HEALTH CARE QUESTIONS AND ANSWERS

QUESTION: Your own Medicare trustees say the Medicare Trust Fund is going broke. The program obviously needs reform, and the Republicans have a bold plan to do that. Aren't you are using Medicare to scare older Americans?

ANSWER: My balanced budget plan extends the life of the Trust Fund for a decade -- the same as the Republican budget plan. My 1993 Economic Plan, opposed by Senator Dole and enacted without a single Republican vote, extended the life of the Trust Fund by 3 years.

The Republicans have merely seized on the Trust Fund to justify their extreme Medicare cuts. When the Medicare trustees issued their report on the status of the Trust Fund in April 1995, Haley Barbour "took one look at it and declared, "This is manna from heaven!" The report allowed them to separate Medicare from the balanced budget and say it needed to be fixed anyway.

Republicans don't believe in Medicare. Senator Bob Dole said, "I was there, fighting the fight, one of twelve, voting against Medicare in 1965 . . . because we knew it wouldn't work." Speaker Newt Gingrich said: "No, we don't get rid of it in round one because we don't think it's politically smart . . . But we believe it's going to wither on the vine."

QUESTION: You and Mrs. Clinton said that you could cut Medicare without hurting anyone. Now, when the Republicans do exactly the same thing, how can you say they are threatening seniors in this country?

ANSWER: According to the Congressional Budget Office, the Republican Medicare cuts last year would have limited Medicare spending to 5% per person -- over 20% below the private sector. When we talked about reducing the rate of growth of Medicare in the Health Security Act, we would have allowed it to grow at 7% per person -- the same as the private sector.

Last year they wanted to cut $270 billion to pay for a $245 billion tax cut. Senator D'Amato admits that Dole will have to cut Medicare to pay for the tax cut Dole is talking about now -- which is more than twice its size. The Congressional Budget Office says that $300 billion in Medicare cuts -- just $30 billion more than the original Republican plan -- would be "draconian."

QUESTION: The Republicans say that they will increase spending in Medicare from \$4,900 to \$7,100 for each beneficiary between 1996 and 2002. Isn't that an increase in spending not a cut?

ANSWER: The key questions for the tens of millions of people on Medicare are whether their benefits will be cut and whether they will be forced to pay more. Under the Republican plan to cut \$270 billion from Medicare, premiums would go up by \$1,700 per couple and by \$269 in 1996 alone. At the same time, Medicare would have spent \$1,400 less per person than without these cuts. This would lower spending per person to more than 20% below private sector premium growth rates.

QUESTION: Three years ago you would have refused to sign the Kassebaum-Kennedy bill because it didn't guarantee universal coverage. Now that it has passed, aren't you trying to take credit for a Republican initiative?

ANSWER: I asked Congress to work with me on this kind of legislation nearly two years ago. I do believe that all Americans should have affordable, high quality health care. There are still 40 million Americans without health insurance, and that is wrong. But we must work toward reform one step at a time and with bipartisan support.

In the last Congress, a few Republicans responded to pressure from some health insurers and refused to allow the Kennedy-Kassebaum bill to come up for a vote. I urged Congress to pass the bill in my State of the Union address, and the bill began to move forward.

Republicans and Democrats worked together to write a reasonable bill that will help as many as 25 million Americans. Workers will not longer fear losing insurance is they lose a job or change jobs, and insurance companies will no longer be allowed to deny coverage to someone with a preexisting medical condition.

There is more to do. For example, my balanced budget includes a plan to help workers who are between jobs pay for health insurance coverage. This would give peace of mind to 3 million Americans, including 700,000 children.

TO: Hillary Rodham Clinton
FROM: Jennifer Klein J.K.
DATE: 10/4/96
RE: Transracial Adoption

Carol Rasco asked me to write a note to you about the "Arkansas Minority Heritage Protection Act" signed by the President in Arkansas in 1987. Diane Blair called Carol to let her know that you were concerned about it.

The legislation required courts reviewing the placement of a child in a foster or adoptive home to give preference to (1) a relative, (2) a family with the same racial or ethnic heritage as the child, and (3) if a family of the same background were not available, to a family of a different race or heritage that was knowledgeable and appreciative of the child's racial or ethnic heritage. The legislation also allowed birth parents to express a preference for placing their child in a home with the same religious background.

The bill was passed at the very end of a legislative session. Carol would be happy to fill you in on her memory of the history of the legislation in Arkansas.

SEP-24 96 21:25 FROM: 202-594-5034 TO:94562878 PAGE:02

Interracial adoption: A look at the Clinton record

By Lynne Cheney

When Hillary Clinton announced in an interview with Time magazine that she and the president would like to have or adopt another child, the press was delighted. There were columns, cartoons, and nasty cracks. Newsweek's "conventional wisdom" gave Mrs. Clinton a down arrow and warned the warden of Allenwood, a prison where convicted politicians do time, to "dust off the Jolly Jumper."

Why would anyone as smart as Hillary Clinton say something that would open her up to such ridicule? Perhaps there's a clue in the fact that she had just been talking to Time about Jacqueline Kennedy Onassis, whose pregnancy during the 1960 campaign was of obvious political benefit. In his book about JFK, Ben Bradlee reports that when it was certain Kennedy had won, the president-elect said to his and Mr. Bradlee's pregnant wives, "Okay, girls, you can take the pillows out now."

But I suspect that it was adoption to which Mrs. Clinton really wanted to call attention. Republican-sponsored legislation providing a $5,000 tax credit to adoptive parents and removing barriers to interracial adoption recently and overwhelmingly passed the House of Representatives, and the Clintons have been intent on coopting this issue, exactly as they have co-opted other items on the Republican agenda that have broad appeal. Although the Association of Black Social Workers has insisted that putting black children in white homes is "tantamount to genocide," the devastating consequences of insisting on black parents has become clear to people across the political spectrum: A black child, on average, has to wait twice as long as a white child to be adopted.

Thus, Mrs. Clinton used the Time interview to present herself as a supporter and promoter of adoption, "particularly for older kids and across racial lines." In endorsing the recent Republican legislation, the president made an even more sweeping statement, describing himself in a letter to the Hill (and The Washington Post) as long having had the goal of ending the "historical bias against interracial adoption," a phrase that comes straight out of Mrs. Clinton's book.

What Mr. and Mrs. Clinton both seem to forget is that in 1987, as Governor of Arkansas, he signed the "Arkansas Minority Heritage Protection Act," a law that went further than any other in the nation in the importance it gave to minority children's having adoptive parents of the same race. This law remained on the books unmodified until Bill Clinton left the governorship.

Nor has Mr. Clinton's record as President been good. Although he supported Sen. Howard Metzenbaum's 1994 Multiethnic Placement Act, which was intended to end adoption decisions based on race, Mr. Clinton allowed the Department of Health and Human Services, whose leadership is, after all, part of his administration, to issue guidelines that undercut that intent. Social workers can, according to the guidelines, assess in individual cases "a family's ability to nurture, support, and reinforce the racial, ethnic, or cultural identity of the child." This allows foes of interracial adoption to continue a longstanding practice: citing lack of ability to nurture racial identity as reason for disqualifying white parents trying to adopt a black child. So fully did the Clinton administration upend the Multiethnic Placement Act that Mr. Metzenbaum himself has called for its repeal.

But it would be very hard for those who rely on news reports to know how fulsomely contradictory the Clinton record has been. A recent search of magazines and major newspapers in Nexis, for example, found only one mention of the bill that Arkansas governor Clinton signed in 1987. It was in the 16 paragraph of a May 11, 1996, New York Times story, where it was presented not as a contradiction on Mr. Clinton's part but as a Republican challenge to the president's record. I myself am indebted for information about Mr. Clinton's reversals to a recent graduate of the University of Chicago law school, Miranda Perry, who shared with me a thoughtful and well-researched paper she had written on interracial adoption.

So why have major newspapers been so much less thorough in their reporting than Miranda Perry? Media bias is one possibility. Since, as one survey shows, 89 percent of Washington journalists voted for Clinton in 1992, there is probably not a large innate interest on their part in setting out all his contradictions. And the fact that there are so many contradictions makes the task challenging. Carl Cannon of the Baltimore Sun once wrote a piece in the Weekly Standard about how there wasn't enough time in the world to track down all the president's "pathetic lies," as he put it, and so reporters tend to throw up their hands. I have often wondered if President Bush's real problem in 1992 might not have been that he went back on his word so seldom. His reversal on taxes stood out because it was such a singular event. With Mr. Clinton there are so many reversals, who can keep track?

But the major distraction in the case of interracial adoption was provided by Mrs. Clinton. So giddy were journalists with the idea of an addition to the first family that they paid scant attention to a more important matter — whether what Mr. and Mrs. Clinton were saying about interracial adoption really came out of a firm conviction stretching back many years — or whether it was simply political opportunism.

No doubt some will think that this scenario gives Mrs. Clinton too much credit by suggesting that she deliberately put herself at the center of the media firestorm to take attention away from the Clinton record. I might think that myself if I didn't have so clear a memory of the first time her seemingly careless words distracted the press. Remember, "I suppose I could have stayed home and baked cookies and had teas?" The context was Jerry Brown's accusation that there was something dubious about the wife of the governor of Arkansas being a partner in a law firm that did business with the state. When tea and cookies were offered up, reporters lost all interest in whether Mr. Brown's charge had substance — and Bill Clinton became president of the United States.

Lynne Cheney is a senior fellow at the American Enterprise Institute and the author of "Telling the Truth: Why Our Culture and Our Country have Stopped Making Sense and What We Can Do About It."

Wash Times
6/20/96

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ACT 857 -f 1987

AN ACT to Require Due Consideration of a Child's Minority Race or Minority Ethnic Heritage in Foster Care Placements and Investigations for Adoptive Placement; and for Other Purposes.

Be It Enacted by the General Assembly of the State of Arkansas:

SECTION 1. (A) In all custodial placements by the Department of Human Services in foster care or investigations conducted pursuant to Court order under Section 12 of Act 735 of 1977, as amended, the Revised Uniform Adoption Act, due consideration shall be given to the child's minority race or minority ethnic heritage.

(B) In the placement or adoption of a child of minority racial or minority ethnic heritage, in reviewing the placement, the court shall consider preference, and in determining appropriate placement, the court shall give preference, in the absence of good cause to the contrary, to (1) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, to (2) a family with the same racial or ethnic heritage as the child, or if that is not feasible, to (3) a family of different racial or ethnic heritage from the child that is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents express a preference for placing the child in foster home or an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in (1) or (2), the court

shall place the child with a family that also mee the genetic par nt's religious preference. Only if family is available as described in (1) or (2) may t court give preference to a family described in (that meets the parent's religious preference.

SECTION 2. All laws and parts of laws in co flict with this Act are hereby repealed.

APPROVED: April 13, 1987.

ACT 858

AN ACT to Provide for the Licensure of Voi Stress Analysis Examiners by the Arkan Board of Private Investigators and Private S curity Agencies; to Prescribe the Qualificatio of and Requirements for Licensure of Vo Stress Analysis Examiners; and for Ot Purposes.

Be It Enacted by the General Assembly of the St of Arkansas:

SECTION 1. For purposes of this Act, term:

(a) "Board" means the Arkansas Board of vate Investigators and Private Security Agencies ated by Act 429 of 1977.

(b) "Voice stress analysis examiner" mean individual who has been trained in the operatio a voice stress analysis machine and who maintai

CLAIM: Dole said: "The President has attacked me for asking older Americans with higher incomes to pay more in Medicare premiums, but he would have done the same in his Health Security Act.

RESPONSE: The President did ask wealthier older Americans to pay higher premiums in the Health Security Act, but the additional money would not have gone to pay for tax cuts. Instead, beneficiaries would have received additional benefits, including prescription drugs and long-term care. (SOURCE)

CLAIM: Dole said: "Your own Secretaries of Health, Labor and the Treasury say the Medicare program will be bankrupt in 5 years or less."

