November 1, 1995

REMARKS AT "KEEP PATIENTS FIRST" HEALTHCARE RALLY

DATE: Thursday, November 2
TIME: 5:30pm
LOCATION: Times Square
New York City
FROM: Marilyn Yager

I. PURPOSE

To highlight the impact of GOP budget cuts on Medicare and Medicaid, to an audience of seniors, health workers, children's advocates, and hospital administrators.

II. BACKGROUND

THE RALLY

A non-partisan coalition of New York organizations (healthcare advocates, hospitals, nursing homes, labor unions, seniors, religious groups, and children's organizations) have formed for the purpose of opposing the GOP congressional budget cuts to Medicaid and Medicare. Our Administration has worked closely with nearly all of these groups on opposing the budget cuts, and in most cases had worked with them on the Health Security Act as well.

This coalition, the Keep Patients First -- Save Our Health Coalition, is sponsoring the rally to build opposition to the budget cuts and to send a strong message to members of Congress. They expect this to be the largest rally health care rally ever held in New York.

The coalition is focusing on three points: these cuts would do irreparable damage to patient care; devastate health care access; and seriously weaken the economy of New York.

The rally begins at 2:30pm at Seward Park with a brief program that Congressman Gephardt will be kicking off. They will proceed up Broadway to Times Square with a finale program beginning at 4:30pm. Your remarks will close the rally. They are expecting a crowd of approximately 8,000 to 10,000 people.

KEY SPONSORS

The two lead organizers of the rally (and of the Coalition) are Dennis Rivera and Ken Raske. Dennis Rivera is the President of 1199 National Health and Human Service Employees Union. Ken Raske is the President of the Greater New York Hospital Association (representing all of the hospitals within the metropolitan area of New York City, both public and private hospitals).

ELEANOR LITWAK

Eleanor Litwak, President of the New York State Council of Senior Citizens, will be introducing you.

Ms. Litwak has worked closely with the New York labor retirees groups since 1976, during which time she has served as the Director of New York City AFSCME Retirees program. She is a former professor at Western Connecticut State University and Eastern Michigan University.

Among numerous appointments, Ms. Litwak was appointed by then Governor Cuomo to the 1995 White House Conference on Aging, after having served on the Governor's Advisory Committee on Aging from 1993 to 1995. She was a frequent surrogate speaker on behalf of the Health Security Act.

Ms. Litwak received her undergraduate degree at Wayne State University and her masters at Columbia University.

NEW YORK AND THE MEDICARE/MEDICAID CUTS

In the Senate bill Republican budget cuts federal **Medicaid** funding to New York by $21.7 billion over seven years (an 18% reduction) and by $7.2 in 2002 alone (a 33% reduction). The House bill would cut $22.4 billion over seven years (a 19% reduction) and $7.2 billion in the year 2002 (a 33% reduction). Even if New York could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 935,401 people, including 498,406 children in 2002, based on analysis by the Urban Institute.

There are over 2.6 million **Medicare** beneficiaries in New York State. The healthcare providers and Medicare beneficiaries would have $18.1 billion less over seven years and $4.5 billion less in the year 2002 alone.

In New York County (includes Times Square) there are over 200,000 Medicare beneficiaries who will loose $1.8 billion over seven years and $468 million in the year 2002.

Additional budget materials attached.

NEW YORK WAIVER

To be added by Diana Fortuna.

III. PARTICIPANTS

List of Speakers at Times Square in order of appearance:
Basil Paterson, (serving as MC) Attorney, former NYS Secretary of State.
Dennis Rivera, President, 1199 Nat. Health Employees Union
Ken Raske, President, Greater New York Hospital Assn.
Louise Greilsheimer, President, United Jewish Appeal
Marion Wright Edelman, President, Children's Defense Fund
Bertha Reider, Resident, Jewish Home and Hosp. for the Aged
David Tuzo, Individual with HIV
Marilyn Saviola, Executive Director, Center for Independence of the Disabled
David Rosen, President, Jamaica Hospital Medical Center
Spencer Foreman, MD, President, Montefiore Medical Center
William Frohlich, President, Beth Abraham Hospital
Ruby Dee, Actress
Eleanor Litwak, President, NYS Council of Senior Citizens
First Lady

IV. SEQUENCE OF EVENTS

- HRC arrives and holds until announced on stage.
- Eleanor Litwak, President of NYS Council of Senior Citizens, introduced First Lady.
- HRC delivers remarks.
- HRC immediately departs stage and rally.

V. PRESS

Open.

VI. REMARKS

Prepared by Jennifer Klein.

KEEP PATIENTS FIRST
SAVE OUR HEALTH COALITION

A non-partisan coalition of health care advocates, hospitals, nursing homes, labor unions, religious, seniors' and children's organizations who care about healthcare

LIST OF SPEAKERS *

Keep Patients First Rally, November 2, 1995

23rd Street and 5th Avenue, SE Corner - 2pm

Minority Leader Richard Gephardt, U.S. House of Representatives
Lewis Rudin, Chairman, Association for a Better New York
Dennis Rivera, President, 1199 National Health and Human Service Employees Union
Kenneth Raske, President, Greater New York Hospital Association
Daniel Sisto, President, Healthcare Association of New York State
Burt Grebin, M.D., President, St. Mary's Hospital for Children
Gary S. Horan, President and Chief Executive Officer, Our Lady of Mercy Medical Center
Carolyn McCullough, Director of the Economic and General Welfare Program, New York State Nurses Association
Frank Russo, President, Service Employees Local 144
Rabbi Robert Levine, Congregation Rodeph Shalom

Times Square - 4:30pm

First Lady Hillary Rodham Clinton
Dennis Rivera, President, 1199 National Health and Human Service Employees Union
Kenneth E. Raske, President, Greater New York Hospital Association
Louise B. Greilsheimer, President, United Jewish Appeal - Federation of Jewish Philanthropies
David P. Rosen, President, Jamaica Hospital Medical Center
Eleanor Litwak, New York State Council of Senior Citizens
William H. Frohlich, President, Beth Abraham Hospital Marian Wright Edelman, President, Children's Defense Fund
Spencer Foreman, M.D. President, Montefiore Medical Center
Bertha Reider, Resident, Jewish Home and Hospital for the Aged
David Tuzo, Individual with HIV
Marilyn Saviola, Executive Director, Center for Independence of the Disabled

* As of 11/1/95, 2:00 p.m.

KEEP PATIENTS FIRST
SAVE OUR HEALTH COALITION

A non-partisan coalition of health care advocates, hospitals, nursing homes, labor unions, religious, seniors' and children's organizations who care about healthcare

Keep Patients First-Save Our Health Coalition

Coalition Members Include *:

American Association of Retired Persons
Catholic Charities Archdiocese of New York, Department of Health and Hospitals
Committee of Interns and Residents
Community Service Society
1199 National Health and Human Service Employees Union
Gay Men's Health Crisis
Greater New York Hospital Association
Healthcare Association of New York State
New York State Council of Senior Citizens
New York State Nurses Association
Service Employees Local 144
United Federation of Teachers
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.

* As of 10/31/95, 5:00 p.m.

November 1, 1995

MEMORANDUM FOR THE FIRST LADY

FROM: Doug Sosnik and Eric Eve, Office of Political Affairs

SUBJECT: New York Political Briefing

1992 ELECTION RESULTS

	Statewide	
Clinton	3,444,450	50%
Bush	2,346,649	34%
Perot	1,090,721	16%

POLITICAL DATA

Electoral Votes:	33
Primary Date:	March 7, 1996
Governor:	George E. Pataki (R)
Senate:	Daniel Patrick Moynihan (D) 55 % in '94
	Alfonse M. D'Amato (R) 49% in '92
House:	17D - 14R

POLITICAL OVERVIEW

The absence of Mario Cuomo and David Dinkins has left a huge leadership void in the state. Those most anxious to fill the void are State Comptroller Carl McCall, Congressman Chuck Schumer and State Assembly Speaker Sheldon Silver. Shortly after his defeat, Governor Cuomo called both Silver and McCall to pass the leadership baton. Silver has taken the reigns of the party while McCall and Schumer have continued to travel the state and raise money. Silver, however, has clearly emerged as Pataki's primary opponent on substantive issues.

1994 ELECTION

The main event in New York in '94 was the defeat of incumbent Governor Mario Cuomo. His loss can be attributed to several factors: the sentiment that Cuomo had been there too long; Cuomo's failure to make a compelling case of what he had accomplished as governor; the endorsement by NYC Mayor Rudy Giuliani backfired; a third party candidacy that was expected to cut into the GOP vote collapsed in the final days of the campaign; and many Democrats felt that Cuomo had not done a good job of taking care of his supporters.

Turnout was not a problem in '94. Minority turnout in NYC was higher than expected but GOP turnout, particularly upstate, was at '92 levels or better. Congressionally, we lost only one House seat (George Hochbrueckner in the 1st.) Democrats lost six seats in the State Assembly but still maintained a solid majority (94 D - 56 R).

There was an additional dynamic at play here in '94. Many African American leaders blamed the party (i.e. Cuomo) for the defeat of David Dinkins in 1993 -- that resentment persisted into '94.

1996 PREVIEW

On the ticket in '96 will be the Presidential race, the Congressionals and both houses of the state legislature. Among Democratic Congressional targets are Michael Forbes (R-1), Daniel Frisa (R-4), Sue Kelly (R-19), and the Jack Quinn (R-30). Democrats have concerns about holding onto Representative Lowey's seat, (18th CD) and Representative Hinchey's seat, (26th CD). In 1994, Hinchey held his seat by fewer than 1,000 votes. Currently, he faces a challenge by Republicans Bud Walker and Sue Wittig.

Presidential. Numerous polls in the last six months indicate that New York is one of your better states heading into 1996. A Marist Poll from September 19 shows that you would beat Bob Dole in a head to head match up 52% to 42%. The poll also has you winning in a three way race: Clinton 35%, Dole 22% and Powell 29%.

As soon as we have a strong presence on the ground identified with our re-elect efforts, the GOP should write off New York off. If not, it will be a very expensive battleground.

Representative Maurice Hinchey (D-26). Congressman Hinchey was elected to Congress in 1992 after serving as Assemblyman from Ulster County since 1974. Since being elected, Hinchey has developed one of Congress' most liberal voting records. He is a member of the Progressive Caucus and is assigned to the Banking and Resources Committees.

In the 103rd Congress, Hinchey voted for your Deficit Reduction Plan and against NAFTA. Hinchey voted for the Brady Bill event though his district is largely rural and he depends on the moderate Republican vote. He did, however, cast a reluctant vote against the assault weapons ban even after you called him urging him to vote for the ban. In the 104th Congress, Hinchey has been among a core group of liberals who have aggressively opposed and challenged the Republican majority.

Hinchey narrowly defeated former Broome County Legislator Bob Moppert (R) in both his 1992 and 1994 bids for Congress. His 1994 win by less than 1,000 votes was one of the closest races in the nation. Although Bob Moppert has said he will not run for the seat again, Hinchey is the number one congressional target in New York in 1996 and given the minority status of Democrats, he will not have the financial advantages that he did in his previous two bids.

Note: Your participation in the October 1 fundraising breakfast for Congressman Hinchey

was a success. The breakfast was packed with 400 people and raised between $45,000-50,000 towards Hinchey's re-election.

Representative Nita Lowey (D-08). Representative Lowey currently sits on the Appropriations Committee. She is up for re-election to her fifth term in 1996. She has always had tough challenges in the past and will most likely have a tough challenge next year due in large part to the conflicting demographics of the Eighteenth Congressional District which includes both liberal, Jewish enclaves as well as conservative, and Catholic suburbs. Lowey has remained loyal to the President even on tough votes which could make her more vulnerable in 1996. She voted for NAFTA even though it caused her to split with most New York Democrats and organized labor, and she voted for your 1993 budget and tax package in a district that is very high-income. Lowey is, however, a very proficient fundraiser - she has never spent less than $900,000 in an election, and in 1994, she raised $1 million - the fourth highest of any House Member.

Note: Both Secretary Babbitt and Ambassador Kantor are scheduled to do fundraisers with Representative Lowey in November.

State Legislative Races. Both Houses of the State Legislature will be up for re-election next year. Currently, the State Assembly is 94D - 56R and the State Senate is 36R - 25D. Republican will most likely remain in control of the Senate. Republicans will launch a massive push to take control of the State Assembly, but given the margins, it is not likely.

STATE PARTY

The dual-leadership of the State Party - Judith Hope is State Chairwoman and John Sullivan, former Oswego Mayor, serves as Chairman of the State Party's Executive Committee in Albany - has proven to be ineffective at this point. The State Party is still $375,000 in debt following the '94 cycle, and until the debt is significantly decreased, we do not anticipate the party being in shape and prepared for '96. We are working to get high level Administration officials in to help retire the debt, and the First Lady is scheduled for a $5,000 a-head November 2 event at the home of Patricia Duff and Ron Perelman. The event should raise $250,000.

GOVERNOR GEORGE PATAKI (R)

A September 28 Marist Institute poll of 615 registered voters showed that 55% of New York voters rated Governor Pataki's performance as fair or poor. This is up from 44% in March of this year. His overall favorable rating stands at 39%. He fares best in New York City's suburbs, with a rating of 48%. His favorable ratings in New York City are 29% and 41% in upstate New York. The poll also showed a racial split among voters - 44% of whites approved of Pataki's performance, while only 14% of blacks approved.

OTHER POLITICAL ISSUES

Gay Community. One area we need to work on heading into 1996 is our relationship with the large gay and lesbian community in New York. Gays in New York have grown very skeptical of you and the Administration. Specifically, they have wanted to see more proactive work form Patsy Fleming, the AIDS Czar, and have been very unimpressed. Not filing the amicus brief on the Colorado initiative was also a disappointment. However, your announcement on ENDA will go a long way to re-energizing this constituency group - which makes continuing outreach even more crucial to maintaining their support. Marsha Scott is planning a three-day. outreach trip next month.

Mayor Rudolph Giuliani. A Quinnipiac College Poll released today showed that Mayor Giuliani's popularity slipping. The poll of 705 New York City residents showed that only 42% approve of the say he is handling his job and 46 % disapprove - his lowest since becoming Mayor. The same poll in June had his approval rating at 58% with 29% disapproval. On education, the new poll found that only 29% approve of Giuliani's handling of the issue while 61% disapprove - a 2-1 margin. The poll also found that there is still a racial split among his supporters - only 18% of blacks approve of the Mayor's performance, while 74% disapproved; 33% of Hispanics approve and 57% disapprove; and whites approve of the Mayor 56% to 33%.

Colin Powell. Mayor Rudolph Giuliani said Monday that he thought a Powell entry into the Republican primary "would be a very positive thing." He also said that Powell's presence would stir up the debate among Republicans and increase interest in the GOP primary. Giuliani has thus far refused to tow the New York Republican Party line and endorse Bob Dole for the GOP nomination.

WNBC-TV in New York reported on Monday night that Colin Powell is considering announcing his candidacy at his alma mater, City College, in Manhattan. This has prompted Powell supporters to plan a rally for Thanksgiving weekend at Federal Hall on Wall Street. The television station also reported that a lawyer in New York, Richard Emory, is planning to sue to get Powell on the state Republican primary ballot.

THE WHITE HOUSE

WASHINGTON

November 1, 1995

MEMORANDUM FOR THE FIRST LADY

FROM: Diana Fortuna, Domestic Policy Council

SUBJECT: Background on New York Medicaid Waivers

In preparation for your appearance in New York tomorrow, here is an update on the Medicaid waiver situation in New York City.

Last Friday, the Department of Health and Human Services acted on one of two pending Medicaid waiver requests from Governor Pataki. The request was to mandate managed care enrollment of most AFDC/ Medicaid recipients in New York City over the next 18 months. Unions and the advocacy community had expressed great concern that the pace of the expansion was too fast and would cause upheaval among existing health care providers, particularly in the public sector. The Mayor strongly supported the plan.

