Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. paper	Personal (Partial) (1 page)	09/06/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Jennifer Klein
OA/Box Number: 10854

FOLDER TITLE:
Quality Commission

2014-0209-S
ms766

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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[001]

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Sep-1996 12:23pm

TO: Diana M. Fortuna

FROM: Carol H. Rasco
Domestic Policy Council

CC: Elizabeth E. Drye
CC: Christopher C. Jennings
CC: Jennifer L. Klein

SUBJECT: The Commission

On this issue of the Commission, I want to stress how important I think it is to have someone on this commission who will be viewed by the disability community as very knowledgeable in health care issues for the disabled. I don't have a particular name to submit at the moment but it seems to me the group at HHS putting on the conference in Nov. that you and I will attend should have some ideas about the best person....even though the Commission is limited to 20 people I feel one person must be very visibly committed to this area and not just someone who has shown a somewhat passing interest in the field. Health care financing for the disabled ends up encompassing almost everything in a disabled person's life, not just traditional health care services. Once we can all agree perhaps from a DPC perspective on a name or two to push I would like to do a strong recommendation letter.

On another nominee, I did see Marcia Hale as I left Wed. night and she was going to look to see if she had a resume of (b)(6) (b)(6) ..let's stay on top of that nomination as well. (b)(6) and a disability background person are the two slots I care most about.

Thanks.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Sep-1996 10:15am

TO: (See Below)

FROM: Jennifer M. O'Connor
Office of The Chief of Staff

SUBJECT: advisory commission on consumer protection and quality

The process for selecting and vetting nominees for the Advisory Commission on Consumer Protection and Quality in the Health Care Industry, as well as other commissions, will take about two months. In order to make that time table, resumes of anyone who ought to be considered (including the name of the person who is nominating/pushing for the nominee) must be submitted to Peg Clark in Presidential Personnel by the end of next week (Friday the 13th). She is organizing the recommendations from the White House, Departments of Labor and HHS, as well as outside submissions.

Please submit resumes, and contact constituencies you deal with who would have suggestions, for the following categories of nominees:

health care professions
institutional health care providers
other health care worker representatives
health care insurers
health care purchasers
state government representatives
consumer representatives
experts in health care quality
experts in health care financing
experts in health care administration

Distribution:

TO: Christopher C. Jennings
TO: Jennifer L. Klein
TO: Lee A. Satterfield
TO: Barbara D. Woolley
TO: David M. Strauss
TO: Karren E. Skelton
TO: Marcia L. Hale
TO: John P. Hart
TO: Emily Bromberg
TO: Kevin M. O'Keefe

Klein

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 5, 1996

EXECUTIVE ORDER

- - - - - - -

ADVISORY COMMISSION ON CONSUMER PROTECTION
AND QUALITY IN THE HEALTH CARE INDUSTRY

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the Advisory Commission on Consumer Protection and Quality in the Health Care Industry (the "Commission"). The Commission shall be composed of not more than 20 members to be appointed by the President. The members will be consumers, institutional health care providers, health care professionals, other health care workers, health care insurers, health care purchasers, State and local government representatives, and experts in health care quality, financing, and administration.

(b) The Secretary of Health and Human Services and the Secretary of Labor shall serve as Co-Chairs of the Commission. The Co-Chairs shall report through the Vice President to the President.

Sec. 2. Functions. (a) The Commission shall advise the President on changes occurring in the health care system and recommend such measures as may be necessary to promote and assure health care quality and value, and protect consumers and workers in the health care system. In particular, the Commission shall:

(1) Review the available data in the area of consumer information and protections for those enrolled in health care plans and make such recommendations as may be necessary for improvements;

(2) Review existing and planned work that defines, measures, and promotes quality of health care, and help build further consensus on approaches to assure and promote quality of care in a changing delivery system; and

(3) Collect and evaluate data on changes in availability of treatment and services, and make such recommendations as may be necessary for improvements.

(b) For the purpose of carrying out its functions, the Commission may hold hearings, establish subcommittees, and convene and act at such times and places as the Commission may find advisable.

more

(OVER)

Sec. 3. Reports. The Commission shall make a preliminary report to the President by September 30, 1997. A final report shall be submitted to the President 18 months after the Commission's first meeting.

Sec. 4. Administration. (a) To the extent permitted by law, the heads of executive departments and agencies, and independent agencies (collectively "agencies") shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Members of the Commission may receive compensation for their work on the Commission not to exceed the daily rate specified for Level IV of the Executive Schedule (5 U.S.C. 5315). While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(c) To the extent permitted by law and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The Secretary of Health and Human Services shall perform the administrative functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.), with respect to the Commission.

Sec. 5. General Provision. The Commission shall terminate 30 days after submitting its final report, but not later than 2 years from the date of this order, unless extended by the President.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 5, 1996.

# # #

Rec

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: 9/4/96
RE: Event in Florida Tomorrow

At an event in Sunrise, Florida tomorrow, the President will: (1) lend his support to the Patient Right to Know Act of 1996 (legislation preventing health plans from restricting the information that doctors can give patients about referrals and treatment options); (2) announce the formation of a commission on health care quality, access and consumer protections; (3) and reiterate his support for the 48 hour rule legislation. I have attached one-page descriptions of each of these initiatives.

The idea for the commission stemmed from a meeting that the President and Vice President had with John Sweeney and Gerry McEntee earlier this year where they discussed problems that health care workers and consumers face in managed care plans. The commission is charged with evaluating and making recommendations about improving health care quality, access and consumer protections in managed care and other health plans. There is some press interest in portraying this commission as our next "task force" on comprehensive health reform. We are emphasizing that this commission -- made up of no more than 20 insurers, employers, consumers, government representatives, health care professionals and other health care workers -- has been given a narrow but important task.

NATIONAL COMMISSION ON HEALTH CARE QUALITY

I. NATIONAL COMMISSION ON HEALTH CARE QUALITY

The President will sign an Executive Order creating a National Commission on Health Care Quality to advise on changes occurring in the health care system and recommend mechanisms necessary to promote and assure consumer protections, health care quality and access.

II. PURPOSE

The Commission responds to concerns about the rapid changes in the health care financing and delivery system. It would provide a forum for developing a better public/private understanding of the changes in the health system and on recommendations to address the effects of those changes.

III. IMPACT

The Commission would provide recommendations that would allow public and private policy makers to better define appropriate consumer protections, quality standards and approaches to assuring access in the changing health care system.

IV. SPECIFIC PROVISIONS

- The Commission appointed by the President and co-chaired by the Secretaries of HHS and Labor will have a total membership of no more than 20 representatives from: health care professions, institutional health care providers, other health care workers, health care insurers, health care purchasers, state government, consumers, and experts in health care quality, financing, and administration. The Vice President will review the final report prior to its submission to the President.

- The Commission will develop recommendations for the President on (1) appropriate consumer information and protections; (2) approaches to assuring and promoting quality; and (3) access to care.

- The Commission to submit preliminary report by September 30, 1997 and final report 18 months from the date of its first meeting.

V. BACKGROUND

The Clinton Administration has a long history of supporting consumer protections in all health care plans, including the Medicare program. Two such examples are his support of initiatives to assure new mothers and babies have access to necessary hospital care and to protect doctor-patient communications.

48 HOUR RULE

I. 48 HOUR RULE

This initiative would require health insurers to let all new mothers and their babies remain in the hospital for at least 48 hours following most normal deliveries.

II. PURPOSE

Over the past two decades, the average length of stay for an uncomplicated childbirth has declined sharply. Today, a growing number of insurance companies are refusing to pay for anything more than a 24-hour stay, and as few as 8 hours.

III. IMPACT

- This initiative would bring "peace of mind" to new mothers because they know they will not be discharged prematurely from the hospital.

IV. SPECIFIC PROVISIONS

- Requires health insurers to let mothers and newborns remain in the hospital for a minimum of 48 hours after a normal delivery and 96 hours after a Caesarean section.

- Shorter stays may be allowed if the attending health care provider, in consultation with the new mother, determines such a stay is appropriate.

- Requires follow-up care within 72 hours of discharge, if discharge occurs earlier than 48 hours after birth.

- The initiative would not pre-empt state legislation if states already require a minimum of 48 hour stays for normal deliveries (96 hours for Caesarean section) or meet guidelines established by the American College of Obstetricians or Gynecologists, the American Academy of Pediatrics, or certain other medical professional organizations.

V. BACKGROUND

In their speeches at the Democratic National Convention, both the President and the First Lady endorsed reforms that will guarantee mothers the quality of care they need when they have had a baby. Because they believe that beneficiaries should be guaranteed coverage for needed health services, President Clinton and the First Lady strongly support legislation such as the "Newborns' and Mothers' Health Protection Act" (introduced by Senators Bradley, Frist, and Kassebaum) to allow all new mothers a minimum of 48 hours of care following most normal deliveries. This legislation has 52 cosponsors.

This bill enjoyed bipartisan support and has been approved by the Senate Labor Committee last year. Further action on this legislation is expected this fall. There are 10 similar bills in the House. However, there has been no action on any of these bills.

ANTI-GAG RULE

I. ANTI-GAG RULE

This initiative would prohibit health plans from restricting or prohibiting any medical communications between health care providers and their patients. The President supports extending these same protections to Medicare beneficiaries.

II. PURPOSE

Currently, some health plans require doctors to sign contracts that may inappropriately limit their ability to give patients information about referrals and alternative treatment. This initiative would bar health plans from restricting doctor-patient communications.

III. IMPACT

- This initiative would allow and encourage physicians to discuss a full range of treatment options with patients and increase consumers' confidence that medical providers give them full information.

IV. SPECIFIC PROVISIONS

- Health plans (including ERISA plans) may not restrict or prohibit any medical communications, oral or in writing, between health care providers and their patients.