RESPONSE: The President has put forward a plan to strengthen the Trust Fund without cutting $270 billion -- cuts three times larger than the largest Medicare cut in history. (SOURCE). His 1993 economic plan extended the life of the Trust Fund three years without a single Republican vote. (SOURCE) His balanced budget proposal would extend the life of the Trust Fund for ten years, and by next year the Trust Fund would have a $3 million per day surplus. (SOURCE)

CLAIM: Dole said: "The bipartisan Concord Coalition says that the Medicare cuts in the Health Security Act were larger than the Medicare savings we have proposed."

RESPONSE: First, the Republican budget resolution cuts Medicare by $168 billion over 6 years -- 14% more than the $148 billion in the Health Security Act over the same number of years. (SOURCE) The Health Security Act would have provided over $800 more per person in 2002 than the Republican proposal. (SOURCE) Under the Health Security Act, Medicare spending growth was the same as the growth projected by CBO for the private sector -- while the Republican plan limits Medicare to well over 20% below the private sector. (SOURCE)

Second, the Medicare savings in the Health Security Act were reinvested in new benefits for Medicare beneficiaries, including long-term care and prescription drug coverage, while the Republican cuts are being used to pay for tax cuts.

HEALTH CARE

Attack: The total new tax burden imposed under your health care plan was a staggering $1.584 trillion, and the average working family would have had a massive new tax bill of $3,056 per year.

Response: The number cited by Senator Dole was almost entirely made up of projected private premiums for private health care. These were premiums that employers and households would have paid anyway. Private premiums for private insurance aren't taxes. Moreover, most employers and their workers who already had insurance would have had lower health care costs under the President's health care plan. Even the bipartisan Congressional Budget Office said that in 2004 businesses alone would pay $90 billion less and projected that "total spending for health would be $150 billion -- or 7 percent -- below where it would be if current policies and trends continue."

Attack: Ira Magaziner, the liberal architect of your government-run health care plan stated, "Certainly his views have not changed...President Clinton remains committed to the idea. Indeed, the President will try again if a more receptive Congress is ever elected."

Response: Mr. Magaziner was referring to the fact that I *do* believe that all Americans should have quality, affordable health care. But as I have said before, we need to work toward reform one step at a time and with bipartisan support. We should build on the health care successes we have had this year -- like the Kennedy-Kassebaum insurance reform legislation, legislation which moves toward ending discrimination in mental health coverage, and the 48-hour rule which ends "drive by deliveries" and assures that new mothers and their babies can stay in the hospital 48-hours after a delivery.

We can do more. We should help working families pay for health care coverage while they are in-between jobs. We should also end insurance company rules which prevent doctors and other health care providers from fully discussing treatment options with their patients.

MEDICARE

Attack: Even the bipartisan Concord Coalition says that you are demogoguing Medicare. They point out that your cuts in the Health Security Act were larger than the Medicare savings being proposed today. You are just playing politics.

Response: First, the Medicare savings in the Health Security Act were *lower* than the cuts in the current Republican Medicare proposal. The Republican Budget Resolution reduces Medicare spending by $168 billion over 6 years -- 14% larger than the $148 billion in savings the Health Security Act over the same number of years.

The Health Security Act would have provided over $800 more per person in 2002 than the current Republican proposal. Under the Health Security Act, Medicare spending growth was the same as the growth CBO projected for the private sector. The current Republican cuts constrain Medicare to well over 20% below the private sector premium growth rate, threatening quality and services for beneficiaries.

Second, every penny of Medicare savings in the Health Security Act was reinvested in much needed long-term care and prescription drug coverage for Medicare beneficiaries. The Republican Medicare cuts are used to pay for unnecessary and excessive tax cuts.

Attack: The First Lady testified on the Hill that the Health Security Act would constrain the rate of growth of Medicare to 6%. Yet when Republicans proposed to constrain the rate of growth to 7%, you said it would devastate the Medicare program.

Response: The First Lady testified that the Health Security Act would have allowed Medicare to grow at a per person growth rate of 6% or 7%. According to CBO, the Health Security Act would have allowed Medicare to grow at 7% per person. In contrast, the Republican Medicare cuts would limit Medicare to 5% per person growth rates -- over 20% below CBO's projected private sector rate. Limiting spending this far below the private sector will threaten quality of care for people on Medicare. In addition, the Medicare reforms in the Health Security Act were done in the context of broader health care reforms that not only provided insurance coverage for all Americans, but also reinvested the savings into much needed prescription drug and long-term care benefits. [Republicans use aggregate spending numbers as opposed to per person spending numbers because they are larger and camouflage the extent of their reductions.]

Question: **Are you concerned about the recent report in the *Journal of the American Medical Association* that elderly and low-income people are receiving substandard care in HMOs?**

Answer: I am very concerned about the recent report on problems for the poor and elderly in managed care plans. More and more people are joining managed care plans, and there have been abuses. That is why I was pleased that the Congress responded to my call to pass legislation assuring that new mothers and their babies can stay in the hospital at least 48 hours after childbirth, ending "drive-by deliveries." I also recently signed an Executive Order establishing a bipartisan advisory commission on quality and consumer protection in the health care system. And finally, I have asked Congress to pass legislation that would stop health plans from limiting the information doctors and nurses can give to patients about treatment options.

The report in the *Journal of the American Medical Association* reinforces the need to take my approach to reforming Medicare. The Republican Medicare proposal would, in effect, force poor older Americans into managed care plans and would allow insurance companies to discriminate against people wanting to return to fee-for-service. My Medicare proposal would give more choices to Medicare beneficiaries, including more managed care plans, and would allow them to return to fee-for-service at any time.

Clinton Gore

FOR IMMEDIATE RELEASE
October 11, 1992

Contact: Bob Boorstin
(501) 399-3900

RHETORIC VS. REALITY
THE FIRST DEBATE

RHETORIC: George Bush said, "My economic program is the kind of change we want."

REALITY: His economic program is more of the same. He's proposed the same trickle-down economics of the past -- a 1 percent tax break and a capital gains tax break which will give millionaires $108,000 and people making $20-30,000 only $111. [Citizens for Tax Justice, based on Department of Treasury figures.]

"MOST RESPECTED ECONOMY IN THE WORLD"

RHETORIC: George Bush said, "We're the most respected economy in the world. We've been caught up in a global slowdown."

REALITY: After George Bush visited Japan last year, Prime Minister Miyazawa said he felt dojo -- "sympathy" or "compassion" -- for the United States of America. [Washington Post, 1/29/92] Under the Republicans, U.S. productivity has grown at roughly 1 percent, compared to 2.8 percent for Japan. [State of Working America, p. 422] Since 1980, the United States has been transformed from the world's largest creditor to the world's largest debtor. [Economic Report of the [illegible] The [illegible] in developing 10 out of 12 critical technologies and gaining in none. [Commerce Department, Emerging Technologies, Spring 1990]

THE MISERY INDEX

RHETORIC: George Bush said "...the misery index went right through the roof."

REALITY: Under George Bush, the misery index has increased from 9.4 to 10.4 percent in September. In the same time period, Arkansas' index declined by almost one-fifth. [United Press International, 10/9/92, Bureau of Labor Statistics]

DEMONSTRATIONS AGAINST THE U.S.

RHETORIC: "I think it's wrong to demonstrate against your own country. I just find it impossible to understand how an American can demonstrate against his own country"

REALITY: President Bush didn't always feel this way. During the Vietnam War he supported people's right to [illegible] ... "Democracy brings the undeniable value of thoughtful dissent, and we've heard some dissenting voices here at home...But the fact that all voices have the right to speak out is one of the reasons we've been united in purpose and principle for 200 years." [New York Times, 1/30/91]

CLINTON TAX PACKAGE

RHETORIC: George Bush said: "Taxing people over $200,000 will not raise $150 billion."

REALITY: This charge is based on the false assumption that the only increase in revenue comes from raising the individual income tax rate. In fact, the Clinton plan raises billions from other sources, including $58 billion from closing corporate tax loopholes. [Putting People First, pp.31-33]
When this charge was made in a Bush advertisement, the Wall Street Journal said, "The problem is that Mr. Clinton has proposed to cut taxes for the sort of workers featured in the ad." [WSJ, 10/2/92]
The Los Angeles Times has said that the Bush campaign has offered a "questionable analyses of Clinton's tax proposals that come dangerously close to misrepresentation, as well as hypothetical assumptions." [L.A. Times, 10/2/92]

TAX AND SPEND

RHETORIC: George Bush said: "I agree with what he's [Perot] talking about in trying to get this spending down....I disagree with the tax and spend philosophy..."

REALITY: On taxes. George "Read My Lips" Bush gave us the second biggest tax increase in American history. He has consistently raised taxes on the middle class.
The conservative Cato Institute called Bush "the largest spender to sit in the White House in the past 30 years" and noted that Bush "increased the domestic budget more in four years than Carter and Reagan combined did in 12 years." [Cato Institute, 6/19/92] Bush actually requested more spending than Congress has appropriated. Through 1991, Bush requested 1.1 billion more than Congress appropriated, and Reagan-Bush requested $17.3 billion more than Congress appropriated. [House Committee on Appropriations]

JOB TRAINING

RHETORIC: George Bush said: "Look at the job retraining programs that we're proposing."

REALITY: Okay. George Bush took 1,346 days to propose a job training program that was largely a compilation of the government's 60 existing programs. [Atlanta Journal Constitution, 1/18/92] And he's given no specifics on how he proposes to pay for his new plan. Bush proposed eliminating Trade Adjustment [illegible] ...retrain [illegible] budget, Bush proposed cutting the Job Corps by 5 percent below the FY 1992 appropriations level and freezing assistance to dislocated workers. [U.S. House Budget Committee, 2/90]

JOBS

RHETORIC: George Bush said, "The Agenda for American Renewal...it makes sense...it's sensible...it creates jobs."

REALITY: George Bush has created no new private sector jobs during his Administration. [Bureau of Labor Statistics] "If the program announced today is any good," Mr. Bush said, "Why did it take the Carter Administration three and a half years to come up with it?" [New York Times, 8/30/80]

CHINA

RHETORIC: George Bush said, "We are the ones that worked out the prison labor deal... I am the one that said let's keep the MFN because you see China moving toward a free market [illegible]

REALITY: George Bush pressured China on prison labor and access to its markets only at the urging of the US Congress. After the slaughter in Tiananmen Square, President Bush sent secret emissaries to toast the Beijing leadership. Yet China's government still denies its people their human rights, and still transfers nuclear technology to radical regimes. And we still have a trade deficit with China of $15 billion, second only to Japan. [WP, 5/16/92; WP 2/22/91, Financial Times 9/2/92]

JAMES BAKER

RHETORIC: George Bush said, "...I'm going to say to Jim Baker when this campaign is over, 'You do in domestic affairs what you've done in foreign affairs."

REALITY: Asked by Larry King what role James Baker would play in a second Bush Administration, George Bush said: "I mean, I would think he'd want to go back there [to the State Department], and I'd want him there." [Larry King Live 10/5/92]

SMALL BUSINESS

RHETORIC: George Bush said, "We've got the plan announced for what we can do for small business."

REALITY: Let's hope it's something different than the record. Under George Bush, the number of new business incorporations has declined at a 3.3 percent annual rate, the first decline since 1945 [Congressional Joint Economic Committee] Under George Bush, the number of personal bankruptcies filed exceeds net new jobs created by a 2.4-1 margin. [Administrative Office of the U.S. Courts]

STOCK MARKET

RHETORIC: George Bush said, "There was a moment there, fear that he [Clinton] might win, and the markets went down like that [whoooosh]."

