, Failed 182-192, 9/3/80; CQ Vote #274, Motion to table rejected 46-46, 10/24/85; CQ Vote #334, Passed 231-184, 9/22/83]

(8) Gore Distortion: Gore says his vote to define a fetus as a person from the moment of conception is a procedural vote.
-- Cokie Roberts: "Can I just follow up on that in terms of the Civil Rights Act. Back in July of 1984, when you were in the House of Representatives, you voted for an amendment that would put unborn children from the moment of conception as persons under the Civil Rights Act to be protected under the Civil Rights Act. Would you vote that way today?" Gore: "First of all, that was a procedural vote in the House." ["This Week", ABC-TV, 10/31/99]

Fact: Gore voted to define a fetus as person from the moment of conception.
-- In 1984, Gore voted on an amendment to the Civil Rights Act of 1984. The amendment stated that for the purposes of this act, "the term 'person' shall include unborn children from the moment of conception." [CQ Vote #242, 6/29/84]
-- The Congressional Quarterly Almanac describes the votes as follows: "242. HR 5490. Civil Rights Act of 1984. Siljander, R-Mich. amendment to define the world 'person' under the Age Discrimination Act of 1975 to include unborn children from the moment of conception. Rejected 186-219: R 112-40; D 74-179 (ND 40-127, SD 34-52)." [1984 CQ Almanac, p 76-H]
-- As presidential candidate in 1988, Gore denied his vote: When asked about this vote on "Meet the Press" in February of 1988, Gore denied his vote saying, "No, no, I did not. I have never supported restrictions on the

ability of the woman to make a choice in having an abortion." [Transcript, "Meet the Press", NBC 2/21/88]
-- Gore Strategy = "Deny, Deny, Deny": According to a Gore campaign strategist, when the Gore campaign had to confront Gore's anti-choice record, their choice was to deny it. A Gore strategist said, "Since there's a record of that vote, we only have one choice. In effect, what we have to do is deny, deny, deny." [US News and World Report, 3/7/88]

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COMPARISON OF GORE AND BRADLEY HEALTH PROPOSALS

PROPOSAL	GORE	BRADLEY
CHILDREN	Expands CHIP to 250% of poverty. Allows parents in families with income above 250% of poverty to buy their children into CHIP or Medicaid. Provides 25% tax credit for families buying children into CHIP or Medicaid for those without health coverage. Insures millions more children through Medicaid and CHIP through financial bonuses and penalties to enroll children and new incentives and requirements, including school-based enrollment, mail-in applications, and presumptive eligibility. Assures all children access to affordable health coverage.	Eliminates Medicaid and CHIP and provides subsidies for FEHBP or employer plan. Provides premium subsidies: • Capped Subsidy for any child in family with income below 200% of poverty • Smaller subsidy for children in families with income between 200-300% of poverty • Tax deduction for premiums for children in families with income above 300% of poverty
ADULTS	Expands coverage to parents: Expands Medicaid and CHIP to cover parents of eligible and enrolled children at an enhanced match. (7 million eligible). Helps small businesses provide health care coverage: Provides 25% tax credits to small employers who participate in purchasing coalitions and grants to encourage participation. Tax credits to buy individual insurance: Provides tax equity for those without employer-based coverage through a 25% refundable tax credit to buy coverage. Workers with disabilities: Can buy into Medicaid and continue Medicare when they return to work. Medicare buy-in: Provides Americans 55 to 65 new health options, including buying Medicare. Can apply 25 percent tax credit to make coverage more affordable.	Eliminates Medicaid replaces with $1800 subsidy private or FEHBP plans. Provides premium subsidies: • Capped $1800 subsidy: for adults in families with income below 100% of poverty. • Smaller subsidy: for adults in families with income b/w 100-200% of poverty • Tax deduction: for premiums for adults in families w/ income above 200% of poverty
ELDERLY	Prescription drug benefit: no deductible, $5,000 cap. Includes low-income protections Dedicates significant portion of the budget surplus to secure Medicare until 2027.	Prescription drug benefit: $500 deductible, no cap. Gives states responsibility for institutional long-term care currently provided by Medicaid.
COSTS (Independent Analysis by Emory University)	$312 billion for coverage and drug benefit. Expands coverage to 12 million uninsured.	$1.058 trillion for coverage and drug benefit. Expands coverage to 15 million uninsured.

AL GORE UNVEILS AGENDA TO IMPROVE HEALTH CARE FOR AMERICA'S FAMILIES

Al Gore has unveiled his new health care vision for the 21st century to expand health care coverage for those who do not have it and improve it for those who do. He focused on his new plan to expand access to affordable health insurance for every child by 2005 and make health coverage more affordable for millions of adults.

As he detailed this plan, he outlined five bold steps to improve every aspect of the health care system. They are: (1) assuring rights for patients by passing legislation to keep medical records private and a strong enforceable Patients' Bill of Rights that gives patients critical protections, such as access to specialists, access to emergency room services and making health plans accountable for harming patients; (2) modernizing health care by focusing on prevention, individual responsibility, and new technologies to improve and measure quality; (3) building on the progress and possibilities of new research while protecting against the perils, such as genetic discrimination; (4) addressing the nations' unprecedented challenges due to the aging of the baby boomers by strengthening and modernizing Medicare, including providing a prescription drug benefit, and by proposing initiatives to support families with long-term care needs; and (5) working towards the goal of assuring all Americans have access to quality health care coverage.

Last September, at the Children's Hospital of Los Angeles, Al Gore outlined his new plan to expand health care coverage for America's families. It has seven major elements:

(1) Ensuring That All Children Have Access to Affordable Health Insurance by 2005. The over 11 million children who are uninsured are less likely to be immunized, get regular checkups, and tend to fall behind in school. In 1997, the Clinton-Gore Administration fought for and enacted the Children's Health Insurance Program (CHIP) – the largest investment in children's health in a generation -- to expand coverage to children in families with too much income for Medicaid but too little to afford private insurance. However, in some states nearly 25 percent of children are still uninsured and even where there have been program expansions, enrollment has been woefully inadequate.

Al Gore is proposing to build on this initiative and assure that all American children have access to affordable health insurance by 2005. To reach this goal and help ensure that all children are signed up for health insurance, he is proposing three steps:

- **Expanding CHIP to children up to 250 percent of poverty (about $41,000 for a family of four) to increase the number of uninsured children eligible for the program**. The current program allows states to cover children in families with up to 200 percent of poverty. There are nearly one million uninsured children in families with income between 200 and 250 percent of poverty. States expanding eligibility for children to those in families with income up to 250 percent of poverty would receive an increase in their CHIP allotment, based on the number of uninsured children in the expanded population. They would receive the same enhanced match that has led all fifty states to apply to participate in the CHIP program.

- **Allowing children above 250 percent of poverty who do not have coverage to buy into CHIP or Medicaid.** Over two million uninsured children are in families with income above 250 percent of poverty. This would provide a new option for children not eligible for CHIP, Medicaid or employer-based insurance. Families would pay the full premium, but the premium itself will be more affordable than most individual insurance options. In addition, families could use the new 25 percent tax credit (described below) toward this coverage.

- **Ensuring that children eligible for CHIP or Medicaid are enrolled.** Over seven million children are in families that are eligible for CHIP or Medicaid. To help ensure that children eligible for these free and low-cost health insurance programs get enrolled, this policy would (1) provide financial bonuses to states that meet enrollment targets, which would be phased in by 2005; (2) reduced states' CHIP enhanced matching rate if they do not meet these targets; and (3) develop a school-based strategy for enrollment. Together, these policies would guarantee universal access to affordable children's health insurance by 2005.

(2) Expanding Health Care Coverage for Working Parents. CHIP was created because of the high number of working families whose children were uninsured. Unfortunately, most of these children (over 85 percent) come from families where the parents are uninsured themselves. To help the 7 million uninsured parents of Medicaid or CHIP-eligible children, Al Gore would expand CHIP to parents. States could access higher Federal matching payments (same as CHIP) to cover the parents of children already enrolling in Medicaid and CHIP. This efficiently and effectively offers a large proportion of the uninsured an affordable health insurance option and helps create a health care system that rewards families. States could set the upper-income eligibility level where they wished but would have to cover all parents below the income limits (i.e. states could not favor higher over lower-income parents). This proposal will also help assure that more uninsured children enroll because families are more likely to take advantage of new health care programs if the coverage is available for every family member.

(3) Providing Affordable Health Care Options for Americans Ages 55 to 65. Americans ages 55 to 65 are the fastest growing group of uninsured in the country, with more than 3 million currently without health insurance, over 60 percent of whom are women. Many of these uninsured Americans have been dropped by their employers or had coverage through a spouse and have difficulty buying into the individual insurance market because of poorer health conditions. Al Gore supports and will continue to advocate the Clinton-Gore Administration's proposal to allow vulnerable Americans ages 55 to 65 to access affordable health care options by buying into Medicare. These Americans would also be eligible for the 25 percent tax credit (see below).