- Violation of these provisions is punishable by civil money penalties of up to $25,000 for each violation.

- States may establish additional requirements that are more protective of medical communications.

V. BACKGROUND

The President opposes "gag orders" that have been used by some health plans to restrict medical communications between doctors and their patients. Because the President believes health care providers should not be restricted in what they say to their patients, he supports legislation such as the "Patient Right to Know Act" (introduced by Congressmen Ganske and Markey) which would bar health plans from restricting doctor-patient communications. The President also supports extending these same protections to Medicare beneficiaries. This legislation is supported by 45 health care organizations including: the American Medical Association, the American Nurses Association, the National Council of Senior Citizens, and the Consumers Union.

This bill has enjoyed bipartisan support and has been approved by a unanimous vote in one of the three committees of jurisdiction. Additional committee approval is expected this fall.

NOT FOR DISTRIBUTION

QUALITY HEALTH CARE: A CLINTON ADMINISTRATION PRIORITY

- Today, the President is announcing that a renewed emphasis should be placed on assuring quality and consumer protection in the nation's health care system. At a time when unprecedented changes in the health care delivery system are taking place, consumers and their representatives are increasingly concerned about how these changes are affecting the quality of health care they are receiving.

- To assure that our health care system continues to provide the highest quality health care in the world and to strengthen consumer protection, the President is issuing a challenge to the Congress to pass two consumer protection initiatives that have already received broad, bipartisan support before they adjourn for the Fall election.

- The President believes that too many health plans "gag" their doctors from even telling patients all their treatment options. And too many health plans are telling mothers of newborn children that they won't pay for the cost of hospitalization beyond 8-24 hours after birth.

- The President strongly believes that these practices must stop. He is calling on the Congress to pass two bills that would direct health plans to give mothers the opportunity to stay in the hospital for 48 hours and would prohibit plans from restricting communication between health professionals and patients.

- In addition, the President is announcing the establishment of an advisory commission, co-chaired by HHS Secretary Donna Shalala and Labor Secretary Robert Reich, to study and, where appropriate, to develop recommendations for the President on (1) consumer protection; (2) quality; and (3) the availability of treatment and services in a rapidly changing health care system.

NOT FOR DISTRIBUTION

QUESTIONS AND ANSWERS ON HEALTH CARE ANNOUNCEMENT IN FLORIDA

QUESTION: How is this different from the Health Care Task Force chaired by the First Lady?

ANSWER: This advisory commission has a narrow but important task. It will be made up of no more than 20 insurers, employers, consumers, government representatives, health care professionals, and other health care workers. This commission will not be proposing comprehensive health care reform, but instead will build on work that is already being done and look at health care quality, consumer protection and availability of treatment and services in managed care and other health plans. In a rapidly changing health care market -- where there are increasing pressures to cut costs -- the President wants to be sure that quality is not sacrificed.

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

ANSWER: 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 protection and the availability of treatment and services. The panel will look at availability because one of the current problems in the health care system is that some people who have insurance are being denied appropriate services. There are even some areas of the country where there is no place for people to get the care they need.

QUESTION: Is it a slight to the First Lady that she has not been asked to chair this commission?

ANSWER: As I said, this commission has a very specific task. The President has asked Secretaries Shalala and Reich to co-chair because these issues are directly relevant to their Departments.

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

ANSWER: This commission is not an attack on managed care. It will bring together experts, insurers, businesses and consumers to make recommendations on quality, consumer protection, 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.

ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

I. ADVISORY COMMISSION

The President will sign an Executive Order creating an Advisory Commission on Consumer Protection and Quality in the Health Care Industry to review changes occurring in the health care system and, where appropriate, make recommendations on how best to promote and assure consumer protection and health care quality.

II. PURPOSE

The Advisory Commission will respond to concerns about the rapid changes in the health care financing and delivery system. It will provide a forum for developing a better understanding of the changes in the health system and for making recommendations on how to address the effects of those changes.

III. IMPACT

- The Advisory Commission will provide recommendations that will allow public and private policy makers to define appropriate consumer protection and quality standards.

IV. SPECIFIC PROVISIONS

- The Advisory Commission will be appointed by the President and co-chaired by the Secretaries of HHS and Labor will have a membership of no more than 20 representatives from: health care professions, institutional health care providers, other health care workers, health care insurers, health care purchasers, state government, consumers, and experts in health care quality, financing, and administration. The Vice President will review the final report prior to its being submitted to the President.

- The Advisory Commission will study and, where appropriate, develop recommendations for the President on: (1) consumer protection; (2) quality; and (3) availability of treatment and services in a rapidly changing health care system.

- The Advisory Commission will submit a preliminary report by September 30, 1997 and a final report 18 months from the date of its first meeting.

V. BACKGROUND

The Clinton Administration has a long history of strong support of consumer protection in all health care plans, including the Medicare program. Two such examples are his support of initiatives to assure new mothers and babies have access to necessary hospital care and to protect communications between health professionals and their patients.

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WORKER TRANSITION INITIATIVE

I. WORKER TRANSITION INITIATIVE

This provision addresses affordability of health care coverage for workers in transition from job-to-job. Through a grant program with the states, it would provide premium assistance to temporarily-unemployed workers and their families for up to six months of coverage.

II. PURPOSE

This provision would take the next logical step toward improving coverage to millions of working Americans are at risk of not being able to afford coverage. In so doing, it would assure that individuals retain the continuous health care coverage necessary to receive portability benefits under the Kennedy/Kassebaum health insurance reform bill.

III. IMPACT

- Approximately 3 million people, including at least 700,000 children, would benefit each year.
- The program would cost an estimated $2 billion/year.
- This program would be paid for in the context of the President's balanced budget proposal. It demonstrates that the nation can invest in important programs while still being fiscally responsible.

IV. SPECIFIC PROVISIONS

- The program would give assistance to states to provide health care coverage to individuals who are between jobs.
- The program would give states substantial flexibility to administer the program. Under the program states could decide how to deliver benefits and whether to expand eligibility and benefits.
- Program information and applications would be made available through local unemployment offices.

V. ADMINISTRATION HISTORY ON ISSUE

Over the past few years, the President fought long and hard for health care reform. In passing the Kennedy/Kassebaum legislation, Congress took the first steps toward meaningful reform. The next logical step is to ensure affordability of health care and to guarantee that individuals do not lose the protections gained in the Kennedy/Kassebaum legislation.

This provision has been included in all of the President's balanced budget proposals and is paid for in this context.

FRAUD AND ABUSE

I. FRAUD AND ABUSE

A provision in the Kennedy/Kassebaum bill strengthens Federal efforts to combat health care fraud, waste, and abuse. It would increase resources to expand currently successful efforts at HHS, Justice, and Labor to root out fraud and abuse, such as Operation Restore Trust.

II. PURPOSE

This provision continues and intensifies Federal efforts to root out health care fraud and abuse through enhanced oversight and enforcement activities.

III. IMPACT

- This provision will save about $3.5 billion in Federal funds over seven years.
- The provision will have a significant effect on private health plan savings by strengthening Federal efforts to detect and prosecute fraud and abuse.

IV. SPECIFIC PROVISIONS

- Creates the Health Care Fraud and Abuse Control Program to combat health care fraud and abuse in both public and private health plans. This program will be coordinated by HHS and the Attorney General. In 1997, over $100 million is designated to fight fraud and abuse in the Medicare and Medicaid programs.
- Establishes the Medicare Integrity Program to provide a stable source of funding for efforts to assure the integrity of Medicare.
- Strengthens enforcement efforts by creating a new criminal statute and new civil penalties for health care fraud and abuse. The funds recovered under this provision would be returned to the Medicare trust fund.

V. ADMINISTRATION HISTORY ON ISSUE

The Clinton Administration has been aggressive in developing and implementing new strategies to combat managed care fraud and abuse. In 1995, the Clinton Administration launched "Operation Restore Trust" to combat Medicare fraud and abuse. The increased funding provided in the Kennedy/Kassebaum legislation will expand this program nationwide. Many more of the bill's provisions to enhance enforcement are similar to provisions in the President's proposed legislation.

MEMORANDUM

TO: Interested Parties September 6, 1996

FR: Chris Jennings/Jen Klein

RE: **Key Groups Immediately Supporting the Advisory Commission**

To help illustrate the broad-based support for the Advisory Commission announced yesterday by the President, we are providing a list of organizations that immediately supported the President's initiative. Also attached are selected quotes from these groups.

Since a number of these groups were in the forefront of opposition to the Health Security Act, this information should be helpful ammunition to the Republicans' suggestion that the narrowly focused Advisory Commission comes anywhere close to a "government takeover." We will have more endorsements and helpful quotes later today.

KEY GROUPS IMMEDIATELY SUPPORTING THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

Health Care Insurers/Managed Care Representatives

American Association of Health Plans (the managed care industry group)
Blue Cross and Blue Shield Association
Health Insurance Association of America

Health Care Providers

American Hospital Association
American Nurses Association
American Medical Association
Catholic Health Association
Federation of American Health Systems (the for-profit hospitals)
National Association of Children's Hospitals and Related Institutions

Consumers and Unions

AFL-CIO
AFSCME
Citizen Action
Consumers Union

STATEMENTS SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

"President Clinton's call for the National Commission on Health Care Quality provides an excellent opportunity for policy makers to review the many different types of health care financing arrangements that currently exist in the marketplace ..."

-- Health Insurance Association of America

"We eagerly applaud the formation of the President's new commission to protect patients and guarantee quality care."

-- American Medical Association

". . .the right time for this kind of commission to go to work."

-- American Hospital Association

"The President's decision to examine the entire issue of managed care quality and access should be applauded by every consumer in America."

-- Citizen Action

"We support any effort to identify and rectify problems with our health care system and applaud the President for creating a forum where these problems will be addressed."