HHS formally disapproved the waiver on Friday, but approved a modified form of the waiver. HHS agreed to a slower phase-in, with subsequent beneficiaries added only when HHS could verify that there was an adequate supply of primary care providers.

On Monday, the state rejected the approval and formally withdrew the waiver, saying the state would focus instead on increasing voluntary managed care enrollment and on obtaining Federal approval of the pending state-wide Medicaid waiver. The state and city charged that HHS was trying to micro-manage the program and that it changed the terms on the state at the last minute. Although the latter charge appears to be baseless, the concerns outlined by advocates and others in this case led HHS to define a more activist role for itself than it has for many recent waivers.

The unions and advocates are happy with the outcome. A few parties, including the Assembly Speaker, Sheldon Silver, and the head of the Local 1199 union, Dennis Rivera, are somewhat unhappy that they were not consulted more during the process.

The state will now increase pressure on HHS to act on the larger state-wide waiver request, which would enroll 3.2 million Medicaid beneficiaries in managed care, including people with disabilities and other groups with special needs. Although the 120-day timeline for this waiver was up last July, HHS does not expect to act on it before January at the earliest.

cc: Carol Rasco
Harold Ickes
Marcia Hale

FACTS ON THE REPUBLICAN HEALTH CARE PROPOSALS

October 30, 1995

MEDICAID

1. Spending

- Under both the House and the Senate reconciliation bills, Medicaid spending will be cut by about $170 billion over seven years.

- Medicaid spending per person will grow at less than 2% per year. By comparison, the projected growth rate in private sector health expenditures is 7.1% per year.

2. Coverage

- **As many as 8.8 million people will be denied Medicaid coverage.** The Department of Health and Human Services estimates that states will be forced to deny coverage for as many as 8.8 million people in 2002, including:

  - Over 4 million children

  - Approximately 900,000 older Americans

  - Over one million individuals with disabilities

  As many as 2.2 million of the 8.8 million people denied coverage live in rural America.

3. Individuals with Disabilities

- **More than 6 million people with disabilities are now served by Medicaid, including over 1 million children.**

- **Over a million individuals with disabilities could lose Medicaid coverage** in 2002 under the Republican plans. Losing Medicaid would be particularly devastating to people with disabilities because they are often shut out of the private health insurance market.

- **The Republican plans to block grant Medicaid threaten quality standards at nursing homes and intermediate care facilities for the mentally retarded.** Not that long ago, most people with mental retardation were relegated to large institutions with substandard conditions. Federal standards have greatly improved conditions in institutions and have created a wider range of choices for families, including services at home and in the community.

4. **Spousal Impoverishment**

- Current law ensures that spouses of people needing nursing home care do not have to become impoverished in order to have their spouses qualify for Medicaid.

- Although Republicans claim that they maintain these protections, their proposals undercut these protections by removing tools for individuals or the federal government to enforce these rights.

    - House and Senate bills make it more difficult for the Federal government to ensure that states are complying with the protection requirements.

    - Under the House bill, eligible individuals who are not receiving the spousal impoverishment protections can no longer sue the State to obtain these essential protections.

5. **Poor Elderly**

- Under current law, Medicaid pays all Medicare premiums, coinsurance, and deductibles for people below 100 percent of poverty (known as "qualified Medicare beneficiaries or "QMBs").

- The House and Senate bills completely eliminate:

    - the requirement that Medicaid pay Medicare coinsurance and deductibles for people below 100 percent of poverty; and

    - the requirement that Medicaid pay Medicare premiums for people between 100-120 percent of poverty.

- Both the House and Senate bills create a set-aside for a portion of the MediGrant funding for Medicare premiums equal to 90 percent of the average spending between 1993 and 1995 on these premiums.

- **In the year 2002, the set-aside amount is estimated to cover <u>only 44 percent</u> -- or $3.7 billion -- of the amount that is projected to be spent on Medicare premiums ($8.5 billion) for people in the QMB program.** [This estimated spending includes the impact of the Republican's increase in Part B premiums.]

MEDICARE

1. **Spending**

- **Medicare will be cut $270 billion over seven years -- three times greater than any cut in history.**

- **Spending per person will be cut more than $1,700 per beneficiary below projected spending in 2002.**

  - Medicare currently spends $4,800 on each beneficiary.

  - Because of the increasing cost of medical services, the Congressional Budget Office projects that, under current law, spending per beneficiary will be $8,400 per beneficiary in 2002.

  - In order to achieve their goal of $270 billion in savings, the Republican Medicare proposal limits spending to $6,700 per beneficiary in the year 2002 -- $1,700 below CBO's projection for spending per person under current law.

  - Put another way, the Republican proposal assumes a growth rate of approximately 5.1% a year, 30% below the private sector rate of 7.1% per beneficiary.

2. **Increased Out-Of-Pocket Costs for Beneficiaries**

- **Premiums will increase from $43 to $89.**

  - Under the Republican plan beneficiaries will pay 31% of Part B program costs.

  - Given the level of Medicare spending assumed in the Republican proposal, this translates into a premium of approximately $89 per month in 2002.

  - If premiums were set at a level that paid for 25% of the Part B expenditures projected under the Republican plan -- the percentage that applied historically and applies under the President's proposal -- premiums would rise to only $69 per month in 2002. As a result, premiums under Republican proposals would be, on an annual basis, $240 more in 2002 than if they were maintained at 25%.

- **Double deductibles.** Republican proposals double deductibles from $100 a year today to $210 a year in 2002.

- **Limited protections from doctors overcharging.**

  - Under current law, Medicare limits the amount that a doctor can charge a Medicare patient above the Medicare payment rate.

  - This limitation on so-called "balance billing" protects beneficiaries from paying additional charges for medical services.

  - The Republican proposal does not extend the balance billing protections to the new physician networks that their proposal establishes outside the traditional fee-for-service system.

3. **Cost-Shifting**

- Lewin-VHI, an independent research firm, concluded that the Republican's $452 billion cut in Medicare and Medicaid will lead doctors and hospitals to raise their fees on private patients by at least $90 billion.

- This cost shifting will increase the cost of private health insurance, which would effectively reduce wage increases by 2.7%, and as much as 10% for lower-wage workers.

4. **Managed Care**

- Republican plans state that managed care programs will save $30 to $50 billion over seven years. The Congressional Budget Office, however, does not score savings from managed care.

- As a result, Republicans rely on a non-market-oriented mechanism for ensuring these savings -- a government imposed cap on spending that limits the growth rate for Medicare payments to managed care programs at a level that is 30% below private sector rates.

- If health care costs exceed these caps, beneficiaries will either get fewer benefits or be forced to pay higher premiums.

6. **Medical Savings Accounts (MSAs)**

- Republican Medicare proposals allow beneficiaries to withdraw a set amount of money from the Medicare program to buy health care insurance with a high-deductible. The individual may deposit any money left over after that purchase into a tax-preferred savings account.

- MSAs tend to attract only the healthiest individuals, who expect few medical expenses in the coming year and who typically cost the Medicare system little.

- To the extent that MSA vouchers are set at a level that exceeds the cost of these healthy beneficiaries under the current Medicare system, MSAs will increase spending on healthy beneficiaries. In fact, CBO estimates that MSAs will raise Medicare costs by $2.3 billion over seven years. Lewin-VHI concludes that MSAs will cost the Medicare system between $15 and $20 billion.

- Since the Republican spending caps mandate a fixed budget for all Medicare spending, MSA costs would have to be offset by further cuts in services for the less healthy beneficiaries remaining in the traditional fee-for-service Medicare pool.

Talking Points On The Real Republican Medicare Plan

October 31, 1995

- **The truth is out.** Taken together, the comments by Speaker Gingrich and Senator Dole last week, and the *Washington Post* article this Sunday on the metamorphosis of the Republican Medicare message, demonstrate the real Republican Medicare plan:

  Cut health care for seniors as much as necessary to pay for the tax cut and lie to the American people about the reasons for the cut.

- **Clearly, the Republican leaders boxed themselves into fulfilling the "Contact with America" and giving a huge tax cut to the wealthy. In order to come up with the savings, Medicare was the only place they could turn.** Weiskopf and Maraniss write: "The GOP had decided to squeeze $270 billion from Medicare to fulfill its promise of a tax cut and balanced budget in seven years, a pledge which Gingrich had bound his colleagues in February."

- **We find it shocking, and down-right disgusting that Republican leaders orchestrated a PR campaign designed specifically at deceiving older Americans into believing that the huge Republican Medicare cuts are "necessary to strengthen the Trust Fund."**

- **We all know that Republicans never cared about Medicare Trust Fund exhaustion dates until they developed their plan to balance the budget while giving a huge tax cut to the wealthy.**

- **We all know that the Republicans are cutting Medicare by at least $100 billion more than is "necessary to strengthen the Trust Fund."**

- **We all know that Speaker Gingrich would really just rather see Medicare "wither on the vine."**

- **We all know that Majority Leader Dole was against Medicare from the start because he "knew it wouldn't work."**

- **Now, we all know that the real authors of the Republican Medicare plan were Haley Barbour and a team of media consultants who studied and tested messages that would trick seniors into believing that the Republican cuts were "necessary to strengthen the Trust Fund."**

BACKGROUND

In 1994, The Republicans Claimed They Wouldn't Slash Medicare. In 1994, the President claimed that the Republicans would have to slash Medicare to pay for their large tax cut and the Republican Contract. The Republicans denied it.

In Early 1995, The Republicans Changed Their Tune And Claimed That It Was Necessary To Slash Medicare. In 1995, the GOP turned around and called for a huge medicare cut -- three times the largest in history. They claimed that the only reason for this huge Medicare cut was to "save" Medicare.

Now, The American People Know The Truth: The Republican Leadership Would Just As Soon End Medicare. The Republican leadership wants to send our country back to the days when there was no health security for older Americans:

- Before Medicare, 50 percent of America's elderly had no health insurance. Today, 97 percent of America's senior citizens are insured through the program.

- Before Medicare, nearly 1/3 of all senior citizens lived in poverty. By 1993, the poverty rate among elderly had dropped to 12 percent.

The President And Congressional Democrats Have Taken Steps To Increase The Solvency Of The Medicare Trust Fund.

- In 1993, the President's five-year deficit reduction package extended the life of the Trust Fund by an additional three years. *Not one Republican voted for this extension.*

- In 1994, the President's health care reform proposal would have extended the Medicare Trust Fund for an additional five years. *The Republicans opposed health care reform.*

- The President's 1995 Balanced Budget would extend the Trust Fund until 2006 without increasing premiums or reducing services. *The Republican plan cuts Medicare three times greater than any cut in history just to finance a huge tax cut for the wealthiest Americans.*

The Republicans Are Just Smoke And Mirrors When It Comes To Medicare. First the Republicans voted against protecting Medicare (1993); then they opposed modest Medicare cuts (1994); then they claimed that they didn't need to cut Medicare to finance their huge tax cuts (1994); and now they stand up for a plan that cuts 3 times more out of Medicare than ever before -- decimating the health care system and increasing costs for older Americans (1995).

The American People Know That The Republican Plan Is No Good. *New York Times/CBS Poll,* October 25, 1995:

- By more than a 2 to 1 ratio, the American people disapprove of the Republican Medicare plan.

- 65 percent of older Americans trust the President on Medicare, while only 18 percent trust the Republicans.

Impact of the Republican Medicare Spending Reductions on NEW YORK

	Number of Beneficiaries '94	Reduction in 2002 (millions)	Reduction between 1996-2002 (millions)
STATE	2,618,000	4,481	18,058
ALBANY	45,800	59	239
ALLEGANY	7,600	9	37
BRONX	144,700	354	1,426
BROOME	38,800	46	186
CATTARAUGUS	14,700	16	66
CAYUGA	13,000	16	63
CHAUTAUQUA	26,400	30	121
CHEMUNG	17,100	20	80
CHENANGO	8,400	9	37
CLINTON	9,900	13	51
COLUMBIA	11,000	14	56
CORTLAND	6,900	8	32
DELAWARE	8,500	10	41
DUTCHESS	36,300	51	207
ERIE	168,800	213	857
ESSEX	6,900	8	33
FRANKLIN	7,900	8	34
FULTON	9,900	12	48
GENESEE	9,700	12	47
GREENE	8,300	10	42
HAMILTON	1,100	2	6
HERKIMER	12,600	15	60
JEFFERSON	15,100	15	62
KINGS	290,300	642	2,586
LEWIS	3,700	4	15
LIVINGSTON	8,300	10	40
MADISON	9,400	11	45
MONROE	106,800	147	593
MONTGOMERY	12,100	15	62
NASSAU	212,300	368	1,484
NEW YORK	200,900	468	1,885
NIAGARA	38,900	49	199
ONEIDA	45,800	54	219
ONONDAGA	70,700	86	345
ONTARIO	14,400	16	66
ORANGE	38,200	58	233
ORLEANS	5,900	7	28
OSWEGO	16,300	20	79
OTSEGO	10,500	13	51
PUTNAM	8,700	15	62
QUEENS	282,200	567	2,283
RENSSELAER	23,300	32	127
RICHMOND	50,700	114	460
ROCKLAND	33,200	62	250
ST LAWRENCE	17,100	19	78
SARATOGA	22,500	27	110
SCHENECTADY	29,900	38	153
SCHOHARIE	5,000	6	24
SCHUYLER	2,800	3	13
SENECA	5,300	6	26
STEUBEN	17,100	19	78
SUFFOLK	171,400	292	1,175
SULLIVAN	13,100	19	78
TIOGA	6,500	7	27
TOMPKINS	9,900	12	46
ULSTER	24,900	33	133
WARREN	10,400	12	50
WASHINGTON	9,100	11	43
WAYNE	13,100	15	61
WESTCHESTER	137,200	241	972
WYOMING	5,900	7	29
YATES	4,300	4	18

NOTES:

1994 number of beneficiaries in each state, allocated to counties using 1992 distribution of beneficiaries by county.

Total savings in the Republicans' Medicare bill allocated to the state and counties by the historical distribution of expenditures.

* Less than 500,000

Source: US DHHS; Revised: 10/18/95

Comparison of the Senate Republican Medicaid Block Grant: 1996-2002
September 27 versus October 27, 1995 Formula
(Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	Older Formula Medicaid Block Grant		Newer Formula Reduction in Medicaid		Difference
		Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction	+: Smaller Loss Under Senate -: Larger Loss Under Senate
United States	954,338	$186,733	20%	$176,498	18%	
Alabama	13,823	2,607	19%	959	7%	1,649
Alaska	2,001	394	20%	341	17%	53
Arizona	12,903	2,517	20%	1,391	11%	1,125
Arkansas	11,081	2,860	26%	2,507	23%	353
California	95,663	13,801	14%	17,970	19%	(4,169)
Colorado	8,163	1,297	16%	1,820	22%	(523)
Connecticut	12,990	3,544	27%	2,340	18%	1,205
Delaware	1,728	115	7%	8	0%	107
District of Columbia	4,511	734	16%	709	16%	25
Florida	40,720	8,944	22%	9,458	23%	(514)
Georgia	26,050	5,904	23%	5,810	22%	94
Hawaii	2,732	267	10%	281	10%	(14)
Idaho	2,933	581	20%	488	17%	93
Illinois	33,242	2,902	9%	4,392	13%	(1,490)
Indiana	23,100	8,624	37%	7,259	31%	1,365
Iowa	7,807	1,082	14%	933	12%	149
Kansas	5,962	704	12%	88	1%	616
Kentucky	18,353	4,928	27%	5,055	28%	(127)
Louisiana	33,991	15,352	45%	15,173	45%	179
Maine	5,999	946	16%	844	14%	102
Maryland	13,478	1,536	11%	2,285	17%	(749)
Massachusetts	25,516	5,652	22%	5,681	22%	(29)
Michigan	32,153	4,692	15%	3,635	11%	1,057
Minnesota	14,665	1,019	7%	1,544	11%	(524)
Mississippi	12,640	1,251	10%	1,820	14%	(570)
Missouri	14,871	2,043	14%	(467)	-3%	2,509
Montana	3,409	948	28%	820	24%	128
Nebraska	4,448	692	16%	785	18%	(93)
Nevada	2,899	850	29%	877	30%	(27)
New Hampshire	3,728	1,164	31%	1,186	32%	(22)
New Jersey	28,038	7,172	26%	6,392	23%	781
New Mexico	6,066	615	10%	489	8%	126
New York	119,527	21,450	18%	21,696	18%	(246)
North Carolina	29,014	8,319	29%	7,716	27%	603
North Dakota	2,491	540	22%	506	20%	34
Ohio	40,586	6,683	16%	7,638	19%	(955)
Oklahoma	11,074	3,423	31%	3,179	29%	245
Oregon	8,884	35	0%	(76)	-1%	111
Pennsylvania	38,448	2,422	6%	2,537	7%	(115)
Rhode Island	5,465	1,141	21%	1,327	24%	(186)
South Carolina	15,252	2,954	19%	1,697	11%	1,257
South Dakota	2,380	240	10%	217	9%	23
Tennessee	24,576	4,165	17%	3,838	16%	327
Texas	61,167	12,187	20%	7,010	11%	5,176
Utah	5,128	1,052	21%	1,031	20%	21
Vermont	1,982	205	10%	115	6%	90
Virginia	13,022	3,079	24%	3,293	25%	(213)
Washington	18,203	5,579	31%	5,081	28%	499
West Virginia	13,723	4,615	34%	4,203	31%	412
Wisconsin	16,484	2,639	16%	2,415	15%	224
Wyoming	1,269	264	21%	202	16%	62

: savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance Committee's estimates of the spending by state under the proposal released on September 27 & October 27.