(4) Assuring People With Disabilities Can Keep Their Health Care Coverage When They Return to Work. For people with disabilities accessing affordable health insurance is the greatest barrier to returning to work. Under current law, people with disabilities are often forced to drop health care coverage because they get a job that makes them ineligible for Medicaid or Medicare because of their income or ability to work. This means that many people with disabilities are put in the untenable position of choosing between health care coverage and work. Al Gore supports and will continue to advocate the Administration proposal to pass legislation to allow people with disabilities new health care options when they return to work by allowing them to buy into Medicare or Medicaid.

(5) Making Health Insurance More Affordable and More Accessible for Small Businesses. The proportion of small businesses offering insurance declined from 59 to 54 percent between 1996 and 1998 alone. Small businesses typically pay higher premiums for benefits, and administrative costs may consume as much as 40 percent of premium dollars. As President, Al Gore would make health insurance more affordable and accessible for small businesses by proposing a 25 percent tax credit for premium costs for each employee of a small business that decides to join a purchasing coalitions (where businesses join together to negotiate for affordable health insurance options for employees). The proposal would also encourage such coalitions to develop by both allowing foundations to make charitable contributions for their start-up and providing states with seed-money to establish these coalitions. This would provide more affordable, private health insurance to the working uninsured in firms with fewer than 50 employees and would be available to employers who provide insurance as well as to those who do not.

(6) Assuring Tax Equity Through a New Tax Credit for Individual Health Insurance. While people receiving health insurance through their employers receive tax breaks, those without access to job-based health insurance receive no tax benefits. To fix this inequity, Al Gore is proposing a 25 percent refundable tax credit for people lacking access to employer-based health insurance who purchase coverage in the individual market. The principle behind this tax credit is similar to the principle behind the recent law that expanded health insurance deductibility for the self-employed. Al Gore would also work to improve the individual insurance market to help make it a more affordable, accessible option for Americans.

(7) Maintaining and Strengthening Health Care Delivery Systems Serving the Uninsured. Al Gore will strengthen community health centers, public hospitals, academic medical centers, and other safety net providers that treat millions of Americans. Strengthening these centers would allows them to develop comprehensive systems of care, develop links financial and telecommunication systems, and fill the service gaps that exist in many communities, especially in the areas of primary health care, mental health services, and substance abuse services. As part of strengthening these care systems, Al Gore will improve treatment mental health services for those Americans eligible for Medicaid.

AL GORE DETAILS PLAN TO ASSURE ACCESS TO HEALTH INSURANCE FOR EVERY CHILD

Today, at a child enrichment center in Portsmouth New Hampshire, Al Gore detailed his plan to expand access to health care coverage every child by 2005 and make health coverage more affordable for millions of adults. Al Gore also outlined his specific concerns with Senator Bradley's proposals to eliminate programs like New Hampshire's Healthy Kids and other children's health insurance programs and underscored his belief that we should expand coverage by building on and strengthening today's programs. Al Gore's health plan, if enacted, would represent the largest investment in health coverage since the passage of Medicare or Medicaid. It expands and strengthens current programs, covering millions of uninsured Americans. Al Gore highlighted his initiative to:

ENSURE THAT ALL CHILDREN HAVE ACCESS TO AFFORDABLE HEALTH INSURANCE BY 2005. The over eleven million children who are uninsured are less likely to be immunized, get regular checkups, and tend to fall behind in school. In 1997, the Clinton-Gore Administration fought for and enacted the Children's Health Insurance Program (CHIP) – the largest investment in children's health in a generation -- to expand coverage to children in families with too much income for Medicaid but too little to afford private insurance. Some states have done a good job at expanding coverage. For example, New Hampshire has expanded health insurance up to 300 percent of poverty and aggressively enrolled uninsured children in its Healthy Kids Program. However, in some states nearly 25 percent of children are still uninsured and even where there have been program expansions, enrollment has been woefully inadequate.

Al Gore is proposing to build on and strengthen this initiative and assure that all children have access to affordable health insurance by 2005. To reach this goal and help ensure that all children are signed up for health insurance, he is proposing three steps:

- **Expanding CHIP to children up to 250 percent of poverty (about $41,000 for a family of four) to increase the number of uninsured children eligible for the program**. The current program matches states that cover children in families with up to 200 percent of poverty. There are nearly one million uninsured children in families with income between 200 and 250 percent of poverty. States expanding eligibility for children to those in families with income up to 250 percent of poverty would receive an increase in their CHIP allotment, based on the number of uninsured children in the expanded population. They would receive the same enhanced Federal payment that has led all fifty states to establish CHIP programs.

- **Allowing children above 250 percent of poverty who do not have coverage to buy into CHIP or Medicaid.** Over two million uninsured children are in families with income above 250 percent of poverty. This would assure a new option for children not eligible for CHIP, Medicaid or employer-based insurance. Families would pay the full premium, but the premium itself will be more affordable than most individual insurance options. In addition, families could use Gore's proposed new 25 percent tax credit toward this coverage.

- **Ensuring that children eligible for CHIP or Medicaid are enrolled.** Millions of children are in families that are or will be eligible for CHIP or Medicaid. To help ensure that children eligible for free and low-cost health insurance programs enroll, Al Gore would create new policies to provide a 'carrots and stick' approach that gives incentives to states to ensure eligible children are signed up for coverage. He would:

  Use incentives to hold states accountable to insure eligible children. Under Gore's plan, states would receive bonus payments each and every year that they meet target enrollment improvement goals. Once the goal is achieved, states would be eligible for bonus payments if they maintain their targets. If they don't achieve goals, they would get a lower matching rate that could be reduced all the way down to the current Federal match for Medicaid.

  Provide new effective ways for states to sign up uninsured kids. The Clinton-Gore Administration has made important progress in launching a national outreach campaign to sign up uninsured kids. For example, more than 1500 schools nationwide have joined the outreach effort and a new national media campaign is underway. Already more than one million children have been enrolled in CHIP and a new report by Families USA projects that the program will continue to expand significantly. However, many barriers remain to enrolling uninsured children. Al Gore would give states new incentives and flexibility to reach uninsured children while assuring accountability and preventing fraud. New steps would include:

  Requiring states to use a single state-designed application for all children's health insurance programs (through Medicaid or CHIP) to make sure there are no barriers to families completing the enrollment process. In some states, the complexity and differences in these applications are cumbersome barriers to enrollment, creating confusion and contributing to low participation rates.

  Providing new presumptive eligibility options ensuring that any child that appears to meet the eligibility criteria will be enrolled on the spot to ensure that the opportunity to sign them up is not lost. Al Gore would allow presumptive eligibility in schools, child care centers and other places that have lots of uninsured children.

  Eliminating asset tests that intimidate eligible families from enrolling in health insurance. Most states have eliminated any asset tests and base eligibility solely on income. However, a few states, including Utah and Texas, still determine eligibility on a range of asset tests that are confusing and intimidate families from enrolling. Al Gore would eliminate these burdensome requirements.

  Requiring states to change minimum eligibility period to one year. Currently some states require children enrolled in Medicaid to redetermine their eligibility every six months and families often are not aware of this requirement or do not remember or have time to redetermine eligibility. Therefore they become uninsured. Al Gore would make sure families only have to redetermine every year.

Enabling states to link their children's health insurance programs to their school lunch program. Most children who participate for the school lunch program are also eligible for Medicaid or CHIP. However, current law prevents health programs from getting information on who is enrolled in school lunch programs. Al Gore would eliminate this barrier allowing health programs to target school lunch programs while protecting the privacy of important information.

Giving families access to a mail-in application so they do not have to sign up in a social services office or other places that can deter families from signing up because they are difficult to get to or because families may be reluctant to go.

- **Expanding Health Care Coverage for Working Parents.** CHIP was created because of the high number of working families whose children were uninsured. Unfortunately, most of these children (over 85 percent) come from families where the parents are uninsured themselves. To help the 7 million uninsured parents of Medicaid or CHIP-eligible children, Al Gore would expand CHIP to parents. States could access higher Federal matching payments (same as CHIP) to cover the parents of children already enrolling in Medicaid and CHIP. This efficiently and effectively offers a large proportion of the uninsured an affordable health insurance option and helps create a health care system that rewards families. States could set the upper-income eligibility level where they wished but would have to cover all parents below the income limits (i.e. states could not favor higher over lower-income parents). This proposal will also help assure that more uninsured children enroll because families are more likely to take advantage of new health care programs if the coverage is available for every family member.

- **In Addition, Al Gore's Health Plan:**
  - Provides Affordable Health Care Options for Americans Ages 55 to 65.
  - Assures People With Disabilities Can Keep Their Health Care Coverage When They Return to Work..
  - Makes Health Insurance More Affordable and More Accessible for Small Businesses.
  - Assures Tax Equity Through a New Tax Credit for Individual Health Insurance.
  - Maintains and Strengthens Health Care Delivery Systems Serving the Uninsured.