-- Consumers Union

MEMORANDUM

September 6, 1996

TO: Interested Parties

FROM: Chris Jennings/Jen Klein

SUBJ: Passage of the 48 hour rule and mental health parity provisions

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Last night, the Senate passed two health care provisions by overwhelming margins that the President actively supported this year -- the 48 hour rule and the Domenici/Wellstone mental health parity compromise. (The 48-hour rule bill was unanimously voted out by voice vote and the mental health parity provision prevailed by a 82 to 15 vote.) Attached you will find explicit references by the President in support of these issues.

The passage of the 48 hour rule should be particularly helpful in refocusing attention on the consumer protection initiatives announced by the President in Florida yesterday, and away from the Advisory Commission. (This is especially the case when combined with the broad-based support of the Advisory Commission. **Since a number of these groups were in the forefront of opposition to the Health Security Act, this information should be helpful ammunition to the Republicans' suggestion that the narrowly focused Advisory Commission comes anywhere close to a "government takeover.")**

We recommend that you talk up the passage of the 48 hour rule. It has already received a positive reference in an AP story that ran last night. (It specifically referenced the President's long-standing support for the measure).

Presidential Statements In Support of the 48 Hour Rule

"I urge members of Congress to move legislation forward as soon as possible that makes this protection for mothers and their children the law of the land. No insurance company should be free to make the final judgment about what is medically best for newborns and their mothers. That decision should be left up to doctors, nurses and mothers themselves."

President Bill Clinton
May 11, 1996

"We should protect mothers and newborn babies from being forced out of the hospital in less than 48 hours."

President Bill Clinton
Democratic National Convention
August 30, 1996

"That's why I'm supporting the legislation I mentioned, dealing with not forcing new mothers and their newborns out of the hospital."

President Bill Clinton
September 5, 1996

(NOTE: The First Lady also endorsed the 48 hour rule in her speech before the Democratic National Convention on August 28, 1996)

Presidential Statements In Support of Mental Health Parity

"I am writing to express the President's strong support for the alternative that has been proposed by Senator Domenici to prohibit health plans from establishing separate lifetime and annual limits for mental health benefits. People with mental illness have faced discrimination in health insurance coverage for far too long, and it is time we take steps to end this inequity..."

Leon Panetta
July 30, 1996

". . . I was disappointed that the mental health provision was taken out, [of the Kennedy/Kassebaum bill] and I certainly hope we can get it as soon as possible in the future. It should remain a high priority."

President Bill Clinton
August 1, 1996

"I wish this bill [Kennedy/Kassebaum] had contained the provision to eliminate the differential treatment of mental health coverage, or at least taken some positive steps in that direction."

President Bill Clinton
August 21, 1996

KEY GROUPS IMMEDIATELY SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

(As of September 6, 1996 - 12:00pm)

Health Care Insurers/Managed Care Representatives

American Association of Health Plans (the managed care industry group)
Blue Cross Blue Shield Association
Health Insurance Association of America

Health Care Providers

American Hospital Association
American Nurses Association
American Medical Association
Catholic Health Association
Federation of American Health Systems (the for-profit hospitals)
National Association of Children's Hospitals and Related Institutions

Consumers and Unions

AFL-CIO
AFSCME
Citizen Action
Consortium of Citizens with Disabilities
Consumers Union
Families USA
National Council of Senior Citizens

STATEMENTS SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

"The American Association of Health Plans applauds President Clinton's leadership in establishing the new commission on health care quality. We are confident the commission, which is designed to examine how the health care system works for patients, will contribute to a better understanding of how health care is delivered as we approach the next century."

-- American Association of Health Plans
(trade organization of managed care plans)

"We welcome the government and industry scrutiny the President has proposed."

-- BlueCross BlueShield Association

"President Clinton's call for the National Commission on Health Care Quality provides an excellent opportunity for policy makers to review the many different types of health care financing arrangements that currently exist in the marketplace ..."

-- Health Insurance Association of America

"We eagerly applaud the formation of the President's new commission to protect patients and guarantee quality care."

-- American Medical Association

". . .the right time for this kind of commission to go to work."

-- American Hospital Association

"The President's decision to examine the entire issue of managed care quality and access should be applauded by every consumer in America."

-- Citizen Action

"We support any effort to identify and rectify problems with our health care system and applaud the President for creating a forum where these problems will be addressed."

-- Consumers Union

ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

I. ADVISORY COMMISSION

The President will sign an Executive Order creating an Advisory Commission on Consumer Protection and Quality in the Health Care Industry to review changes occurring in the health care system and, where appropriate, make recommendations on how best to promote and assure consumer protection and health care quality.

II. PURPOSE

The Advisory Commission will respond to concerns about the rapid changes in the health care financing and delivery system. It will provide a forum for developing a better understanding of the changes in the health system and for making recommendations on how to address the effects of those changes.

III. IMPACT

- The Advisory Commission will provide recommendations that will allow public and private policy makers to define appropriate consumer protection and quality standards.

IV. SPECIFIC PROVISIONS

- The Advisory Commission will be appointed by the President and co-chaired by the Secretaries of HHS and Labor will have a membership of no more than 20 representatives from: health care professions, institutional health care providers, other health care workers, health care insurers, health care purchasers, state government, consumers, and experts in health care quality, financing, and administration. The Vice President will review the final report prior to its being submitted to the President.

- The Advisory Commission will study and, where appropriate, develop recommendations for the President on: (1) consumer protection; (2) quality; and (3) availability of treatment and services in a rapidly changing health care system.

- The Advisory Commission will submit a preliminary report by September 30, 1997 and a final report 18 months from the date of its first meeting.

V. BACKGROUND

The Clinton Administration has a long history of strong support of consumer protection in all health care plans, including the Medicare program. Two such examples are his support of initiatives to assure new mothers and babies have access to necessary hospital care and to protect communications between health professionals and their patients.

Office of the Press Secretary

For Immediate Release September 5, 1996

EXECUTIVE ORDER

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ADVISORY COMMISSION ON CONSUMER PROTECTION
AND QUALITY IN THE HEALTH CARE INDUSTRY

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the Advisory Commission on Consumer Protection and Quality in the Health Care Industry (the "Commission"). The Commission shall be composed of not more than 20 members to be appointed by the President. The members will be consumers, institutional health care providers, health care professionals, other health care workers, health care insurers, health care purchasers, State and local government representatives, and experts in health care quality, financing, and administration.

(b) The Secretary of Health and Human Services and the Secretary of Labor shall serve as Co-Chairs of the Commission. The Co-Chairs shall report through the Vice President to the President.

Sec. 2. Functions. (a) The Commission shall advise the President on changes occurring in the health care system and recommend such measures as may be necessary to promote and assure health care quality and value, and protect consumers and workers in the health care system. In particular, the Commission shall:

(1) Review the available data in the area of consumer information and protections for those enrolled in health care plans and make such recommendations as may be necessary for improvements;

(2) Review existing and planned work that defines, measures, and promotes quality of health care, and help build further consensus on approaches to assure and promote quality of care in a changing delivery system; and

(3) Collect and evaluate data on changes in availability of treatment and services, and make such recommendations as may be necessary for improvements.

(b) For the purpose of carrying out its functions, the Commission may hold hearings, establish subcommittees, and convene and act at such times and places as the Commission may find advisable.

Sec. 3. Reports. The Commission shall make a preliminary report to the President by September 30, 1997. A final report shall be submitted to the President 18 months after the Commission's first meeting.

Sec. 4. Administration. (a) To the extent permitted by law, the heads of executive departments and agencies, and independent agencies (collectively "agencies") shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Members of the Commission may receive compensation for their work on the Commission not to exceed the daily rate specified for Level IV of the Executive Schedule (5 U.S.C. 5315). While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(c) To the extent permitted by law and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The Secretary of Health and Human Services shall perform the administrative functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.), with respect to the Commission.

Sec. 5. General Provision. The Commission shall terminate 30 days after submitting its final report, but not later than 2 years from the date of this order, unless extended by the President.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 5, 1996.

# # #

QUESTIONS AND ANSWERS ON HEALTH CARE ANNOUNCEMENT IN FLORIDA

QUESTION: How is this different from the Health Care Task Force chaired by the First Lady?

ANSWER: This advisory commission has a narrow but important task. It will be made up of no more than 20 insurers, employers, consumers, government representatives, health care professionals, and other health care workers. This commission will not be proposing comprehensive health care reform, but instead will build on work that is already being done and look at health care quality, consumer protection and availability of treatment and services in managed care and other health plans. In a rapidly changing health care market -- where there are increasing pressures to cut costs -- the President wants to be sure that quality is not sacrificed.

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

ANSWER: 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 protection and the availability of treatment and services. The panel will look at availability because one of the current problems in the health care system is that some people who have insurance are being denied appropriate services. There are even some areas of the country where there is no place for people to get the care they need.

QUESTION: Is it a slight to the First Lady that she has not been asked to chair this commission?

ANSWER: As I said, this commission has a very specific, narrow task. The President has asked Secretaries Shalala and Reich to co-chair because these issues are directly relevant to their Departments.

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

ANSWER: This commission is not an attack on managed care. It will bring together experts, insurers, businesses and consumers to make recommendations on quality, consumer protection, 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: Why haven't you chosen the members of the commission yet?

ANSWER: We want the commission to start its work as soon as possible. We are reviewing possible candidates now.

QUESTION: Why are you pushing the Patient Right to Know Act and the 48 hour bill? Can these things really get done during this Congress?