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language

Source: U.S. DHHS

01-Nov-95

Comparison of the Original House Republican Medicaid Block Grant to
The Revised Formula as of October 30, 1995
1996 - 2002

States	Baseline (1)	Old House Republican Medicaid Block Grant		New House Republican Reduction in Medicaid		Difference + = More in New - = Less in New
		Reduction (2)	Percent Reduction	Reduction	Percent Reduction	
United States	**954,338**	**182,366**	**19%**	**173,688**	**19%**	
Alabama	13,823	1,155	8%	1,155	8%	0
Alaska	2,001	554	28%	521	26%	33
Arizona	12,903	1,328	10%	1,313	10%	15
Arkansas	11,081	2,964	27%	2,964	27%	0
California	95,663	18,693	20%	16,957	18%	1736
Colorado	8,163	1,953	24%	1,927	24%	26
Connecticut	12,990	2,145	17%	1,896	15%	249
Delaware	1,728	415	24%	385	22%	30
District of Columbia	4,511	963	21%	882	20%	81
Florida	40,720	10,531	26%	9,850	24%	681
Georgia	26,050	5,776	22%	5,736	22%	41
Hawaii	2,732	443	16%	443	16%	0
Idaho	2,933	575	20%	522	18%	53
Illinois	33,242	6,135	18%	5,969	18%	166
Indiana	23,100	7,287	32%	7,032	30%	256
Iowa	7,807	936	12%	936	12%	-0
Kansas	5,962	133	2%	133	2%	0
Kentucky	18,353	4,979	27%	4,979	27%	0
Louisiana	33,991	5,269	16%	5,262	15%	7
Maine	5,999	853	14%	735	12%	118
Maryland	13,478	2,516	19%	2,514	19%	3
Massachusetts	25,516	4,239	17%	3,751	15%	488
Michigan	32,153	4,253	13%	4,253	13%	-0
Minnesota	14,665	2,072	14%	1,942	13%	130
Mississippi	12,640	1,938	15%	1,697	13%	241
Missouri	14,871	(321)	-2%	(321)	-2%	0
Montana	3,409	943	28%	930	27%	13
Nebraska	4,448	932	21%	895	20%	36
Nevada	2,899	680	23%	630	22%	50
New Hampshire	3,728	(437)	-12%	(532)	-14%	95
New Jersey	28,038	7,032	25%	6,550	23%	482
New Mexico	6,066	902	15%	785	13%	116
New York	119,527	24,588	21%	22,412	19%	2177
North Carolina	29,014	8,596	30%	8,596	30%	0
North Dakota	2,491	511	21%	511	21%	0
Ohio	40,586	7,944	20%	7,944	20%	0
Oklahoma	11,074	3,235	29%	3,058	28%	177
Oregon	8,884	1,596	18%	1,553	17%	43
Pennsylvania	38,448	3,153	8%	3,144	8%	8
Rhode Island	5,465	1,638	30%	1,550	28%	88
South Carolina	15,252	1,516	10%	1,516	10%	-0
South Dakota	2,380	378	16%	375	16%	3
Tennessee	24,576	6,424	26%	6,424	26%	0
Texas	61,167	7,001	11%	6,385	10%	616
Utah	5,128	1,116	22%	1,116	22%	0
Vermont	1,982	401	20%	365	18%	36
Virginia	13,022	3,300	25%	3,227	25%	73
Washington	18,203	5,434	30%	5,141	28%	293
West Virginia	13,723	4,460	32%	4,460	32%	0
Wisconsin	16,484	2,935	18%	2,935	18%	0
Wyoming	1,269	305	24%	285	18%	19

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the House Commerce Committee's estimates of the spending by state under the proposal released on September 19 & October 30.

NO[illegible]e estimates from the House Commerce Committee do not include the supplemental allotments for aliens, TN & OR, and have growth rate ceilings that are not consistent with the bill language

S[illegible]. DHHS

01-Nov-95

Estimates of the Effects of the Senate Republican Medicaid Plan on States, 2002 and 1996 - 2002
Formula as of October 27, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$124,838	($52,093)	-29%	$954,338	$777,840	($176,498)	-18%
Alabama	$2,485	$2,169	($316)	-13%	$13,823	$12,864	($959)	-7%
Alaska	$373	$280	($94)	-25%	$2,001	$1,660	($341)	-17%
Arizona	$2,436	$1,849	($587)	-24%	$12,903	$11,511	($1,391)	-11%
Arkansas	$2,084	$1,446	($638)	-31%	$11,081	$8,574	($2,507)	-23%
California	$17,955	$13,102	($4,853)	-27%	$95,663	$77,693	($17,970)	-19%
Colorado	$1,521	$1,039	($482)	-32%	$8,163	$6,343	($1,820)	-22%
Connecticut	$2,345	$1,613	($732)	-31%	$12,990	$10,650	($2,340)	-18%
Delaware	$323	$290	($33)	-10%	$1,728	$1,720	($8)	-0%
District of Columbia	$846	$576	($270)	-32%	$4,511	$3,802	($709)	-16%
Florida	$7,691	$5,272	($2,419)	-31%	$40,720	$31,262	($9,458)	-23%
Georgia	$4,900	$3,320	($1,580)	-32%	$26,050	$20,240	($5,810)	-22%
Hawaii	$508	$373	($135)	-27%	$2,732	$2,450	($281)	-10%
Idaho	$545	$412	($132)	-24%	$2,933	$2,445	($488)	-17%
Illinois	$6,207	$4,637	($1,570)	-25%	$33,242	$28,851	($4,392)	-13%
Indiana	$4,317	$2,545	($1,772)	-41%	$23,100	$15,841	($7,259)	-31%
Iowa	$1,440	$1,104	($336)	-23%	$7,807	$6,874	($933)	-12%
Kansas	$1,079	$943	($136)	-13%	$5,962	$5,874	($88)	-1%
Kentucky	$3,455	$2,243	($1,213)	-35%	$18,353	$13,298	($5,055)	-28%
Louisiana	$6,147	$2,935	($3,212)	-52%	$33,991	$18,818	($15,173)	-45%
Maine	$1,092	$782	($310)	-28%	$5,999	$5,155	($844)	-14%
Maryland	$2,532	$1,706	($826)	-33%	$13,478	$11,193	($2,285)	-17%
Massachusetts	$4,717	$3,005	($1,712)	-36%	$25,516	$19,835	($5,681)	-22%
Michigan	$5,992	$4,581	($1,411)	-24%	$32,153	$28,518	($3,635)	-11%
Minnesota	$2,701	$2,000	($701)	-26%	$14,665	$13,121	($1,544)	-11%
Mississippi	$2,342	$1,825	($517)	-22%	$12,640	$10,820	($1,820)	-14%
Missouri	$2,625	$2,512	($113)	-4%	$14,871	$15,338	$467	3%
Montana	$636	$434	($202)	-32%	$3,409	$2,590	($820)	-24%
Nebraska	$822	$558	($264)	-32%	$4,448	$3,662	($785)	-18%
Nevada	$540	$341	($199)	-37%	$2,899	$2,022	($877)	-30%
New Hampshire	$631	$375	($256)	-41%	$3,728	$2,542	($1,186)	-32%
New Jersey	$5,100	$3,279	($1,821)	-36%	$28,038	$21,646	($6,392)	-23%
New Mexico	$1,147	$940	($207)	-18%	$6,066	$5,577	($489)	-8%
New York	$22,034	$14,820	($7,214)	-33%	$119,527	$97,831	($21,696)	-18%
North Carolina	$5,406	$3,421	($1,985)	-37%	$29,014	$21,298	($7,716)	-27%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,985	($506)	-20%
Ohio	$7,508	$5,275	($2,233)	-30%	$40,586	$32,948	($7,638)	-19%
Oklahoma	$2,060	$1,332	($729)	-35%	$11,074	$7,896	($3,179)	-29%
Oregon	$1,649	$1,439	($209)	-13%	$8,884	$8,960	$76	1%
Pennsylvania	$7,102	$5,474	($1,628)	-23%	$38,448	$35,910	($2,537)	-7%
Rhode Island	$1,004	$627	($377)	-38%	$5,465	$4,138	($1,327)	-24%
South Carolina	$2,756	$2,286	($471)	-17%	$15,252	$13,555	($1,697)	-11%
South Dakota	$442	$347	($94)	-21%	$2,380	$2,163	($217)	-9%
Tennessee	$4,587	$3,331	($1,256)	-27%	$24,576	$20,739	($3,838)	-16%
Texas	$11,358	$9,130	($2,228)	-20%	$61,167	$54,157	($7,010)	-11%
Utah	$960	$659	($302)	-31%	$5,128	$4,096	($1,031)	-20%
Vermont	$366	$300	($67)	-18%	$1,982	$1,868	($115)	-6%
Virginia	$2,434	$1,635	($798)	-33%	$13,022	$9,730	($3,293)	-25%
Washington	$3,381	$1,988	($1,393)	-41%	$18,203	$13,122	($5,081)	-28%
West Virginia	$2,591	$1,529	($1,061)	-41%	$13,723	$9,521	($4,203)	-31%
Wisconsin	$3,066	$2,260	($806)	-26%	$16,484	$14,069	($2,415)	-15%
Wyoming	$236	$180	($56)	-24%	$1,269	$1,067	($202)	-16%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance majority staff estimates as of October 27, 1995

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language.

Source: U.S. DHHS

01-Nov-95

Estimates of the Effects of the House Republican Medicaid Plan on States, 2002 and 1996 - 2002
Revised Formula as of October 30, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$126,360	($50,571)	-29%	$954,338	$780,650	($173,688)	-18%
Alabama	$2,485	$2,112	($373)	-15%	$13,823	$12,668	($1,155)	-8%
Alaska	$373	$226	($148)	-40%	$2,001	$1,480	($521)	-26%
Arizona	$2,436	$1,932	($504)	-21%	$12,903	$11,590	($1,313)	-10%
Arkansas	$2,084	$1,353	($731)	-35%	$11,081	$8,117	($2,964)	-27%
California	$17,955	$13,678	($4,278)	-24%	$95,663	$78,706	($16,957)	-18%
Colorado	$1,521	$1,037	($484)	-32%	$8,163	$6,236	($1,927)	-24%
Connecticut	$2,345	$1,692	($654)	-28%	$12,990	$11,094	($1,896)	-15%
Delaware	$323	$205	($118)	-37%	$1,728	$1,342	($385)	-22%
District of Columbia	$846	$553	($292)	-35%	$4,511	$3,629	($882)	-20%
Florida	$7,691	$5,365	($2,327)	-30%	$40,720	$30,869	($9,850)	-24%
Georgia	$4,900	$3,299	($1,601)	-33%	$26,050	$20,314	($5,736)	-22%
Hawaii	$508	$369	($139)	-27%	$2,732	$2,288	($443)	-16%
Idaho	$545	$419	($126)	-23%	$2,933	$2,411	($522)	-18%
Illinois	$6,207	$4,478	($1,729)	-28%	$33,242	$27,274	($5,969)	-18%
Indiana	$4,317	$2,450	($1,866)	-43%	$23,100	$16,069	($7,032)	-30%
Iowa	$1,440	$1,107	($333)	-23%	$7,807	$6,871	($936)	-12%
Kansas	$1,079	$939	($140)	-13%	$5,962	$5,829	($133)	-2%
Kentucky	$3,455	$2,230	($1,225)	-35%	$18,353	$13,374	($4,979)	-27%
Louisiana	$6,147	$4,505	($1,641)	-27%	$33,991	$28,729	($5,262)	-15%
Maine	$1,092	$803	($289)	-26%	$5,999	$5,264	($735)	-12%
Maryland	$2,532	$1,717	($815)	-32%	$13,478	$10,964	($2,514)	-19%
Massachusetts	$4,717	$3,319	($1,398)	-30%	$25,516	$21,765	($3,751)	-15%
Michigan	$5,992	$4,496	($1,496)	-25%	$32,153	$27,900	($4,253)	-13%
[illegible]nnesota	$2,701	$1,942	($758)	-28%	$14,665	$12,722	($1,942)	-13%
[illegible]sissippi	$2,342	$1,902	($440)	-19%	$12,640	$10,943	($1,697)	-13%
[illegible]souri	$2,625	$2,448	($177)	-7%	$14,871	$15,193	$321	2%
Montana	$636	$406	($230)	-36%	$3,409	$2,480	($930)	-27%
Nebraska	$822	$542	($279)	-34%	$4,448	$3,552	($895)	-20%
Nevada	$540	$394	($145)	-27%	$2,899	$2,269	($630)	-22%
New Hampshire	$631	$650	$19	3%	$3,728	$4,260	$532	14%
New Jersey	$5,100	$3,276	($1,824)	-36%	$28,038	$21,488	($6,550)	-23%
New Mexico	$1,147	$918	($229)	-20%	$6,066	$5,281	($785)	-13%
New York	$22,034	$14,808	($7,226)	-33%	$119,527	$97,116	($22,412)	-19%
North Carolina	$5,406	$3,290	($2,116)	-39%	$29,014	$20,418	($8,596)	-30%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,979	($511)	-21%
Ohio	$7,508	$5,260	($2,248)	-30%	$40,586	$32,642	($7,944)	-20%
Oklahoma	$2,060	$1,393	($667)	-32%	$11,074	$8,016	($3,058)	-28%
Oregon	$1,649	$1,210	($439)	-27%	$8,884	$7,331	($1,553)	-17%
Pennsylvania	$7,102	$5,521	($1,581)	-22%	$38,448	$35,303	($3,144)	-8%
Rhode Island	$1,004	$597	($407)	-41%	$5,465	$3,915	($1,550)	-28%
South Carolina	$2,756	$2,290	($466)	-17%	$15,252	$13,736	($1,516)	-10%
South Dakota	$442	$325	($116)	-26%	$2,380	$2,006	($375)	-16%
Tennessee	$4,587	$3,027	($1,560)	-34%	$24,576	$18,153	($6,424)	-26%
Texas	$11,358	$9,201	($2,157)	-19%	$61,167	$54,782	($6,385)	-10%
Utah	$960	$669	($291)	-30%	$5,128	$4,012	($1,116)	-22%
Vermont	$366	$247	($120)	-33%	$1,982	$1,617	($365)	-18%
Virginia	$2,434	$1,623	($810)	-33%	$13,022	$9,796	($3,227)	-25%
Washington	$3,381	$1,992	($1,389)	-41%	$18,203	$13,062	($5,141)	-28%
West Virginia	$2,591	$1,493	($1,098)	-42%	$13,723	$9,264	($4,460)	-32%
Wisconsin	$3,066	$2,183	($883)	-29%	$16,484	$13,549	($2,935)	-18%
Wyoming	$236	$150	($86)	-36%	$1,269	$984	($285)	-22%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the House Commerce Committee's estimates of the spending by state under the proposal released on October 30.