REALITY: The day after Bush addressed the Republican National Convention, the Dow Jones Industrial average sank 50.79 points, to a four-month low of 3,254.10. It was the second biggest drop for the average in 1992. [Associated Press, 8/22/92]

FAMILY VALUES

RHETORIC: [illegible]

REALITY: George Bush has twice vetoed the Family and Medical Leave Act, which would allow parents to take 12 weeks of unpaid leave to care for sick relatives or newborns.

In January of this year, Bush proposed a tax exemption of $500 per child but he reneged on his proposal one month later. A top aide said that "was a proposal for [the] New Hampshire [primary]; this is the real proposal." [The Washington Post, 2/12/92]

George Bush's FY 1993 budget would cut funding for college aid by $95 million, and reduce the number of student aid awards by 1.25 million. [Committee for Educational Funding, 1992]

DEADBEAT DADS

RHETORIC: George Bush said, "Those [single parent] mothers need help and one way to do it is to get these deadbeat fathers to pay their obligations to these mothers."

REALITY: In his Midsession Review, George Bush named "selected options" that would cut $2 billion in child support enforcement funds. [Midsession Budget Review] Ironically, the Republicans have yet to return the [illegible] with

Bush at a May Republican fundraiser -- although he owed $100,000 in child support. [LA Times, 5/8/92; United Press International, 10/10/92]

DRUGS

[illegible] [on drugs] out there."

REALITY: Three years after George Bush declared "this scourge will stop" and after $30 billion expended, more than 3 million Americans use cocaine or heroin or both every week. That's a record high. [Senate Judiciary Committee, 1/92] Under George Bush, there are fewer agents of the Drug Enforcement Agency than there are members of U.S. Army military band. [John Lawn, DEA Director, 3/22/90]

CIVIL RIGHTS

RHETORIC: George Bush said, "I've tried to use the White House as the bully pulpit, speaking out against discrimination. We passed two very forward looking civil rights bills."

REALITY: Bush vetoed the Civil Rights Acts of 1990, only the second time a President has vetoed a civil rights act this century. [Washington Post, 10/23/90] Bush also opposed the landmark Civil Rights Act of 1964. [Dallas Morning News, [illegible]]

AIDS

RHETORIC: George Bush said, "We have increased funding for AIDS; we've doubled it."

REALITY: Although Bush claims to have allocated $4.3 billion to AIDS research in 1992, he includes Medicare/Medicaid funds being spent for AIDS treatment in this figure. In fact, only $2 billion will be spent on AIDS research -- less than half of Bush's claim. [Bush 8/19/92; Wall Street Journal, April 22, 1992] During this 90-minute debate, it is estimated that 300 people worldwide will be infected with the AIDS virus. [Houston Chronicle, 7/21/92]

SOCIAL SECURITY

RHETORIC: George Bush said, "I'm the President who stood up and said don't mess with Social Security and I'm not going to and we haven't and we are not going to go after the Social Security recipient."

REALITY: On May 10, 1985, then Vice President Bush cut short a trip in order to cast the tie-breaking vote on the Senate floor to eliminate the 1986 cost-of-living adjustment for all Social Security beneficiaries. [New York Times, 9/11/85] In a 1980 debate, George Bush said that Social Security "has become largely a welfare program or a side benefit to it." [Associated Press, 2/23/80]

MEDICAL MALPRACTICE

RHETORIC: [illegible] suit

REALITY: Apparently, Mr. Bush hasn't read the Clinton health care plan. "Alternative dispute resolution mechanisms should be made available in every state, which can effectively and humanely address and resolve these legal challenges." [January, 1992]
Arkansas has the lowest medical malpractice rates in the nation. [Wall Street Journal, 9/8/92]
Tort suits actually dropped 10 percent in Arkansas between 1987 and 1990.

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MEDICARE

MEDICARE: Medicare is a compact between all generations. Before it was enacted three decades ago, only 50 percent of our nation's elderly had any insurance. It provides peace of mind not only to 38 million elderly and disabled beneficiaries, but to their family members as well. It faces financial challenges that require reforms. My balanced budget proposal clearly illustrates my commitment to reforming the program. But my proposals strengthen the Medicare trust fund without new premium increases and without threatening to undermine the quality services the program provides to beneficiaries.

I. Key Answer Points

- I rejected the $270 billion in Medicare cuts (reductions) and flawed policy changes proposed by Senator Dole and Speaker Gingrich. And I would do it again and again.

- Their cuts (reductions) tripled anything previously enacted and their policy changes would create new health plans that would skim the healthy and wealthy beneficiaries from all others. Virtually every organization representing the elderly, people with disabilities, doctors, nurses, and hospitals (including the AARP) concluded that the Dole/Gingrich proposals were excessive and would threaten quality services for beneficiaries.

- Moreover, the Dole/Gingrich budget proposal's Medicare premium hikes of $1,700 per couple -- $268 in 1996 alone -- would have placed an unnecessary and excessive burden on beneficiaries and their families.

- My balanced budget proposal reforms Medicare, achieves over $116 billion in (CBO-scored savings), and strengthens the Medicare Trust Fund by a decade from today WITHOUT extreme and ill-advised policies and unnecessary new premium increases.

II. Dole Contrast

- **Dole led the fight against strengthening the Medicare Trust Fund in 1993.** In 1993, Dole and all of his Republican colleagues voted against Medicare savings and policy changes that extended the Medicare Trust Fund for 3 years.

- **Dole voted against Medicare and proudly trumpeted that fact 30 years later.** "I was there, fighting the fight, one of twelve, voting against Medicare in 1965...because we knew it wouldn't work." [10/24/95]

- **Dole's Medicare beneficiary cuts were more draconian than Gingrich's proposals.** Dole's proposal not only doubled Medicare premiums, but also doubled the Part B physician deductible (from $75 to $150).

- **Dole even tried to raise the Medicare eligibility age from 65 to 67, thus threatening to add to the number of uninsured.** Today, the pre-age 65 senior population is one of the most difficult to insure and most discriminated against age groups in the nation. Bob Dole's proposals would have made these vulnerable people wait even longer before they qualified for Medicare.

III. Likely Questions and Responses

__Question__: **How can the Republican budget proposals be a cut when CBO says that actual spending per beneficiary would have increased from $4,900 to $7,100 between 1996 and 2002? This is much greater than an inflation increase.**

__Response__: The key question for tens of millions of people on Medicare is whether or not the savings called for will cut the benefits, the services or the quality of care they receive. **By any standard, the $270 billion in savings the Dole-Gingrich budget called for would have led to higher out-of-pocket costs and less quality health care for millions of older Americans.** Where I come from, if you pay more and get less, that is a cut.

Consider the following: spending per Medicare beneficiary was cut $1400 lower per person -- 20% below the private sector level -- while the Republican Medicare premium increases would have raised out-of-pocket costs by $1,700 per couple. Furthermore, I believe that the policies they have would create plans that would divide healthy beneficiaries from those who are unhealthy.

__Question__: **If Bob Dole's budget had Medicare cuts, don't your Medicare proposals also "cut" the program?**

__Response__: My current balanced budget proposal does have Medicare savings and I have never hid that. Yet, I believe that the levels of our savings are prudent and the policies are carefully designed to strengthen the Medicare trust fund by taking out unnecessary costs without cutting quality health care.

- **The Dole/Gingrich proposed cuts are excessive and are used to pay for unneeded tax cuts.** My proposal does not use Medicare as a $270 billion cash cow for $245 billion in unnecessary tax cuts. Now Bob Dole says he wants to more than double that tax cut and is suggesting he will lower the Medicare cuts. The numbers don't add up without an even higher Medicare cut.

__Question__: **If Bob Dole's and your current Medicare proposals are "cuts," why did you label the Medicare cuts in your Health Security Act as "reductions in growth"?**

__Response__: The goal of my health care plan was to reduce the overall costs of health care so that the growth of all health care costs -- including Medicare -- could come down through a smarter health care system without cuts in quality or services. Furthermore, we plowed our savings back into new benefits like prescription drugs and long-term coverage.

The Republican plan I vetoed simply sought to lower Medicare costs below what everyone else needed to keep up with the costs of health care. It is one thing to lower the cost of all health care through making health care more productive; it is another thing to simply cut Medicare alone -- giving it second class status.

- **Most aging representatives did not label my proposal as a "cut" because of the reinvestments in prescription drug and long-term care coverage.** In fact, because of these new benefits, AARP and the National Council of Senior Citizens specifically did not label my proposals as "cuts."

<u>Question</u>: **Aren't you simply"demagoging" the Medicare issue and using it as an effective scare tactic against Bob Dole? Your own Secretaries of Health, Labor and Treasury say the Medicare program will be bankrupt in 5 years or less. The Republican proposal allows for a growth rate in excess of inflation. How can you shamelessly scare the elderly into believing that the Republicans are going to hurt the Medicare program?**

<u>Response</u>: First, it is not only myself but the American College of Physicians, the American Hospital Association, the Catholic Hospital Association, and the AARP who all criticized the Republican plan as a severe and extreme cut. Their plan was three times larger than the largest Medicare cut in history, I am not going back off one bit from defending against such excessive cuts.

Two, it is my Administration that strengthened the Medicare trust fund by three years in 1993 -- and was opposed by every single Republican. We were also opposed when we presented another plan in 1994 to protect the trust fund for another five years. Currently, we have enough savings and policies in common to extend the life of the trust fund 10 years to give us time to address our long-term challenges. First, it is not only myself but the American College of Physicians, the American Hospital Association, the Catholic Hospital Association, and the AARP, who all criticized the Republican plan as a severe and extreme cut. Their plan was three times larger than the largest Medicare cut in history. I am not going back off one bit from defending against such excessive cuts.

- **There is a need to strengthen the trust fund and I have a plan.** My balanced budget proposal illustrates how to extend the life of the Medicare trust fund for ten years from today.

- **But we must reject excessive cuts and policy changes that are used to help pay for a tax cut that has more than doubled from last year to over $540 billion.**

- **Last year there were $270 billion in Medicare cuts and $245 billion in tax cuts. Next year, one can only imagine how many more Medicare cuts will be necessary to pay for the over half a trillion dollar tax cut?**

- **While the medical inflation rate is low today, the Congress' own congressional budget experts project that this will not be the case for the next seven years.** I simply don't believe we should gamble the health of Medicare beneficiaries on a proposal that says no matter what happens with inflation, we will arbitrarily cap expenditures to a certain level.

New

Question: Even the bipartisan Concord Coalition says that you are demogoguing the Medicare program. They point out that your cuts in the Health Security Act were larger than the Medicare savings being proposed today. Aren't you just playing politics?

Response: By any measure, the charge that the comparative Medicare savings in the Health Security Act are higher than the current Republican Medicare proposal is simply wrong. The Republican Budget Resolution would reduce Medicare spending by $168 billion over 6 years, 14% larger than the $148 billion in savings the Health Security Act over a comparable time frame.

On a per beneficiary basis, the Health Security Act would have provided over $800 more per person in 2002 than the current Republican proposal. The Health Security Act limited Medicare to the same level of growth as CBO projects for ~~the~~ private sector premium growth rates. The Republican cuts would constrain Medicare to well over 20% below the private sector premium growth rate, making beneficiaries vulnerable to declines in quality and services.

Moreover, virtually every penny of Medicare savings in the Health Security Act was reinvested in providing much needed long-term care and prescription drug coverage for Medicare beneficiaries. Finally, of course, the savings in Medicare in the Health Security Act were in the context of broad reform that would have provided affordable quality health care for every American. Unlike the Republican proposals, the savings were not used to offset unnecessary and excessive tax cuts.

New

Question: When the First Lady testified on the Hill, the Health Security Act would constrain the Medicare rate of growth to 6%. Yet when Republicans proposed to constrain the rate of growth to 7%, you said it would devastate the Medicare program. How to reconcile these claims?

