THE WHITE HOUSE

March 14, 1994

Assemblyman John B. Regan
State of Nevada Assembly
1650 Cookson Court
Las Vegas, Nevada 89115

Dear Assemblyman Regan:

Thank you for sending the letter from your constituent, Robert Bishop, on health care reform. I have enclosed a recently completed analysis of the impact of our health reform proposal on state government, businesses and individuals in Nevada. I have also attached an analysis of the impact of the proposal across all states.

Thank you for a wonderful trip to Nevada. Best of luck in your run for the State Senate.

Sincerely yours,

Hillary

Hillary Rodham Clinton

JOHN B. "JACK" REGAN
ASSEMBLYMAN
District No. 19

COMMITTEES:
Vice Chairman
Natural Resources, Agriculture and Mining
Member
Judiciary
Labor and Management
Taxation

State of Nevada Assembly

Sixty-Seventh Session

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22 February 1994

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mrs. Clinton:

I enjoyed meeting you at the Health Forum held at U.N.L.V. and appreciated your remarks concerning the need for health care reform. Thank you for taking time from your busy schedule to visit our great State and for doing an excellent job in explaining your health care reform package. I hope that the silver Nevada commemorative coin that I gave you will remind you of your stay in our Valley.

I have enclosed a letter which I received from one of my constituents for your review. I have also sent a copy to our Legislative Counsel Bureau (LCB) with a request that they please try to compute the costs of the proposed National Health Security Act on the citizens, both corporate and private, of our State. May I please ask a favor? Would you have your staff please review the enclosed letter and provide an estimate of the related costs which I can present to Mr. Bishop? Mr. Bishop's questions include a large number of statements but the bottom line question is "How much will this program cost a businessman in Nevada either in a direct expenses or in additional taxes, fees, etc?"

Thank you again for visiting Las Vegas. I'm getting my campaign in gear to run for the State Senate in my District. The seated Senator is filing for the Secretary of State job. I've enjoyed serving in the Assembly and I am looking forward to serving in the State Senate. Thank you for helping to provide the correct information to my constituent.

Yours truly,

Jack Regan

John B. Regan
JR:bm

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INSURANCE AGENCY
Life & Health

January 26, 1994

Assemblyman John B. "Jack" Regan
1650 Cookson Court
Las Vegas, NV 89115

REFERENCE: THE NATIONAL HEALTH SECURITY ACT

Dear Jack:

The National Health Security Act proposed by Mrs. Clinton and her staff brings a lot more questions than it does answers. Since the introduction of the Act, there has been a lot of discussion about the total cost to the American people. I'm not smart enough to tell who's telling the truth. I do know that liars figure and figures lie.

As a concerned citizen and taxpayer of the State of Nevada, I would like to know the fiscal impact the National Health Security Act will have on us Nevadans as taxpayers. The Act stipulates the following requirements as the responsibility of the State Governments.

The expansion of State Government will be extensive in order to cover its responsibilities under this new Act.

1. It must comply with Federal regulations. If it does not, the National Board will step in, and the IRS can impose payroll taxes on all employers in the State to cover all costs of the Federal Government stepping in;

2. The State must ensure that its entire population has access to the system;

3. It must design implementation plans which include the administration of subsidies for low-income payers, certify health plans, finalize regulations of health plans, administer data collection, and establish and govern Health Alliances including a mechanism for selecting boards and advisory boards for the Alliances;

4. By the year 1997, it must establish one or more Alliances and mandate enrollment;

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5. It must ensure each Alliance establishes a risk adjustment mechanism which meets Federal guidelines;

6. It must qualify health plans to participate in the Alliance;

7. It must establish a mechanism to assess the quality of health plans, their financial stability, and the capacity to deliver the service;

8. Only plans qualified by the State may offer health coverage;

9. It must define a requirement related to levels and geographic distribution services;

10. It must ensure all consumers have an opportunity to purchase coverage at a price that is equal to or less than the weighted average premium;

11. It may regulate at least some plans to cover entire Alliance areas or sub-Alliance areas, or provide a subsidy that allows consumers to pay only the weighted average premium;

12. It must assure at least one plan for every eligible person;

13. It may NOT regulate premiums charged by health plans;

14. It must establish capital standards for health plans that meet Federal requirements. For example, the Clinton plan requires that each health plan have a minimum of $500,000 in equity;

15. It must define a financial reporting mechanism as well as auditing requirements and funding reserves;

16. It must designate an agency that takes over if the health plan fails;

17. It must operate a guarantee fund to provide financial protection if any plan becomes insolvent. States may assess a 2% premium on the other plans in the Alliance if one of the plans fail;

18. It may establish a single payor system rather than an Alliance system;

19. It must create a system for electing Alliance board members;

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INSURANCE AGENCY
Life & Health

20. It must establish State-wide councils to prepare lists of nominees to the board;

21. It can waive a fee-for-service plan, and only needs to provide one fee-for-service plan per state;

22. It can also set a State-wide fee schedule;

23. It must assure that the Alliances use the Federal Alliance health system;

24. It has a six-point responsibility to implement and enforce the quality management program. (Alliances have four points, and health plans have three points.)

Jack, someone needs to figure what these costs are. It is very difficult for me to realize any Health Care Reform without Welfare Reform. The Federal Government should begin to restructure the system to give Medicaid and Medicaid recipients more flexibility to obtain private health insurance that meets their individual needs. The responsibility for caring for the poor and the elderly should be moved from the public sector to the private sector. The National average cost per person on Medicaid is more that $3,300 per year. This compares to $1,500 for a privately insured individual. These figures only include direct health care benefits; administration costs are excluded.

If I can be of any further help or provide any additional information, please feel free to call.

Again, Jack, thanks for your help.

Sincerely,

Robert J. Bishop

Robert J. Bishop

RJB/taj

State of Nevada Assembly
JOHN B. "JACK" REGAN
Assemblyman
1650 Cookson Court
Las Vegas, NV 89115

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