NOTE: The estimates from the House Commerce Committee do not include the supplemental allotments for aliens, TN & OR, and have growth rate ceilings that are not consistent with the bill language

S [illegible]S. DHHS

ov-95

THE REAL REPUBLICAN MEDICARE PLAN

October 26, 1995

The Real Republican Medicare Plan. After months of claiming that $270 billion in Medicare cuts are necessary to save Medicare and balance the budget, the Republican Leadership is now finally owning up to the truth behind their plan to decimate Medicare to pay for a huge tax cut for the wealthiest Americans.

Senate Majority Leader Bob Dole Says He Is Against Medicare Because It Doesn't Work. Speaking to the American Conservative Union on Tuesday, Dole said that he was against creating Medicare in 1965 "because we knew it wouldn't work."

> **"I was there, fighting the fight, voting against Medicare because we knew it wouldn't work in 1965."**
> -- Sen. Bob Dole, October 25, 1995

Speaker Gingrich Wishes That Medicare Would Just Wither Away. Speaking to the Blue Cross/Blue Shield Association conference on Tuesday, Gingrich reaffirmed that politics, not policy or values, is guiding his effort to end Medicare:

> **"Now, we don't get rid of it in round one because we don't think that's politically smart...But we believe it is going to wither on the vine because we think people are voluntarily going to leave it."**
> -- Rep. Newt Gingrich, October 24, 1995

In 1994, The Republicans Claimed They Wouldn't Slash Medicare. In 1994, the President claimed that the Republicans would have to slash Medicare to pay for their large tax cut and the Republican Contract. The Republicans denied it.

In Early 1995, The Republicans Changed Their Tune And Claimed That It Was Necessary To Slash Medicare. In 1995, the GOP turned around and called for a huge medicare cut -- three times the largest in history. They claimed that the only reason for this huge Medicare cut was to "save" Medicare.

> "Everything we're doing in Medicare is driven by the actuaries' estimate of what it takes to build a savable system; it's not driven by a budget need." -- Newt Gingrich, May 5, 1995

Now, The American People Know The Truth: The Republican Leadership Would Just As Soon End Medicare. The Republican leadership wants to send our country back to the days when there was no health security for older Americans:

- Before Medicare, 50 percent of America's elderly had no health insurance. Today, 97 percent of America's senior citizens are insured through the program.
- Before Medicare, nearly 1/3 of all senior citizens lived in poverty. By 1993, the poverty rate among elderly had dropped to 12 percent.

President Clinton Believes We Need To Bal nce The Budget While Maintaining Our Values And Honoring Our Commitment To America's Elderly -- Helping Them Live With The Health And Economic Security They Deserve.

The President And Congressional Democrats Have Taken Steps To Increase The Solvency Of The Medicare Trust Fund.

- In 1993, the President's five-year deficit reduction package extended the life of the Trust Fund by an additional three years. *Not one Republican voted for this extension.*

- In 1994, the President's health care reform proposal would have extended the Medicare Trust Fund for an additional five years. *The Republicans opposed health care reform.*

- The President's 1995 Balanced Budget would extend the Trust Fund until 2006 without increasing premiums or reducing services. *The Republican plan cuts Medicare three times greater than any cut in history just to finance a huge tax cut for the wealthiest Americans.*

The Republicans Are Just Smoke And Mirrors When It Comes To Medicare. First the Republicans voted against protecting Medicare (1993); then they opposed modest Medicare cuts (1994); then they claimed that they didn't need to cut Medicare to finance their huge tax cuts (1994); and now they stand up for a plan that cuts 3 times more out of Medicare than ever before -- decimating the health care system and increasing costs for older Americans (1995).

> ***Now, we know where they really stand. The Republican leadership would rather just do away with the Medicare system. The Republican leadership values tax cuts over health security for older Americans.***

The American People Know That The Republican Plan Is No Good. *New York Times/CBS Poll*, October 25, 1995:

- By more than a 2 to 1 ratio, the American people disapprove of the Republican Medicare plan.

- 65 percent of older Americans trust the President on Medicare, while only 18 percent trust the Republicans.

Even Republicans Are Now Calling Their Own Budget "Unfair." One Republican Senator called the $245 billion tax cut "unfair" and posed the same question the President has asked for months:

> "How can we justify cuts in Medicare and Medicaid, student aid, job training, low-income energy assistance, workplace safety, Head Start, child immunization and Earned Income Tax Credits while we simultaneously give corporate tax breaks ... and tax breaks to people in high brackets."
>
> -- Sen. Arlen Specter (R-PA), LA Times, Oct. 25, 1995

REPUBLICAN MEDICARE PLAN: PAY MORE FOR SECOND-CLASS HEALTH CARE

1. **ANY WAY YOU SLICE IT, THE REPUBLICAN MEDICARE CUT IS THREE TIMES LARGER THAN ANY CUT IN HISTORY AND MEANS YOU WILL PAY MORE TO GET LESS.**

2. **MEDICARE RECIPIENTS WILL PAY MORE OUT-OF-POCKET -- TO FUND A TAX BREAK FOR THE WEALTHY:**

    - $1,700 less per beneficiary in 2002
    - Double Deductibles
    - Raise Premiums
    - Raise the Medicare eligibility age to 67

3. **MEDICARE RECIPIENTS WILL PAY MORE, YET THE CUTS WILL MEAN AN INFERIOR, SECOND-CLASS MEDICARE PROGRAM:**

    - Private health premiums increased by cost-shifting
    - Hospital closings threatened
    - Doctors driven out of the program and turning away recipients

REPUBLICAN MEDICARE PLAN:
PAY MORE FOR SECOND-CLASS HEALTH CARE

Pay More and Get Less -- For Tax Cuts for the Wealthy. Any way you slice it, the Republican Medicare cuts will force you to pay more to get less -- just to fund a tax cut for the wealthy. The GOP plan will increase out-of-pocket costs for all seniors -- regardless of their income or health. Medicare *benefits per beneficiary will be cut $1,700* in 2002, forcing spending to grow *33 percent slower than in the private sector.* Both the House and Senate plans increase premiums, and the Senate plan also cuts benefits and doubles deductibles from $100 a year today to $210 a year in 2002. And not one penny of the increased premiums will go to the Medicare trust fund. Instead, seniors will pay more out-of-their-pockets to fund a huge tax cut for the wealthy.

Pay Taxes for Two More Years and Wait Two More Years for Benefits. The Senate plan would gradually *delay the Medicare eligibility age from 65 to 67* beginning in 2003. Tens of millions of Americans would have to work longer and pay more taxes to get fewer years of Medicare. For someone working a desk job in Washington, that may not seem too bad, but to millions of Americans with physically demanding jobs, it is not just bad -- it is unfair.

Everyone's Premiums Will Increase From Cost Shifting. Lewin-VHI, an independent research firm, found that the Republican $452 billion cut in Medicare and Medicaid will lead doctors and hospitals to *raise their fees on private patients by at least $90 billion* -- essentially *a new $90 billion tax on everyone with private health insurance.* This cost-shifting will increase the cost of private health insurance, which would effectively reduce wage increases by 2.7%, and by as much as 10% for lower-wage workers.

Gambling with Medicare to Benefit the Healthiest and Wealthiest. Republicans would experiment with Medicare by creating Medical Savings Accounts (MSAs) under which the healthiest and wealthiest could gamble at the expense of everyone else. Under the MSA proposal, healthy seniors who could afford to risk paying a high deductible would have incentives to elect catastrophic health insurance with a very high deductible. This would leave the less healthy seniors with higher average health care costs -- and who cannot afford to gamble with deductibles starting at $3,000 -- in the traditional Medicare program. A new study by Lewin-VHI found that MSAs would substantially increase traditional Medicare program costs.

Hospitals Will Close and Doctors May Refuse Medicare Patients. Many rural and urban hospitals depend on Medicare for a large share of their income. By making the deepest cuts in health care provider payments in history, the Republican plan would force many rural and urban hospitals to close. Lower payments to doctors also would create huge incentives for physicians to refuse to take Medicare patients.

Raises Taxes on Working Americans. The Senate plan imposes new payroll taxes on many state and local government employees at a time when the Republicans are cutting taxes for the wealthy. Medicare does not currently cover government workers in many states who began work before 1986 and they therefore are not subject to the Medicare payroll tax. Republicans would require all state and local workers to pay Medicare payroll taxes, raising taxes on workers and imposing an "unfunded mandate" on state government in violation of the unfunded mandates law that Congress enacted earlier this year.

REPUBLICAN PLAN ENDS MEDICAID: PUTS MIDDLE-CLASS FAMILIES AT RISK

1. **The Republican Medicaid Plan Will Force States to Eliminate Coverage for Millions of Americans, including:**
   - **4.4 million children,**
   - **More than 900,000 elderly, and**
   - **1.4 million people with disabilities.**

2. **The Republican Plan Will Force Families to Choose Between Nursing Home Care for Their Parents and Education for Their Children.**

3. **The Republican Plan May Force Elderly Spouses Into Poverty.**

4. **The Republican Plan Will Wipe Out Quality Standards for Nursing Homes and Institutions Caring for the Mentally Retarded.**

REPUBLICAN PLAN ENDS MEDICAID: PUTS MIDDLE-CLASS FAMILIES AT RISK

Republican Plan Will Force States to Eliminate Coverage for Millions of Americans. Medicaid currently covers 36 million Americans and provides middle-class families with protection from the high costs of nursing home care for their parents. In order to pay for their huge tax cut for the wealthy, Republicans propose slashing Medicaid by an unprecedented $182 billion -- cutting funding to states by 30% in 2002.

States will be forced to raise taxes, reduce Medicaid coverage, and cut services. According to data from the non-partisan Urban Institute, the GOP cuts will force states to eliminate Medicaid coverage for as many as 8.8 million Americans in 2002, including:

- 4.4 million children
- more than 900,000 seniors
- 1.4 million people with disabilities

Republican Plan Will Force Families to Choose Between Nursing Home Care for Their Parents and Education for Their Children. Medicaid currently is the largest insurer of long-term care, covering *over two-thirds* of all nursing home residents. Without the guarantee of Medicaid, families of elderly and disabled individuals needing long-term care could be stuck with nursing home bills, currently averaging *$38,000 a year.* This extra charge to middle-class families may force them to choose between nursing home care for their parents and education for their children. That's a false choice for millions of hard working families. And that's the wrong way to balance the budget.

Republican Plan May Force Elderly Spouses Into Poverty. Republicans are turning their backs on the common ground protection that President Reagan signed into law to ensure that seniors do not have to give up everything they own -- their car, their home, and all their savings -- in order to pay for nursing home care for their sick spouse. The GOP plan repeals this protection, putting seniors at risk of *losing their homes and being driven into poverty* by the cost of their spouse's nursing home care. The GOP plan also means that parents of mentally retarded children may be forced into poverty to pay for their children's care in an institution or at home.

Republican Plan Will Wipe Out Quality Standards for Nursing Homes and Institutions Caring for the Mentally Retarded. The Republican plan throws away a decade of progress by repealing another common ground law signed by President Reagan that established quality standards for nursing homes and institutions for the mentally retarded. These standards restrict the use of drugs and restraints and require that nurses' aides are properly trained. Under the guise of reform, Republicans would repeal this law and throw away these fundamental protections -- just to pay for their tax cut.

THE REPUBLICAN MEDICAID PROPOSALS ONLY PRETEND TO PROTECT SENIORS FROM SPOUSAL IMPOVERISHMENT

I. **Current law protects spouses and their families from poverty. Federal law ensures that spouses of people needing nursing home care do not have to lose everything they have in order for their spouse to qualify for Medicaid:**

- States must let spouses keep income equal to 150% of the national poverty level -- about $15,000 per year.

- States must let spouses keep a minimum amount of their assets. The minimum is set by the state and may range from about $15,000 to $75,000. The value of the spouse's home and car are not counted toward the asset limit, which protects spouses from having to sell these items to qualify for Medicaid.

- Since this federal law went into effect in 1989, it has protected about 450,000 spouses of nursing home residents. Most of these spouses are women.

II. **Earlier versions of the Republican Medicaid Block Grant proposals repealed these spousal impoverishment protections.** Under the initial House and Senate plans any state government could force people whose husbands or wives have to go into nursing homes to give up their car, their furniture -- even their home before their spouse can qualify for any medical support.

III. **The President protested the elimination of these protections.**

> "Congress should strip these outrageous provisions from the budget bill. They're inconsistent with our core values. They're not what America is all about, and they are certainly not necessary to balance the budget."
>
> -President William Jefferson Clinton
> Radio Address to the Nation, September 30, 1995

IV. **Responding to the President's criticisms, Republicans modified their plans. <u>But they only passed an empty shell -- their bill still does not protect against spousal impoverishment.</u>**

- Since both bills repeal the current Medicaid guarantee of nursing home care, there is also no guarantee of spousal impoverishment protections.

- Both House and Senate bills repeal current national requirements for beneficiary rights to notification, administrative hearings, and appeals.

- Under the House bill, eligible individuals who are not receiving the spousal impoverishment protections can no longer sue the State to obtain these essential protections.

  -- Section 2117 of the House bill states: "no person (including an applicant, beneficiary, provider, or health plan) shall have a cause of action under Federal law against a State in relation to a State's compliance (or failure to comply) with the provisions of this title or of a MediGrant plan."

- Both bills make it more difficult for the Federal government to ensure that States comply with any beneficiary protection requirements.

Impact of the Republican Budget Cuts On Children

- Health Care
- Disabled Children
- Education
- Tax Increases
- Nutrition
- Public Health and the Environment
- Child Safety Net
- Energy Assistance
- Housing

A State-by-State Analysis

EMBARGOED
For Release
October 23, 1995, 7:30 a.m.

IMPACT OF REPUBLICAN BUDGET CUTS ON CHILDREN IN AMERICA

October 23, 1995

IMPACT OF HEALTH CARE CUTS ON CHILDREN IN AMERICA

Eliminates Medicaid coverage for as many as 4.4 million children nationwide in 2002. Currently, more than 20% of children rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 18 million children in America.

- **The Republican budget cuts federal Medicaid funding by $182 billion over seven years, reducing funding to states by 30% in 2002.**
- **Even if states could absorb half of the cuts by reducing services and provider payments, they would still have to eliminate coverage for 8.8 million people, including 4.4 million children in 2002, based on analysis by the Urban Institute.**
- **Among the children who could be denied coverage, many are disabled.** Medicaid often makes the difference between whether or not a disabled child lives at home with their parents. Medicaid provides for items such as wheelchairs, communication devices, therapy at home, respite care, and home modifications. Without these services, parents may be forced to give up their jobs or seek institutional placement for their children.

Jeopardizes immunizations for children. The Republican budget repeals the Vaccines for Children program, putting at risk at least $1.5 billion over seven years that would otherwise provide vaccinations for children.

Denies 1 million women Healthy Start infant mortality services, affecting the births of 74,000 infants each year. The Healthy Start project provides vital prenatal and health care services to women of childbearing age. The House calls for an excessive 52% cut in 1996.

IMPACT OF CUTS ON CHILDREN WITH DISABILITIES IN AMERICA

Denies as many as 755,000 disabled children SSI cash benefits in 2002. The House welfare bill eliminates federal Supplemental Security Income benefits for as many as 55% of the disabled children expected to receive SSI cash benefits in 2002 under current law. Federal SSI cash benefits for children with disabilities will be cut by as much as $21.7 billion over seven years, affecting 755,000 disabled children nationwide.

TAX INCREASE ON WORKING FAMILIES WITH CHILDREN IN AMERICA

More than 23 million children in America live in working families that will have their taxes raised by an average of $415 in 2002 under the Republican budget. The Senate Finance Committee has approved a $43 billion tax increase on working families by reducing the Earned Income Tax Credit. Families with two or more children in America will face an average tax increase of $483.