Response: Our Medicare proposal took place in the context of broader health care reform which would have provided health care for every American. When everyone is covered, it is far easier to constrain the rate of growth. Moreover every penny of Medicare savings went back into much-needed a prescription drug and a long-term care benefit for seniors, rather than a tax cut for the well to do.

Per person growth rate = 7% in HSA → equal to private sector
R's = 5% → over 20% below both private sector and what we proposed

Question: What is wrong with asking higher income seniors to pay more in premiums? The so-called means-testing premium was in the Republican plan and you even included a similar provision in the Health Security Act. Aren't you once again playing political games on this issue?

Response: I am not opposed in principle to higher income beneficiaries paying more for their Medicare. I did support this concept in my health reform proposal, but beneficiaries received additional benefits in return for their increased contribution. The Republican means testing proposal provided no significant new benefits and the savings they achieved through this proposal would help offset unneeded and excessive tax cuts. I do not believe we should be asking older Americans to use their limited savings to help pay for such an unwarranted tax cut.

Question: The difference between your $124 billion and their $158 billion in Medicare cuts over 7 years is extremely small. Why don't you stop playing politics with this issue and come up with a compromise? Why not do what is best for America?

Response: The difference between my proposal and the Republican plan is still larger than you state: indeed it is over 50% larger than my plan. Furthermore, it has policies that I and many experts believe will lead Medicare beneficiaries to become divided by wealth and health.

But more important, my opponent and Newt Gingrich still to this day criticize me harshly for vetoing $270 billion cuts, and I think most experts believe that in order to pay for their excessive tax cut, they will go back to the deep -- and even deeper Medicare cuts as the only way to pay for more than doubling their new tax cut proposal.

- **Senator Dole's numbers for his tax cut just don't add up without extremely high Medicare and Medicaid cuts.** Until I leave office, I will categorically reject excessively high Medicare and Medicaid cuts and policy changes that will hurt these programs and the beneficiaries they serve.

- **Even if one assumes $168 billion in cuts and a compromise on the number is imaginable, the Republicans have still not rejected their old and flawed policy that pits healthy and wealthy beneficiaries against the sick.** They have not rejected a full-blown, untested Medicare Medical Savings Account (MSA) that has every potential to attract only the youngest and healthiest of the Medicare population. They have not rejected their new health plan that eliminates all beneficiary payment protections and allows doctors to charge whatever they want. And lastly, they have not rejected the arbitrary caps that locks in Medicare expenditures at a certain level -- regardless of what is happening in the economy. These policy differences are very real and concern me greatly.

Question: Aren't you just committed to protecting the status quo at a time when we must modernize Medicare? What is wrong with providing more choices to beneficiaries?

Response: My plan is to strengthen the trust fund and provide more choices to Medicare beneficiaries, but I want to do so in a way that preserves the integrity of our Medicare program. Rather than dismantle our existing Medicare program, I want to build on the solid foundation we have created by providing Medicare beneficiaries new health plan options that provide new choices to beneficiaries

(PPOs, PSOs, and HMOs with a point of service option). I evaluate any new option on its ability to compete on cost and quality rather than selecting on the basis of "cherry picking" the healthy and wealthy. **Many of the Republicans' proposals (e.g. Medicare MSAs and physician plans without overbilling protections) would segment the healthy from the sick** and would undermine the Medicare program in so doing.

__Question__: Why are you so opposed to a small premium increase? Aren't you just waging a campaign to needlessly frighten the elderly?

__Response__: Raising Medicare premiums would hurt the millions of Medicare beneficiaries who have limited incomes. A recent study revealed that nearly 75 percent of Medicare beneficiaries have incomes below $25,000. Moreover, increasing premiums for Medicare beneficiaries is not necessary to strengthen the Medicare trust fund or to balance the budget. I simply will not stand for an excessive increase in premiums that is used to pay for an unnecessary tax cut for the well to do.

__Question__: Isn't it true that there was only a $7 difference between premiums under the Republican plan and your proposal by 2002?

__Response__: There was never only a $7 difference a month between premiums proposed by the Republicans and premiums in my plan. Some used that number incorrectly using preliminary or inaccurate projections. A true "apples to apples" comparison reveals that had I not fought and eventually vetoed their Medicare plan, every couple on Medicare would have paid premiums that were at least $1,700 higher over seven years and $268 higher per couple this year alone.

__Question__: You have supported Medical Savings Accounts, and yet you continue to opposed Medicare MSAs. Isn't that hypocritical?

__Response__: Although I have agreed to a limited test of MSAs for non-Medicare beneficiaries, I am particularly concerned that they would have an adverse effect on the Medicare program. Because certain Medicare beneficiaries are extremely expensive, there are greater incentives for health plans to "cherry pick" the healthier and wealthier. The Republicans have insisted on exposing opened-ended unconstrained Medicare MSAs to the entire beneficiary population. Such an untested proposal has a great potential to attract healthier and wealthier beneficiaries, leaving sicker and more costlier beneficiaries in a weakened traditional Medicare program ... leaving Medicare to "wither on the vine."

__Question__: Clearly the Medicare trust fund is in trouble. What are you doing to address both the short-term and long-term problems of the trust fund?

__Response__: I am absolutely committed to working with Congress towards this end and have illustrated how this can be done without excessive cuts, ill-advised structural changes, and unwarranted premium increases.

- **My 1993 budget extended the life of the Medicare trust fund by three years, without the vote of a single Republican.**

- **My balanced budget proposal extends the life of the Medicare trust fund until the year 2006, ten years from today.**

We must take this first step to strengthen the trust fund, and, as the Medicare trustees have recommended, we must establish a bipartisan process that would work to provide specific recommendations to address the long-term financing challenges facing the trust fund.

<u>Question</u>: You say your Medicare proposal extends the life of the trust fund for ten years, but without your home health gimmick, your proposal would only extend the life of the trust fund one year. Don't you think we need real savings to save the Medicare trust fund?

<u>Response</u>: My Medicare proposal extends the life of the Medicare trust fund until 2006, according to the trust fund actuaries and until the year 2005 according to the Congressional Budget Office. The proposal that you refer to a gimmick is the same one that every Republican in the House supported this year in the budget reconciliation bill. My proposal to transfer a portion of home health financing from Part A to Part B recognizes that Part A covers short-term, post-acute care services and allows Part B to financial other home health care services, just as was intended and implemented until 1980.

- **Without the home health transfer, we would have to make devastating cuts to hospitals** that would undermine the quality of care, especially in rural and other underserved areas.

HEALTH CARE

__HEALTH CARE:__ I remain committed to working toward providing affordable, quality, health care to all Americans. But as the last two Congresses have taught us, we must reform our health care system in a step-by-step manner that attracts bipartisan support. In so doing, we must reverse the trend of Americans losing their health insurance. We must ensure that the quality health care system we have is not undermined by rapid changes in our delivery system. And, as we do this, we must guard against a return to excessive health care inflation that makes insurance more unaffordable.

I. Key Answer Points

- I am pleased that the Congress responded to my State of the Union challenge to pass the Kennedy-Kassebaum health insurance reform legislation. As many as 25 million Americans will benefit from the important portability and other insurance reforms.

- I am proud of a host of other achievements including: requiring health plans to allow mothers of newborns to stay in the hospitals for at least 48 hours, requiring plans to move toward covering mental health illnesses on a level playing field with other disorders, helping tame health care inflation, increasing investments in biomedical research, expediting FDA's review and approval of new drugs, increasing funding for the VA health care system, and taking actions to protect kids from tobacco products and advertising.

- But there is more we can and should do. My balanced budget includes a provision to help worker's in-between jobs retain their insurance for themselves and their families. Each year it would help 3 million Americans, including 700,000 children. While we reject assaults on Medicaid's guarantee of coverage for children, elderly and people with disabilities, we should also provide more flexibility to states to help them to preserve and expand coverage. In addition, we should empower small businesses to purchase more affordable insurance through voluntary purchasing coalitions.

- And we should place a heavy emphasis on assuring that the quality of health care is not undermined by changes in our delivery system. We should start by passing legislation that prohibits health plans from limiting communications between health care professionals and patients about treatment options.

II. Contrast with Senator Dole

- **Dole's Medicaid block grant and $163 billion in cuts threatened the coverage of 8 million Americans, including 3.8 million kids.** Going backwards in coverage and increasing hospital's uncompensated care burden is a bridge we should not cross.

- **Dole proposed to expand the Medicare eligibility age to 67, thus threatening to add to the number of the uninsured.** His plan would add to the number of seniors seeking insurance -- the group that is already the amongst the most discriminated against.

- **Dole allowed Republicans to prevent the Kennedy/Kassebaum bill from even coming to a vote.** For months, Senate Republicans placed "holds" on the bill, making a vote impossible. The Congress couldn't pass the bill until after he left the Senate.

- **Dole offers no plan to help any American keep or afford their insurance.**

Question: Wasn't the Health Security Act a not-so veiled government take-over of the health care system? You called employer mandates, billions of dollars in subsidies, premium caps. Was that not advocating for a government run health care system?

Response: Of course not. It was a proposal to build on our current system of a privately-financed, employer-based system and provide affordable, quality private health insurance to every American. By any definition it was not a government-run system. What I have said all along, however, is that we bit off more than we could chew. But that doesn't mean that we shouldn't take steps to improve our health care system. From the end of 1994 on, I advocated for insurance reforms that we couldn't get passed until after you left. I advocated for the 48-hour rule and mental health parity that we couldn't get passed before you left. I think we can do more, but it will be done on a step-by-step basis that attracts bipartisan support.

Question: Your proposal would have created 200 new regional health cooperatives run by thousands of new bureaucrats and nearly 1,000 new federal powers and responsibilities.

Response: No system is more complex and full of red tape than our current health care system. My health care plan would have simplified it. Many experts conclude that my proposal would have substantially reduced the administrative hassle and produced large administrative savings.

My record of reducing government and regulation is unmatched in the last thirty years. I have downsized the Department of Health and Human Services by 5,000 employees -- nearly ten percent -- and significantly reduced the regulatory burden imposed on consumers and providers.

New

Question: The total new tax burden imposed under yours health care plan was a staggering $1.584 trillion and the average working family would have had a massive new tax bill of $3,056 per year. How can you justify this level of spending?

Response: Those numbers are entirely false. Virtually every dollar that businesses and households are already spending on health care today is included in that number. There were no new payroll taxes in my proposal. In fact, those who already have insurance would have had lower health care costs under the President's health care plan. The same CBO study that the Dole campaign cites, says that both business health care spending and private health care spending would have declined under the President's health care proposal.

Question: Do you still support an employer mandate? Can you pledge to businesses that you will not endorse or propose an employer mandate to provide health coverage in your next term?

Answer: There is not sufficient support for an employer mandate. This approach was rejected and, as I have said, I am now committed to improving the health care system in a step-by-step manner. That does not mean that we should not pursue proposals that make health care more accessible and affordable for all Americans. I still think we should find ways to help businesses insure their workers. The Kennedy-Kassebaum bill that I signed this spring did just that. It raised the self-employed tax deduction to 80%. I have also proposed voluntary purchasing cooperatives, which make it easier for small business to pool together so they have the collective bargaining power to buy affordable health care.

Question: Is it true that the Health Security Act would have destroyed between 600,000 and 3.8 million jobs?

Response: That is absolutely wrong. Even the CBO study that the Dole campaign cites, says that my plan, would have had only a small effect on employment. Also, the same people who alleged this huge job loss have been saying that a minimum wage increase would cause millions of Americans to lose their jobs. Yet every time we have asked employers to raise the minimum wage, there has been either no impact or a rise in employment levels. Moreover, a number of studies conducted by non-partisan, respected economists, predicted that low or no job loss would have resulted from my health care reform plan.

The health care debate should not be about misleading numbers but rather how we can improve our health care system. I wish that Senator Dole and I could have worked together to fix our health care system back in 1993 and 1994, but as he told Senator Bennett and others, no bill was his strategy. I wish we could work together to reform the health care system today. But, Senator Dole we had to wait until you left the Senate before we could pass any real health care reform.