ANSWER: The President supports initiatives to prevent health plans from restricting the information that doctors and other health professionals can give their patients about referrals and treatment alternatives. He has also voiced his support for initiatives to protect mothers and newborns from being forced to leave the hospital before they are ready by allowing them to stay a minimum of 48 hours following normal deliveries. There are bills in Congress to do both of these things that have broad bipartisan support. There is no reason that we can't get them done, and the President is urging the Congress to act on these bills now.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Sep-1996 02:37pm

TO: Christopher C. Jennings
TO: Jennifer L. Klein

FROM: Jennifer M. O'Connor
Office of The Chief of Staff

SUBJECT: STATEMENT BY CANDICE OWLEY, CHAIR AFT'S FEDERATION OF ...

Date: 09/06/96 Time: 12:49
bStatement By Candice Owley, Chair AFT's Federation of Nurses and

To: National Desk, Health Writer
Contact: Janet Bass of the American Federation of Teachers, 202-879-4554
WASHINGTON, Sept. 6 /U.S. Newswire/ -- Following is a statement by Candice Owley, vice president, American Federation of Teachers and Chair, AFT's Federation of Nurses and Health Professionals on President Clinton's Health Care Advisory Commission:
''Patients must be able to count on access to high quality health care. The president's advisory commission on consumer protection and quality is the right prescription at the right time. As the health care industry focuses on the bottom line, it can't put profits over patients. Health care systems must adhere to high quality standards so that consumers can be assured of receiving appropriate treatment and care. The right service at the right time with the right provider is the most cost-effective care.'' -----
FNHP, which represents more than 50,000 nurses and other health professionals, is the health care division of the 907,000-member AFT.
-0-
/U.S. Newswire 202-347-2770/
APNP-09-06-96 1300EDT

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Sep-1996 04:39pm

TO: Christopher C. Jennings
TO: Jennifer L. Klein

FROM: Bruce N. Reed
Domestic Policy Council

SUBJECT: Nice story...thanks again

Date: 09/06/96 Time: 15:56
GRevisiting Health Care, Clinton Takes Aim at Doctor 'Gag' Rules

WASHINGTON (AP) A patient has just been told by his network doctor he has a serious disease. The doctor knows an especially skillful specialist. But the physician doesn't let on her lips are sealed.

According to President Clinton, some members of Congress and the American Medical Association, physicians in many health maintenance organizations are under gag rules like that, preventing them from telling patients about costly care.

Moving one step at a time on the health-care overhaul he failed to achieve in one swoop, Clinton has endorsed legislation that would stop HMOs from inhibiting their doctors when describing treatment options to patients.

Health care networks say they support open communication on matters of treatment, and prohibitions on discussing financial and other matters have been misrepresented as gag orders.

But Clinton, speaking to an elderly campaign crowd in Florida, used the issue to portray himself as a guardian of patient rights in the fast-growing field of HMOs. He offered ''the best of all worlds: managed care plus consumer protection.''

Critics call Clinton's latest health remedies a case of micromanagement, an easy way to tap the enduring potency of health care as a public concern without taking on tougher problems such as the cost of insurance for millions.

But Republican presidential candidate Bob Dole hasn't been talking about health reform much at all in the campaign, even though several of his ideas on the subject recently have become law.

Dole won tax relief for long-term care and for insurance for the self-employed, as well as an experiment with medical savings accounts resisted by Clinton, in legislation signed by the president last month.

Once again, the Dole campaign has been left complaining that the Democrats are running on purloined positions.

''Clinton's vision seems to be a window looking out on Bob

Dole,'' said Christina Martin, speaking for the Dole campaign.

Clinton this week ordered another study of medical care, but it will be much more modest than the disbanded task force led by Hillary Rodham Clinton and a White House aide back when the president hoped to guarantee coverage to all people.

He also endorsed legislation that would stop insurance companies from rushing women and their newborn babies out of the hospital. The Senate approved the bill Thursday night, trying to assure women the option of 48 hours in the hospital for most births and 96 hours for Caesarean births.

On silencing doctors, Clinton backed legislation patterned after laws enacted just this year in 16 states, according to the AMA.

The American Association of Health Plans, representing more than 1,000 managed-care networks, says the legislation would ''turn back the clock on ... high quality, more affordable health care systems'' by regulating contracts between doctors and their plans.

Some of those contracts leave gray areas in doctor-patient communications. They commonly ban talk of proprietary or reimbursement information that can be hard to separate from important guidance on a patient's treatment.

For example, the managed-care association says some contracts prevent doctors from disparaging the networks where they work. One such clause reads: ''Physicians shall take no action nor make any communication which undermines or could undermine the confidence of enrollees ... in this organization or in the quality of care.''

Advocates of the legislation say that kind of language has been used to prevent doctors from telling patients that better treatment for their condition exists outside the network.

Some families who have discovered that on their own have sued their HMOs for withholding such information or refusing to pay.

APNP-09-06-96 1606EDT

Families USA FOUNDATION

PRESS RELEASE

FOR IMMEDIATE RELEASE

FAMILIES USA LAUDS PRESIDENT'S NEW HEALTH PROPOSALS

Statement by Ron Pollack
Executive Director, Families USA

"The President's call for an Advisory Commission on Consumer Protection and Quality in the Health Care Industry is another important step in the effort to make our health care system work better for the American people. President Clinton clearly understands that we must provide every American family with appropriate consumer protections that will ensure they receive high-quality health care.

"The President has backed up his proposal for an Advisory Commission with two critical initiatives that will directly help many American families. The first would require insurance companies to let all new mothers and their babies remain in the hospital for at least 48 hours following most normal deliveries -- a proposal adopted yesterday by the Senate. In recent years, a growing number insurance companies have refused to pay for anything more than a 24 hour stay in a hospital. President Clinton understands that this decision should be left up to the parents and their doctor, and not some insurance company bureaucrat.

"The President's second initiative would prohibit insurance companies from restricting or prohibiting critical communications between a doctor and a patient. Nothing is more important than a doctor's ability to discuss the full range of treatment options with a patient. This important dialogue builds confidence in the doctor-patient relationship, and allows for the patient to be fully involved with all decisions regarding his or her medical care.

"President Clinton has clearly demonstrated that he understands the need to make certain that no American family be left behind in the rapidly changing world of health care financing and delivery."

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CONTACT: ARNOLD BENNETT OR GREG MARCHILDON (202) 628-3030
1334 G STREET NW • WASHINGTON DC 20005 • FAX (202) 347-2417

FOR IMMEDIATE RELEASE
September 6, 1996

Elizabeth Paulsen
1-800-274-2237 x4220

FAMILY PHYSICIANS APPLAUD PRESIDENT'S CREATION OF HEALTH QUALITY COMMISSION

The American Academy of Family Physicians today commended President Clinton for his decision to create a National Commission on Health Care Quality.

(Kansas City, MO) "We applaud the President's decision to create a national Commission on Health Care Quality," said Douglas E. Henley, M.D, President of the 84,000 member Academy and a practicing family physician in Fayetteville, North Carolina. "The rapid changes in today's health care system have raised new and serious issues and challenges for patients, health care providers, health plans and purchasers."

"The Commission will provide an excellent opportunity to examine the changing system and ensure that patients continue to receive high quality health care, regardless of the type of their health plan." Dr. Henley noted that family physicians have supported the President's initiatives to broaden health plan choices available to consumers while working to ensure quality of care through such programs as the Interagency Managed Care Forum and the Medicare Managed Care Quality Improvement Project.

The nation's family physicians share the President's concern about problems such as "gag" clauses in some health plan contracts that may interfere with open communication between physicians and patients and rules that have forced some patients to be discharged from hospitals too soon after delivering babies.

"We believe that a Presidential-level commission, with representation from consumers, providers, insurers, and purchasers, will provide an unprecedented forum for thoughtfully examining the evolving health care system, the consequences – intended and unintended – of the changes taking place and for making recommendations to preserve quality," said Henley.

In addition, Henley added that he hopes the Commission will address the problem of the uninsured in this country. The number of uninsured in the United States is rising -- 43 million Americans are without insurance. And, eleven percent of all children do not have health insurance. Experts predict that by the year 2000 the number of uninsured may rise to 60 million.

"If we are going to control the cost shifting that threatens to increase everybody's health [illegible] government must work together so that basic health insurance is affordable."

The American Academy of Family Physicians is committed to achieving a health care system that provides universal coverage and high quality affordable health care to all Americans.

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The American Academy of Family Physicians

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THE NEW YORK TIMES NATIONAL FRIDAY, SEPTEMBER 6, 1996

THE DEMOCRAT

Clinton Seeks Florida Votes With a Focus On Medicare

By ALISON MITCHELL

SUNRISE, Fla., Sept. 5 — Gently mocking the Republican Congress's proposals for Medicare, President Clinton took his campaign to Florida today and swept from a high school to a theater full of retirees in a battle for a state that has not voted for a Democratic Presidential candidate in two decades.

Under a red white and blue banner proclaiming, "Protecting America's Health Care Security," Mr. Clinton brought down the house in a dinner theater packed with the elderly when he went into a riff about the spiraling costs of the Medicare trust fund.

As his audience roared with laughter, Mr. Clinton said: "I don't understand all this hand-wringing. That's a high-class problem if we got people living longer and being healthier and hanging around and doing things. I think that's a pretty high-class problem."

Mr. Clinton did not specifically mention the Republicans but he was clearly referring to their argument last year that it would be necessary to trim growth in Medicare spending by $270 billion to "preserve and protect" the program and maintain its solvency in the face of the ever expanding number of beneficiaries.

Playing to the health care concerns of his audience in the Sunrise Musical Theater, Mr. Clinton also announced the creation of a Federal advisory commission that he said was intended to insure that the health care industry's shift toward managed care and health maintenance organizations was not harming health care.

The creation of the commission, disclosed on Wednesday by Administration officials, is to make a preliminary report by September 1997. The move signaled that if re-elected Mr. Clinton would return his attention to health care, the issue that became the biggest legislative defeat of his Presidency.

"We have to make sure that we don't give up on the quality of care," he said.