IMPACT OF EDUCATION CUTS ON CHILDREN IN AMERICA

Denies Head Start to 180,000 children nationwide in 2002. The successful Head Start program helped 50,000 preschool children in 1995.

Denies 1.1 million children basic and advanced skills in 1996. The Republican budget cuts Title I by $1.1 billion -- a 17% cut in 1996 -- denying Title I funding for 1.1 million disadvantaged students nationwide.

Cuts Safe and Drug Free Schools by 55%, denying more than 23 million students services that keep drugs and violence away from children, their schools, and their communities. The Republican budget walks away from the Safe and Drug Free School program, the only federal program solely dedicated to combating alcohol and drug abuse, and violent behavior in our nation's schools.

Eliminates Goals 2000, denying improved teaching and learning for as many as 5.1 million school children in America in 1996. Under the Republican cuts, 12 million children would be denied improved education by 2002, compared to the President's balanced budget.

Eliminates the AmeriCorps National Service program, denying 50,000 young people the opportunity to serve their communities in 1996.

Eliminates summer job opportunities for nearly 4 million youths over the next seven years. The Republican cuts will prevent millions of youths from participating in meaningful summer job experiences that help prepare them to be active contributors in the workforce and the community. The House plan completely eliminates this program, cutting about 600,000 job opportunities in 1996 and nearly 4 million summer jobs by 2002.

IMPACT OF NUTRITION CUTS ON CHILDREN IN AMERICA

Cuts nutrition assistance for 14 million children in America in 2002. The House Republican budget cuts foods stamp benefits for families with children by $28.1 billion over seven years and by 24.5% in 2002.

Could force 32 million children to lose nutritional support or suffer from diminished food assistance in 2002. The House Republican budget block grants funding for the school lunch and WIC program. Nationally, their budget reduces funding for child nutrition programs by more than $10 billion over seven years and 11% in 2002, compared with current law.

IMPACT OF PUBLIC HEALTH AND ENVIRONMENTAL CUTS ON CHILDREN IN AMERICA

Leaves children exposed to hazardous waste. The Republican budget cuts threaten EPA's efforts to protect the health of children living near more than 200 hazardous waste sites nationwide. Spending on toxic waste cleanups will be reduced by 36% in 1996, $560 million below the President's balanced budget in 1996.

- **Nationally, *five million children* under the age of four live within four miles of a Superfund hazardous waste site.**

Pollutes the air that children living near oil refineries breathe. These refineries emit more than 78,000 tons of toxic air pollution each year, putting children in the surrounding communities at risk of serious health problems, including cancer and respiratory illnesses such as asthma. The Republican budget halts the President's effort to protect the health and safety of children living near these refineries.

Jeopardizes the water that children drink. Republicans are cutting low-interest loans to cities and towns for drinking water treatment facilities by $700 million in 1996. This cut will take away the funds needed by states to upgrade facilities to ensure that local drinking water has been treated to eliminate contaminants.

Reduces new funding to keep water clean by 33% compared with the President's balanced budget. The Republican cuts will eliminate protections that keep sewage away from waters where children in live and play.

IMPACT OF CUTS ON SAFETY NET FOR CHILDREN IN AMERICA

Denies 404,000 children child care assistance in 2002. The House welfare bill block grants and cuts federal child care funding for low-income children by $2.8 billion over seven years.

Cuts foster care and adoption for vulnerable children by $6.3 billion over seven years compared with current law. The House welfare bill cuts child protection for abused and neglected children by 19% in 2002.

Eliminates cash assistance for 77,000 children in America simply because they were born to unmarried mothers under 18, when the House welfare bill is fully implemented in 2005.

Cuts assistance for 3.3 million children in America simply because their paternity has not been established, when the House welfare bill is fully implemented in 2005.

IMPACT OF ENERGY CUTS ON CHILDREN IN AMERICA

Eliminates home energy assistance for about 6 million children in America. The House Republican budget completely eliminates this $1.3 billion program that helps low-income families with their home heating and cooling bills, leaving families with the tough choice of staying warm in the winter or having enough money to eat.

Denies about 65,000 children in America protection from bad weather conditions. The Republican budget cuts weatherization assistance for families' homes by $118 million in 1996. Lower energy bills allow families to spend more money on basic needs.

IMPACT OF HOUSING CUTS ON CHILDREN IN AMERICA

Denies assistance to more than 16,000 homeless children. The Republican budget cuts homeless assistance by 40% in 1996, cutting funding for the homeless by $444 million in 1996.

Forces the families of 3.4 million children to pay more rent. The Republican budget raises rents by an average of $200 a year for the 1.4 million low-income families with children assisted by Section 8. The median income of these families is only $6,800.

Denies families of 74,742 children the opportunity to move from public housing to renting their own home. The Republican budget eliminates funding for new Section 8 certificates and vouchers, denying rental assistance to low-income families and children who wish to live in privately-owned housing.

Eliminates protection for 1 million children nationwide from drugs and drug-related crimes in public housing. The Republican budget zeroes-out the Public Housing Drug Elimination program which protects more than 1 million children living in public housing nationwide from drugs and drug-related crimes. The Republican budget eliminates $290 million for public housing tenant patrols, local law enforcement activities, security personnel, and physical improvements to improve security.

184,000 children will be forced to remain in poor and unsafe housing conditions. The Republican budget cuts public housing modernization nationwide by $350 million, severely hindering efforts by housing agencies to rehabilitate run down public housing projects and provide much needed security and anti-crime programs.

213,000 children will have to go without basic housing needs. The Republican budget cuts public housing operating subsidies nationwide by $400 million -- a cut of 14% in 1996 -- forcing local agencies to neglect basic housing needs, such as fixing leaking ceilings and broken windows and providing security and social services.

Methodology for Computing the Impact of the Republican Budget Cuts on Children

Health Care
Estimates of the number of children who will be denied Medicaid coverage and each state's dollar losses are from HHS based on the House Commerce Committee's Medicaid formula as of September 18, 1995, and analysis from the Urban Institute. The percent of children covered by Medicaid by state is from the March 1994 Current Population Survey. The estimate of the national loss of federal funding for vaccines under the House Republican Medicaid plan is from HHS. Cuts in Healthy Start programs are based on the House-passed appropriations bill, assuming an across-the-board reduction in each Healthy Start program.

Supplemental Security Income
Estimates of the SSI cuts and the number of disabled children that will be denied SSI cash benefits in 2002 are from the Social Security Administration, Office of the Actuary, October 18, 1995, based on the House-passed welfare bill (H.R. 4).

Earned Income Tax Credit
Estimates of the number of children in families that will have their taxes raised by the Senate Finance Committee cuts in the EITC and the average tax increase are from the Treasury Department, October 19, 1995.

Education
Estimates of the cuts in education are based on the House-passed appropriations bill. Estimates of the number of students and schools affected are from the Education Department.

Nutrition
Estimates of the cuts in Food Stamps, child nutrition, and WIC, and the number of children affected are preliminary estimates from USDA based on the House-passed welfare bill (H.R. 4). The number of children participating in the school lunch, child and adult care food program, and WIC is for 2002, when the proposals would be fully implemented.

Public Health and the Environment
Estimates are from the EPA based on the House-passed appropriations bill.

Safety Net
Estimates of the cuts in AFDC, child care, foster care and adoption are from HHS based on the House-passed welfare bill (H.R. 4).

Energy
Estimates of the number of children who would be denied aid from the Low-Income Home Energy Assistance Program (LIHEAP) under the House-passed appropriations bill are from HHS. Estimates of the number of children who would lose assistance from Energy Conservation Weatherization Grants under the House-passed appropriations bill are from the Energy Department.

Housing
Estimates of the number of children affected by the provisions in the House-passed appropriations bill are from HUD.

IMPACT OF REPUBLICAN BUDGET CUTS ON CHILDREN IN NEW YORK

October 23, 1995

IMPACT OF HEALTH CARE CUTS ON CHILDREN IN NEW YORK

Eliminates Medicaid coverage for as many as 498,406 children in New York and 4.4 million children nationwide in 2002. Currently, 25% of children in New York rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 1,300,000 children in New York.

- **The Republican budget cuts federal Medicaid funding to New York by $24.6 billion over seven years and by 35% in 2002 alone.**

- **Even if New York could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 935,401 people, including 498,406 children in 2002, based on analysis by the Urban Institute.**

- **Among the children in New York who could be denied coverage, many are disabled.** Medicaid often makes the difference between whether or not a disabled child lives at home with their parents. Medicaid provides valuable services for many disabled children, often making the difference that allows them to live at home with their parents. Medicaid provides for items such as wheelchairs, communication devices, therapy at home, respite care, and home modifications. *Without these services, parents may be forced to give up their jobs or seek institutional placement for children.*

Jeopardizes immunizations for children in New York. The Republican budget repeals the Vaccines for Children program, putting at risk at least $1.5 billion over seven years that would otherwise provide vaccinations for children in New York and across the nation.

Cuts infant mortality project by 52% in 1996. This Healthy Start project provides vital prenatal and health care services to women in the New York City community of childbearing age. *Nationwide, the House cut would deny 1 million women services, affecting the births of 74,000 infants each year.*

IMPACT OF CUTS ON CHILDREN WITH DISABILITIES IN NEW YORK

Denies as many as 65,000 disabled children in New York SSI cash benefits in 2002. The House welfare bill eliminates federal Supplemental Security Income benefits for as many as 56% of the disabled children in New York expected to receive SSI cash benefits in 2002 under current law. Federal SSI cash benefits for children with disabilities in New York will be cut by $1.9 billion over seven years, affecting 755,000 disabled children nationwide.

TAX INCREASE ON WORKING FAMILIES WITH CHILDREN IN NEW YORK

1,407,000 children in New York live in working families that will have their taxes raised by an average of $402 in 2002 under the Republican budget. The Senate has passed a $43 billion tax increase on working families by reducing the Earned Income Tax Credit.

Families with two or more children in New York will face an average tax increase of $468.

IMPACT OF EDUCATION CUTS ON CHILDREN IN NEW YORK

Denies Head Start to 9,488 children in New York and 180,000 children nationwide in 2002, compared with 1995.

Denies 78,800 New York children basic and advanced skills in 1996. The Republican budget -- cuts Title I by $1.1 billion -- a 17% cut in 1996 -- denying Title I funding for 1.1 million disadvantaged students nationwide and 78,800 children in New York. Title I funds in New York will be cut by $103.1 million in 1996.

Cuts Safe and Drug Free Schools, which 694 out of 716 school districts in New York use to keep crime, violence, and drugs away from 1,746,691 children, their schools, and their communities.

Eliminates Goals 2000, denying improved teaching and learning for as many as 383,400 school children in New York in 1996. By 2002, 910,900 children in New York would be denied improved education, compared with the President's balanced budget.

Eliminates the AmeriCorps National Service program, denying 3,381 young people in New York the opportunity to serve their communities in 1996.

Eliminates summer jobs for 40,385 youths in New York in 1996 and 282,555 youths over seven years. The Republican budget eliminates the summer youth employment program which provides job experience and skills to 600,000 youths each summer.

IMPACT OF NUTRITION CUTS ON CHILDREN IN NEW YORK

Cuts nutrition assistance for 957,000 children in New York in 2002. The House Republican budget cuts foods stamp benefits for families with children in New York by $2.9 billion over seven years and by 31.2% in 2002.

Jeopardizes child nutrition programs on which 2,116,000 children in New York depend. The House Republican budget block grants funding for the school lunch and WIC program. Nationally, their budget reduces funding for child nutrition programs by more than $10 billion over seven years and 11% in 2002, compared with current law.

IMPACT OF PUBLIC HEALTH AND ENVIRONMENTAL CUTS ON CHILDREN IN NEW YORK

Allows sewage to flow into waters where children in New York live and play. The Republican budget reduces new funding to keep water clean by 33% compared with the President's budget.

- New York will lose $40.2 million to treat waste water pollution and protect public health. The cuts means that raw sewage will pour into local waters -- waters that our children often swim and play in -- from outdated treatments systems in New York.

Jeopardizes the water that children in New York drink. Republicans are cutting low-interest loans to cities and towns in New York for drinking water treatment facilities by $36 million in 1996.

Pollutes the air that children living near one oil refineries in New York breathe. This refinery emitted more than 4,255 pounds of toxic air pollution in 1993, putting children in the surrounding communities at risk of serious health problems, including cancer and respiratory illnesses such as asthma. The Republican budget halts the President's effort to protect the health and safety of children living near these refineries.

Exposes children in New York to hazardous waste. The Republican budget cuts spending on toxic waste cleanups by 36% -- $560 million -- below the President's balanced budget in 1996.

- **Nationally, *five million children* under the age of four live within four miles of a Superfund site.** These cuts will stop or slow the clean-up of sites nationwide that pose a threat to public health and the environment

- **There are at least 20 toxic waste sites in New York. The Republican cuts will stop or slow the clean-up of sites near the following communities in New York: Minetto, Franklin Square, Sag Harbor, Hicksville, Maybrook, Massena, Endicott, Vestal, Vestal, Niagara Falls, Elmira, Horseheads, Holbrook, Oyster Bay, Port Jervis, Hyde Park, Malta, Saratoga Springs, Courtland, and Batavia**

IMPACT OF CUTS ON SAFETY NET FOR CHILDREN IN NEW YORK

Denies 24,000 children in New York child care assistance in 2002. The House welfare bill block grants and cuts federal child care funding for low-income children in New York by $174.9 million over seven years, cutting child care assistance to 24,000 children in New York.

Cuts foster care and adoption for vulnerable New York children by $882.5 million over seven years compared with current law. The House welfare bill cuts child protection for abused and neglected children in New York by 16% in 2002.

Eliminates cash assistance for 4,630 children in New York simply because they were born to unmarried mothers under 18, when the House welfare bill is fully implemented in 2005.

Cuts assistance for 216,000 children in New York simply because their paternity has not been established, when the House welfare bill is fully implemented in 2005.

IMPACT OF ENERGY CUTS ON CHILDREN IN NEW YORK

Eliminates home energy assistance for 1,236,543 children in New York. The Republican budget eliminates $163.7 million that helps low-income families in New York with their home heating and cooling bills. Lower energy bills allow families to spend more money on basic needs.

Denies about 4,826 children in New York protection from bad weather conditions. The Republican budget cuts weatherization assistance for families' homes in New York by $8.8 million in 1996.

IMPACT OF HOUSING CUTS ON CHILDREN IN NEW YORK

Forces families of 305,900 children in New York to pay more rent. The Republican budget raises rents by an average of $200 a year for the 1.4 million low-income families with children assisted by Section 8 nationally. The median income of these families is only $6,800.

Denies families of 7,932 children in New York the opportunity to move from public housing to renting their own home. The Republican budget eliminates funding for new Section 8 certifications and vouchers, denying rental assistance to low-income families and children who wish to live in privately-owned housing.

Eliminates protection for 115 children in New York from drugs and drug-related crimes in public housing. The Republican budget zeroes-out the Public Housing Drug Elimination program which protects more than 1 million children living in public housing nationwide from drugs and drug-related crimes. Funds will be eliminated for public housing tenant patrols, local law enforcement activities, security personnel, and physical improvements to improve security.

27,922 children in New York will be forced to remain in poor and unsafe housing conditions. The Republican budget cuts public housing modernization in New York by $61.5 million in 1996, severely hindering efforts by housing agencies to rehabilitate run down public housing projects and provide much needed security and anti-crime programs.

31,958 children in New York will have to go without basic housing needs. The Republican budget cuts public housing operating subsidies in New York by $83.5 million -- a cut of 14% in 1996 -- forcing local agencies to neglect basic housing needs, such as fixing leaking ceilings and broken windows and providing security and social services.

Denies assistance to 1,963 homeless children in New York. The Republican budget cuts homeless assistance by 40% in 1996, cutting funding for the homeless in New York by $52.1 million in 1996.