OPPOSE ENDING MEDICAID AS WE KNOW IT. Al Gore highlighted that Senator Bradley's health plan dismantles Medicaid leaving millions of vulnerable Americans – including over twenty million children – without critical protections. Under Bradley's health plan, there is simply no guarantee these vulnerable Americans will get the important structure and set of benefits that Medicaid provides. Bradley's own advisors even state there will be savings as "Medicaid enrollees move into the mainstream of insurance," presumably through fewer benefits. The Bradley plan also eliminates the Children's Health Insurance Program that has broad bipartisan support and has expanded coverage to uninsured children in every single state. Bradley also shifts the cost of providing health insurance for this population to the Federal government, so while beneficiaries get less the Federal government pays more. Al Gore underscored that while the current system is not perfect, substituting programs that effectively cover millions of children with an untried and untested program that would provide fewer health benefits is disruptive and is certainly not the right prescription for reform.

GORE MEDICARE PROPOSAL

- **Secure Medicare for a quarter of a century.** Al Gore believes that the baby boom generation should not pass along its inevitable Medicare financing crisis to its children and that a significant portion of the surplus be dedicated to securing Medicare for the future. The Clinton/Gore proposal secures Medicare until 2027.

- **Every independent analyst believes that there simply needs to be more resources dedicated to Medicare as the baby boomers retire.** The number of seniors on Medicare will double over the next thirty years - from 39 million Americans today to 80 million. The ratio of workers who support Medicare beneficiaries will decline by 40 percent. Without additional financing, Medicare spending growth per beneficiary would have to be limited to less than 3 percent per beneficiary, 60 percent below the private sector. Independent analysts agree that no amount of policy-sound savings would be sufficient to address the influx of people coming onto Medicare.

- **Provide a long overdue prescription drug benefit.** In addition to securing Medicare for a quarter of a century, Al Gore believes that we must provide an optional prescription drug benefit for Medicare beneficiaries. Two-third of Medicare beneficiaries have unstable or inadequate prescription drug coverage. Gore supports a new prescription drug option that is available for all Medicare beneficiaries up to $5000 in prescription drug costs. The proposal also eliminates cost-sharing for the drug benefit for beneficiaries below 150 percent of poverty. It;

  -- Has no deductible and pay for half of the beneficiary's drug costs from the first prescription filled each year up to $5,000 in spending ($2,500 in Medicare payments) when fully phased-in. Beneficiaries would receive a price discount similar to that offered by many employer-sponsored plans for each prescription purchased - even after the $5000 limit is reached.

  -- Costs beneficiaries who choose this option about $24 per month beginning in 2002 and $44 per month when fully phased-in by 2008. (This is one-half to one-third of the typical cost of private Medigap premiums.)

  -- Ensures that beneficiaries with incomes below 135 percent of poverty would not pay premiums or cost sharing for Medicare drug coverage. Those with incomes between 135 and 150 percent of poverty would receive premium assistance as well. The Federal government would assume all of the costs of this benefit for those above poverty.

- **Eliminate the deductible and all copayments on preventive benefits covered by Medicare.** This means that all Medicare beneficiaries could receive critical preventive benefits such as all cancer screenings, diabetes management, and bone mass measurements without cost.

- **Reduce the public debt.** By locking away most of the surplus dedicated to Medicare, the Administration's proposal buys down the debt which helps boost national savings, leading to lower interest rates and a higher standard of living. Dedicating over $300 billion to Medicare solvency would help to eliminate public debt by 2015.

ADVANTAGES OF AL GORE'S HEALTH INSURANCE EXPANSION INITIATIVE

- **Targets funding to those who need it most**. The funding for this initiative is primarily focused on providing premium assistance for children of working families and their parents – people who need the assistance most and are least likely to have coverage currently. As a result, the initiative's cost per newly insured person would be low.[1] This is a practical, fiscally responsible way to expand coverage.

- **Efficient since it does not undermine the employer-based system**. The initiative was designed to fill gaps in access to affordable coverage, not change the employer-based insurance for those who have it. It protects employer-based coverage, first, by limiting eligibility for the new options to those who do not have access to employer-based insurance to prevent "crowd out" of existing coverage. And second, it targets groups of people least likely to have access to employer-based insurance – workers in small businesses, low-income, working parents, and people ages 55 to 65.

- **Emphasizes enrollment, not just eligibility.** One of the unique aspects of Al Gore's initiative is its focus on outcomes, not just eligibility for health insurance. He would use strong financial incentives and penalties to ensure that virtually all uninsured children eligible for Medicaid or CHIP get insured. This outcome-oriented approach to Federal assistance for children's health insurance reflects his commitment to making government work better for taxpayers and beneficiaries alike.

- **Addresses tax inequity in health insurance**. Today, people can receive some sort of tax assistance for health insurance – unless they purchase insurance in the individual health insurance market and are not self-employed. This inequity, which typically affects workers whose employers do not offer health insurance, would be addressed by Al Gore's tax credit proposal. This refundable, 25 percent tax credit could help some uninsured, especially since it could be used families towards the new state buy-in option for children or the Medicare buy-in for certain people ages 55 to 65. The proposal recognizes, however, that tax credits are not the most efficient way to expand coverage (since it is impossible to target them only the uninsured and the amount of credits usually is not high enough to make a difference for working families, among other issues). This is why Al Gore has proposed a multi-faceted approach to expanding coverage that includes but does not rely on tax credits.

- **Does not create new programs – builds on existing ones**. Rather than start from scratch, Al Gore's health initiative expands existing public and private health insurance options that have bipartisan support to give a greater proportion of Americans access to affordable coverage. It does not create any new government programs. This both keeps the health system from becoming more fragmented and reduces administrative costs and new bureaucracies.

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[1] Estimates for these particular proposals were not estimated, but similar options were studied in Feder J; Burke S. (February 1999). *Options for Expanding Health Insurance Coverage: What Difference Do Different Approaches Make? (Draft)*. Menlo Park, CA: Henry J. Kaiser Family Foundation Project on Incremental Health

AL GORE'S INITIATIVE TO HELP THE UNINSURED IN AMERICA: BACKGROUND

UNINSURED IN THE UNITED STATES

- **Over 43 million Americans lack health insurance.** Although the new Children's Health Insurance Program will likely slow if not reverse the trend, the number of uninsured Americans is one of the few social indicators that has not improved under the strong Clinton-Gore economy.

- **Risk of being uninsured is higher among the low-income, but the majority of the uninsured are middle-class Americans.** The likelihood of being uninsured is greater among the low-income. However, because there are many more Americans with higher income, these proportions translate into 11.5 million uninsured who are poor, 13.3 million who are lower-income working class (between 100 and 200 percent of poverty) and 18.6 million who have income above 200 percent of poverty.

  The reasons why this diverse range of Americans lack health insurance are complicated, but mostly relate to access and affordability. Too many people do not have options like employer-based insurance or state insurance program available to them. Others have such options but cannot afford them.

CONSEQUENCES OF LACKING HEALTH INSURANCE

- **Less likely to receive needed health care.** The percent of uninsured adults who did not receive needed medical care in the last year was more than three time that of privately insured adults (30 versus 7 percent).[1] The proportion of uninsured adults who postponed care was even higher (55 versus 14 percent).[2] Compared to people with private insurance, the uninsured are more than twice as likely to have no doctor visits in the past year (adults: 39 percent of uninsured versus 18 percent of privately insured; children: 33 percent of uninsured versus 16 percent of all insured).[3] Similarly, over one in four uninsured children needed health care (e.g., prescription medicine, needed surgery) but did not get it.[4]

- **More likely to have rely on emergency rooms or have no regular source of care.** One-fourth of the uninsured adults rely on the emergency room or have no regular source of care, compared to 6 percent of the privately insured.[5] Over three times the proportion of uninsured children lack a usual source of care as privately insured children (20 versus 6 percent).[6]

- **More likely to suffer adverse health effects and need expensive health care.** The uninsured are 50 to 70 percent more likely to need hospitalization for avoidable hospital conditions like pneumonia or uncontrolled diabetes than the privately insured.[7] Children without health insurance are nearly twice as likely to forego health care for conditions like asthma (odds of 1.7 to 1) or recurring ear infections (odds of 2.1 to 1).[8]

TARGETED GROUPS OF UNINSURED

CHILDREN

- **In 1997, before CHIP took full effect, over 11 million children were uninsured.** A large fraction of these children are eligible for Medicaid or will become eligible for the Children's Health Insurance Program, which targets children from working families.

- **About 40 percent of poor children – nearly 5 million -- are uninsured but not enrolled in Medicaid.** Although some of these children are in states that have not yet fully phased in their poverty-related coverage, others have parents who do not enroll them because: (a) lack of awareness of eligibility; (b) belief that work or not receiving welfare disqualifies them; (c) fear that legal immigrants could be deported if they enroll their children; and (d) complicated and burdensome application process.

