

TALKING POINTS HEALTH CARE AND WELFARE REFORM

We must have comprehensive health care reform in order to move forward on the rest of the President's domestic agenda. Without reform, health care costs will continue to explode and eat up our investment dollars. Without reform, people will continue to be locked in current jobs or on welfare.

The bottom line: we cannot end welfare unless we also have comprehensive health care reform.

THE PROGRAM

From the outset of this Administration, the President has been working to make good on his pledge to end welfare as we know it. This initiative has four major parts: the Earned Income Tax Credit; health care reform; personal responsibility and work.

The Earned Income Tax Credit (EITC). We ought to reward work over welfare. Enacted in last year's budget, the expanded EITC will ensure that any family that has a full-time worker will no longer live in poverty. Expanding the EITC represents a giant step forward in reducing those dependent on welfare.

Comprehensive health care reform. Today, millions of welfare recipients stay on Medicaid or return to welfare -- the Federal government's health care program for the poor -- because taking a job means they will lose health benefits for themselves and their children. Comprehensive health reform will eliminate so-called "Medicaid lock" and enable people to seek jobs, secure in the knowledge that they and their children will be covered. By ensuring universal coverage, the Health Security Act provides the necessary foundation for welfare reform. The proposals being drafted by the President's working group on welfare are specifically designed to complement health reform.

Personal responsibility. The President's welfare reform plan will include initiatives to prevent teen pregnancy, ensure that parents fulfill their child support obligations, dramatically increase paternity establishment, and try to keep people from going on welfare in the first place. The message is clear: Governments don't raise children, parents do.

Work, not welfare. The final part of the President's welfare plan will build on the Family Support Act by requiring people who can work to do so within two years, either in the private sector or community service. This includes expanding child care for working families; providing education, training, and job search and placement for those who need it; and restoring the basic social contract of providing opportunity and demanding responsibility in return.

Health/Welfare Talking Points -- 2**TIMING**

Q: When will welfare reform legislation be introduced?

A: We expect to introduce welfare reform legislation this year and want Congress to pass it.

[if pressed on specific timing]

No decisions have been made. We think it's premature to make decisions on timing before you make decisions on policy.

Q: What comes first? Health reform or welfare reform?

A: The President has made clear that health reform is his number one domestic priority for 1994. The Administration and Congress want to enact both health and welfare as quickly as possible -- and consultations are continuing on the exact sequencing.

Q: The Republicans say you're dragging your feet on welfare reform. What's taking so long?

A: No President -- Democrat or Republican -- has done more than Bill Clinton to "end welfare as we know it."

Look at the record. President Clinton has been at the forefront of welfare reform in this country since he led the nation's governors in writing and worked with Congress to pass the Family Support Act of 1988. And when the House Republicans introduced their bill last November, they pointed out that it is based on proposals put forth by President Clinton in the 1992 campaign.

In addition, the Administration has been working closely with states and local officials to reward innovative welfare reform programs. In 1993, the Department of HHS granted a number of waivers for innovative state programs.

President Clinton's four-step welfare reform package makes economic and common sense, and will attract bipartisan support.

[if pressed]

Those who are criticizing us now are the same people who voted against the first part of the President's welfare reform package -- the EITC.