ECONOMIC PROGRESS IN NEW YORK UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, wering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of e results for New York after the first 32 months of the Clinton Administration:

Improved Economic Conditions in New York:

- The unemployment rate has dropped from 8.5% to 7.1%.
- 144,200 new jobs added in 31 months -- after 520,800 lost during the previous 4 years combined.
- 174,200 new private sector jobs added in 31 months -- after 498,100 lost during the previous 4 years combined.
- 49,300 manufacturing jobs ***LOST*** in 31 months -- after 213,200 lost during the previous 4 years combined.
- New business incorporations have increased 5% **per year.**
- Business failures have dropped 25% **per year** – after increasing 35% **per year** during the previous 4 years.
- Bankruptcy filings have dropped 29% **per year** -- after increasing 11% **per year** during the previous 12 years.
- Bank lending has increased by $43.0 billion -- after dropping by $82 billion during the previous 8 years.
- The Help Wanted Index has increased 24%.
- Consumer confidence has increased 24%.

hat President Clinton's Accomplishments Have Achieved for the People of New York:

$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN NEW YORK: The national debt will be **more than $1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about $15,000 of reduced federal debt for each family of four in New York.

6 TIMES MORE NEW YORK FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 890,568 working families in New York will receive a tax cut. This compares to an increase in the income tax rate for only the 148,562 wealthiest taxpayers in New York.

TAX CUT FOR 80,373 SMALL BUSINESSES IN NEW YORK: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 80,373 small businesses in New York are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

3,141,000 NEW YORK WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 3,140,640 workers in New York, and protects the jobs of 188,672 workers in New York who are likely to use unpaid leave this year alone.

2 MILLION STUDENTS AND FORMER STUDENTS IN NEW YORK WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 2 million New York borrowers -- 1.4 million current borrowers and 600,000 new borrowers in the next few years -- can take advantage of the new direct student loan ogram by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent

November 2, 1995

TO: Mrs. Clinton

FROM: Pam Cicetti

Patsy Thomasson recently solicited names of doctors who had been helpful to us with health care to be put forward as part of a delegation to the 26th Annual Red Cross and Red Crescent Conference in Geneva, December 3-7. The conference is held every five years and Cy Vance is the head of our delegation this year. The discussion will be on international humanitarian affairs. We came up with three names put forward with your imprimatur. They included Mitchell Rabkin, President, Beth Israel; Spencer Foreman, President, Montefiore; and Michael Johns, Dean School of Medicine at Johns Hopkins, in that order of priority. Rabkin turned it down, but earlier today, Spencer Foreman accepted. He is absolutely thrilled. You are seeing him today.

Fax Cover Sheet

The White House
Office of Public Liaison

Alexis M. Herman, Director

Fax: (202) 456-6218 Phone: (202) 456-2930

To: Jennifer Klein

62878	
Fax Number	*Phone Number*

From: Marilyn Yager - 456-6683

Date:

Comments:

Number of Pages (Including Cover) 2

Federal Medicare and Medicaid Proposals are Unfair to New York

New Yorkers Need a More Reasonable Plan

Drastic proposals before Congress to reduce spending in Medicare and Medicaid by $440 billion over seven years will affect the whole nation's health care system, but they will devastate New York hospitals and nursing homes, their patients and communities. Why does New York suffer more?

- Because New York serves a disproportionate number of elderly, disabled, chronically ill and poor patients, and the proposals include major cuts in special payments for hospitals serving these patients.
- Because New York trains 15% of the nation's physicians and the proposals include deep, targeted cuts in Medicare payments to teaching hospitals.
- Because New York is highly dependent on Medicare and Medicaid funding; 75% of inpatient days in New York City are covered by the two public programs.
- Because New York's highly-regulated health care system has left its providers in a precarious financial condition compared to their counterparts across the country; New York ranks 50th among the states in profitability and cash reserves.*
- Because New York's economy is unusually dependent on the health care industry.

What's At Stake...

If enacted as currently proposed, the Medicare and Medicaid cuts will deliver a blow to New York City that is double its proportionate share. Over seven years, cuts to hospitals will total $12 billion in New York City and $20 billion in New York State. Payments for long term care and personal health services will decline by $7 billion in New York City and $11 billion in New York State.**

The Medicare and Medicaid cuts will:

- Reduce needed service levels and access to care.
- Reduce projected employment by 126,000 in New York City and 204,000 in New York State.**
- Cause the personal income of New Yorkers to decline by 2.5%.**

These are cuts that New York cannot withstand. New Yorkers must work with our elected representatives and with our business, community, and health care leaders to create a more reasonable plan that does not penalize New York and New Yorkers.

* Source: The Center for Healthcare Industry Performance Studies at the Ohio State University
** Source: Barents Group, a division of KPMG Peat Marwick

Prepared by Greater New York Hospital Association
For more information, contact (212) 246-7100

MORANDUM

to: Marilyn Yager
from: Corina Cortez
subject: November 2nd Health Care Rally
date: October 30, 1995

As you requested, I put together a list of participants in the "Keep Patients First–Save Our Health Coalition" rally scheduled for November 2nd. To date, the list includes representatives from hospitals, nursing homes, labor unions, religious, seniors' and children's organizations.

Congressman Richard Gephardt (D-3rd MO) – not confirmed

Mayor Rudolph Giuliani – not confirmed

Dennis Rivera	President, 1199, National Health & Human Service Employees Union
Marian Wright Edelman	President, Children's Defense Fund
Kenneth E. Raske	President, Greater New York Hospital Association
Lewis Rudin	Association for a Better New York
Louise B. Greilsheimer	President, United Jewish Appeal – Federation of Jewish Phil.
Daniel Sisto	Healthcare Association of New York State

Senior Citizen Representatives:

Seniors' Groups:	Eleanor Littwak, New York Senior Action AARP
Nursing Home Resident:	Mrs. Reider, Resident, Jewish Home and Hospital
Children's Representative:	Dr. Burt Grebin, President, St. Mary's Hospital for Children
Disabled Representative:	Marilyn Saviola, Exec. Director, Center for Independence of the Disabled

Religious Organizations:

Catholic:	Priest
Jewish:	Rabbi
Protestant:	Rt. Rev. Orris G. Walker, Jr., President, Episcopal Health Services

Patient/Consumer Advocates:

Patient Advocate:	Art Levin
Consumer Advocate:	GMHC

Provider Representatives:

Hospitals:	David Rosen, President, Jamaica Hospital Medical Center
Nursing Homes:	William Frohlich, President, Beth Abraham Hospital
Home Health:	

REPUBLICAN BUDGET WIPES OUT QUALITY STANDARDS FOR NURSING HOMES AND INSTITUTIONS CARING FOR THE MENTALLY RETARDED

November 2, 1995

DRAFT

DRAFT

Republican Budget Jeopordizes Fundamental Protections for Nursing Home Residents

- Under the guise of reform, the House Republican budget throws away decades of progress by repealing federal nursing home quality standards. Without these federal standards and enforcement, nursing home residents will be vulnerable to abuse and neglect, to being inappropriately restrained, and dumped onto the streets when they run out of money.

- In response to criticism, Senate Republicans reinstated the federal standards, but allow states with "equivalent or stricter" standards and enforcement to receive Medicaid waivers. Yet the federal government would have *no way to ensure that states maintain and enforce these standards.* And states would have to enforce their standards with much less Medicaid funding than they receive under current law.

- Moreover, both House and Senate plans repeal the requirement that Medicaid cover nursing home care at all. Their cuts will force states to deny coverage to hundreds of thousands of nursing home residents by 2002.

Both Senate and House Republican Budgets Entirely Repeal Standards for Institutions Caring for People with Mental Retardation and Developmental Disabilities

- *Both eliminate federal standards, and do not require states to issue standards that would assure even the most basic rights,* such as protection from abuse and neglect, treatment designed to assist the person to achieving the greatest level of independence, and the right to adequate health care. States do not currently have such standards.

- Neither plan requires states to maintain their current level of services -- in facilities or in home and community-based care -- for people with mental retardation and developmental disabilities. And both plans eliminate the guarantee of anything more than custodial care.

Medicaid Currently Ensures Quality Nursing Home Care and Fundamental Protections
In 1986, a major report documented widespread substandard or poor care at nursing homes in every state. In response to these deplorable conditions, President Reagan signed into law federal minimum standards for nursing homes that: protect nursing home residents from abuse and neglect; limit the use of physical and chemical restraints; prohibit nursing homes from evicting residents when they run out of money and qualify for Medicaid; give nursing home residents the right to appeal decisions without retribution; and ensure that nursing aides are trained and do not have a history of abuse. The 1987 law has dramatically improved the quality of nursing home care, but more progress is needed. HCFA surveyors continue to find substandard care at nursing homes inspected by states.

Medicaid Currently Provides Standards for Institutions Caring for the Mentally Retarded
Prior to the adoption of federal standards, people with mental retardation and developmental disabilities were routinely subject to abuse and lacked even minimally safe and sanitary living conditions. In response, federal standards were adopted in the 1970s and strengthened under President Reagan. *The federal presence has made a difference -- the federal process on average finds more than twice as many facilities out of compliance as states do (17% vs. 7%).*

Jon - FYI
Chris J.

NOTE TO: Nancy-Ann Min/Mark Miller (OMB)

FROM: Debbie Chang (OLIGA)

Senator Kennedy's office has requested information on the distribution of Medicare beneficiaries by income. Specifically, they would like information they could use to support statements that the increase in Part B premium proposed by the Republicans falls disproportionately on low-income elderly.

We attach two tables and a summary sheet for clearance. The tables and summary reflect comments from component in HHS.

So that we may respond to Senator Kennedy in a timely manner, please provide us with your clearance by noon, Friday, October 20. If you have any questions, please call Sharon Arnold at 690-5705, or Jim Hart at (410) 786-4523.

CC: Bruce Vladeck
Annette Coates

Distribution of Medicare Beneficiaries by Income

The attached two tables present data on the distribution of Medicare beneficiaries by income.

The first table shows, in cumulative percentage terms, the income distribution of Medicare beneficiaries living in the community in 1993. This table uses data from the Current Beneficiary Survey.

- 32 percent of beneficiaries had incomes below $10,000 in 1993.
- 51 percent of beneficiaries had incomes below $15,000 in 1993.

The second table shows Medicare Part B enrollment by income level and insurance status as of 1992.

- 20 percent of beneficiaries had incomes less than 100% of the poverty level, and 54 percent of beneficiaries whose incomes are less than 100 percent of poverty level do not also have Medicaid coverage.
- Thus, for those beneficiaries at less than 100% of the poverty level, 54 percent would face the entire increase in the Part B premium without assistance from Medicaid.
- For beneficiaries with incomes less than 200 percent of poverty (58 percent of beneficiaries), 76 percent do not have Medicaid coverage and so would face the full premium out-of-pocket.

NOTE: Income represents total gross income, and includes pensions, Social Security, Railroad Retirement, and disability payments; the cash value of food stamps and public assistance payments; capital gains, annuities, VA and workers compensation benefits; interest, dividends, and work-related income.

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WP5.1

Income Distribution of Medicare Beneficiaries Living in the Community

Income	All (Cumulative %)	Aged (Cumulative %)	Disabled (Cumulative %)
$5,000 or less	7.3	6.7	12.7
$10,000 or less	32.0	29.5	54.8
$15,000 or less	51.0	48.9	70.3
$20,000 or less	64.2	62.6	78.8
$25,000 or less	74.2	73.1	84.0
$30,000 or less	80.9	80.0	88.7
$35,000 or less	85.6	84.8	92.7
$40,000 or less	88.7	87.9	95.2
$45,000 or less	90.6	89.9	96.2
$50,000 or less	92.8	92.3	96.7
All reporting income	97.8	97.6	98.5
Total (including those not reporting)	100.0	100.0	100.0

Note: Includes only the continuously enrolled. Non-community residents have been deleted from this analysis. Percentages do not add exactly to 100 due to rounding.

Source: Health Care Financing Administration: Medicare Current Beneficiary Survey, Round 7, September 1-December 31, 1993

(Table from: Adler, G., "Medicare Beneficiaries Rate Their Medical Care: New Data from the MCBS," *Health Care Financing Review*, Summer, 1995.)

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WP 6.1

Medicare Part B Enrollment by Income and Insurance Status, 1992
(Cumulative Percentage)

Income as a Percent of Poverty

	less than 100%	less than 125%	less than 200%	less than 400%	Total
Medicaid (N=5332)	62.0	82.6	92.3	94.6	100
HMO (N=23900)	12.9	30.0	53.3	86.0	100
ESI Private (N=12413)	6.6	12.3	40.0	80.8	100
Other Private (N=11232)	14.8	28.6	58.9	86.9	100
Medicare only (N=4279)	25.2	45.5	69.4	84.6	100
Total (N=35646)	20.1	32.6	57.9	85.6	100

Note: Numerical values (N) are in thousands. The aggregate non-response rate on income was 2.6%. The response rate on income viewed by insurance category from 90.4% for Medicare only to 99.1% for Other Private.

Source: Health Care Financing Administration: unpublished data from Medicare Current Beneficiary Survey, 1992

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October 30, 1995

TO: Distribution

FROM: Chris Jennings

SUBJECT: Senate Budget Reconciliation

Attached is a list of amendments offered during a Senate Budget Reconciliation debate. The information provided gives a short summary of the amendments and the outcome of the vote.

Thought you might like to have on hand. Please call me at 456-5560 with any questions.

MEMORANDUM

October 27, 1995

TO: Jerry Klepner

FROM: Jane Lee, Carl Taylor, Geri Goins, Helen Mathis

SUBJECT: Senate Floor Consideration of Budget Reconciliation

The Senate voted at 12:00 midnight after three days of debate 52-47 to pass the Senate Budget Reconciliation bill. One Republican voted against the bill Senator William S. Cohen (Maine), who is concerned about the tax cut. All Democrats voted against the bill.

Democrats succeeded in using the Byrd rule to strike the bulk of the welfare reform provisions from the bill on a vote of 53-46.

A record was broken in the Senate on the most roll call votes in one calendar day. The record breaking 35th vote was on an amendment offered by Senator Byrd (D-WV).

The Senate will not be in session on Monday, October 30.

Below is a description of amendments and other floor action that occurred:

#2955 -- Grassley amendment permits IHS to get funding from Medicaid. Approved by voice vote without objection.

#2978 -- Gramm amendment to strike requirement for States to provide Medicaid benefits for pregnant women and children, elderly and disabled beneficiaries. Defeated 22-77.

#2979 -- Kerry/Kennedy amendment expressing sense of Senate that the Senate intends to debate and vote on raising the minimum wage prior to end of current session. Defeated 51-48 on point-of-order (violates Budget Act).

#2980 -- Dominici/Murkowski/Johnston technical amendment. Approved by voice vote.

#2981 -- Kennedy/Kassebaum/Graham amendment to prohibit the use of pension funds for non-retirement purposes. Approved 94-5.

#2982 -- Wellstone/Feingold amendment to eliminate corporate tax deduction for depreciation and intangible costs related to oil

drilling and certain other industrial development activities. Defeated 25-73 on point-of-order (violates Budget Act).

#2983 -- Pryor/Cohen/Graham amendment to restore Federal nursing home standards. Approved 51-48. (Bill managers have drafted an alternative in consultation with Senators Chafee and Cohen, also

including Federal standards, that will be included in the Finance Committee manager's amendment.)

#2984 -- Simon/Conrad amendment to eliminate the tax cut, adjust CPI, and restore some funding to Medicare, Medicaid, student loans, etc. Defeated 19-80 on point-of-order (violates Budget Act). Dole -- ready to go to 3rd tier, asked for votes to be 7.5 minutes.

#2985 -- Specter amendment to restore cuts in indirect medical education payments. Defeated 47-52 on point-of-order (violates Budget Act).

#2986 --

#2987 --

#2988 -- Baucus amendment regarding oil drilling tax allowances. Defeated 48-51 on point-of-order (violates Budget Act, would increase deficit over $3 million).

#2989 --

#2990 --

#2991 -- Baucus amendment regarding
Defeated 43-56 on point-of-order (violates Budget Act).