- **Even fewer families know that their children may be eligible for CHIP**. Created in 1997, the Children's Health Insurance Program (CHIP) allows states to cover children in working-class families, through Medicaid, a separate program, or a combination. States are in varying degrees of implementing CHIP, but as of June 1999, well over 1 million children on average were enrolled in CHIP. Although this is considerable progress in a short period of time, there are millions more uninsured but eligible children not yet helped by this program. Some of the reasons are the same as for Medicaid, but education is an even greater issue in CHIP since it is new and targets families that typically do not receive such government assistance.

- **Access problems for children in other, middle-class families**. Another 2 million uninsured children are in families with income above Medicaid or CHIP eligibility. These children typically have parents that work in small businesses (over 50 percent have parents working in firms with fewer than 100 employees)[9] or otherwise lack access to affordable coverage.

- **States have had varying degrees of success at insuring children**. The proportion of uninsured children ranges from 6 percent in Hawaii and Wisconsin to 24 percent in Texas and 25 percent in Arizona. This reflects both the different eligibility levels in states, but also the states' use of and commitment to aggressive outreach initiatives. (See attached table)

- **Clinton-Gore efforts to promote enrollment of uninsured children.** In addition to securing $24 billion over 5 years for the children's health initiative, the Administration helped implement programs in all states and launched a public-private campaign to raise awareness of children's health. This outreach effort includes: mobilizing over 10 Federal agencies to work on educating families about children's health insurance (e.g., through school lunch programs, housing projects, IRS walk-in centers); working with the states to create a new, nationwide hotline – 1-877-Kids Now (1-877-543-7669) – to provide families with information; and encouraging private sector to run public service announcements, post information in stores and on products, and participate in local education campaigns.

PARENTS OF CHILDREN ELIGIBLE FOR CHIP AND MEDICAID

- **Uninsured children almost always have uninsured parents**. Over 85 percent of the parents of uninsured children in families with income below 200 percent of poverty are themselves uninsured.[10] This is nearly 7 million uninsured adults, who often have no affordable options.

- **Access to health care may be hurt by mixed family coverage**. A recent survey found that 40 percent of families with a mix of members who are uninsured and covered by Medicaid (probably their children) experienced barriers to medical care – nearly 4 times the percent of privately insured families and higher than all-uninsured families.[11] This is because families typically use the same providers when they have the same insurance coverage, improving continuity of and access to care.

- **Covering parents would increase enrollment of uninsured children**. Families are more likely to learn about Medicaid and CHIP and to enroll their children in the programs if the whole family is eligible. This appears to be the case in BadgerCare in Wisconsin, whose Medicaid waiver combined with CHIP has enabled coverage of the entire family.

PEOPLE AGES 55 TO 65

- **Fastest growing number of uninsured.** The number of uninsured increased from 41.7 million in 1996 to 43.4 million in 1997, a 4 percent increase. The number of uninsured ages 55 to 64 increased from 2.8 million to 3.2 million, a 7 percent increase. Only the number of uninsured ages 35 to 44 grew as fast.[12]

- **The number of 55 to 64 year olds will rise rapidly in the next decade – and private coverage will drop.** As the Baby Boom generation enters its 50s, both the number and proportion of pre-65 year olds will rise. As a result, the number of people between 55 and 64 years old is expected to increase to from 21 to 30 million by 2005 and 35 million by 2010 — to 12 percent of the U.S. population, over a 50 percent increase.[13] One study projects that, given current trends, the percent of people ages 55 to 65 with private insurance will decline by 4.5 percent by 2005.[14]

- **Access to individual health insurance is a problem for people ages 55 to 65.** People ages 55 to 64 are less likely to be covered by employer-based insurance (64 percent v 69 percent for people ages 25-54) and twice as likely to purchase individual insurance (10 percent versus 5 percent for people ages 25-54).[15] Yet, in 38 states where 16 million people ages 55 to 65 (76 percent of this group) live, individual insurance policies can be denied outright.[16] A health condition -- or even the risk of a health condition -- can trigger higher rates, exclusion of certain benefits coverage, or denial of coverage altogether. For example, having mild hypertension or emphysema typically increases rates by 25 percent and rheumatoid arthritis or angina can cause outright denials.[17]

  People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. The probability of experiencing health problems such as heart disease, emphysema, heart attack, stroke & cancer is double that of people ages 45 to 54.[18]

PEOPLE WITH DISABILITIES

- **Millions of working-age adults have disabilities**. About 1.6 million working-age adults have a disability that leads to functional limitations (i.e., needs help with at least one activity of daily living). About 14 million working-age adults are disabled using a broader definition (e.g., uses a wheelchair, or walker; has a developmental disability).[19]

- **The unemployment rate among people with disabilities is staggering**. Nearly 75 percent of people with disabilities are unemployed. Not only is it more difficult for people with disabilities to work; when they do work, their earnings are lower. According to one study, the average earnings for men with disabilities are 15 to 30 percent below those of men without disabilities.[20]

- **Multiple barriers to work**. People with disabilities face a number of challenges, including:

  - **Lack of adequate health insurance**. In most places in the U.S., people with health problems can be charged high premiums by private insurance companies or denied coverage altogether. Those who are insured may not be covered for some of their needs, such as personal assistance. Medicaid covers these services, but eligibility is generally restricted to people who cannot work. Thus, there is little incentive to return to work.

  - **Higher costs of work**. People with disabilities not only face lower than average wages, but typically pay more to get to and from work and to function at work. Thus, for some, returning to work may decrease rather than increase their savings.

  - **Disconnected employment service system**: A variety of vocational rehabilitation, educational, training and health programs exist to facilitate work for people with disabilities, but they rarely work together in a coordinated way.

PEOPLE IN SMALL BUSINESSES

- **Nearly half of uninsured workers are in firms with fewer than 25 employees.** The likelihood of being uninsured is greater for workers in small firms – nearly three times higher than that of workers in large firms.[21]

- **Fewer small firms offer health insurance – and the number is declining.** The number-one reason cited was the high cost of premiums. Small businesses typically pay higher premiums for benefits, and administrative costs may consume as much as 40 percent of premium dollars.[22] Despite the fact that three-fourths of the new jobs created by the strong economy are in small businesses, the proportion offering health insurance declined from 59 to 54 percent between 1996 and 1998 alone. In addition, eligibility for such coverage has become more restricted.[23]

- **Purchasing coalitions are a small but growing option for small businesses**. Although still relatively unknown, nearly one in 10 businesses with 3 to 9 employees participated in cooperatives in 1998, and it appears that interest and participation is growing.[24]

ENDNOTES

[1]Hoffman C. (June 1998). *Uninsured in America: A Chart Book*. Menlo Park, CA: Henry J. Kaiser Family Foundation, Commission on Medicaid and the Uninsured. Data: Kaiser/Commonwealth 1997 National Survey of Health Insurance

[2]*Ibid.*

[3]*Ibid.* Data: Adults: Kaiser/Commonwealth 1997 National Survey of Health Insurance. Children: Newacheck PW et al. "Health insurance and access to primary care for children," *NEJM* 338(8): 513-519.

[4]*Ibid.* Data: Simpson G. et al. (1997). "Access to Health Care, Part 1: Children," *Vital Health Statistics*. Rockville, MD: U.S. Department of Health and Human Services, National Center for Health Statistics.

[5]*Ibid.* Data: Kaiser/Commonwealth 1997 National Survey of Health Insurance.

[6]*Ibid.* Source: Weigers ME; Weinrick RM; Cohen JW. (1998). *Children's Health, 1996*. Rockville, MD: U.S. Department of Health and Human Services, Agency for Health Care Policy and Research (Pub. No. 98-0008).

[7]*Ibid.* Data: Maryland and Massachusetts Hospital Discharge Data, as reported in Weissman JS; Gastonis C; Epstein AM, (1992). "Rates of avoidable hospitalization by insurance status in Massachusetts and Maryland." *JAMA* 268(17): 2388-94.

[8]*Ibid.* Data: National Medical Expenditure Survey as reported in Stoddard JJ et al. (1994). "Health insurance status and ambulatory care for children." *NEJM* 330(20): 1421-25.

[9]Unpublished data from the 1998 Current Population Survey.

[10]Florence CS. (July 1998). *Covering Uninsured Children and Their Parents: Estimated Costs and Number of Newly Insured*. New York: The Commonwealth Fund.

[11]Hoffman C. Data: Kaiser Survey of Family Health Experiences, 1996.

[12]Unpublished data from the 1998 Current Population Survey.

[13]U.S. Census Bureau. (1998). Population projections by age.

[14]Glied S; Stabile M. (1999). "Covering older Americans: Forecast for the next decade." *Health Affairs* 18(1): 208-213.