In Washington, though, Republicans criticized the proposal as a liberal, big-government initiative and suggested that the departure of a leading Clinton strategist, Dick Morris, had led the President to return to what they called his liberal roots. Mr. Morris, widely credited with turning Mr. Clinton toward the right, resigned last week after he was caught up in a sex scandal.

Christina Martin, a spokesman for the campaign of the Republican nominee, Bob Dole, called Mr. Clinton's proposal "another step toward national health care."

"When it comes to nationalized health care, Bill Clinton firmly believes the adage that if first you don't succeed, try, try again," she said.

Brad Markwood/The New York Times

After pledging protection of Medicare before enthusiastic retirees in Sunrise, Fla., and announcing the creation of a Federal advisory commission to study the effects of the health care industry's shift toward managed care, President Clinton gave a lift to young Samuel Alexander Cohen yesterday.

In His Own Words

BILL CLINTON

Speaking yesterday to elderly people gathered at the Sunrise Musical Theater in Sunrise, Fla.:

"Everybody wants us to save Medicare. Everybody knows that we're all living longer and staying healthier. And that's good, isn't it? I mean, I think that's pretty good.

"So when somebody tells me, Mr. President, we got this terrible problem with Medicare. Since the inflation per person is not going up. It's just that people are living longer, and the longer you live, the more health care you use. To me, that's a high-class problem. I mean, I don't understand all this hand-wringing. That's a high-class problem if we got people living longer and being healthier and hanging around and doing things. I think that's a pretty high-class problem. I don't understand why everybody is going around like Chicken Little, 'Oh, the sky is falling; we have problems in Medicare because everybody is living.'

"I thought that was the object. I thought that was the point of the deal.

"Do you know, if you live in the United States — this is very interesting — in 1985, because of Social Security and S.S.I., for the first time in the history of our country, people over 65 had a lower poverty rate than people under 65. And because of Medicare and Medicaid, because of the things you can buy into with them, now if you live to be 65 in the United States, we have the highest life expectancy of any country in the world among people who live to be 65 going forward."

Representative Dick Armey, the Republican leader, had a similar response: "I am concerned that the President has not given up on his personal goal to get us to a government-run single-payer health care system."

The last Democratic Presidential candidate to win Florida was Jimmy Carter in 1976. But Mr. Clinton came within two percentage points of victory here four years ago, even though his strategists had virtually ceded the state to the Republicans. This time, the strategists say the President will campaign and spend television advertising dollars here, not just to tie Mr. Dole down in a state he needs to win but in a drive for victory.

"We take the state seriously and we're putting our money where our mouth is," said Douglas Sosnick, the White House political director. By the time Mr. Clinton leaves Florida on Friday night, with a final stop in the traditionally Republican area of Panama City, he will have made appearances in all five of Florida's major television markets.

For more than a year the Democrats have been seeking to capitalize politically on the Republican's proposal in budget talks last year to reign in the growth of Medicare spending, and nowhere have they hit harder than in Florida with its high percentage of elderly residents.

"For the last four years the only reason that Medicare still exists is because of the man who is with us today — President Bill Clinton," said Representative Peter Deutsch this afternoon warming up the crowd of about 3,000 here and lashing into the Congress he called the "Dole-Gingrich Congress" after the Republican nominee and Speaker Newt Gingrich.

Mr. Clinton was greeted by two standing ovations even before he began to speak. Reprising the convention speech of his wife, Hillary, Mr. Clinton once again said health insurers should be required to allow new mothers to stay in hospitals at least 48 hours after childbirth. And he endorsed a bill that would prevent health maintenance organizations from restricting discussions between doctors and patients on treatment options and financial incentives doctors might have to limit treatment.

Representative Bill Thomas, the California Republican who heads the Ways and Means Subcommittee on Health, said the co-chairmen of the new commission — Labor Secretary Robert B. Reich and Donna E. Shalala, the Secretary of Health and Human Services — were among the most liberal members of the Administration. Other Republicans said the creation of the commission showed the President was returning to what they called his true liberal colors.

Republicans also said they were disappointed that the commission would not include members of Congress. Lawmakers of both parties said inadequate consultation with Congress had been a major reason for the failure of Mr. Clinton's health plan in 1993 and 1994.

Courting a state that has not picked a Democrat for President in 20 years.

The commission will include consumers, health care providers, labor union leaders, business executives and insurers. Administration officials said Republican members of Congress were free to recommend people in those categories.

Lobbyists for H.M.O.'s, insurers, doctors, hospitals and the elderly said they welcomed the commission and hoped to serve on it.

Dr. Nancy W. Dickey, chairwoman of the American Medical Association, said: "We applaud the formation of the President's new commission to protect patients and guarantee quality care. Protecting patients in a changing health care system is a priority for the A.M.A."

Dick Davidson, president of the American Hospital Association, said, "America's hospitals welcome any initiative to help improve the quality of care and help guarantee access to care for every American." Because of rapid changes in the industry, he said, most Americans "can't have confidence" in their health care coverage.

ANTI-GAG RULE

I. ANTI-GAG RULE

This initiative would prohibit health plans from restricting or prohibiting any medical communications between health care providers and their patients. The President supports extending these same protections to Medicare beneficiaries.

II. PURPOSE

Currently, some health plans require doctors to sign contracts that may inappropriately limit their ability to give patients information about referrals and alternative treatment. This initiative would bar health plans from restricting doctor–patient communications.

III. IMPACT

- This initiative would allow and encourage physicians to discuss a full range of treatment options with patients and increase consumers' confidence that medical providers give them full information.

IV. SPECIFIC PROVISIONS

- Health plans (including ERISA plans) may not restrict or prohibit any medical communications, oral or in writing, between health care providers and their patients.

- Violation of these provisions is punishable by civil money penalties of up to $25,000 for each violation.

- States may establish additional requirements that are more protective of medical communications.

V. BACKGROUND

The President opposes "gag orders" that have been used by some health plans to restrict medical communications between doctors and their patients. Because the President believes health care providers should not be restricted in what they say to their patients, he supports legislation such as the "Patient Right to Know Act" (introduced by Congressmen Ganske and Markey) which would bar health plans from restricting doctor–patient communications. The President also supports extending these same protections to Medicare beneficiaries. This legislation is supported by 45 health care organizations including: the American Medical Association, the American Nurses Association, the National Council of Senior Citizens, and the Consumers Union.

This bill has enjoyed bipartisan support and has been approved by a unanimous vote in one of the three committees of jurisdiction. Additional committee approval is expected this fall.

48 HOUR RULE

I. 48 HOUR RULE

This initiative would require health insurers to let all new mothers and their babies remain in the hospital for at least 48 hours following most normal deliveries.

II. PURPOSE

Over the past two decades, the average length of stay for an uncomplicated childbirth has declined sharply. Today, a growing number of insurance companies are refusing to pay for anything more than a 24-hour stay, and as few as 8 hours.

III. IMPACT

- This initiative would bring "peace of mind" to new mothers because they know they will not be discharged prematurely from the hospital.

IV. SPECIFIC PROVISIONS

- Requires health insurers to let mothers and newborns remain in the hospital for a minimum of 48 hours after a normal delivery and 96 hours after a Caesarean section.

- Shorter stays may be allowed if the attending health care provider, in consultation with the new mother, determines such a stay is appropriate.

- Requires follow-up care within 72 hours of discharge, if discharge occurs earlier than 48 hours after birth.

- The initiative would not pre-empt state legislation if states already require a minimum of 48 hour stays for normal deliveries (96 hours for Caesarean section) or meet guidelines established by the American College of Obstetricians or Gynecologists, the American Academy of Pediatrics, or certain other medical professional organizations.

V. BACKGROUND

In their speeches at the Democratic National Convention, both the President and the First Lady endorsed reforms that will guarantee mothers the quality of care they need when they have had a baby. Because they believe that beneficiaries should be guaranteed coverage for needed health services, President Clinton and the First Lady strongly support legislation such as the "Newborns' and Mothers' Health Protection Act" (introduced by Senators Bradley, Frist, and Kassebaum) to allow all new mothers a minimum of 48 hours of care following most normal deliveries. This legislation has 52 cosponsors.

This bill enjoyed bipartisan support and has been approved by the Senate Labor Committee last year. Further action on this legislation is expected this fall. There are 10 similar bills in the House. However, there has been no action on any of these bills.

WORKER TRANSITION INITIATIVE

I. WORKER TRANSITION INITIATIVE

This provision addresses affordability of health care coverage for workers in transition from job-to-job. Through a grant program with the states, it would provide premium assistance to temporarily unemployed workers and their families for up to six months of coverage.

II. PURPOSE

This provision would take the next logical step toward improving coverage to millions of working Americans are at risk of not being able to afford coverage. In so doing, it would assure that individuals retain the continuous health care coverage necessary to receive portability benefits under the Kennedy/Kassebaum health insurance reform bill.

III. IMPACT

- Approximately 3 million people, including at least 700,000 children, would benefit each year.
- The program would cost an estimated $2 billion/year.
- This program would be paid for in the context of the President's balanced budget proposal. It demonstrates that the nation can invest in important programs while still being fiscally responsible.

IV. SPECIFIC PROVISIONS

- The program would give assistance to states to provide health care coverage to individuals who are between jobs.
- The program would give states substantial flexibility to administer the program. Under the program states could decide how to deliver benefits and whether to expand eligibility and benefits.
- Program information and applications would be made available through local unemployment offices.

V. ADMINISTRATION HISTORY ON ISSUE

Over the past few years, the President fought long and hard for health care reform. In passing the Kennedy/Kassebaum legislation, Congress took the first steps toward meaningful reform. The next logical step is to ensure affordability of health care and to guarantee that individuals do not lose the protections gained in the Kennedy/Kassebaum legislation.

This provision has been included in all of the President's balanced budget proposals and is paid for in this context.