Question: Why do you think you failed in passing the Health Security Act?

Response: I am disappointed that we were not able to achieve broad-based bipartisan support for any health reform. There were lots of reason for that, and I certainly take my fair share of the blame. There is no question that my Administration bit off more than it could chew. However, it is also true that many Republicans, including Senator Bob Dole, had no intention of passing any health reform. As even Republican Senator Bennett (R-UT) has said: "Dole made it very clear that no bill is the strategy." I hope that we have both learned that health care reform, like all good legislation, needs broad-based, bipartisan support. That is why the Kennedy-Kassebaum insurance reform legislation was so successful.

Question: Isn't it true that your recently proposed Advisory Commission on Consumer Protection and Quality in the Health Care Industry represents the next step of a government takeover of our health care system?

Response: That is preposterous. This commission has already received the strong support of a broad range of organizations including those who were critical of the Health Security Act, such as the Health Insurance Association of America (HIAA), the American Medical Association (AMA), and the Business Roundtable. Most Americans are extremely concerned about the rapidly changing health care system and its potential effect on quality and consumer protections. This advisory commission has a narrow but important charge. The only people I am aware who have raised concerns about this advisory panel on consumer protections and quality are a few Republicans. Nevertheless, I hope and expect both Republicans and Democrats will work together on this advisory panel, and I look forward to their report.

Question: Ira Magaziner, the liberal architect of your government-run health care plan stated, "Certainly his views have not changed...President Clinton remains committed to the idea. Indeed, the President will try again if a more receptive Congress is ever elected."

New

Response: Mr. Magaziner was referring to the fact that I am still for quality affordable health insurance for all Americans. But as I have said before, I am now for a step-by-step approach to health reform. I believe that we should build on the health care successes we have had this year, such as Kennedy-Kassebaum insurance reform, mental health parity legislation which moved towards eliminating discrimination in mental health coverage, and the 48-hour rule which ends "drive by deliveries" and assures that new mothers and their babies can stay in the hospital 48-hours after a delivery.

To build on these successes, I have advocated helping working families maintain their health care coverage while they are in-between jobs. I also support legislation which would eliminate "gag" rules which prevent physicians and other health care providers from fully discussing treatment options with their patients.

Question: Hillary Clinton recently told reporters she still believes there is a need for more "sensible government regulation" of the US health care system and that it will eventually happen. Referring to the Clinton bill, she said "I think the basic model is still the right model."

Response: What the First Lady meant I think was that there are certain instances when consumer protections are necessary. I have passed a number of bipartisan health care initiatives this year that protect consumers. The Kennedy-Kassebaum law ensures that individuals will not be denied health care coverage when they change jobs, or because they or their family member has a pre-existing condition. The mental heath parity provision that I recently signed into law is a regulation that moves towards eliminating discrimination against people with a mental illness. Also, the recently passed 48-hour rule protects new mothers and their babies from being discharged from the hospital until 48 hours after the delivery. These are just a few examples of where the President has called for consumer protections. I just recently signed an executive order to create a broad-based bipartisan health care commission that will examine the rapidly changing health care industry and make recommendations about possible reforms to ensure high quality health care.

Question: President Clinton has already begun efforts to revive his government-run health care plan. In fact a new plan is already being drafted by those who developed the original Clinton plan that includes health insurance purchasing cooperatives, government-defined benefit packages, and premiums subsidies, all key structures of the original Clinton plan.

Response: That is ridiculous. I have already said that I favor a step-by-step approach to health care reform. I am, however, continuing to work for broad-based bipartisan health initiatives which will provide high quality health care to all Americans. This year we have passed important legislation which improve our health care system. I am delighted that Congress answered my call pass legislation which moves towards parity in mental health coverage and the 48-rule which allows new mothers and their babies stay in the hospital 48 hours after a delivery and ending "drive by deliveries". I am also proud that we could work together to pass the Kennedy-Kassebaum legislation which eliminates discrimination in health insurance.

I have been working on new initiatives that build on theses legislative successes. It is true that I have proposed an initiative which provides temporary premium assistance for families who are in between jobs. This proposal has received support from both sides of the aisle, including Senator Dole who recently reminded *The Washington Times* that he has been a long-time supporter of this reform. I wish that we could have worked together in passing some of these moderate reforms that would help millions of Americans. However, Senator Dole insists on making false charges rather than acknowledging the common ground on health reform. As such, we had to wait until Senator Dole left the Senate before the Congress could pass this much-needed bipartisan reform.

Question: In 1993-1994, you and your Administration stated that incremental health reforms could not be achieved without undermining the health care system. Less than two years later, you advocated the Kennedy-Kassebaum legislation by any measure. How do you reconcile these two positions?

Response: As I have stated many times before, the experience of the Health Security Act led me to conclude that we bit off more than we could chew. In taking a step-by-step approach, we have had to be extremely careful in developing measures that do not undermine the health care delivery system. Working closely with Senator Kassebaum and Senator Kennedy this year on insurance reform, we believe we achieved that delicate balance. It is clear that we must continue to reach out to members on both sides of the aisle and a broad array of policy makers as we develop new incremental bipartisan proposals that improve our health care system.

Question: We haven't heard you use the term universal coverage for quite awhile now. Does your vision of health reform include covering every American?

Response: I am still strongly committed to working towards developing health policy reforms that expand quality affordable health care to Americans. However, we must make progress on a step by step basis that creates much greater bipartisan consensus on the direction this nation should go with regard to this issue. I am confident that we can build on the successes of the enactment of the Kennedy-Kassebaum law for future legislative action. I have, for example, a proposal in my balanced budget plan to provide health insurance for up to six months for workers, who through no fault of their own, have lost their job.

Question: What health-care reform would you hope to achieve in a second term?

Response: I am still committed to providing quality, affordable health care to all Americans. I believe this goal must achieved in a step-by-step manner that attracts bipartisan support much like we have done so successfully this year with the passage of the Kennedy-Kassebaum bill, the 48-hour rule for mothers of newborns, and the progress we have made towards achieving mental health parity.

I have also proposed new initiatives which will give more Americans access to high quality, affordable health care. My balanced budget includes the Workers' Transition Initiative, which would provide premium assistance for up to six months for individuals who are in-between jobs and would help an estimated 3 million people a year, including 700,000 children. It also includes reforms that would make it easier for small businesses to buy and maintain health insurance for their workers through the use of voluntary purchasing coalitions.

I have called for a serious commitment to assuring quality in our health care system. Building on the 48-hour rule, I have asked Congress to pass "anti-gag" legislation which would prohibit health plans from limiting discussion of treatment options between health care professionals and patients. In addition, I am in the process of establishing a bipartisan advisory panel that will focus on changes in our health care system and the need for quality assurance and consumer protections. I believe that we must redouble our efforts to target and prosecute perpetrators of fraud and abuse in our health care system and also promote incentives to cover cost-effective preventive care. And finally, because of my long-standing interest in and commitment to children, I am also reviewing policy options to provide states more flexibility to expand insurance coverage to children, in the context of a balanced budget.

Question: What have you done to improve the quality of health care in managed care plans?

Response: While managed care plans of today often provide cost-effective, high quality plan choices, we believe that in certain instances, consumer protections are necessary. For example, I believe that protecting the health of mothers and infants is a clear case of where government safeguards are needed. To ensure that these patients are receiving high quality care, I have endorsed legislation that prevents "drive by deliveries" and allows mothers and their newborns to remain in the hospital for a minimum of 48 hours after a normal delivery and 96 hours after a Caesarean section. I have consistently opposed any 'gag rules' which prevent physicians and other health care providers from fully discussing treatment options with their patients. I hope to sign these measures into law before Congress adjourns.

I have also established by executive order an Advisory Commission on Consumer Protection and Quality in the Health Care Industry. This panel is charged with studying changes in our rapidly changing health care system to determine what impact they are having relative to quality, consumer protections, and the availability of services. Where appropriate, it will also make, recommendations on what, if any, further actions should be taken by the federal government to ensure high quality health care. Similarly, we also are actively engaged in ensuring quality standards in Medicare HMOs and other managed care plans.

Question: Your Health Security Act was built around managed care. Why are you attacking managed care with this commission?

Response: This commission is not an attack on managed care. It will bring together experts, insurers, business and consumers to make recommendations on quality, consumer protection, and the availability of treatment and services in managed care plans as well as other health plans. The health care market is changing quickly and this commission will allow some of the best minds in the field to analyze and make recommendations on how to ensure that people get the best quality care possible.

Question: What do you mean by "the availability of services"? Isn't this your next attempt to guarantee universal coverage?

Response: The President *is* committed to continuing to work to reform the health care system, but this advisory commission is not "health reform part two". It is a small panel of experts charged with looking at quality, consumer protections, and availability of treatment and services. The panel will look at availability because one of the problems in the health care system is that some people who have insurance are being denied appropriate services.

<u>Question</u>: You and the First Lady have on more than one occasion mentioned your desire to provide health care coverage for all children. However, we have seen no proposal or cost estimate. What do you have in mind?

<u>Response</u>: The first thing we will do is continue to protect the Medicaid program and not threaten the high quality coverage for the millions of children on Medicaid. Second, it is plainly unacceptable that there are approximately 10 million uninsured children in this nation and I think everyone who cares about health care is always looking for ways that we can do more to expand health insurance to at least cover children. Also, my program for workers who are in between jobs would provide coverage for 700,000 children each year. But we also need to look carefully at reforms that are aimed at expanding access to health insurance or at least health care services to children. However, we must do this in the context of a balanced budget.

<u>Question:</u> What are you going to do to face the in long term care challenges facing this country?

<u>Response</u>: First, I was pleased to recently sign into law the Kennedy-Kassebaum bill which provides for private long term care tax clarification and for consumer protections for these product. As a result, for the first time long term care policies will be treated on a level playing field with other health care policies. Second, my balanced budget proposal includes a provision to provide a new respite benefit for families of Medicare beneficiaries who are afflicted with Alzeimers. My balanced budget proposal also has a provision to make it much easier for state Medicaid programs to provide health care based services as an alternative to institutional care. We face an unprecedented demographic challenge with the aging of our population, but I am confident that all generations of Americans can work together to develop long-term care assistance.

Question: **Are you concerned about the recent report in the *Journal of the American Medical Association* that elderly and low-income people are receiving substandard care in HMOs?**

Answer: I am very concerned about the recent report on problems for the poor and elderly in managed care plans. More and more people are joining managed care plans, and there have been abuses. That is why I was pleased that the Congress responded to my call to pass legislation assuring that new mothers and their babies can stay in the hospital at least 48 hours after childbirth, ending "drive-by deliveries." I also recently signed an Executive Order establishing a bipartisan advisory commission on quality and consumer protection in the health care system. And finally, I have asked Congress to pass legislation that would stop health plans from limiting the information doctors and nurses can give to patients about treatment options.

The report in the *Journal of the American Medical Association* reinforces the need to take my approach to reforming Medicare. The Republican Medicare proposal would, in effect, force poor older Americans into managed care plans. My Medicare proposal would give more choices to Medicare beneficiaries, including more managed care plans, and would allow them to return to fee-for-service at any time.

report in the Journal of the American Medical Association

QUESTION: **Are you concerned about the recent ~~JAMA report~~ ~~that concludes~~ that HMOs provide substandard care and worse outcomes for elderly and ~~frail~~ low-incomes people with ~~populations~~?**

ANSWER: I ~~share the~~ am concerned about the recent report on problems ~~about negative outcomes~~ for the elderly and poor ~~Medicare beneficiaries who are~~ in managed care plans. I believe this report validates my approach to reforming ~~the~~ Medicare ~~program~~. ~~I have proposed to~~ My plan wld expand choices for ~~to~~ Medicare beneficiaries, including providing more managed care options. ~~However, my plan rejects the~~ Republican proposals ~~that~~ would, in effect, force low-income elderly into managed care plans. ~~My plan would also ensure that people could return to fee-for-service at any time, without having to fear Medigap plans underwriting them and disallowing future coverage.~~

R plan allow ~~people~~ to

and would allow people to return to fee-for-service at any time.