[15]Unpublished data from the 1998 Current Population Survey.

[16]National Economic Council / Domestic Policy Council (March 1998). State-by-state analysis of Medicare Buy-In. Washington, DC: The White House, NEC/DPC.

[17]Chollet DJ; Kirk AM. (March 1998). *Understanding Individual Health Insurance Markets*. Menlo Park, CA: Henry J. Kaiser Family Foundation

[18]Data from National Center for Health Statistics, National Health Interview Survey.

[19]From HHS analysis of SIPP, NHIS; also from McNeil JM. (August 1997). *Americans with Disabilities: 1994-95*. Maryland: U.S. Bureau of the Census, Current Population Reports, Economics and Statistics Administration. P70-61.

[20]President's Task Force on the Employment of Adults with Disabilities. (11/18/98). *Re-charting the Course: First Report to the President*. Washington, DC: Department of Labor.

[21]Frontin P.

[22]Gabel J et al. (February 1999). *Health Benefits of Small Employers in 1998*. Menlo Park, CA: Henry J. Kaiser Family Foundation.

[23]*Ibid.*

[24]*Ibid.*

BRADLEY'S HEALTH PLAN ENDS MEDICAID AS WE KNOW IT
Replaces It With Insufficient Voucher That Leaves Beneficiaries At Risk

Senator Bradley's health plan eliminates Medicaid leaving millions of beneficiaries with less protections and higher costs. The Medicaid program currently covers some of the most vulnerable low-income Americans – children, pregnant women, older Americans, and people with disabilities. Medicaid covers about 40 million Americans – about four million are older Americans about seven million are disabled, 21 million are kids and nine million are adults. In Iowa there are 321,000 Medicaid enrollees, 102,000 in New Hampshire, and 3 million in New York.

Bill Bradley has proposed replacing Medicaid with a $1,800 a year capped voucher program to buy into the Federal Employees Health Benefits' Plan or purchase other private insurance. However, Bradley's vouchers would not provide enough funding to purchase coverage from the vast majority of health insurance programs. Many will no longer receive the hard won protections they receive under Medicaid. As a result, the Bradley plan would place millions of elderly, pregnant women, and people with disabilities who rely on Medicaid at risk and leaves millions of adults uninsured. Bradley's plan:

- **Eliminates Medicaid – subjecting most vulnerable Americans to less protections and fewer benefits.** By eliminating the Medicaid program, Bradley would leave millions with less protective health insurance. Medicaid provides an important structure and set of benefits for some of the most vulnerable Americans and there is no guarantee they will get some essential benefits under Bradley's new proposal. By opening up Medicaid in the current environment, he would undermine the important benefits these Americans receive, just as Republicans opponents did in 1995 when they proposed to dismantle Medicaid. Also, he shifts the costs of covering this population to the Federal government. So while the Federal Government pays more, beneficiaries receive less.

- **Bradley's advisors suggest that their approach saves money by offering less protective benefits.** Bradley's own advisors suggest there will be savings as "Medicaid enrollees move into the mainstream of insurance" This clearly suggests a reduced benefits package and a reduced commitment to this most vulnerable population.

- **Potential disruptions from transitioning to any new system that could leave vulnerable Americans at risk.** One consequence of eliminating Medicaid and asking millions of beneficiaries to transition to another system is that millions of beneficiaries could be at risk because their health care coverage is disrupted and they do not understand how the new system works.

- **Could put quality protections for nursing homes at risk.** Under Bradley's plan, the states assume responsibility for long-term care, a responsibility currently shared by state and Federal governments. One consequence of this is that nursing home quality that is currently monitored by the Federal government could be at risk because it would be in the domain of the states. The Nursing Home Reform Law of 1987 assured that quality protections were guaranteed nationwide and established a system to monitor quality – rather than an inadequate patchwork of protections. Al Gore believes that we should improve not undermine this commitment.

- **Transferring this responsibility to states puts access to nursing homes at risk.** Bradley's proposal would also put access to long-term care at risk. Even with Federal support there is tremendous variation in the support for nursing homes and community care in the states. With the sole responsibility of Medicaid to the states as the baby boomers retire and more need long-term care, states will be unwilling or unable to fully the support the need for long-term care that Medicaid currently provides.

- **Leaves an uncertain future for home and community-based care.** Bradley says states assume responsibility for "institutional" long-term care, but fails to say what happens to the critical home and community-based care services that Medicaid, which he eliminates, currently provides. Many Americans with long-term care needs don't want to go into a nursing home and can often receive home and community-based care services under Medicaid. What will happen to those critical services under the Bradley plan remains to be seen. [Kaiser Commission on Medicaid and the Uninsured; www.billbradley.com]

BILL BRADLEY'S HEALTH PLAN INCLUDES INADEQUATE VOUCHERS THAT WON'T EXTEND COVERAGE TO MANY AMERICANS

Senator Bradley's health plan will give an $1800 subsidy for adults and up to $5,000 for a family.[1] This cap does not cover the cost of private insurance or FEHBP and therefore would leave many low-income Americans with high health care costs they could not afford (often more than 10% of their entire income). Many who are uninsured today simply would remain uninsured and those who rely on Medicaid today, which he eliminates, would be worse off.

Federal Health Premiums For an Individual Costs More Than the Bradley $1800 Annual Cap.

- **Almost 95% of the FEHBP Premiums Costs More Than the Bradley Voucher Covers.** About 95 percent of all premiums in the FEHBP program are more expensive than the $1,800 Bradley voucher. None of the national fee-for-service plans in FEHBP have a monthly benefit that low, so many people in many areas would simply not have access to an $1800 per year premium. [OPM website/FEHB premium rates]

- **The Most Common FEHBP Plan Costs $2,830 per year.** The Blue Cross/Blue Shield Standard Option – the most common option – costs about $2,830 per year -- $1,000 more than the Bradley cap. [OPM website/FEHB premium rates]

- **Bradley Website Does Not List a Single FEHBP Plan that His $1,800 Voucher Would Cover.** Bradley's own web site notes that the average cost of a monthly individual FEHBP fee for service plan is $279 per month ($3,348 per year) and there is not one premium listed on his web site that would be less that $1,800 per year. [www.billbradley.com]

- **Sixty percent of all single premiums in the plan cost more than $2400 per year – $600 more than the new Bradley cap.**

Bradley Health Advisor Acknowledged Subsidies Do Not Cover the Median Health Plan. Bradley health care advisor and Harvard Economics Professor David Cutler said he expected the Bradley health care subsidies to be raised. Cutler added that "[T]he subsidy is not up to the most generous plan, not even the median plan . . ." [New York Times, 11/11/99

Bradley Conceded that His Health Care Subsidies Need to Be Adjusted. The Washington Post reported that "[I]n response to a question, Bradley conceded that his plan would need to be adjusted for states like New Hampshire, where the questioner said the only insurance option for federal employees is a policy costing a family about $8,000 a year." [Washington Post, 12/1/99]

This Cap Would Mean Extremely High Out-of-Pocket Costs for Low-Income Adults That They Could Not Likely Afford.

- Single adults under 100 percent of poverty make $8,240 per year.[1] Under the standard Blue Cross/Blue Shield Option ($2830), adults with this income would pay $1000 out-of-pocket – or 12 percent of their income for health insurance.

- In New Hampshire, the non-nationwide premium that is available through FEHBP is $3355 per year so adults under 100 percent of poverty would pay $1555 per year out of pocket – nearly 20 percent of their income.

- This proposal would also not be generous enough for those up to 150 percent where Bradley's subsidy is even less generous (his plan phases out subsidies at 200 percent). A single adult at 150 percent of poverty makes $12,360 per year. Assuming Bradley's plan has a gradual phase out from 100 percent to 200 percent, his subsidy for these adults would be about $900 per year. Therefore, the standard Blue Cross Blue Shield option would cost $1930 out-of-pocket or 15 percent of their income.

Under Bradley's Plan, Premiums Will Be Higher Than Today's Premiums

- The assumptions above assume today's FEHBP premiums. However, under Bradley's plan, mostly sicker people would likely buy in as they are the ones who would be willing to pay such a high portion of their income for health insurance. Also, Bradley's health plan allows anyone at any income to buy into FEHBP. This means sicker people of all incomes that have difficulty getting insurance elsewhere would buy in, therefore making premiums even higher. Then the $1800 subsidy would be even more inadequate.

Even If Senator Bradley Imposes Caps, His Health Plan Will Still Use Most of the Non-Social Security Surplus.

- The Bradley health plan will still spend tens of billions of dollars on low-income adults because the Federal subsidies under his plan would go to everybody – even those that already have private insurance. So any low-wage worker would get a $1800 per year subsidy based on income – even if they already have health insurance. Millions of workers in this income bracket already have private health insurance and would get a subsidy anyway. There are millions of adults (up to 200 percent of poverty where Bradley's subsidy phases out fully) with private health insurance that receive full or partial subsidies.