#2993 -- Domenici amendment for D'Amato. Withdrawn.

#2994 -- Hutchinson/McCain amendment regarding human rights violations in Yugoslavia. Delayed, then approved later on voice vote without objection.

#2995 -- Heflin/Shelby amendment regarding civil damages for wrongful death. Approved on voice vote.

#2996 -- Kennedy amendment to prohibit all balance billing in Medicare Choice plans. Defeated on motion to table 52-47.

#2997 --

#2998 -- Faircloth amendment to permit "Oakar" banks to move 10 percent of deposits to the Bank Insurance Trust Fund from SAIF.

#2999 -- Feingold (Pressler/Grams/McCain/Kohl) amendment strikes provision in S.1357 giving special treatment to California cheese processors. Would save $20 million. Defeated 41-58 on motion to table.

#3000 -- Feingold/Wellstone amendment to eliminate the percentage depletion allowance for mercury, uranium, lead and asbestos.

#3001 -- Feingold amendment to provide for home and community-based services for individuals with disabilities.

#3002 -- Kohl amendment to allow family farmers who farm the land to roll over up to $500 thousand into IRA when they sell the land; offset by tax on foreigners who sell land. Approved on both sides and approved by voice vote.

#3003 -- Dole/Kohl/Grassley/Roth amendment to increase the deductibility of business meal expenses.

#3004 -- Cochran amendment to create an export class for dairy products. Motion to waive Budget Act was agreed to 65-34, and the amendment was approved on voice vote.

Motion -- Lautenberg motion to eliminate tax cuts for individuals earning $1 million or more and apply the savings to Medicare and Medicaid.

#3005, #3006 -- Craig, Dole second degree amendments to Lautenberg motion, changing the implementation date of the tax credit for adoption assistance.

#3007 -- Lautenberg second degree amendment to Craig and Dole amendments to eliminate tax cuts for individuals earning $1 million or more and apply the savings to Medicare and Medicaid. Move to table the amendment was approved 55-44.

#3008 -- Nickles amendment (for Dole, Roth, Snowe, and Chafee) to strike the requirement in S.1357 for States to collect a user fee for child support enforcement (in effect a 6.6 percent tax). Bradley said that he was going to offer the same amendment. Approved on voice vote.

#3009 -- Moynihan amendment to strike the 40 percent reduction in medical education payments and restore $9.9 billion to bill. Defeated 48-51 on point-of-order (violates Budget Act).

#3010-3014 -- Approved en-bloc by voice vote. One of the amendments was by Graham to ensure emergency services for Medicare beneficiaries.

#3015 -- Lieberman amendment to restore solvency of Medicare for 10 years and offer choice to Medicare beneficiaries. Defeated 46-52 on point-of-order.

#3016 -- Simpson amendment to require annual Federal Budget to include a chapter on generational accounting. Approved by voice vote without objection.

#3017 -- Wellstone/Chafee amendment to provide States the flexibility to continue to provide current Medicaid benefits for disabled. Not a mandate. Approved by voice vote without objection.

#3018 -- Dodd amendment to restore Medicaid benefits for pregnant women and children. Defeated on motion to table 49-50.

#3019-3021 -- Three amendments considered en-bloc. Feingold, Mosley-Braun, and Rockefeller (and Feinstein) amendments would help low-income families get health insurance when they move from welfare to work, help families get long-term care insurance, and help with benefits for pregnant women and children. Defeated 45-54 on point-of-order (violates Budget Act).

-- Mikulski motion to instruct conferees on clinical laboratory standards.

-- Harkin substitute for agriculture provisions in S.1357 to save $4 billion rather than $12 billion. Defeated 31-68 on point-of-order (violates Budget Act).

#3024 -- Specter. Sense of Senate resolution to enact a flat tax. Defeated 17-82 on point-of-order (violates Budget Act).

#3021 -- Wellstone/Lieberman amendment limit farm payments to $40,000 per year. Saves $1.6 billion over 7 years. Defeated 64-35 on move to table.

#3022 -- Domenici for Brown amendment on lease purchase agreements between agencies agreed to by voice vote.

#3023 -- Bradley amendment to strike the provision of the prepayment of construction debt at a subsidized rate. Motion to table was agreed to 60-39.

Leahy amendment on work transition regarding welfare was not voted on.

Chafee made a point of order against Hyde language. Nickles motion to waive the point of order was defeated 56-43.

#3025 -- Bumpers amendment regarding mining royalties of 50%. Motion to table was agreed to 56-43.

Mikulski offers the motion to instruct guaranteeing clinical improvement standards and to reject the provisions in the House bill which repeal CLIA 1988 was defeated 49-50.

Smith/Nickles motion to instruct conferees to recede to the House amendment relating to the prohibition on federal funding for

Medicaid Abortions except to save the life of the mother or in cases of rape or incest was agreed to 56-43.

#3026 -- Domenici/Bingaman amendment to eliminate reasonable cost reimbursement under the medicare program of legal fees after an unsuccessful appeal of denied claims was agreed to by voice vote.

#3027 -- Domenici for Lott/Jeffords amendment that specific prohibition on the sale of assets to balance the budget was agreed to by voice vote.

#3028 -- Bumpers amendment to restore fiscal sanity to the budget process by prohibiting the scoring of asset sales to ensure that taxpayers are adequately protected. Domenici made a point of order. Motion to waive the point of order was defeated 49-50.

#2942 -- Byrd Amendment increases the time of debate the time 20 hours to 50 hours for reconciliation. Motion was agreed to 47-52. Amendment in violation of the Byrd rule.

#3035-- Bumpers motion to table his Hard Rock Mining amendments was agreed to on a vote of 55-44.

#3031 -- Bradley amendment to strike provisions on Estate taxes. Motion to table the amendment was agreed to on a vote of 72-27.

#3032 -- Bradley amendment to eliminate the tax deduction for advertising tobacco products. Motion to waive the budget act was not agreed to on a vote of 23-76.

#3033 -- Dorgan & Harkin amendment to changes the capitol gains provisions in the legislation to limit a life time deduction of $250,000. The second part of the amendment would not allow individual who move out of the country for a period of 180 days to neglect paying taxes. Motion to table agreed to on a vote of 65-35.

Lautenberg motion to recommit the bill to Finance committee to evaluate the tax deduction for individuals that operate their business out of their home. Motion not agreed to on a vote of 39-60.

#3035 -- Simon/Stevens/Breaux amendment would add additional provisions to the section of the bill that deals with employee stock option plans. A motion to table the amendment was agreed to on a vote of 56-42.

Byrd motion to eliminate the tax cuts in the bill and have the savings go towards deficit reduction. Motion failed on a vote of 53-46.

#3036 -- Wellstone amendment dealing with deep water oil failed on a vote of 28-71.

#3038 -- Roth amendment to make various changes in the spending control provisions in the matter under the jurisdiction of the Committee on Finance i.e. medicare, medicaid and other Finance Committee Programs. This amendment was agreed to on a vote of 57-42.

Exon -- raised a point of order about some 49 extraneous provisions (manily welfare provisions) in the bill. The motion to wave Budget Act was not agreed to on a vote of 53-46.

Three provisions that violate the Byrd rule will be dealt with (taken out) in Conference -- agriculture provisions, tree assistance program and Commerce Committee language on the spectrum.

The Impact of Medicare and Medicaid Cuts on America's Cities

I. Hospitals Play a Central Role in City Economies

A. Health Care Institutions are Major Employers in Central Cities.

- Health care institutions are the #1 employer in Durham, NC (16.5 percent); Oklahoma City, OK (9.4 percent); Portland, OR (9.4 percent); Oakland, CA (9.4 percent); Philadelphia, PA (12 percent); and Milwaukee, WI (10.4 percent).

- Health care institutions are the second largest employer in Phoenix, AZ (7.8 percent); Miami, FL (7.6 percent); Cincinnati, OH (12.1 percent); Detroit, MI (11.1 percent); and Cleveland, OH (10.6 percent).

- Health care institutions are the third largest employer in Pittsburgh, PA (14.2 percent); Indianapolis, IN (9.8 percent); Denver, CO (9.2 percent); Kansas City, MO (9.7 percent), and Washington, D.C.(6.5 percent).

Source: 1995 report by the Center for Community Partnerships, University of Pennsylvania

B. The health care industry generates substantial multiplier effects for city economies.

- In 1991, Chicago area hospitals employed 137,700 full time equivalents. Indirectly, this employment produced an additional 245,100 jobs in the regional economy.

- Each 100 jobs produced by Chicago-area hospitals generates an additional 178 jobs throughout the area.

- Chicago-area hospitals generate $28.2 billion in economic activity each year, or 12 percent of the gross regional product.

- Each $1 million of services produced by area hospitals generates an additional $2.23 million of output in the local economy. Each dollar of hospital services generates more than a dollar of production and spending in the local economy.

- Each $1 million in wages/salaries paid to hospital employees generates an additional $1.08 million in regional wages/salaries.

Source: 1994 Coopers and Lybrand study

C. Health Care Industry is a major employer of low-skilled city residents and one which offers them ladders into middle-class jobs.

II. Proposed Medicare and Medicaid Cuts would substantially reduce jobs and economic activity in cities.

New York City

- In 1996, the City would lose 17,000 jobs as a result of the Federal health spending cuts. By 2002, the job loss would increase to 140,000 with most of these (112,000) coming from the health care industry. In 2002, the job loss would be 3.0 percent of the City's employment.

- Similarly, personal income in New York City would decrease by 0.3 percent in 1996 expanding to a 2.7 percent decline in 2002.

- Combined reductions in federal Medicare and Medicaid payments over the next seven years could total $24 billion in New York City, $4 billion in Long Island, $3 billion in the northern metropolitan area, and $39 billion in New York State.

- Proposed Medicare reductions fall most heavily on hospitals. Almost two-thirds of the provider payment reductions would come from payments to hospitals. New York City alone would lose over $6 billion in federal Medicare hospital payments over the next seven years.

- Based on current expenditure patterns, hospitals and long term care facilities would be most severely affected. New York City long term care facilities and hospitals could each lose about $6 billion federal dollars over the next seven years.

- Over seven years, Medicare Part B premium increases could total $2 billion for New York City residents.

Source: Greater New York Hospital Association

Philadelphia

- The five county Philadelphia area anticipates a loss of $6.1 billion in reimbursement costs. $2.3 billion of this impacts the city hospitals.

- The city of Philadelphia expects to lose 29,000 jobs as a result of the

proposed cuts.

Source: Delaware Valley Hospital Council

New York State

- The State of New York would experience significant reductions in employment from the reductions in Federal health spending. These decreases in employment would expand over time ranging in a job loss of 26,000 in 1996 to 239,000 by 2002. This reduction represents 2.2 percent of projected State employment in 2002. The reduction in personal income of 2.3 percent in 2002 for the State is similar to the percent reduction in employment.

Employment Impacts Nationwide

- The nationwide impact of the Federal health spending reductions on employment would be a modest reduction in employment in 1996 expanding to a significant reduction by 2002. In 1996, the jobs lost would be 181,000 or 0.1 percent but by 2002 the reduction in employment would expand to 1.5 percent of total U.S. employment.

Source: New York Hospital Association

Chicago (based on proposed $124 billion in Clinton Health Plan Medicare reductions)

- Local hospitals could experience a loss of $253 million in 1996, $389 million in 1997, $639 million in 1998, and $783 million in 1999.

- The Chicago area economy would experience an 8.9 percent reduction in goods and services, an 8.8 percent reduction in personal income, and an 8.7 percent reduction in employment in 1999.

The New York Times

NEW YORK, SATURDAY, OCTOBER 21, 1995

$1 beyond the greater New York metro

PUBLIC HOSPITALS FACING DEEP CUTS BY MEDICARE BILL

NEW YORK TO BE HIT HARD

M sure to Reduce Financing for Teaching Programs and for Services to the Poor

By ESTHER B. FEIN

The sweeping cuts in Medicare making their way through Congress would force major teaching and public hospitals around the nation to retrench drastically or face closure, and to slash doctor-training programs that are the backbone of medical care in many poor neighborhoods, according to health care experts.

The bitter debates over Medicare have focused on its role as the nation's health care system for the elderly. But the $178 billion program is also the largest subsidizer of medical training in the country, and helps hospitals serving poor and uninsured patients.

Nowhere will the effects be felt more than in New York City, where 15 percent of the nation's medical students train and where more medical care is provided to the poor than anywhere else.

If the Medicare overhaul becomes law, Bronx-Lebanon Hospital, in the South Bronx, for example, will lose financing for most of the salaries for about 83 percent of its medical residents, who provide the bulk of its patient care. New York City's 11 public hospitals will lose nearly $800 million over seven years if the bill becomes law.

In North Carolina, officials of Duke University, which has one of the nation's premier teaching hospitals, say they will lose 90 percent of the money they depend on for training doctors.

"What people need to understand is that these cuts reach beyond the Medicare population," said Kenneth E. Raske, president of the Greater New York Hospital Association, a trade organization. "There is no such thing in a hospital as a Medicare nurse or a Medicaid nurse or a Blue Cross/Blue Shield nurse. Hospitals combine different streams of revenue to pay for everything they do, and so cuts in Medicare payments affect everyone who comes through their doors."

Republicans say the entire Medicare program must sustain cuts in order to survive. And many experts say there is already less of a need for big hospitals as insurance companies and health maintenance organizations push for shorter hospital stays and more preventive care.

In New York, for instance, city officials contend that there are too many hospitals, many just blocks from each other. The administration of Mayor Rudolph W. Giuliani wants

Continued on Page 8, Column 1

Public Hospitals Would Face Medicare Cuts

Continued From Page 1

to close or shrink some of the hospitals in the city's vast public health care system.

Some experts also say that current programs overemphasize specialty training, when primary care is the way of the future.

Though Medicare was created to provide care for the elderly, it also provides hospitals with about $150,000 each year for every new doctor they train. In addition, the program pays premiums to hospitals serving disproportionately large numbers of the poor and uninsured.

Under the House legislation, hospitals will lose $8.6 billion in subsidies for medical education, and $7.1 billion for treating the indigent.

Republicans offer several reasons for the proposed changes in Medicare payments for the training of doctors. In a report on the Medicare bill this week, Republicans on the Senate Finance Committee said that

New York City, the medical teaching nexus of the nation, braces for a blow.

Medicare was paying more than its share of hospital costs for such training.

House Republicans said it was necessary to cut back payments for foreign medical graduates, which in New York City hospitals make up half of the medical residents, as part of a comprehensive effort to control Medicare costs. Moreover, they said, United States citizens should have priority over foreign medical graduates in the allocation of Medicare money.

Hospitals across the country are scrambling to patch the holes these provisions will bore in their budgets. "The margins are vanishing," said Dr. Ralph Snyderman, dean of the medical school at Duke.

If there is less money to hire residents, he said, full-time faculty will have to spend more time treating patients and less time doing clinical research and training new doctors. The ability of the hospital to provide a wide range of charity care will be jeopardized, he said.

"The real danger is that the infrastructure of the nation's academic health system will fall apart," said Dr. Snyderman. "People have to remember that the cost of medicine has to include the cost of education. These cuts will have a chilling effect on that."

Nowhere will these combined cuts hit harder than in New York City, a nexus of many of the nation's most prominent teaching hospitals and many of its poorest residents.

With s than two million uninsured people in New York City, the state ranks second in the nation in so-called disproportionate share payments designed to offset the expense of treating large numbers of poor patients. The House bill cuts those payments by 25 percent.

The state also ranks first in Medicare payments for doctor training, which the bill reduces in three ways.

It phases in a 27 percent cut in the indirect costs of training doctors, such as extra lab tests and the longer hours needed to make up for the slower pace of teaching.

The bill eliminates subsidies for doctors training in subspecialties, a major focus of many of the city's most elite and prestigious teaching hospitals. Hospitals currently receive half the cost of teaching these subspecialists, among them cardiologists, gastroenterologists and neurosurgeons. In New York City, this would affect about 1,800 of the roughly 13,000 resident slots.