The health care system is rapidly changing and more and more people are in ~~We are witnessing an unprecedented increase in the use of~~ managed care ~~and~~ there have been abuses. I was pleased that the Congress responded to my call to enact legislation ~~the 48 rule which~~ assures that new mothers and their babies can stay in the hospital 48 hours after birth ~~delivery~~, ending "drive by deliveries." That is why I have ~~also~~ asked Congress to pass legislation which would prohibit health plans from limiting ~~restricting patients and~~ health care providers from discussing treatment options with their patients. And finally, I recently signed an Executive Order to establish a bipartisan advisory panel that will focus on ~~the need for~~ quality ~~assurance~~ and consumer protections in our changing health care system.

10-3-96

From Jen Klein + Chris Jennings

C.

Dole/Kemp '96
ONLINE CAMPAIGN

September 22, 1996

FACT SHEET: CLINTON'S LIBERAL HEALTH CARE PLAN: BIGGER GOVERNMENT, HIGHER TAXES

Clinton's Liberal Health Care Plan: Bigger Government, Higher Taxes

Just three years ago, Bill Clinton was pushing for a government takeover of our health care system, which constitutes one-seventh of the US economy. His liberal health care plan would have created huge new bureaucracies, taken health choices out of the hands of citizens, and paid for it with staggering new taxes on working Americans-- taxes that would have shattered the economy and cost over a million jobs. If reelected, there is little doubt that Clinton will try to impose a government-run health care system again.

Clinton's Plan for Government-Run Health Care

On September 22, 1993, Bill Clinton proposed the most sweeping Big Government program in fifty years-- a 1,342 page bill for socializing America's health care system. The plan was born after months of secretive planning by Hillary Clinton, Ira Magaziner, and a hand-picked task force they created. Americans were given many assurances by the Clintons, but when the public found out what was really in the bill and what it meant-- huge government spending increases, equally huge tax hikes, massive new government bureaucracies, loss of freedom, and loss of jobs-- they rejected it overwhelmingly.

- **Massive New Government Spending:** According to the non-partisan Congressional Budget Office, the Clinton Health Care Plan would have increased federal spending by $1.584 trillion over five years. (CBO Analysis, 2/94) Nearly all of this enormous cost would have been paid for with new taxes on working Americans.

- **Gigantic New Taxes:** The total new tax burden imposed under the Clinton Health Plan was a staggering $1.511 trillion over the first five years-- an economy-wrecking amount. (CBO Analysis 2/94) This gigantic tax increase consisted of two key amounts. The first, $1.384 trillion to pay for Clinton's mandatory health alliances, would have entailed a new payroll tax of between 14% and 17% on every working American. (Joint Economic Committee) In addition, the Clinton Plan would have imposed 17 other new taxes that would have cost $127 billion over 5 years, and $300 billion over ten years. Thus, the average American family would have faced a massive new tax bill of $3,056 per year to pay for Bill Clinton's plan.

- **Budget-Busting New Entitlements:** The Clinton Health Plan would have created new federal entitlements that would have exploded the deficit. By 1998, just the second year in which Clinton's plan was to be in effect, the total cost of these government subsidies would have been larger than any federal program except Social Security and Medicare. (Senate Republican Policy Committee, 8/15/94) By the year 2000, and despite a tax increase of $1.511 trillion, Clinton's plan would have also added $74 billion to the deficit. (CBO Analysis, 2/94)

- **Colossal New Bureaucracies:** The Clinton plan would have created 200 new regional health cooperatives run by 50,000 new bureaucrats, 50 new government bureaucracies, 177 new state mandates, and nearly 1,000 new Federal powers and responsibilities. (Heritage Foundation analysis, 10/23/93) This Byzantine structure would have placed one-seventh of the US economy under the control of federal bureaucrats.

- **Destruction of Jobs:** The Joint Economic Committee found that Clinton's Health Plan would have caused a potential job loss of between 600,000 to 3.8 million, with an average probable job loss of 1 million. (Senate Republican Policy Committee, 8/15/94) The National Federation of Independent Business estimated the Clinton Plan would have killed 400,000 to 1.5 million jobs *in the first year alone.*

- **Less Choice, Rationing of Care:** At the center of the Clinton Plan was a government-defined "core benefits package," a bureaucratic attempt to put the health needs of all Americans into one egg carton. Under the Clinton Health Plan, a new bureaucracy, the National Health Board, would have had extraordinary powers to determine the type and amount of health care that every American would receive. This government control, and the mandatory structure of the Plan, would have led inevitably to rationing of care, and would have threatened the ability of Americans to choose their own doctor or form of health care.

- **Coercive New Fines on US Citizens:** Individual citizens who failed to pay their share to the new system would have been subject to fines of $5,000 or three times the amount owed, whichever was greater. (G. Arnett, "Cops and Doctors," Washington Post, 12/19/93)

- **Fines and Jail Terms for Physicians:** What is today considered normal patient advocacy would have become a federal crime under the Clinton Plan. For example, if a doctor tried to get an early date for surgery for a sick patient in his health plan, and took "anything of value," he would have been subject to stiff fines and a 15-year jail term. (G. Arnett, Washington Post, 12/19/93)

- **Federal Control of Medical Education:** Under the Clinton Plan, the government would have taken over the power to determine the "correct" number of physicians trained in specialties. No longer would the free market determine the demand for obstetricians, surgeons, or other specialists. This feature of Clinton's Plan would have led to rationing of specialty care.

Hillary Clinton's Health Care Task Force

- In January 1993, Bill Clinton established the President's Task Force on Health Care Reform chaired by Hillary Clinton. The Task Force members, hand-picked by Mrs. Clinton and a liberal planner, Ira Magaziner, proceeded to draft a health care bill in secrecy without regard to federal open meetings and open records laws.

- Following a lawsuit, and after vigorous and protracted opposition by the Clinton White House, a federal judge ruled that Mrs. Clinton violated federal open meetings laws, and ordered that records of the secret sessions be made public.

- The Clinton Health Plan was characterized by broad assurances from the Clintons and Ira Magaziner about the key issues of cost, taxes, bureaucracy, and consumer choice. Congress and the public soon learned that most of these assurances were contradicted by the plain language of the Clinton legislation.

- The Clinton Health Task Force vastly over-spent its budget of $100,000, eventually wasting $13.8 million of the taxpayers' money-- surely a metaphor for the entire Clinton Health Plan. (GAO Report)

Still Committed to a Government Takeover of Health Care

Three years ago Bill Clinton tried a government takeover of the greatest health care system in the world.

If he is reelected, there is little doubt he will try again.

- On May 6, Ira Magaziner, the liberal architect of President Clinton's failed government-run health care plan, stated, "Certainly his views haven't changed...President Clinton remains committed to the idea. Indeed, the President will try again if a more receptive Congress is ever elected." (Providence Journal, 5/7/96)
- In early July, Hillary Clinton told reporters she still believes there is a need for more "sensible government regulation" of the US health care system and that it will eventually happen. Referring to the Clinton health care bill, she said, "I think the basic model is still the right model." (White House Bulletin, 7/9/96)
- Consistent with the statements by Hillary Clinton and Ira Magaziner, President Clinton has already begun efforts to revive his government-run health care plan. In fact, a new plan is being drafted by those who developed the original Clinton plan that includes health insurance purchasing cooperatives, government-defined benefit packages, and premium subsidies, all key structures of the original Clinton Plan. (G. Arnett and R. Moffit, Heritage Foundation)

Guess They Haven't Heard That the Era of Big Government is Over...
...Or Does It Start Again After the Election?

Sen. Ted Kennedy, the chief Congressional proponent of socialized medicine, said earlier this year, "We're going to get this done, and we're going to keep coming back at it. If we have a big sweep for Democrats in the House and Senate, we'll get single-payer [health care]." (Reuters, 6/17/96)

Bill Clinton: Tax and Spend Liberal

New Spending Proposed by Clinton, 1993-96	BA in billions
FY 1993 stimulus plan 63 proposals (CBO reestimate)	$ 15.9
FY 1994 budget: President's initiatives 135 proposals (Costs over CBO inflation adjusted baseline)	178.7
FY 1995 budget: President's initiatives 143 proposals (Costs over CBO inflation adjusted baseline)	151.9
FY 1996 budget 143 proposals (Based on items in President's budget estimated by CBO to be increases over the CBO inflation adjusted baseline)	85.6
TOTAL INITIATIVES: PRESIDENT'S FY 93-96 BUDGET SUBMISSIONS	**$ 432.1**
484 proposals	
President's Health Reform Proposal - new spending less offsets (CBO Analysis, February 1994)	200.0
President's Health Reform Proposal - mandatory Health Alliance costs (CBO Analysis, February 1994)	1,384.0
TOTAL SPENDING FOR PRESIDENT'S HEALTH REFORM PROPOSAL	**$ 1,584.0**
TOTAL COST: CLINTON NEW SPENDING INITIATIVES & HEALTH REFORM PROPOSAL, FY 1993-96	**$ 2,016.1**

New Clinton Tax Proposals, 1993-96

The $2.0 trillion in new spending proposed by Bill Clinton in his first four budgets, including his health care plan, would have been paid for by massive new tax increases. In addition to his $265 billion tax hike, the largest in US history, Clinton's health plan would have been paid for with $1.511 trillion in new taxes on every working American-- or $3,056 in new taxes per family per year.

New Spending Proposed by Clinton, FY 1997	$ in billions
President's FY 1997 budget: difference between Clinton FY 97 budget outlays and budget outlays under Dole Economic Plan	$ 366.0
(Based on CBO estimates for President's budget with trigger, and CBO estimates for Republican budget with adjustments to reflect details of Dole Economic Plan)	
Specific campaign commitments by Clinton, 1996	13.0
TOTAL NEW SPENDING PROPOSED BY CLINTON, FY 1997 AND BEYOND	**$379.0**
New Clinton Tax Proposals, FY 1997	
Tax increases proposed in Clinton's FY 1997 budget	$ 169.8
Other new Clinton tax proposals since March budget	18.4
TOTAL NEW TAX PROPOSALS BY CLINTON, 1996	**$188.2**

(All numbers above are 10 year figures as calculated by Joint Tax Committee)

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	Bruce Long	___	Take Necessary Action	___
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FROM: NANCY-ANN MIN

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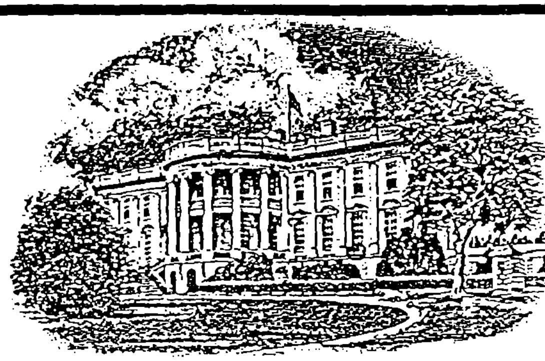

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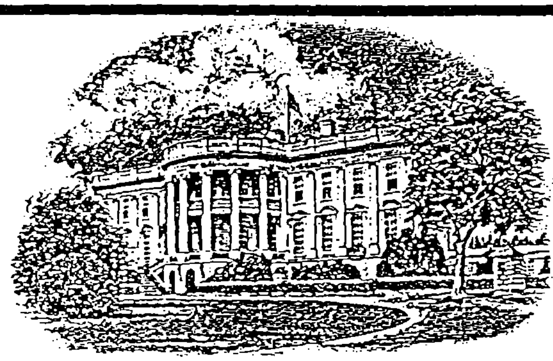

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Chris

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MEDICARE: THREE FIELDS TO PLAY ON

FIRST FIELD: $270 billion cuts or the Senate version with even higher deductibles and higher age limit. Three times the largest. Validation against it. Nation has rejected it.