- Bradley would also spend billions on children by giving full subsidies to all children under 200 percent of poverty regardless if they already have private insurance. There are millions of children who are privately insured under 200 percent of poverty who would receive this subsidy and millions more under 300 percent where Bradley also gives partial subsidies.

BRADLEY'S HEALTH PLAN WILL LEAVE PEOPLE WITH DISABILITIES VULNERABLE

Eliminates Medicaid, Replacing it with an Insufficient Capped Voucher

Senator Bradley's health plan would leave people with disabilities at serious risk as he eliminates Medicaid and replaces it with a capped voucher for private health insurance that would be insufficient for most people, particularly those with disabilities. Bradley would squander the surplus on a flawed trillion dollar health plan that spends tens of billions on those who already have health care coverage. People with disabilities will be disproportionately impacted by the flawed Bradley plan as many rely on Medicaid for their health coverage since they often cannot find affordable comprehensive coverage in the private market. Bradley's capped voucher plan would not be sufficient for most people with disabilities to buy health care coverage.

Al Gore's health plan, if enacted, would represent the largest investment in health care since Medicare or Medicaid. He would: protect and strengthen Medicaid giving it more flexibility to cover home and community-based care; continue his longstanding efforts to insure children; expand coverage to their parents; allow people with disabilities buy into Medicaid when they return to work; ensure Medicare is strong for the future; and add a long overdue prescription drug benefit.

MEDICAID IS A LIFELINE FOR PEOPLE WITH DISABILITIES

- **About seven million people with disabilities are covered by Medicaid.**[1] Eighty percent of adults with severe disabilities reported having coverage from Medicare or Medicaid.

- **Medicaid covers a range of services that are critical for people with disabilities that most private insurers do not provide.** Medicaid provides essential services for people with disabilities, such as personal assistance, rehabilitative care, and physical and occupational therapy, and services for kids with special needs.

- **Medicaid covers a more vulnerable population of disability than private insurers.** Half of Medicaid disabled adults are unable to work altogether because of their disability, compared to 18% of those with private coverage. Disabled adult Medicaid beneficiaries are three times as likely to rate their health as poor compared to those with private insurance. Forty-two percent of disabled children are limited at school, nearly twice as high as those with private insurance.

- **People with disabilities often cannot get private health insurance.** People with disabilities often cannot access affordable health insurance or any health insurance at all. They may be screened out of their group coverage as a result of their group condition, or may not work enough hours to be eligible.

THE BRADLEY HEALTH PLAN ELIMINATES MEDICAID LEAVING CURRENT BENEFICIARIES VULNERABLE

- **Eliminates Medicaid – subjecting most vulnerable Americans to less protections and fewer benefits.** By eliminating the Medicaid program, Bradley would leave millions of vulnerable Americans with less protective health insurance and there is no guarantee the forty million Medicaid beneficiaries will get the important structure and set of benefits that Medicaid provides. Bradley's own advisors suggest that there will be savings as "Medicaid enrollees move into the mainstream of insurance" where they will receive fewer benefits. This would be particularly harmful to people with disabilities who depend on Medicaid's comprehensive coverage, including personal assistance services and therapy. According to the Kaiser Commission on Medicaid and the Uninsured, Medicaid almost always provides better coverage than private health insurance for people with disabilities.

- **Many people with disabilities would not be able to afford health insurance with Bradley's $1800 voucher.** Senator Bradley eliminates Medicaid, the safety net for millions people with disabilities, and replaces it with a new capped subsidy of $1800 per adult below 100 percent of poverty to purchase health insurance. The voucher phases out at 200 percent of poverty. However, this cap is inadequate for most to purchase coverage, particularly for people with preexisting conditions and high health care costs, where health coverage can be much more expensive.

  - The Blue Cross/Blue Shield Standard Option – the most common option under the Federal Health Plan – costs about $2830 per year -- $1,000 more than the Bradley cap.

  - About 95 percent of all premiums in the FEHBP program are more expensive than the Bradley plan. Most people below poverty (about $8,240 per year) will not be able to afford spend up to $1000 per year (12 percent of their income) on health insurance.

  - In addition, under this coverage they will also have deductibles and copayments and other costs that they simply cannot afford. Those between 100 percent and 200 percent of poverty would receive even a smaller subsidy.

- **Leaves an uncertain future for home and community-based care.** Bradley says states assume responsibility for "institutional" long-term care, but fails to say what happens to the critical home and community-based care services that Medicaid, which he eliminates, currently provides. Many Americans with long-term care needs don't want to go into a nursing home and can often receive home and community-based care services under Medicaid. What will happen to those critical services under the Bradley plan remains to be seen.

- **Puts access to long-term care services at risk.** If states assume full responsibility for long-term care as under Bradley's proposal, access to long-term care services could be at risk. As the baby boomers retire and more older Americans need long-term care, states may well be unwilling or unable to fully the support the need for long-term care that Medicaid currently provides. States would have the flexibility to reduce the scope of long-term care benefits, tighten eligibility requirements, and payments levels to providers could be cut, compromising quality and care.

AL GORE IS FIGHTING TO IMPROVE PROTECT AND STRENGHTEN MEDICAID FOR PEOPLE WITH DISABILITIES

- **Fought against efforts to block grant Medicaid.** In 1995, Al Gore fought against the Gingrich proposal to block grant Medicaid that would have left millions of Americans in the cold. As President, he would fight against any efforts to dismantle Medicaid and he would work to strengthen it.

- **Fought to assure people with disabilities can keep their health care coverage when they return to work.** For people with disabilities, affordable health care coverage is the greatest barrier to returning to work. People with disabilities have often been forced to drop health care coverage if they get a job that makes them ineligible for Medicaid. Many cannot get affordable coverage in the private insurance market that covers the protections they need. This means they are often put in the untenable position of choosing between health care coverage and work. Al Gore fought for the Work Incentives Improvement Act (Kennedy-Jeffords legislation) that allows people with disabilities to buy into Medicare or Medicaid when they return to work.

- **Strengthening Medicaid long-term services by enabling states to expand home- and community-based care to the same income levels as for nursing homes.** Al Gore believes we should strengthen Medicaid by making it easier for states to expand coverage to home and community-based services. To eliminate Medicaid's historical bias towards nursing homes, this proposal would enable states to expand their programs to cover community based care as well as nursing home residents with income up to 300 percent of the Social Security Income (SSI) limits, without requiring a complicated and frequently time-consuming Federal waiver.

CRITIQUES OF BRADLEY HEALTH PLAN

- **Independent analysts say Bradley's health plan would cost over one trillion dollars over ten years – the whole non-Social Security budget surplus.** Senator Bradley estimates his plan at $65 billion a year or $650 billion over ten years. However, some independent analysts believe his health plan would cost over $1 trillion over ten years. They believe he has underestimated his proposed prescription drug benefit. *(Ken Thorpe, Professor at Emory School of Public Health,, Washington Post 10/9/99)* and that he underestimates the cost of subsidizing the premiums for the low-income adults who buy into the Federal Employees Health Benefits Program. *(Dr. Martin Feldstein, WSJ 10/19/99). (Emory University prices Bradley's health plan at $1.2 trillion over ten years, Dr. Feldstein estimates it would cost $1.4 trillion over ten years).*

- **Doesn't dedicate one dime to secure Medicare for the future.** Independent experts agree that Medicare needs more resources to assure it is strong as the baby boomers retire and the number of seniors double (from 40 million to 80 million thirty years from now). The Bradley proposal does not dedicate one dime to extend the life of the Medicare Trust Fund. Without additional financing, Medicare spending growth per beneficiary will have to be constrained to 3 percent – 60 percent below the private sector and would require bad cuts on providers who are already stretched thin. Al Gore's proposal dedicates a portion of the surplus to assure that Medicare is secure for another twenty-five years and provides a long overdue drug benefit.

- **Eliminates Medicaid – subjecting most vulnerable Americans to less protections and fewer benefits.** By eliminating the Medicaid program, Bradley would leave millions of vulnerable Americans with less protective health insurance. Under Bradley's plan there is simply no guarantee the forty million Medicaid beneficiaries will get the important structure and set of benefits that Medicaid provides. By opening up Medicaid in the current environment, he could undermine the program, just as its opponents did in 1995. Bradley's own advisors suggest that there will be savings as "Medicaid enrollees move into the mainstream of insurance". Also, he shifts the costs of covering this population to the Federal government. So while the Federal Government pays more, beneficiaries receive less.

- **Increases premiums for many with coverage, causing more harm than good.** The Bradley proposal allows anyone to buy into FEHBP, but without subsidies, it will still be unaffordable for many Americans. In fact, this approach will allow insurers to cherry pick the healthy from unhealthy populations and drop the unhealthy beneficiaries to FEHBP. This will cause premiums to go up, making it less affordable for everyone (because it is the sicker populations that will buy into this option). Paul Fronstin of the Employee Benefit Research Institute questioned whether the health plans that cover federal employees would increase premiums. "My guess is the risk will go up as you allow less healthy individuals into it. Health plans will have to either raise premiums for everybody or they'll drop out." [Chicago Tribune, 9/29/99]Moreover, this would occur at a time when FEHBP premiums have already increased by approximately 10 percent for each of the last three years even before adding less healthy populations.