FRAUD AND ABUSE

I. FRAUD AND ABUSE

A provision in the Kennedy/Kassebaum bill strengthens Federal efforts to combat health care fraud, waste, and abuse. It would increase resources to expand currently successful efforts at HHS, Justice, and Labor to root out fraud and abuse, such as Operation Restore Trust.

II. PURPOSE

This provision continues and intensifies Federal efforts to root out health care fraud and abuse through enhanced oversight and enforcement activities.

III. IMPACT

- This provision will save about $3.5 billion in Federal funds over seven years.
- The provision will have a significant effect on private health plan savings by strengthening Federal efforts to detect and prosecute fraud and abuse.

IV. SPECIFIC PROVISIONS

- Creates the Health Care Fraud and Abuse Control Program to combat health care fraud and abuse in both public and private health plans. This program will be coordinated by HHS and the Attorney General. In 1997, over $100 million is designated to fight fraud and abuse in the Medicare and Medicaid programs.
- Establishes the Medicare Integrity Program to provide a stable source of funding for efforts to assure the integrity of Medicare.
- Strengthens enforcement efforts by creating a new criminal statute and new civil penalties for health care fraud and abuse. The funds recovered under this provision would be returned to the Medicare trust fund.

V. ADMINISTRATION HISTORY ON ISSUE

The Clinton Administration has been aggressive in developing and implementing new strategies to combat managed care fraud and abuse. In 1995, the Clinton Administration launched "Operation Restore Trust" to combat Medicare fraud and abuse. The increased funding provided in the Kennedy/Kassebaum legislation will expand this program nationwide. Many more of the bill's provisions to enhance enforcement are similar to provisions in the President's proposed legislation.

DRAFT

MEDIA ADVISORY

For Immediate Release:
September 5, 1996

Contact: **Alan Wheat**
Deputy Campaign Manager and
Director of Public Liaison
202/496-5071
Steve Gleason
Senior Health Policy Advisor and
Director Health & Human Svcs. Desk
202/496-5048

PRESIDENT CLINTON REAFFIRMS LONGSTANDING COMMITMENT TO QUALITY HEALTH CARE

Today President Clinton reaffirmed his longstanding commitment to quality health care. Recognizing that pressures on America's health plans and health providers could, at times, have unintended effects on the quality of care, President Clinton announced initiatives that would provide important protections for all Americans. The President's speech in Sunrise, Florida today announced the following initiatives:

- President Clinton endorsed bipartisan legislation that would prohibit health plans from restricting medical communications between health care providers and their patients. President also announced his support for the extension of this "anti-gag rule" to Medicare plans.

- President Clinton reiterated his support for bipartisan legislation that would require health plans to pay for at least 48 hours of post-partum care for new mothers and their babies. In their speeches during the Democratic National Convention, both President Clinton and First Lady Hillary Rodham Clinton endorsed this "48-hour rule".

- President Clinton signed an executive order to create the Advisory Commission on Consumer Protection and Quality in the Health Care Industry. This commission will recommend public and private mechanisms to insure quality health care in America's evolving health care delivery systems. The commission will be co-chaired by the Secretary of Health and Human Services and the Secretary of Labor and its final report will be reviewed by the Vice-President. Its membership will include health care consumers, providers, insurers, and purchasers, and other experts in quality health care.

Background for Sept. 5 Seniors Event in Florida

At your appearance before senior citizens in Sunrise, Florida tomorrow, you will be discussing three health care initiatives:

1. NATIONAL COMMISSION

You will announce on HC Quality that you are issuing an Executive Order establishing a National Commission to advise on changes occurring in the health care system and to recommend mechanisms necessary to promote and assure consumer protections, health care quality and access.

The Commission responds to concerns about rapid changes in the health care financing and delivery system. It will provide a forum for developing a better understanding of the changes in the health care system. It will also develop recommendations on (1) appropriate consumer information and protections; (2) approaches to assuring and promoting quality; and (3) access to care, ~~especially in historically underserved communities~~. (As you know, "access" to care does not refer to the issue of insurance *coverage*.)

The Commission will be co-chaired by the Secretaries of HHS and Labor, and will have no more than twenty members, appointed by the President and broadly representative of the public and private players in the health care industry. The Commission is to submit a preliminary report by September 30, 1997 and final report 18 months from the date of its ~~creation~~ first meeting.

Background. Your Administration strongly supported a framework of consumer protections and quality standards in the Medicare debate and supports new consumer protections in the form of legislation to assure new mothers and babies have access to necessary hospital care and to protect doctor-patient communications.

2. ANTI-GAG RULE LEGISLATION (The Patient Right to Know Act of 1996)

Currently, some health plans require doctors to sign contracts that may inappropriately limit their ability to give patients information about referrals and alternative treatment. This bill would bar health plans from restricting doctor-patient communications. You have supported extending these same protections to Medicare beneficiaries. Current

The bill would allow, and perhaps encourage, physicians to discuss treatment options with patients and increase consumers' confidence that medical providers give them full information. Violation of the provisions in the bill is punishable by civil money penalties of up to $25,000 for each violation. States may establish additional requirements that are more protective of medical communications.

This legislation is supported by 45 health care organizations including: the American Medical Association, the American Nurses Association, the National Council of Senior Citizens, and the Consumers Union. This bill has enjoyed bipartisan support and has been approved by a unanimous vote in one of the three committees of jurisdiction. Additional committee approval is expected this fall.

3. 48 HOUR RULE LEGISLATION (The Newborns' and Mothers' Health Protection Act)

Over the past two decades, the average length of stay for an uncomplicated childbirth has declined sharply. Today, a growing number of insurance companies are refusing to pay for anything more than a 24-hour stay, and as few as 8 hours. This bill would require health insurers to let all new mothers and their babies remain in the hospital for at least 48 hours following most normal deliveries and 96 hours after a Caesarean. It would also require follow-up care within 72 hours of discharge, if discharge occurs earlier than 48 hours after birth.

It would not pre-empt state legislation if states already require a minimum of 48-hour stays for normal deliveries (96 hours for Caesarean section) or meet guidelines established by the American College of Obstetricians or Gynecologists, the American Academy of Pediatrics, or certain other medical professional organizations.

CBO estimates that this bill would cost the Federal government $265 million between 1997 and 2002. These costs would largely result from increased Federal Medicaid payments and decreased tax revenues due to increases in employer-paid premiums.

CBO estimates that the bill would increase private sector premiums by 0.06 percent.

This bill enjoys bipartisan support and was approved by the Senate Labor Committee last year. Further action is expected this fall. There are 10 similar bills in the House. However, there has been no action on any of these bills.

DRAFT

PRESIDENT CLINTON'S HEALTH CARE INITIATIVES

Protecting and Strengthening Medicare and Medicaid

The President's proposal preserves and strengthens Medicare. In so doing, he rejects programmatic changes that would harm beneficiaries and providers. Instead, the President proposes to extend the life of the Medicare Trust Fund by 10 years from today by proposing structural reforms and policy changes that achieve $116 billion in savings. His plan adds new cost-effective preventive benefits and provides a new respite benefit for families of beneficiaries with Alzheimer's disease. In addition, the President's proposal modernizes the Medicare program and prepares the program for the retirement of the baby boom by providing for more health plan choices for beneficiaries. These new options (PPOs, HMOs with a point of service options, and Provider Sponsored Networks) compete on quality and affordability -- and not on the basis of which plan can attract the healthiest and wealthiest beneficiaries.

Like the Medicare program, the President calls on the nation to maintain its commitment to a strong, but more flexible and cost-conscious Medicaid program. The President steadfastly opposed Republican Leadership proposals to block grant the Medicaid program, thus assuring that millions of our most vulnerable Americans would not lose guaranteed health care coverage or benefits. Instead, President Clinton advocates making the program more flexible by removing unnecessary Federal health care delivery and reimbursement strings (like costly and time consuming waiver processes) that tie the hands of states trying to administer more efficient and responsive programs.

Providing Health Care for Workers In-Between Jobs

To respond to a rapidly changing economy in which workers frequently change jobs, the President is proposing an initiative to address the affordability of health care coverage for workers in transition from job-to-job. This proposal would assure that workers do not lose their coverage by providing premium assistance to temporarily unemployed workers and their families for up to six months. It would provide assistance to approximately 3 million Americans, including 700,000 children. It would cost about $2 billion a year and is paid for in the context of the President's balanced budget.

Establishing High-Level Commission on Health Care Quality (Signing Exec. Order)

The President is calling for the establishment of a new interagency Commission on Health Care Quality. It will evaluate the impact of the new health care delivery system on quality, consumer protections, and access to care. It will provide specific statutory and regulatory recommendations on how best to assure that managed care and other delivery systems are better serving the public and their health care interests. It will be chaired by Vice President Gore and co-chaired by Secretary Shalala and Secretary Reich. An interim report will be released in the Fall of 1997 and a final report soon thereafter.

Protecting New Mothers and Their Babies

The President endorses reforms that will guarantee mothers the quality of care they need when they have had a baby. Over the past two decades,the average length of stay for an uncomplicated childbirth has declined sharply. Today, a growing number of insurance companies are refusing to pay for anything more than a 24-hour stay, and as few as 8 hours. Because he believes that beneficiaries should be guaranteed coverage for needed health services, President Clinton strongly supports initiatives to allow all new mothers a minimum of 48 hours of care following most normal deliveries.

Opposing Restrictions on Doctor-Patient Communications

The President opposes "gag orders" that have been used by some health plans to restrict medical communications between doctors and their patients. Currently, some health plans require doctors to sign contracts that may inappropriately limit their ability to give patients information about referrals and alternative treatment. Because President Clinton believes that health care providers should not be restricted in what they say to their patients, he supports legislation sueh as the "Patient Right to Know Act," which would bar health plans from restricting doctor-patient communications.