SECOND FIELD: They have from $158-167 billion in Medicare savings and no premium increase. They will say this is $5 billion a year; $138 a year per person. Less than the President's Health Security Medicare savings. Only a 2-3 cents on the dollar difference.

THIRD FIELD: The degree of cuts needed to pay for $548 billion tax cuts. Is it deeper than Dole-Gingrich? Is it deeper than $300 billion in 6 years which CBO says would be "draconian."

We must always Move to Field One or Field Three: Dole will want to keep us on the second football field. Here the dollar differences are not as great $51 billion -- and he will say that difference is only $34 billion. With the differences small -- and no premium difference -- the case can best be made that we are hypocritical and political. We must continually move to the first and third fields and their logical relationships. If the same people -- Dole/Gingrich -- cut Medicare by $270 billion when they had to pay for a $270 billion tax cut, won't the same people choose to cut it even deeper if they have to pay for a $550-$670 billion tax cut?

DOLE'S MOSTLY LIKELY ATTACK ON MEDICARE

1. Fear Over Facts -- The Differences are Small: FDR stated we have nothing to fear but fear itself. This President thrives on providing fear to those who have nothing to fear. The President says we would devastate Medicare; that our savings are extreme. Yet, the Concord Coalition says the difference between us is about 2-3 cents on the dollar. ($138 per year) We have $158 billion; he has $124 --$5-6 billion a year because we believe we can reduce fraud and abuse.

- strong validation from Concord Coalition, Washington Post and New York Times and Moderate Democrats that Clinton used scare tactics.

2. Double Talk on "Cuts:" In 1994, you stated that it was just Washington talk to say that reducing Medicare to two-thirds the rate of inflation was a cut; yet, you have repeatedly insisted that the Republicans are cutting Medicare for the same reductions in the rate of growth. Why is a reduction in the rate of inflation when it is your big government health care program; yet a lesser amount is a devastating cut, when we are trying to save the Medicare Trust Fund, balance the budget and give Americans a tax cut.

3. How Can An Honest Person Call Such a Large Increase a Cut?: We are increasing Medicare spending from $4900 to $7200 per Medicare beneficiary. A 50% increase. An increase beyond inflation. An increase beyond medical inflation. Savings smaller than you called for in your health care plan. If we are increasing Medicare by 50% per person: if our savings are less than the savings in the Clinton health care plan, how can that be so bad?

4. Ignore Warnings on Saving Medicare for Short-Term Politics: Your own cabinet -- even the most liberal members of your cabinet, Secretary Shalala and Secretary Reich, have written official reports several times stating that the Medicare Trust Fund is headed toward bankruptcy in four years. You have chosen to ignore this warning, so that you can demagogue this issue for political advantage. The independent CBO states that you extend the life of this Trust Fund just one measly year under your plan?

5. Responsibility or Political Opportunism: The Difference on Social Security in 1983 and Medicare in 1995:In 1983, we faced a crisis on Social Security similar to the crisis we face today on Medicare. There were two approaches then just as there are two approaches today --political pointscoring or leadership. I have chosen the latter course every time. In 1983, I lead that Commission that saved Social Security. When the President's own cabinet told us that we faced a crisis again today on Medicare, I put politics to the side and called for the savings we needed to save Medicare. Thank God there was no one as good at cheap shots and demagoguery back in 1983 when we were trying to save Social Security.

6. Clinton Taxes Social Security: My mother used to have only two words of advice for me on politics: don't talk too much and don't cut my Social Security. There is no way that I would undercut the safety net for our older Americans like my late mother. President Clinton, on the other hand, initially opposed efforts to prevent overtaxation of older people could get their Social Security if they also needed to work on the side as well. Then he raised taxes on 5 million Social Security recipients who make as little as $34,000 a year. They are rich to President Clinton, and so he taxed them $500, $600 even $700 dollars. Taxes older peoples Social Security if they work, and taxes them if they are not working. Now he is talking about a secret plan for Social Security after the election. Don't know the details, but if history is our guide, the three main components will be taxes, taxes and taxes.

7. Flip Flop on Means Testing: Possible that could make the President explain why he supported means testing Medicare and taxed Social Security recipients making as little as $34,000, but then wouldn't even allow minor means testing for well-off recipients.

DOLE'S LARGEST VULNERABILITIES:

1. **Three Times the Largest Medicare Savings -- with Validation:** The Medicare savings were three times the largest in history, and our validation shows that it would have had devastating impacts.

2. **How Could Dole Not Cut Medicare More than $270 Billion if his Tax Cut jumps from $245 Billion to $548-$679 Billion?**

- D'amato and Business Week

3. **Medicare Premiums Would Have Risen $1700 Per Couple**: Medicare premiums would have risen $268 per couple and $1700 over seven years per couple if not for the President.

4. **Dole's version was more extreme for beneficiaries than even the Gingrich plan:** it doubled deductibles and increased the Medicare age from 65-67 -- thereby increasing the ranks of the elderly uninsured.

5. **Why did Dole recently say that he was proud to be one of 12 members of Congress to vote against Medicare**. What did he mean?

> "I was there, fighting the fight, one of twelve, voting against Medicare in 1965 .... because we knew it would not work." American Conservative Union Speech, 10/24/95)

6. **Dole has several Medicare and Social Security payroll taxes in his career.**

7. **Dole supported devastating impacts to nursing home coverage.**

8. **Still Supports his $270 Billion Medicare Cut**: Dole continues to criticize Clinton for vetoing the reconciliation bill -- even though it had in it a Medicare premium increase, gutting of the nursing home entitlement and a $270 billion cut plan. Will Dole say that they went too far?

FIELD ONE: THE $270 BILLION MEDICARE CUT

1. $270 billion is the three times larger than the largest cut in history.

2. Pay More and Get Less: Federal Spending per beneficiary would have been cut by $1700 and premiums per couple would have rise by $1700 per couple over the plan

3. Reduce Medicare growth 20% below the Private Sector.

4. The Premium Difference was $1700 over seven years -- and right now you would be paying $134 more a year -- if not for Clinton veto.

- This year alone, under President Clinton is $42.10 and under the Republicans was 53.70. This is $12.60 alone -- $134.40 a year, or $268 a couple. It was never $4 a month.

- If they say, $138 a year: we should interpret that as a Medicare premium increase

5. Hospital Closing: $433 Billion Combined Medicare and Medicaid Cuts Could Force 700 Rural and Urban Hospitals to Close.

- According to the American Hospital Association, nearly 700 hospitals *derive two-thirds or more* of their net patient revenues from Medicare and Medicaid. The combined Medicare and Medicaid cuts could force many of these nearly 700 vulnerable hospitals to close.

6. Reduced Quality: $433 Billion Medicare and Medicaid Cuts Will Reduce the Quality of Care for Everyone.

- The American Hospital Association, the Catholic Health Association, the National Association of Public Hospitals, and over 40 state hospital associations say: "the reductions in the conference report will jeopardize the ability of hospitals and health systems to deliver quality care, not just to those who rely on Medicare and Medicaid, but to all Americans."

7 **Cost Shifting to Average Families: $433 Billion Medicare and Medicaid Cuts Will Increase Health Care Costs for the Privately Insured By Cost Shifting Billions of Dollars.** A new analysis by Lewin-VHI for the National Leadership Coalition on Health Care concluded that the Medicare and Medicaid cuts in the reconciliation bill could lead doctors and hospitals to raise their fees on privately insured patients by *at least $85 billion* over 7 years through cost-shifting. $67 billion of the $85 billion in increased costs would be passed on to workers by employers in the form of lost wages and higher health care premiums. This cost shifting would effectively reduce wage increases for lower income workers by 10%. 60% of the shift would be concentrated on the middle class -- families with incomes between $20,000 and $75,000.

8. More than 5 million elderly and disabled people would immediately lose their guarantee of assistance with copayments and deductibles -- 1 million Could Lose Medicare Assistance. 5.4 million poor elderly and disabled people currently have their Medicare cost sharing covered by Medicaid. This assistance ensures that they can afford Medicare.
The Republican budget completely eliminates the requirement that states cover coinsurance and deductibles for poor elderly and disabled people, and does not set aside any money for this purpose. Without assistance with premiums, copayments, and deductibles, poor Medicare beneficiaries may be forced to leave their fee-for-service plan and enroll in a managed care plan that does not require cost-sharing -- if one exists in their area.

9. Allows Doctors to Overcharge: Without protections from balance billing, beneficiaries in private fee-for-service plans or high deductible/Medical Savings Account plans would be subject to higher charges.

10. Increase Costs without Expanding Prevention: The Republican budget increases beneficiary costs while only adding one new benefit: coverage of oral nonsteroidal antiestrogen for the treatment of breast cancer. President Clinton's proposal updates the Medicare benefit package to make it more comparable to private sector benefit packages, including:

- *Eliminating Mammography Copayments.*
- *Coverage for Certain Colorectal Screening.*
- *Increase Payments for Preventive Immunization injections*
- *Respite Benefit for Families of People with Alzheimer's.*

11. Weakens quality protections for nursing home residents against abuse and negligence: The landmark 1987 nursing home reform law, approved with bi-partisan support during the Reagan Administration, sought to address at times deplorable treatment in nursing homes, including unjustified physical restraints, and gross negligence in caring for nursing home residents, by establishing the Federal quality standards in place today. Prior to the OBRA '87 reforms, the Institute of Medicine reported that all States had some facilities with serious deficiencies in nursing home quality of care. Since the 1987 reforms were implemented, nursing home quality has improved dramatically. The use of physical restraints has declined 25%; dehydration has declined 50%; hospitalization rates have declined 31% (Research Triangle Institute; HCFA). Federal Enforcement and Key Protections Would be Repealed. The Republican bill takes away key federal protections and enforcement. While States may want to maintain these guarantees, inadequate resources could lead them to fail to set and enforce quality standards that protect elderly and disabled people in nursing homes.

12. Medicaid cuts could more than double if states reduce their spending costing long-term care Coverage to 850,000 older Americans and Nursing Home Coverage to 330,000. The $163 billion reflects only the federal cuts. Yet Medicaid is a federal-state plan, and if states only contribute the amounts that the federal government will match and provide no additional funding, the Center on Budget and Policy Priorities estimated the total reduction in federal and state Medicaid funds would *exceed $400 billion over seven years,* compared with current law. The reduction in Federal support under the Republican plan could force States to deny coverage for nearly 8 million Americans in 2002 alone, according to HHS estimates.

These nearly 8 million people include:

- 3.8 million children
- 1.3 million people with disabilities
- 850,000 elderly
- 330,000 nursing home residents -- 75% of them likely to be women
- 150,000 veterans

13. Weakens Spousal Impoverishment Provisions: The Republican budget leaves it entirely up to States to determine which persons in institutions receive Medigrant assistance. Individuals could be denied coverage for long-term care services altogether. Spouses of individuals denied coverage would receive no protection from the "spousal impoverishment" provisions. Because the Republican budget repeals the guarantee of nursing home coverage, it also effectively eliminates the guarantee of protection from spousal impoverishment. The Republican budget also repeals the right of individuals to enforce spousal impoverishment protections in court when they believe they have been wrongfully denied, making the protections unenforceable.

14. Eliminates financial protections -- puts medicaid beneficiaries' homes and family farms at risk: Under the Republican budget, the sick could be forced to sell their homes, family farm, car, and all their savings in order to qualify for Medicaid. The Republican proposal repeals all Federal laws protecting a minimum level of income and assets (such as the family home or farm) in determining Medicaid eligibility. It allows States to count the value of one's home or family farm in determining Medicaid eligibility. In the worst cases, families would have to mortgage or sell their homes to be able to pay for care, or elderly people needing long-term care would have no choice but to turn to their children for help.