- **Causes employers to drop health care coverage for Americans who already have it.** Bradley's plan will encourage employers to drop coverage for many employees because they could receive better tax advantages if they don't get health care through their job. This will leave many insured employees without employer-based coverage and forced to buy into a potentially more expensive market.

- **Spend billions on those who have health care**. The size of Bradley's tax deduction for those over 150% of poverty is too modest to provide incentives for the uninsured to purchase health care and will likely only taken advantage of by those with health insurance. This is hugely expensive without helping cover many uninsured adults. Ken Thorpe, Emory University Health Policy Professor, said, "Two-thirds of the spending [in the Bradley plan] goes to people who already have insurance." Boston Globe columnist Thomas Oliphant asked, "what sense does it make to throw scarce federal dollars at people who already have health insurance?" [Boston Globe, 11/8/99; Boston Globe, 11/14/99]

- **Bradley prescription drug plan will not help millions of seniors.** The Bradley prescription drug benefit does not kick in until after seniors have already spent $500 in their deductible. It also has a $300 per year premium. This means that under the Bradley proposal, seniors pay $800 in prescription drug costs each year before they even see one dollar in return. Fifty percent of Medicare beneficiaries do not even have $500 worth of prescription drug costs. These beneficiaries would pay premiums without getting any help from Medicare for prescription medications.

New York Times Columnist: "Causing the most worry is Mr. Bradley's plan to do away with Medicaid . . ." In a recent New York Times column, Bob Herbert pointed out that millions of Americans depend on the services Medicaid provide. "Causing the most worry is Mr. Bradley's plan to do away with Medicaid, the federal and state program that provides health care for the poor. It would be replaced by a system of vouchers and tax credits designed to 'mainstream' low-income people into the private insurance market. Medicaid has been like a safe house for the poor. The thought of moving the poor out of Medicaid and into the health care marketplace with only a voucher for protection fills many advocates with dread." [New York Times, 11/11/99]

Boston Globe Columnist: "Ending Medicaid as we know it is dangerous enough if you keep in mind adults for whom it is a vital safety net." In a recent Boston Globe column, Thomas Oliphant said that Bradley's care is not responsible. "Ending Medicaid as we know it is dangerous enough if you keep in mind adults for whom it is a vital safety net. But BradleyCare virtually demands ignoring Medicare. That's not responsible. Medicare will need both reform and new money over the next decade to be ready for the baby boom generation's retirement. Simply to assume, as Bradley does, that because the program appears solvent under current economic conditions until the year 2015, it doesn't need attention upfront, is quixotic." [Boston Globe, 11/14/99]

Boston Globe Columnist: "...[T]he Bradley plan makes no attempt to define the components of a basic plan." In a recent Boston Globe column, David Warsh highlighted the questions that remain in the Bradley health care plan: "...the Bradley plan makes no attempt to define the components of a basic plan. There is nothing in it about mammograms and mental health benefits. Those decisions are left to the marketplace, where individuals remain free to make their own decisions about price and quality, as they do now, with one plan competing against another." [David Warsh, Boston Globe, 11/07/99]

Boston Globe Columnist: "Bradley has had a chance to lead a national dialogue about health care . . . And he's blown it." In a Boston Globe column, Thomas Oliphant said on health care reform that "Bradley is wrong and Gore is right." He added that "For three months Bradley has had a chance to lead a national dialogue about health care, to build on the promising notions he first floated in an effort to move the country toward genuinely universal coverage at responsible cost. And he's blown it. By sticking to proposals that have huge holes in them, Bradley has made the prospect of change a threat to everyone, whether they're currently covered or not. He likes to disparage Gore as 'timid' and incremental, but the vice president has ideas than can make the system better by a mile." [Boston Globe, 11/30/99

"Medicaid is a guarantee. If you're eligible you get a list of benefits which were designed for poor people that may have extra chronic conditions. You're going to get less under any private plan and you're going to pay more."

Judith Waxman
Director of Governmental Affairs
Families USA
The Commercial Appeal
November 22, 1999

"I think Senator Bradley's proposal that Medicaid be eliminated is incredibly ill advised. Medicaid to me is a 30-year-old bedrock safety net program children and poor pregnant women. For the life of me, I can't understand how that can be replaced by what amounts to a voucher program, which would both undermine the health care access that children have gotten under Medicaid and, second of all, put a new set of bureaucratic burdens on poor families that I think is just unreasonable."

Irwin Redlener
President
Children's Health Fund
The New York Times
November 11, 1999

"The subsidy is not up to the most generous plan, not even the median plan." [speaking about Bradley's $1800 voucher]

David Cutler
Health Advisor to Senator Bradley
Professor of Economics
Harvard University
The New York Times
November 11, 1999

[Medicaid is] "one of the most successful programs ever passed by the Democratic Party, dismantling Medicaid is not only a big idea, it is a bad idea."

State Senator Tom Duane
State of New York
The San Francisco Chronicle
November 15, 1999

"It is important to understand the special role of Medicaid. It treats a very disadvantaged population and provides a broad array of services that private health insurance has never touched."

Judy Feder
Dean for Policy Studies & Professor
Georgetown Public Policy Institute
Georgetown University
New York Times
November 11, 1999

'It's a more inefficient way to do it," [speaking on the Bradley Health Plan]

Stuart Altman
Professor of National Health Policy
Brandeis University
The New York Times
November 8, 1999

"The Bradley thing is a little bit of a roll of the dice…there are a lot of holes."

Jim Verdeer
Mathematica Policy Research
The Commercial Appeal
November 22, 1999

"As America ages, it may be that the long term care costs are going to explode, way beyond what states pay as their share of Medicaid."

Will Marshall
President
Progressive Policy Institute
The Commercial Appeal
November 22, 1999

"It could also mean that in a fiscal crunch the federal government could shift costs to states by cutting back on home health care."

Matt Salo
Senior Policy Analyst
National Governor's Association
The Commercial Appeal
November 22, 1999

"Two-thirds of the spending goes to people who already have insurance." [speaking on why the Bradley plan so expensive].

Kenneth Thorpe
Professor and Chair of the Department of Health Policy
Emory University
The Boston Globe
November 8, 1999

The subsidies for low-income workers could encourage low-wage employers now providing health insurance to drop it--on the theory that the government can simply pick up the tab.

Diane Rowland
Executive Vice President
Kaiser Family Foundation
Los Angeles Times
September 29, 1999

"Senator Bradley plans to eliminate Medicaid and leaves millions of vulnerable people with less protection and fewer benefits."

