

September 8, 1995

Mr. Val J. Halamandaris
President
National Association for Home Care
519 C Street, N.E.
Washington, D.C. 20002-5809

Dear Val:

Thank you for your letter regarding the Medicare home care benefit. Medicare has helped to preserve the health of millions of Americans since its creation thirty years ago.

I share your concerns over proposals to impose additional payments and burdens on Medicare's beneficiaries, and my budget proposal contains no new cost increases for patients. Republican proposals, however, would increase the home care costs of each beneficiary by \$1,700 by the year 2002. I am firmly opposed to such efforts. The proper way to address the Medicare problem is within the context of a sensible health care reform proposal that works for all Americans.

My Administration remains committed to meaningful reform and is taking several steps to reduce waste and strengthen the Medicare program. Our goal is to make improvements by expanding choice, by offering new benefits, and by extending the solvency of the Medicare Trust Fund without imposing new cost increases.

As I work with Congress to ensure that our nation keeps its compact with older Americans, I welcome your continued involvement.

Sincerely,

BILL CLINTON

BC/SEM/JRS/emu (Corres. #2426428)
(8.halamandaris.vj)

cc: Jennifer Klein w/copy of inc.

HOMECARETM

NATIONAL ASSOCIATION FOR HOME CARE
519 C STREET, N.E., STANTON PARK
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PRESIDENT

HONORABLE FRANK E. MOSS
SENIOR COUNSEL

STANLEY M. BRAND
GENERAL COUNSEL

August 1, 1995

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Thank you for your many references in support of home care in your recent remarks celebrating the 30th Anniversary of the Medicare program. The National Association for Home Care deeply appreciates your support for home care and the leadership you have demonstrated in recognizing the home care needs of America's children, seniors, and individuals with disabilities.

As you well know, the Medicare home care benefit is under direct attack from many in Congress who are seeking to impose copays and other onerous burdens on the individuals most in need of care. We want to take this opportunity to reiterate our vehement opposition to home care copays and to ask for your continued leadership in protecting America's seniors and disabled population from out-of-pocket costs that may directly reduce the affordability of this most important health care benefit.

Copays imposed on the 3.5 million individuals who need home health care would fall most heavily on Medicare's poorest, sickest, and oldest beneficiaries. Almost 80 percent of all Medicare home health users have annual incomes of less than \$15,000. Approximately 24 percent have incomes between 100 percent and 150 percent of the federal poverty line. These individuals would effectively no longer have access to these valuable services.

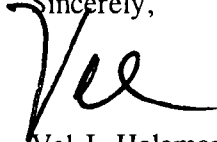
A new 20 percent coinsurance would require the average Medicare home health user to pay an additional \$1,300 out-of-pocket in 2002. The very frail individuals who need and use home health care the most, approximately 740,000 beneficiaries in 2002, would pay an annual coinsurance of over \$4,200 in that year.

The Honorable Bill Clinton
August 1, 1995
Page 2

A coinsurance proposal could force many beneficiaries who cannot afford the coinsurance to enter nursing homes or hospitals. Those who can afford the new coinsurance would also spend down into Medicaid more quickly. State and federal governments could end up having to spend more than they would without the new coinsurance.

Clearly, this proposal is regressive, unfair, and unwise. I applaud your efforts in the Medicare reconciliation debate to shield this Nation's Medicare beneficiaries from unnecessary and onerous costs. NAHC will continue in its unwavering opposition to copays and we look forward to working with you on these issues in whatever way we can.

Sincerely,



Val J. Halamandaris
President

PS.

We know you agree with our position. Thank you for your support!

September 8, 1995

Mr. Richard J. Davidson
President
American Hospital Association
Liberty Place
325 Seventh Street, N.W.
Washington, D.C. 20004

Dear Dick:

Thank you for writing to me about Medicare and Medicaid. I'm sorry I've been unable to respond to you until now, but I appreciate your involvement in this important issue, and I value your perspective.

I understand that you and Harold Ickes have discussed these matters. I hope you will continue this important dialogue with my Administration so that we may enact policies that meet the needs of all Americans.

As we move forward in our efforts, we will certainly keep your concerns in mind.

Sincerely, **BILL CLINTON**

BC/SEM/JRS/emu-ckb-emu (Corres. #2368077)
(8.davidson.rj)

cc: w/copy of inc. to Jennifer Klein



Richard J. Davidson
President

June 27, 1995

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20550

Dear Mr. President:

America's hospitals and health systems are deeply disappointed.
Earlier this year, you pledged to oppose funding reductions in
Medicare and Medicaid unless those savings were applied to health
care reforms. Your recent budget recommendations, however, seem
contrary to that pledge because the savings proposed would be used
to reduce the deficit and/or finance tax reductions.

The need to increase the effectiveness and contain costs in Medicare and Medicaid is great. The goal of a balanced budget is important. But we believe that any reductions should be based on three principals.

First, the vast majority of any savings should result from a fundamental restructuring of the delivery system based on steady movement toward coordinated care. Your plan lacks boldness in this regard, and takes only modest incremental steps in this direction.

Liberty Place
325 Seventh Street, N.W.
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One North Franklin
Chicago, Illinois 60606
312.422.3000

The Honorable Bill Clinton

June 27, 1995

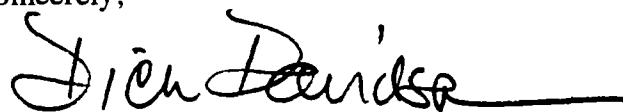
Page 2

Second, to the extent that reductions are not achieved through restructuring, they must involve shared sacrifice among all stakeholders. Unfortunately, providers, and hospitals in particular, shoulder a significantly disproportionate share of the reduction burden in your approach.

Third, any reductions must be accompanied by changes in the process for developing policies governing these programs. We believe a permanent independent commission should be created to make tough choices, out in the open, which will balance available resources with benefits, and provider payments. Regrettably, your plan is silent on this matter.

Mr. President, with all due respect, we are ~~discouraged~~ that you would present a plan that seems little more than "business as usual." Your proposals meet neither our principles...nor your own pledge in the State of the Union that, "I will oppose any attempts to pay for tax cuts with Medicare cuts. That's not the right thing to do."

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Durbin", followed by a horizontal line extending to the right.