15. Both Senate and House Republican Budgets Entirely Repeal Standards for Institutions Caring for People with Mental Retardation and Developmental Disabilities *Both eliminate federal standards, and do not require states to issue standards that would assure even the most basic rights,* such as protection from abuse and neglect, treatment designed to assist the person to achieving the greatest level of independence, and the right to adequate health care. States do not currently have such standards. Neither plan requires states to maintain their current level of services -- in facilities or in home and community-based care -- for people with mental retardation and developmental disabilities. And both plans eliminate the guarantee of anything more than custodial care.

Experts Confirm That The GOP Medicare Cuts Would Have Had A Devastating Impact

Representatives of hospitals, doctors, and older Americans all concluded that Medicare and Medicaid cuts of the magnitude in the Republican budget threatened accessibility, quality and the level of health care provided:

- **American College of Physicians:** "*We think that cuts of this magnitude call into question our ability to provide the world class medical care enjoyed by many....*" [American College of Physicians, October 5, 1995]

- **American College of Physicians, the American Nurses Association and the National Association of Public Hospitals:** "Weighing all the elements of this bill [House and Senate Republican Medicare proposals], the American College of Physicians, the American Nurses Association and the National Association of Public Hospitals, believe that the total package will be harmful to patients, physicians, hospitals, and the health care system as a whole....*This legislation will reverse the gains in the health status of the elderly that Medicare has achieved in its 30 year history....The budget cuts in this package....do not save or preserve Medicare, they simply shift costs from government to patients and providers.*" [American College of Physicians, 10/17/95]

- **Hospitals:** "This legislation...is not in the best interest of patients, communities, and the men and women who care for them....the reductions in the conference report will jeopardize the ability of hospitals and health systems to deliver quality care, not just to those who rely on Medicare and Medicaid, but to all Americans." [America Hospital Association, Catholic Health Association, and Voluntary Hospitals of America, and State Hospital Associations from 47 states, November 17, 1995]

- **American Hospital Association:** The Senate Republicans budget "would result not in a reduction in the rate of growth, but in a *real cut*. That means per beneficiary spending for hospital care grows less than the rate of inflation....[these] reductions will seriously jeopardize the ability of the hospital community to continue to provide high quality care, not only to seniors, but to all our citizens." [American Hospital Association, letter to Senator Dole, 10/16/95]

- **AARP:** "Four hundred billion dollars in *cuts* from these two major health care programs that serve older and low-income Americans do not meet the fairness test. Reductions in Medicare called for in the conference report are much more than is necessary to keep the program solvent into the next decade." [American Association of Retired Persons (AARP), November 16, 1995.]

- **National Council of Senior Citizens:** "No matter how you spin the dial, you can't cut $270 billion out of Medicare and $180 billion out of Medicaid without giving America's elderly, disabled and poor dramatically less health care or dramatically higher out-of-pocket costs." [NCSC News Release, 9/15/95]

- **American Society of Internal Medicine:** "If health-care costs rose faster than the GOP budget allots, doctors, hospitals, and other providers would have to absorb the losses. That, in turn, could come back to bite the beneficiaries. *If doctors, for example, see their*

Medicare payments cut deeply, they might stop seeing Medicare patients, explains Robert Doherty of the American Society of Internal Medicine, which represents physicians. '*The rate of reductions is too steep under the Republican plan,*' he says." [*WSJ*, 12/27/95]

- **Corporate Health Care Coalition:** "The basic intent of the GOP plans 'is to push everyone into managed care, drying up the old fee-for-service system,' said Lawrence Atkins, spokesman for a coalition of major corporate employers involved in health benefits issues [The Corporate Health Care Coalition]." [*LA Times*, 10/23/95]

- **American Association of Physicians and Surgeons:** "Doctors won't be able to afford to treat Medicare patients because the rates will be so low, and fee-for-service medicine will just disappear." [LA Times, 10/23/95]

- ***Los Angeles Times:*** "Even the affluent, who could afford to pay doctors more, might find their ability to choose their doctors under today's fee-for-service system would disappear as virtually all physicians shifted into HMOs and other managed-care networks....If only the relatively young and healthy Medicare beneficiaries migrate to HMOs, that would leave the oldest and sickest in more expensive fee-for-service medicine. Medicare would once again face financial catastrophe." [*LA Times*, 10/23/95]

FIELD TWO: CREATING TWO MEDICARES

MORE THAN DOLLARS ARE AT STAKE -- THEIR DAMAGING STRUCTURAL CHANGES WOULD FORCE MEDICARE TO "WITHER ON THE VINE." Republicans continue to insist not just on excessive cuts, but on damaging structural changes that would segment the Medicare population, leaving the traditional program with fewer dollars and sicker beneficiaries.

- **MEDICAL SAVINGS ACCOUNTS (MSAs).** Republicans insist on the immediate adoption of untested changes to the Medicare program, such as MSAs, that appeal to the healthiest and wealthiest beneficiaries, leaving the sickest and most costly beneficiaries in a weakened fee-for-service program. CBO projects that MSAs will *increase* Medicare costs by more than $4 billion over seven years.

  ***New York Times*:** "A hallmark of the [Republican] Medicare legislation is the encouragement of private health plans....But many experts fear a balkanization of healthy and sick....If some experts worry that managed care plans would skim healthy recipients from the conventional Medicare program, many of the large plans are *concerned that the healthy would be skimmed from them by medical savings accounts.*" [11/18/95]

- **OVER-CHARGING IN PRIVATE PLANS.** Republican proposals permit physicians to charge beneficiaries extra -- through "balance billing" -- in private Medicare plans, increasing out-of-pocket costs for beneficiaries and slowly draining the fee-for-service system of both doctors and dollars.

- **HARD SPENDING CAP.** Republicans impose a hard cap on Medicare spending. For the first time in history, the Medicare program would no longer adjust for changes in demographics, general inflation, and costs due to new technology.

  Wall Street Journal: "Republicans also would apply a cap to these services. If health-care costs rose faster than the GOP budget allots, doctors, hospitals and other providers would have to absorb the losses. *That, in turn, could come back to bite the beneficiaries.*" [12/27/95]

FIELD 3:
Why Dole's Plan Would Require Even Deeper Medicare Cuts

DOLE NOW CLAIMS THAT THE PRESIDENT IS ENGAGING IN "MEDISCARE" AND SCARING SENIORS, BUT IN 1994 CAMPAIGN DOLE PLAYED THE SAME GAME AND HID SECRET DOLE/GINGRICH PLAN TO CUT MEDICARE:

- Just days before the 1994 elections, Dole mislead seniors and other voters about secret GOP plans to cut Medicare spending. Dole said: "In a state of near panic, President Clinton and Vice President Gore are resorting to scare tactics. They're falsely accusing Republicans of secret plans to cut Social Security and Medicare benefits as well as student loans and farm programs." [Dole Radio Response, Federal News Service, 11/5/95]

...Then in 1995 Dole voted to cut Medicare by $270 billion:

- On November 17, 1995, Dole voted for passage of the Republican budget reconciliation bill conference report. The GOP budget reconciliation cut Medicare by $270 billion and Medicaid by $164 billion over seven years. [Congressional Record, 11/17/95; Vote # 584, p. S-17330; CBO, Analysis of HR 2491, 11/16/95]

...And Dole bragged about voting against creation of Medicare:

- During an October 1995 speech to the American Conservative Union, Bob Dole bragged about voting against the bill that created Medicare: "I was there, fighting the fight, voting against Medicare -- one of 12 -- because we knew it wouldn't work in 1965." [American Conservative Union Speech, 10/24/95]

SENATOR D'AMATO AND *BUSINESS WEEK* HAVE EXPLICITLY POINTED TO DOLE'S "HIDE THE CUTS NOW" STRATEGY:

- **Al D'Amato** admitted Dole would have to cut Medicare under his plan. D'Amato said that under Dole risky $548 billion scheme, "You're gonna have to look at Medicare... I would never say it if I were him [Dole] until after the election. No way. No way. Absolutely. I mean I'm not running this year so I can say it and tell the truth." [Don Imus Show, 8/12/96]

- **BusinessWeek** wrote of Dole's risky $548 billion scheme, "Where on earth does he come up with that kind of dough...? From popular programs, such as Medicare and environmental protection. But candidate Dole knows it's bad politics to admit that now." [Business Week, 8/19/96]

WE CAN SHOW THAT DOLE'S PLAN WILL REQUIRE GREATER MEDICARE CUTS:

1. **EVEN AFTER CUTTING DISCRETIONARY SPENDING BY 40%, DOLE WOULD STILL BE LEFT WITH A $400 BILLION DEFICIT HOLE THAT HE WOULD MOST LIKELY FILL BY RETURNING TO THE DISTRIBUTION OF CUTS IN HIS PREVIOUS BUDGETS.**

2. **IF REMAINING CUTS ARE DISTRIBUTED AS IN THE CURRENT GOP BUDGET, DOLE'S PLAN REQUIRES $305 BILLION MEDICARE CUT AND $130 BILLION MEDICAID CUT.** If Dole distributes the additional $281 billion in entitlement cuts the same was as in the current Republican budget, 70% of the additional $281 billion in needed entitlement

savings would come from Medicare and Medicaid. [See table below.] This means Dole would need an additional $196 billion in Medicare and Medicaid cuts on top of the cuts in the current Republican budget. In total, it would require $305 billion in Medicare savings and $130 billion in Medicaid savings over six years -- more than Republicans tried to cut Medicare and Medicaid by in their budget last year <u>over seven years</u>. Last year Republicans tried to cut $270 billion from Medicare over 7 years, compared to $305 billion over 6 years under the Dole plan.

- **DOLE'S PLAN REQUIRES A $305 BILLION MEDICARE CUT -- WHICH CBO SAYS WOULD HAVE "DRACONIAN" EFFECTS:** The Congressional Budget Office in August 1996 found that a $300 billion Medicare cut over six years would have "draconian" impacts and would lead to cuts -- not just reductions in growth -- in hospital payments. <u>CBO concluded:</u>

CBO ON THE IMPACT OF SUCH A $300 BILLION MEDICARE CUT:

- "Reduction in payment(s)..." in the traditional Medicare program "... would be ***draconian***"
- "Payment growth for risk-based plans would also be ***slashed***."
- "[W]ould ***lead to an actual reduction*** in hospital payments rather than a slowing in the rate of growth..."
- "[B]eneficiaries would probably find ***their own costs rising substantially***"
- "Access to particular providers and services plus the overall quality of care in Medicare might be ***threatened...***"

[CBO, *Reducing the Deficit: Spending and Revenues Options,* August 1996, pp. 432-433. Emphasis Added.]

OTHER VALIDATION THAT DOLE'S PLAN WOULD REQUIRE CUTS IN MEDICARE:

- **<u>Boston Globe</u>**: "a wide variety of budget specialists said the Dole proposal would require" cuts in Medicare. [<u>Boston Globe</u>, 8/6/96]

- ***Newsday***: "...he [Dole] vowed that all the really big government programs -- Social Security, Medicare and defense -- are 'off the table' for cutting. ... Who is he kidding?" [Newsday, 8/6/96]

- **Lyle Gramley, former Federal Reserve Board governor:** "It's difficult to imagine you can balance the budget by 2002 when you're cutting taxes by $500 billion unless you're going to make major cuts in entitlement programs..." [New York Times, 8/6/96]

- ***Des Moines Register***: "...Dole won't be able to cut spending enough to make up for his tax cut either. Absent his smoke and mirrors projections, there's no place to get that kind of money except entitlements like Social Security and Medicare..." [Des Moines Register, 8/7/96]