

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: 7/16/96
RE: Issues to be Raised by the California Medical Association

We were told that the California Medical Association hopes to raise two issues during your meeting with them on Wednesday, July 17.

Health Care Reform

They are interested in talking about moving forward on health care reform in the next term. According to Barbara Woolley, they have some concerns about the Democratic initiative to cover children which is part of the Families First Agenda (unveiled by House and Senate Democrats). The Administration has not taken a position on the children's health initiative, and instead we continue to talk about the President's budget proposal to cover workers between jobs. We have said that, of course, we support efforts to expand coverage. In addition, as you know, both you and the President have made comments about the possibility of moving forward on health reform by covering children.

The initiative has three parts:

1. To make "Kids Only" insurance available by requiring that all insurance companies and managed care plans that do business with the Federal government (through FEHBP, Medicare, Medicaid, etc.) offer policies for children up to age 13.
2. To make "Kids Only" insurance accessible by requiring these policies to include the protections in the Kassebaum-Kennedy bill (including guaranteed issue, guaranteed renewability, no discrimination based on health status, etc.).
3. To help make "Kids Only" insurance more affordable by covering part of the premium through tax relief and premium subsidies.

Managed Care Regulation

The California Medical Association would also like to talk about regulation of managed care.

The Administration was criticized recently in an article by Bob Pear in The New York Times claiming that the Administration had "shelved" a regulation to ensure that HMOs that contract with Medicare or Medicaid do not reward doctors for withholding appropriate care. The article was misleading; we remain committed to implementing this regulation. The change that was reported by Pear was simply a change in the effective date for the regulation to January 1, 1997 in order to tie its implementation to the signing of contracts between Medicare/Medicaid and HMOs.

More generally, we continue to support both private and public efforts to promote quality managed care and to protect against denial of necessary care. For example, we have implemented tracking systems to monitor and improve quality of care in Medicare and Medicaid HMOs and created new materials so that beneficiaries can make informed choices about managed care plans.

**FIRST LADY HILLARY RODHAM CLINTON
TALKING POINTS FOR
CALIFORNIA MEDICAL ASSOCIATION
THE MAP ROOM
JULY 17, 1996**

- I'd like to welcome all of you. I'm particularly happy to welcome your President-Elect, Dr. Rolland Lowe.
- I want to thank you for your ongoing commitment to a wide range of health care issues, especially health care reform. Your voice and support for these issues and for this Administration have been so important to the President and me. I'd also like to thank [staff members] Dean Chaillos [sha-los], Steve Thompson and Elizabeth McNeil for their hard work.
- This year, during the debates over how to balance the federal budget, we faced the most severe Medicare and Medicaid cuts in history. The President presented a plan to balance the budget that protected and improved Medicare and Medicaid, but Republicans in Congress remained intent on dismantling these programs. We succeeded, only with the tremendous help of groups like yours, in holding back their attempts -- preserving these critical programs which serve tens of millions American families. Most recently, we were able to get Republicans to agree to separate the discussion of welfare legislation from their extreme Medicaid plan so that we can move forward on reform of the welfare system.
- The President and I also remain committed to ensuring that Americans have access to affordable health insurance coverage. As you well know, the problems in our health care system have not gone away. That's why the President is urging Congress to pass the Kassebaum-Kennedy bill -- a good first step that could help as many as 25 million Americans who today worry that they will not be able to buy insurance because they have a pre-existing medical condition or that they will lose their insurance if they lose a job or change jobs. And that is why, as part of his balanced budget plan, the President proposed a program that will help almost 4 million Americans get premium subsidies to pay for health insurance if they are between jobs.
- Your support and dedication have been so important in all of our health care efforts. We must continue to speak out about the need to give American families access to high quality, affordable health care. We must continue our efforts to stop young people from smoking, to prevent teen pregnancy, and to assure that abortions are safe but rare. We must ensure that Medicare is there for older Americans and their families. And we must continue to fight for the guarantee to vital health services that Medicaid provides to children and families, people with disabilities and the elderly. I look forward to continuing to work with all of you.
- [Open up for their comments.]

###