MEMORANDUM

September 4, 1996

TO: Don Baer
Mary Ellen Glynn

FROM: Chris Jennings/Jen Klein

SUBJ: Managed Care Initiatives

Attached please find several papers on managed care initiatives that the President will likely raise in his speech tomorrow. These papers include: (1) a draft background paper on the initiatives the President will likely raise, (2) draft talking points (managed care initiatives are highlighted), and (3) summaries of each of the new initiatives.

I hope this information is helpful, please call me if you have any questions.

PRESIDENT CLINTON'S HEALTH CARE INITIATIVES

Protecting and Strengthening Medicare and Medicaid. The President's proposal preserves and strengthens Medicare. In so doing, he rejects programmatic changes that would harm beneficiaries and providers. Instead, the President proposes to extend the life of the Medicare Trust Fund by 10 years from today by proposing structural reforms and policy changes that achieve $116 billion in savings. His plan adds new cost-effective preventive benefits and provides a new respite benefit for families of beneficiaries with Alzheimer's disease. In addition, the President's proposal modernizes the Medicare program and prepares the program for the retirement of the baby boom by providing for more health plan choices for beneficiaries.

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DRAFT

- Happy to be here.

- Senator Dole says that I shouldn't have vetoed his Medicare cuts that would have more than tripled anything ever previously enacted. He thinks that I should have signed Medicare policy changes that would have led to health plans competing on who could attract the healthiest and wealthiest, and not by who could provide the most affordable and highest quality of care. I said that was wrong. I vetoed the bill. And I would veto any such legislation again.

- Senator Dole criticizes me for not signing the budget bill that block-granted the Medicaid program, thus threatening the guarantee of coverage and benefits for millions of children, pregnant women, elderly and people with disabilities. He criticized me for raising concerns about how the Republican plan would undermine Federal nursing home quality and the family financial protections Medicaid provides. I said he and his legislation were wrong. I vetoed the bill and I would proudly veto it again.

- Now he wants to more than double the tax cut the Republicans proposed in the last Congress. Last year, he and Speaker Gingrich proposed $270 billion in Medicare cuts to pay for their $245 billion tax cut. One can only imagine how much they will need to cut from Medicare to pay for their over $500 billion tax cut they are proposing now. I say that is a bridge to the past that we need not and should not cross.

- The truth is we can and we should reform the Medicare program. We need to strengthen the Medicare Trust Fund. But, just like everything else, there is a right and a wrong way to do it.

- The right way is to moderate the Republican cuts and improve the Medicare program. The right ways is to strengthen the Medicare Trust Fund without undermining the program. The right way is to provide for more cost-effective preventive programs, to establish a new respite benefit for Medicare beneficiaries who have been victimized by Alzheimer's disease, and to provide more plan choices to beneficiaries that compete on quality and affordability.

- And the right way is to enforce and strengthen our laws to prosecute and punish "bad apple" providers who have been bilking billions of dollars from Medicare and Medicaid. In Florida alone, (FRAUD AND ABUSE INSERT about what we have done and are doing.))

- My plan does all of these things without hurting the Medicare program or the 38 million elderly and disabled Americans it serves. Will you help me in reforming the Medicare program the right way? Will you help me oppose devastating cuts and policy changes that would hurt the Medicare program and its beneficiaries?

- But I have come to talk to you today about not only what we can and should do about the Medicare and Medicaid programs, but what we can and should do about the rest of our health care system.

- Some of you saw me a couple weeks ago signing into law the Kennedy-Kassebaum health insurance reform bill. I was so happy that we could finally produce a bipartisan health care initiative that begins to address the many flaws of our health care system.

- As many as 25 million Americans will benefit from the important portability, guarantee renewal, and guarantee issue insurance reform provisions included in the Kennedy-Kassebaum measure. As a result of these provisions, no American will live in fear of losing their coverage just because they have a pre-existing condition. No American will have to face the dilemma of hesitating to go to a new and better job for fear of losing their insurance coverage. And because of the bill's guarantee issue provisions, no small business will be denied access to insurance for their employees.

- But clearly more can and should be done. Last week you may have heard me talk about an initiative that I have included in my balanced budget proposal that helps maintain health coverage for workers in-between jobs.

- We all know family members who are switching jobs or who are temporarily laid off who cannot afford to keep their insurance. For months at a time, millions of Americans go-without protection for themselves and their families. And, when they lose their coverage, they lose the portability protections that we just included in the Kennedy-Kassebaum law.

- We can change all that by enacting my proposal to provide premium assistance to temporarily unemployed workers and their families for up to six months. This proposal would help about 3 million Americans a year, including 700,000 children, to maintain their health insurance and, more importantly, their peace of mind. It is paid for and it is long overdue. Will you help me help your working families get this protection?

- Second, and at least as important, we must make sure that the quality of health care that Americans have come to expect is not threatened by our rapidly changing health care system. Millions of Americans who have coverage now fear that the new health care delivery systems place a greater priority on profits than on patient care.

- Earlier today I announced a new interagency commission to provide specific recommendations on how to preserve and strengthen quality, consumer protections, and access in our health care system. We must have a comprehensive review and we should not wait for any election to get it started. I feel so strongly about the importance of this initiative that I have asked Vice President Gore to chair this new quality commission.

- But there are steps we can and should take without any delay. Today, too many health plans "gag" their doctors from even telling patients all their treatment options. And too many health plans are telling mothers of newborn children that they won't pay for the cost of hospitalization beyond 8-24 hours after birth.

- These practices must stop and they must stop now. Patients have a right to know they are getting the right treatment, not just the cheapest. They shouldn't have to worry about whether or not their physician is telling them everything they need to know. And mothers of newborns should not have to worry about being prematurely forced out of a hospital bed just to meet some arbitrarily-imposed timetable.

- Today I call on the Congress to pass legislation before they adjourn this Fall to assure Americans that the bottom line is their health and not some health plan's profit margin. These bills, which have received bipartisan support, would direct health plans to give mothers the opportunity to stay in the hospital for 48 hours and would prohibit plans from restricting communication between doctors and patients. Should we have to wait any longer to get these bills enacted? Will you join me in asking your representatives to pass this legislation before the Congress adjourns for the Fall?

- With the passage of the Kennedy-Kassebaum bill and the preservation and strengthening of the Medicare and Medicaid programs, we have laid a solid foundation for our health reform bridge into the 21st century. We must build on these successes and strongly oppose proposals that would weaken our foundation. With your help, I grow increasingly confident that we can continue to take successful steps toward our eventual goal of affordable, quality health care for all Americans.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION
OFFICE OF HEALTH POLICY

PHONE: (202) 690-6870 FAX: (202) 401-7321

Date:

From: _____ To: _____

Phone: (202) 690- _____ Phone: _____

(202) 690-6870

FAX: (202) 401-7321 Fax: _____

Number of Pages (Including Cover): _____

Comments:

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DRAFT

HEALTH CARE FRAUD AND ABUSE CONTROL

Introduction:

The Department of Health and Human Services, through the Health Care Financing Administration (HCFA) and the Department's Office of the Inspector General (OIG), has stood in the forefront of the insurance industry in re-engineering current procedures to guard against fraud and abuse. As health care delivery systems become increasingly complex, our activities must expand.

Health Insurance Portability and Accountability Act of 1996

The Kennedy-Kassebaum Act includes new legislative provisions sought by the Administration to assist the federal government in its efforts to combat waste, fraud, and abuse.

The legislation creates a Health Care Fraud and Abuse Control Program to be coordinated by HHS-OIG and the Attorney General to be funded from an appropriation from the HI Trust Fund in amounts certified by the Secretary of HHS and the Attorney General. The legislation also establishes a Medicare Integrity Program funding source for Medicare payment integrity activities in HCFA. The legislation also strengthens health care law enforcement efforts by extending many current Medicaid and Medicare civil monetary penalties to all federal health care programs, by giving HHS and DoJ more authority to exclude providers from federal programs, by encouraging beneficiaries to report instances of fraud and abuse, by establishing an Adverse Action Data Base against health care providers, suppliers, or practitioners who commit fraud, and by creating a federal fraud statute.

According to CBO, this law will save about $3 billion in federal funds over seven years, and will have a significant effect on private health plan savings by strengthening federal efforts to detect and prosecute fraud and abuse.

Operation Restore Trust (ORT)

In preparation for the eventual passage of the fraud control provisions in Kennedy-Kassebaum, this Administration has embarked upon a $7.9 million demonstration project, Operation Restore Trust, to develop new and innovative methods to combat health care waste, fraud, and abuse. Operation Restore Trust is a two-year effort to combat health care fraud, waste and abuse in the five states with the highest Medicare expenditures: California, Florida, New York, Texas and Illinois.

In "Operation Restore Trust," HHS designated an interdisciplinary project team of federal and state government representatives to target Medicare abuse and misuse in these five States.

The team focuses on home health care, nursing home care, and medical equipment and supplies, three of the fastest growing areas in Medicare.

New approaches being tried under the initiative include:

- Use of sophisticated statistical methods to target providers for investigations and audit
- Use of teams of HCFA data staff, OIG auditors and nurses from state agencies to conduct comprehensive reviews of rehab and skilled nursing facilities with unusually high Medicare reimbursement rates. Reviews looked both at facility-specific issues as well as potential systemic problems
- Increased emphasis on concerted planning and executing of investigations with the Department of Justice and other law enforcement agencies
- Use of public forums both to disseminate information to beneficiaries and providers about known fraudulent techniques, and to gather information from them
- Training and empowering state Aging Ombudsmen to detect and report fraud and abuse in nursing homes
- Use of state survey officials who regularly monitor care in home health agencies to help identify inappropriate and fraudulent billing (see separate press release).