Katherine Wells Wheeler
State Senator
State of New Hampshire
November 17, 1999

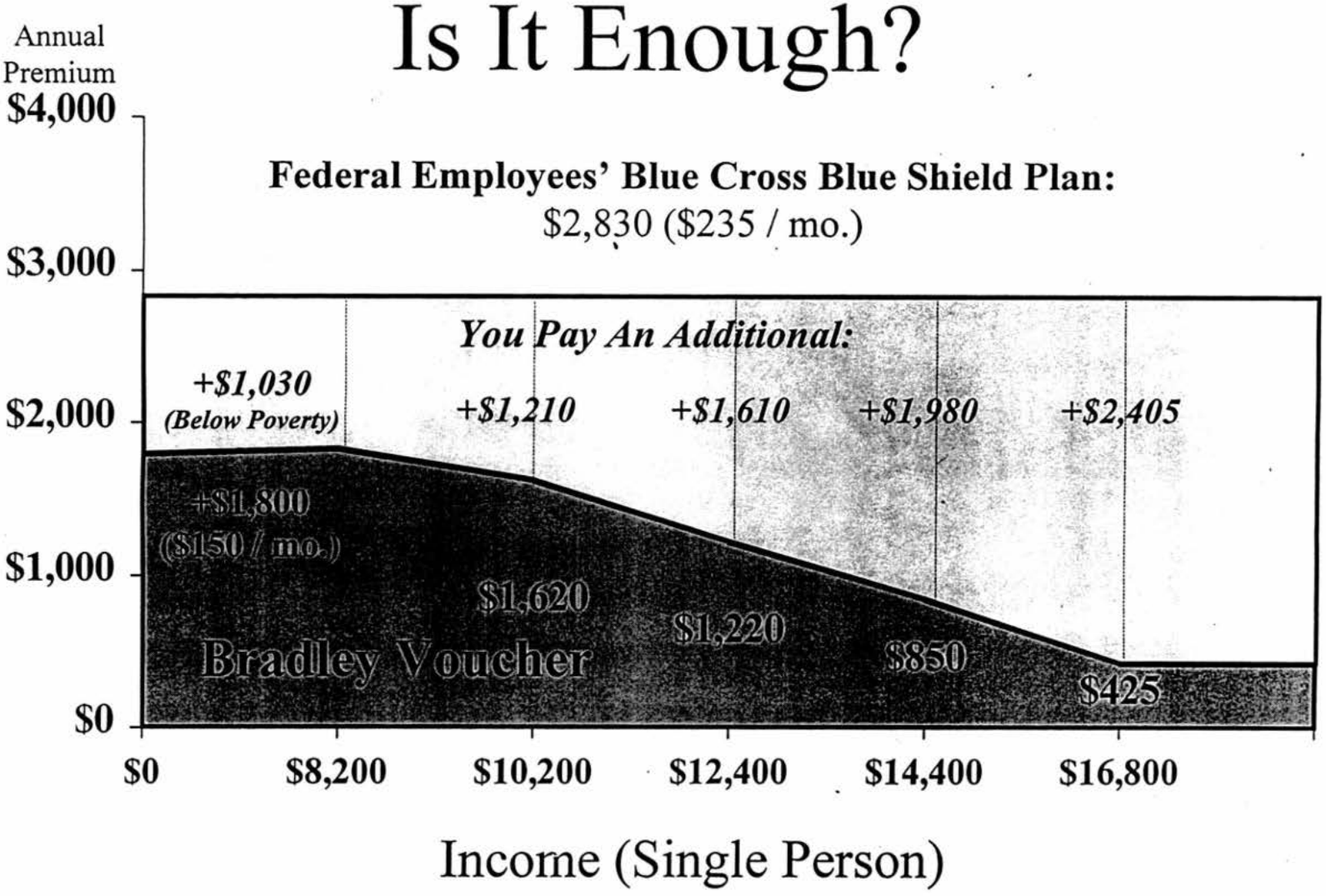
"Medicaid supports home-based care and the wide variety of services people with mental illness need in order to get better, stay out of institutions and lead healthy, productive lives. Private insurance companies simply won't be there. They will never offer the level of ongoing, hands-on help that people really need in order to deal with a serious mental illness."

Catherine Becallo
Mental Health Professional
Durham, New Hampshire
November 17, 1999

"I'm concerned that low-income children and their families would get lost in the so-called 'mainstream' of the private health insurance market. Private insurance plans will not provide the benefits that low-income children receive through Healthy Kids."

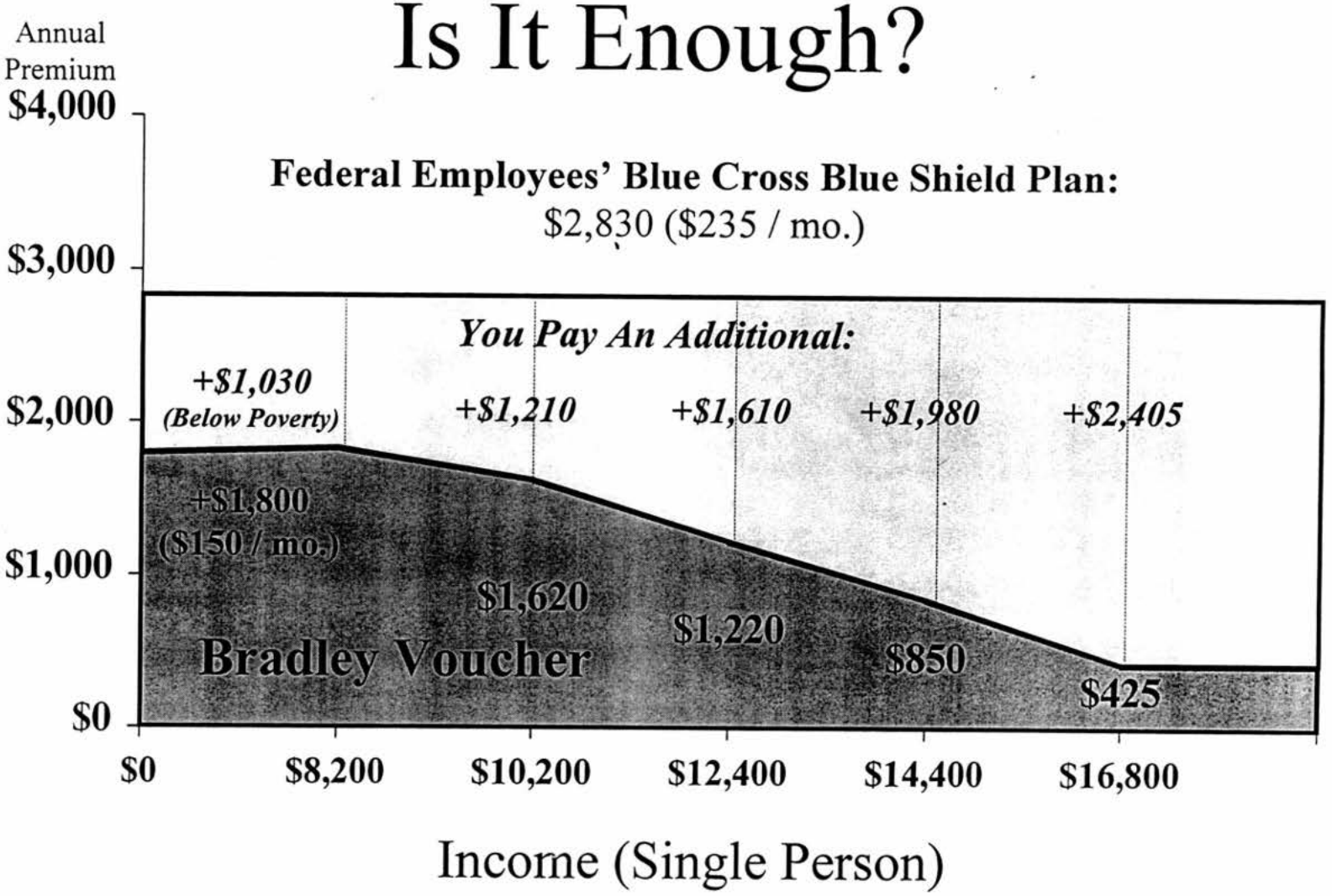
Sylvia Larsen
State Senator
State of New Hampshire
November 17, 1999

Bradley Insurance Voucher: Is It Enough?



Note: Includes Bradley's tax exclusion as well as his tax credit; numbers rounded

Bradley Insurance Voucher: Is It Enough?



Note: Includes Bradley's tax exclusion as well as his tax credit; numbers rounded

COMPARISON OF GORE AND BRADLEY HEALTH PROPOSALS

PROPOSAL	GORE	BRADLEY
CHILDREN	Expands CHIP to 250% of poverty. Allows parents in families with income above 250% of poverty to buy their children into CHIP or Medicaid. Provides 25% tax credit for families buying children into CHIP or Medicaid for those without health coverage. Insures millions more children through Medicaid and CHIP through financial bonuses and penalties to enroll children and new incentives and requirements, including school-based enrollment, mail-in applications, and presumptive eligibility. Assures all children access to affordable health coverage.	Eliminates Medicaid and CHIP and provides subsidies for FEHBP or employer plan. Provides premium subsidies: • Capped Subsidy for any child in family with income below 200% of poverty • Smaller subsidy for children in families with income between 200-300% of poverty • Tax deduction for premiums for children in families with income above 300% of poverty
ADULTS	Expands coverage to parents: Expands Medicaid and CHIP to cover parents of eligible and enrolled children at an enhanced match. (7 million eligible). Helps small businesses provide health care coverage: Provides 25% tax credits to small employers who participate in purchasing coalitions and grants to encourage participation. Tax credits to buy individual insurance: Provides tax equity for those without employer-based coverage through a 25% refundable tax credit to buy coverage. Workers with disabilities: Can buy into Medicaid and continue Medicare when they return to work. Medicare buy-in: Provides Americans 55 to 65 new health options, including buying Medicare. Can apply 25 percent tax credit to make coverage more affordable.	Eliminates Medicaid replaces with $1800 subsidy private or FEHBP plans. Provides premium subsidies: • Capped $1800 subsidy: for adults in families with income below 100% of poverty. • Smaller subsidy: for adults in families with income b/w 100-200% of poverty • Tax deduction: for premiums for adults in families w/ income above 200% of poverty
ELDERLY	Prescription drug benefit: no deductible, $5,000 cap. Includes low-income protections Dedicates significant portion of the budget surplus to secure Medicare until 2027.	Prescription drug benefit: $500 deductible, no cap. Gives states responsibility for institutional long-term care currently provided by Medicaid.
COSTS (Independent Analysis by Emory University)	$312 billion for coverage and drug benefit. Expands coverage to 12 million uninsured.	$1.058 trillion for coverage and drug benefit. Expands coverage to 15 million uninsured.