Accomplishments during the first year include:

- o 35 criminal convictions and 18 civil judgments have been obtained since March 1, 1995, in cases folded into the ORT project and benefiting from the increased attention, focus, and support provided by ORT. In addition, 93 program exclusions of individuals and corporations have been taken.
- o A new HCFA satellite office has been established in Miami which, in addition to its other activities, is heavily involved in outreach to the local community to alert the public and local businesses to health care fraud schemes.
- o A toll-free Hotline ("HHS-TIPS") has been established to receive information on possible waste, fraud and abuse.

The Departments of Justice and of Health and Human Services plan to use the lessons learned from Operation Restore Trust to combat health care waste, fraud, and abuse nationwide with the new resources and legislative assistance provided by Kennedy-Kassebaum.

Work in Florida

We are especially proud of the work that we are performing in Florida. Because of the high percentage of retirees in this high growth State, a number of health care service providers and medical equipment suppliers do business among the large Medicare beneficiary population. A small but significant number of these providers and suppliers see opportunities to take advantage of Medicare through fraud and abuse of the system.

Two examples of the anti-fraud and abuse activities performed in Florida include:

- Florida BCBS, the Medicaid Agency, and the Florida physician licensing board are collaborating with the satellite office staff on investigations of clinical labs and physicians who order tests from them. Three doctors have been suspended. The problems include doing more testing than the doctor ordered, testing without a physician order, and testing ordered by a physician other than the treating physician. The physician licensing board is willing to investigate these referrals immediately.

- The Miami office has begun the "lost beneficiary" project that involves finding approximately 900 beneficiaries who account for a disproportionate amount of charges to Medicare in Florida. They either don't know that their numbers are being used for the services billed or they are willing participants in Medicare scams (presumably for kickbacks.) Florida BCBS has coupled the list with 500 physicians as the worst offenders. The Social Security Administration will assist the Miami staff in finding the beneficiaries.

The Department of Health and Human Services chose Florida as an important State to develop new methods of combating fraud and abuse because of problems identified by HCFA and OIG in the past. With the cooperation and assistance of Governor Lawton Chiles, this Administration has made great strides in reducing health care fraud in Florida. With the resources provided in the new Kennedy-Kassebaum legislation, we plan to do more utilizing the lessons learned in Florida and the other ORT states.

To: Chris Jennings
Jennifer Klein

From: Jack Ebeler

Subj: Preliminary list of contacts

Top-line health care community contacts

AARP
CDF
Families USA

AHA
NAPH
AAMC

AAHP
BCBSA
HIAA

ANA

AMA
ACP
AAFP

NACHC

Additional(from others on call)

Labor
Business
State-local

cc: Kevin Thurm
Claudia Cooley
Betsy Djmoose
Melissa Skolfield
Harriet Rabb
Karen Pollitz
Phil Lee
Bruce Vladeck

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION

FROM: **KAREN L. POLLITZ**
DEPUTY ASSISTANT SECRETARY FOR LEGISLATION
OFFICE OF HEALTH LEGISLATION
ROOM 405H, HHH BUILDING
PHONE: 690-7450
FAX: 690-8425

TO:

NAME: Chris Jennings / Jen Kline

OFFICE:

ROOM:

PHONE:

FAX: 456-2878

DATE:

PAGES: 2
(Including Cover)

REMARKS: We've notified these offices. Pls send us paper to share with them as soon as you have it. Thanks

Hill Notifications for Presidential Event in Florida

Gephardt (Andi King)
Daschle (Rima Cohen)
Dingell (Bridgett Taylor)
Waxman (Karen Nelson)
Gibbons (Janice Mays)
Stark (Bill Vaughan)
Moynihan (Laird Burnett)
Rockefeller (Tamera Luzzatto)
Graham (Bruce Lesley)
Kennedy (David Nexon)
Wyden (Steve Jenning)
Deutsch (Libby Mullin)
Hastings (Ann Jacobs)
Johnston (Ivy Meeropol)
Markey (Karen Bates)
Bradley (Margee Heldring)
Clay (~~Kevin Bruns~~)
Gail Weiss

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION
OFFICE OF HEALTH POLICY

PHONE: (202) 690-6870 FAX: (202) 401-7321

Date:

From: Jack

To: Chris
Jon

Phone: (202) 690- _____
(202) 690-6870
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Phone: _____

Fax: _____

Number of Pages (Including Cover): _____

Comments: This is long version. We are shortening

DRAFT

HEALTH CARE FRAUD AND ABUSE CONTROL

Problem:

Studies of the health care industry cited by the General Accounting Office (GAO) and others estimate that fraud, waste, and abuse constitute ten cents of every dollar spent on health care services. Because of Medicare and Medicaid's relatively large share of the health care market, the Department's ability to root out fraud and abuse from its health services programs will not only bring savings to the Medicare Trust Funds and the General Fund but also have a ripple effect throughout the health care industry.

The Department of Health and Human Services, through the Health Care Financing Administration (HCFA) and the Department's Office of the Inspector General (OIG), has stood in the forefront of the insurance industry in re-engineering current procedures to guard against fraud and abuse. As health care delivery systems become increasingly complex, our activities must expand. Until Kennedy-Kassebaum, technical budget rules and necessary budget reductions forced program managers to shift funds from these important enforcement activities to more immediate program activities like processing claims and paying bills.

Health Insurance Portability and Accountability Act of 1996

This new act -- the Kennedy-Kassebaum Act -- includes new legislative provisions sought by the Administration to assist the federal government in its efforts to combat waste, fraud, and abuse. The new act provides additional enforcement authority and resources for the HCFA, the Department's Office of the Inspector General, the Department of Justice, the Federal Bureau of Investigation, and other agencies to combat health care fraud, waste and abuse.

The legislation creates a Health Care Fraud and Abuse Control Program to be coordinated by HHS-OIG and the Attorney General to be funded from an appropriation from the HI Trust Fund in amounts certified by the Secretary of HHS and the Attorney General. The legislation also establishes a Medicare Integrity Program funding source for Medicare payment integrity activities in HCFA. The legislation also strengthens health care law enforcement efforts by extending many current Medicaid and Medicare civil monetary penalties to all federal health care programs, by giving HHS and DoJ more authority to exclude providers from federal programs, by encouraging beneficiaries to report instances of fraud and abuse, by establishing an Adverse Action Data Base against health care providers, suppliers, or practitioners who commit fraud, and by creating a federal fraud statute.

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In "Operation Restore Trust," HHS designated an interdisciplinary project team of federal and state government representatives to target Medicare abuse and misuse in these five States. These states account for 38.5 percent of Medicaid beneficiaries and 34 percent of Medicare beneficiaries.

The team focuses on home health care, nursing home care, and medical equipment and supplies, three of the fastest growing areas in Medicare. Three agencies within HHS -- the office of Inspector General, the Health Care Financing Administration, and the Administration on Aging are involved, as is the Department of Justice.

New approaches being tried under the initiative include:

- Use of sophisticated statistical methods to target providers for investigations and audit
- Use of teams of HCFA data staff, IG auditors and nurses from state agencies to conduct comprehensive reviews of rehab and skilled nursing facilities with unusually high Medicare reimbursement rates. Reviews looked both at facility-specific issues as well as potential systemic problems
- Increased emphasis on concerted planning and executing of investigations with the Department of Justice and other law enforcement agencies
- Use of public forums both to disseminate information to beneficiaries and providers about known fraudulent techniques, and to gather information from them
- Training and empowering state Aging Ombudsmen to detect and report fraud and abuse in nursing homes
- Use of state survey officials who regularly monitor care in home health agencies to help identify inappropriate and fraudulent billing (see separate press release).

Accomplishments during the first year include:

- 35 criminal convictions and 18 civil judgments have been obtained since March 1, 1995, in cases folded into the ORT project and benefiting from the increased attention, focus, and support provided by ORT. In addition, 93 program exclusions of individuals and corporations have been taken.

- A new HCFA satellite office has been established in Miami which, in addition to its other activities, is heavily involved in outreach to the local community to alert the public and local businesses to health care fraud schemes.

- A toll-free Hotline ("HHS-TIPS") has been established to receive information on possible waste, fraud and abuse.

The Departments of Justice and of Health and Human Services plan to use the lessons learned from Operation Restore Trust to combat health care waste, fraud, and abuse nationwide with the new resources and legislative assistance provided by Kennedy-Kassebaum.

Work in Florida

We are especially proud of the work that we are performing in Florida. Because of the high percentage of retirees in this high growth State, a number of health care service providers and medical equipment suppliers do business among the large Medicare beneficiary population. A small but significant number of these providers and suppliers see opportunities to take advantage of Medicare through fraud and abuse of the system.

Two examples of the anti-fraud and abuse activities performed in Florida include:

- Florida BCBS, the Medicaid Agency, and the Florida physician licensing board are collaborating with the satellite office staff on investigations of clinical labs and physicians who order tests from them. Three doctors have been suspended. The problems include doing more testing than the doctor ordered, testing without a physician order, and testing ordered by a physician other than the treating physician. The physician licensing board is willing to investigate these referrals immediately.

- The Miami office has begun the "lost beneficiary" project that involves finding approximately 900 beneficiaries who account for a disproportionate amount of charges to Medicare in Florida. They either don't know that their numbers are being used for the services billed or they are willing

participants in Medicare scams (presumably for kickbacks.) Florida BCBS has coupled the list with 500 physicians as the worst offenders. The Social Security Administration will assist the Miami staff in finding the beneficiaries.

The Department of Health and Human Services chose Florida as an important State to develop new methods of combating fraud and abuse because of problems identified by HCFA and OIG in the past. With the cooperation and assistance of Governor Lawton Chiles, this Administration has made great strides in reducing health care fraud in Florida. With the resources provided in the new Kennedy-Kassebaum legislation, we plan to do more utilizing the lessons learned in Florida and the other ORT states.