The bill also vastly reduces payments for the salaries of foreign medical residents who are not United States citizens, refugees or aliens with permanent residency. About 25 percent of New York's medical residents fall into that category. Many hospitals in the city's poorest and most underserved neighborhoods are staffed largely by such doctors, who provide most of the front-line care at cheaper rates.

To compensate for some of these losses, the bill establishes a Graduate Medical Education and Teaching Hospitals Trust Fund. But the proposal does not specify how much money would be placed in the trust, where the money would come from or exactly how it would operate.

The plan also contains a so-called look-back provision, which means that if the Government does not meet its projected savings, it could retroactively reduce its reimbursement rates and assess hospitals.

"Personally, I am counting on a Presidential veto," said Stanley Brezenoff, president of Maimonides Medical Center in Brooklyn, which faces slashed payments for about half of its 411 residents and interns.

New York City hospitals, like others across the country, are already struggling to keep up with discounts demanded by managed care companies and are staggering from state cuts in their Medicaid reimbursements. Some local politicians and health officials warned that coming on top of those financial threats, the Medicare cuts would cause an economic and health care crisis in the city.

They warned that with more that $12 billion in Medicare and Medicaid cuts to city institutions anticipated under the legislation over the next seven years, more than 100,000 jobs would be lost, hospitals would close in communities where there are no others and services would be pared to such minimal levels that patient care would be imperiled.

Close to $80 billion is spent on health care in New York State each year. Medicare covers t $13 billion of those ; with roughly $7.6

Medicare cuts could be felt by other patients as well.

billion paid to hospitals for reimbursement and doctor training, $3.8 billion paid to doctors and $900 million paid to nursing homes and home health care programs.

"What will happen is something between meltdown and chaos," said James R. Tallon, president of the United Hospital Fund, a philanthropic group. "The danger is there comes a point where patients will not be spared the impact. We're at that point."

At Jamaica Hospital Medical Center in Queens, 38 percent of the residents would no longer qualify for full salary payments from Medicare under the House bill because they are aliens, according to the hospital's president, David P. Rosen. Without that subsidy, hospital officials say they will not be able to employ these doctors.

But their worries about the M - care changes do not end there. They fear that more prestigious hospitals that have also lost funding for some of their residents will lure away young doctors at Jamaica still subsidized by the Government.

"The most vulnerable safety net hospitals will be even more at risk," Mr. Rosen said.

Health officials said that 20 years of rate regulations that do not exist in many other states have left New York City's hospitals operating on the brink of insolvency.

"We may be forced to make changes without adequately thinking through the impact on communities," said Robert Gumbs, executive director of the Health Systems Agency of New York City, a not-for-profit group that tracks health ning information. "It's disastrous."

IMPACT OF PROPOSED MEDICARE AND MEDICAID CUTS ON NEW YORK CITY AND STATE

I. HEALTH CARE CENTRAL TO NEW YORK'S REGIONAL ECONOMY:

- Hospitals, health care services and health-related industries in 1992 accounted for 12.6 percent of total employment in the NY region (688,000 jobs).[1]
- Employment in New York's health sector increased by nearly 27 percent between 1983 and 1992, faster than any other major industry in the region, creating over 120,000 new jobs.[2]
- Besides providing essential health care services to urban residents, hospitals with mortgages insured by HUD are major sources of professional, technical, administrative and entry-level employment in central cities. (Examples include: New York Hospital, which employs over 6,000 full-time employees, 70 percent of whom are women and 60 percent are minority; Montefiore Medical Center, the largest private employer in the Bronx, with over 10,000 employees; Hospital for Special Surgery, which employs 1,400, 62 percent women and 49 percent minority; Maimonides Hospital in Brooklyn, which employs over 3,800 people; and Presbyterian Hospital in Harlem, which has over 6,800 employees.[3]
- In 1992, health services generated nearly $20 billion in receipts in New York State, up 61 percent from 1987.[4]
- New York hospitals annually train about 15 percent of the nation's physicians.[5]

II. HUD'S MAJOR ROLE IN HEALTH CARE-RELATED ECONOMIC DEVELOPMENT IN NEW YORK STATE:

- Since late 1994, HUD's hospital mortgage insurance program has leveraged nearly $1 billion in private capital for much needed hospital renovation and modernization projects throughout the State. These projects generate millions of dollars in additional economic activity and employment.[6]

- Over 6600 construction jobs will have been created once all recently approved and pending projects are completed.[7] (According to Urbanomics, each $1.00 spent in construction in New York City, generates $2.15 in economic activity in the entire region.)[8]

- HUD plays a major role in the financing of health care facilities in New York State. HUD presently insures $4.2 billion in hospital mortgages and $1 billion in construction mortgages for long-term care facilities, including nursing homes.[9]

III. PROPOSED CUTS IN MEDICAID AND MEDICARE WOULD SUBSTANTIALLY REDUCE JOBS, PERSONAL INCOME AND ECONOMIC ACTIVITY IN NEW YORK STATE:

- By 2002, the State of New York could experience the loss of 176,000 to 239,000 jobs because of Federal Medicaid and Medicare cuts, including 107,000 to 140,000 jobs lost (3 percent of employment) in New York City alone.[10]

- Recent State cuts in Medicaid combined with the growth of managed care in the region has already resulted in the elimination of about 5,000 jobs in New York's hospitals and health care facilities.[11]

- Personal income in New York City would decrease by 0.3 percent in 1996 expanding to a 2.7 percent decline in 2002. Similarly, personal income in the State of New York could decline by 1.8 percent to 2.3 percent by 2002.[12]

- Over seven years, Medicare Part B premium increases could total $2 billion for New York City residents.[13]

- Each of New York State's over 2.6 million Medicare beneficiaries could pay as much as $2,825 more in premiums and copayments over seven years; couples could pay at least $5,650 more.[14]

IV. FUNDING FOR HOSPITAL AND NURSING HOME SERVICES IN NEW YORK WOULD BE SEVERELY CUT UNDER THE PROPOSED MEDICARE AND MEDICAID CUTS:

- Combined reductions in Federal Medicare and Medicaid payments over the next seven years could total $24 billion in New York City and $39 billion in New York State.[15]

- Hospitals would be especially hurt by the cuts. New York State hospitals could experience a loss of $19.7 billion in combined Medicare and Medicaid payments by the year 2002.[16]

- $11.1 billion in cuts in Federal Medicaid and Medicare payments for nursing homes and personal health services (including home health care) could occur in New York State by the year 2002.[17]

V. PROPOSED MEDICARE AND MEDICAID CUTS COULD LEAD TO DEFAULTS OF NEW YORK HOSPITALS AND NURSING HOMES:

- New York City alone could lose over $6 billion in Federal Medicare hospital payments over the next seven years.[18]

- Even before Federal cuts in Medicaid and Medicare, many hospitals in New York State can be classified as financially weak. A recent study of 204 hospitals in the State determined that only 17 percent of them were in "good" financial condition, with 27 percent in "critical to poor" condition and 55 percent in "adequate condition."[19]

- Providing health care services to a significant number of indigent and uninsured patients is a major reason for the comparatively weak financial condition of many State hospitals. In 1993, 16.5 percent of New York State's residents were medically uninsured.[20]

- New York State would lose $6 billion in Federal Medicaid funds in the year 2002 alone, a reduction of 27 percent, which would have a devastating impact on the State's current 2.9 million recipients. These cuts would mean that New York could be forced to cut off coverage for 645,000 recipients, likely adding them to the ranks of the State's medically uninsured.[21]

- Being highly dependent on Federal Medicaid and Medicare payments, hospitals with mortgages insured by HUD would be especially hurt by the cuts. (The average Medicare and Medicaid discharges for HUD-insured hospitals in New York are 44.2 percent and 39.2 percent respectively.)[22]

- About one third of HUD-insured hospitals in New York are on HUD's "watch list" because of their current weak financial condition. Some of these hospitals could be especially vulnerable to default as a result of severe cuts in Federal Medicare and Medicaid payments.[23]

- Mortgage defaults by HUD-insured hospitals due to Federal Medicaid and Medicare cuts would result in losses to the Federal Government in the tens or hundreds of millions. (In its 27 years of activity in New York, HUD's hospital mortgage insurance program has operated successfully, with a cumulative claim rate of less than 1 percent in the State, low for any public or private insurance program.)[24]

- Major hospital mortgage defaults in New York State could also adversely undermine the confidence of bond markets, especially in the area of health care financing, resulting in decreased access to capital, increased financing costs to New York hospitals, and higher health care costs to patients.

- Such defaults could also adversely impact national financial markets by raising the cost of capital throughout the country.

SOURCES

1) Federal Reserve Bank of New York, Current Issues, (August 1994), p.2.

2) Current Issues, (August 1994), p.1.

3) New York Hospital
Montefiore Medical Center
Hospital for Special Surgery
Maimonides Hospital
Presbyterian Hospital

4) New York Times, February 27, 1995, p.B-1.

5) New York Times, September 23, 1995, p. 9.

6) HUD: Hospital Mortgage Insurance Staff (HMIS)

7) HUD: HMIS

8) New York Hospital

9) HUD: HMIS

10) Barents Group/KPMG Report, October 12, 1995), for the Greater New York Hospital Association, p.2.

11) Modern Health Care, August 28, 1995, p. 34.

12) Barents/KPMG Report, p.2.

13) Barents/KPMG Report, p.12.

14) White House Press Release, July 28, 1995, "Impact of Medicaid/Medicare Cuts on New York".

15) Barents/KPMG Report, p.2.

16) Barents/KPMG Report, p.11.

17) Barents/KPMG Report, p.11.

18) New York Times, September 23, 1995, p.9.

19) H.C.I.A. Report on the Financial Condition of New York Hospitals, March 9, 1995, for Health Care Association of New York, p.6.

20) New York Times, September 23, 1995.

21) White House Press Release, July 28, 1995.

22) HUD: HMIS.

23) HUD: HMIS.

24) HUD: HMIS.

November 1, 1995

REMARKS AT "KEEP PATIENTS FIRST" HEALTHCARE RALLY

DATE: Thursday, November 2
TIME: 5:30pm
LOCATION: Times Square
New York City
FROM: Marilyn Yager

I. PURPOSE

To highlight the impact of GOP budget cuts on Medicare and Medicaid, to an audience of seniors, health workers, children's advocates, and hospital administrators.

II. BACKGROUND

THE RALLY

A non-partisan coalition of New York organizations (healthcare advocates, hospitals, nursing homes, labor unions, seniors, religious groups, and children's organizations) have formed for the purpose of opposing the GOP congressional budget cuts to Medicaid and Medicare. Our Administration has worked closely with nearly all of these groups on opposing the budget cuts, and in most cases had worked with them on the Health Security Act as well.

This coalition, the Keep Patients First -- Save Our Health Coalition, is sponsoring the rally to build opposition to the budget cuts and to send a strong message to members of Congress. They expect this to be the largest rally health care rally ever held in New York.

The coalition is focusing on three points: these cuts would do irreparable damage to patient care; devastate health care access; and seriously weaken the economy of New York.

The rally begins at 2:30pm at Seward Park with a brief program that Congressman Gephardt will be kicking off. They will proceed up Broadway to Times Square with a finale program beginning at 4:30pm. Your remarks will close the rally. They are expecting a crowd of approximately 8,000 to 10,000 people.

KEY SPONSORS

The two lead organizers of the rally (and of the Coalition) are Dennis Rivera and Ken Raske. Dennis Rivera is the President of 1199 National Health and Human Service Employees Union. Ken Raske is the President of the Greater New York Hospital Association (representing all of the hospitals within the metropolitan area of New York City, both public and private hospitals).

ELEANOR LITWAK

Eleanor Litwak, President of the New York State Council of Senior Citizens, will be introducing you.

Ms. Litwak has worked closely with the New York labor retirees groups since 1976, during which time she has served as the Director of New York City AFSCME Retirees program. She is a former professor at Western Connecticut State University and Eastern Michigan University.

Among numerous appointments, Ms. Litwak was appointed by then Governor Cuomo to the 1995 White House Conference on Aging, after having served on the Governor's Advisory Committee on Aging from 1993 to 1995. She was a frequent surrogate speaker on behalf of the Health Security Act.

Ms. Litwak received her undergraduate degree at Wayne State University and her masters at Columbia University.

NEW YORK AND THE MEDICARE/MEDICAID CUTS

In the Senate bill Republican budget cuts federal **Medicaid** funding to New York by $21.7 billion over seven years (an 18% reduction) and by $7.2 in 2002 alone (a 33% reduction). The House bill would cut $22.4 billion over seven years (a 19% reduction) and $7.2 billion in the year 2002 (a 33% reduction). Even if New York could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 935,401 people, including 498,406 children in 2002, based on analysis by the Urban Institute.

There are over 2.6 million **Medicare** beneficiaries in New York State. The healthcare providers and Medicare beneficiaries would have $18.1 billion less over seven years and $4.5 billion less in the year 2002 alone.

In New York County (includes Times Square) there are over 200,000 Medicare beneficiaries who will loose $1.8 billion over seven years and $468 million in the year 2002.

Additional budget materials attached.

NEW YORK WAIVER

To be added by Diana Fortuna.

III. PARTICIPANTS

List of Speakers at Times Square in order of appearance:
Basil Paterson, (serving as MC) Attorney, former NYS Secretary of State.
Dennis Rivera, President, 1199 Nat. Health Employees Union
Ken Raske, President, Greater New York Hospital Assn.
Louise Greilsheimer, President, United Jewish Appeal
Marion Wright Edelman, President, Children's Defense Fund
Bertha Reider, Resident, Jewish Home and Hosp. for the Aged
David Tuzo, Individual with HIV
Marilyn Saviola, Executive Director, Center for Independence of the Disabled
David Rosen, President, Jamaica Hospital Medical Center
Spencer Foreman, MD, President, Montefiore Medical Center
William Frohlich, President, Beth Abraham Hospital
Ruby Dee, Actress
Eleanor Litwak, President, NYS Council of Senior Citizens
First Lady

IV. SEQUENCE OF EVENTS

- HRC arrives and holds until announced on stage.
- Eleanor Litwak, President of NYS Council of Senior Citizens, introduced First Lady.
- HRC delivers remarks.
- HRC immediately departs stage and rally.

V. PRESS

Open.

VI. REMARKS

Prepared by Jennifer Klein.

FIRST LADY HILLARY RODHAM CLINTON
REMARKS FOR "KEEP PATIENTS FIRST" RALLY
NEW YORK CITY
NOVEMBER 2, 1995

[Acknowledgment: Eleanor Litwak, President, New York State Council of Senior Citizens]

Thank you very much. I want to thank the sponsors for organizing this event and all of you for the work you do. You provide the highest quality health care in the world. You fight for people in this city and in this country who work hard each day to make a living. You represent some of the most vulnerable Americans -- people with disabilities, people living with HIV and AIDS, the elderly, and our children. I am here because, like all of you, I am deeply concerned about the Republican budget plan to cut $440 billion from Medicare and Medicaid.

This debate is not about balancing the budget. The President has said for a long time that we need to balance the budget so we can lift the burden of debt off our children and strengthen our economy. The President and the Democrats in Congress demonstrated this commitment by making the hard choices in 1993 that began to bring the deficit down. It has dropped for three years in a row for the first time since the Truman Administration, and has been cut almost in half since this President took office. And this year we put a plan on the table to finish the job and balance the budget.

We can balance the budget with less than half the Medicare cuts and one third of the Medicaid cuts proposed by the Republicans.

We can balance the budget without making health care unaffordable for Medicare beneficiaries -- 75 percent of whom have incomes of less than $25,000 a year. Without cutting Medicare spending in New York by over $18 billion.

We can do it without cutting Medicaid spending in New York by over $21 billion. And we can do it without forcing states to cut coverage under Medicaid for over 8 million children, older Americans and people with disabilities.

We can balance the budget without raising taxes on families making less than $30,000 a year.

We can balance the budget without threatening employment and the economy in New York.

And we can balance the budget without threatening urban hospitals. According to the American Hospital Association, a typical urban hospital would lose $25 million in Medicare revenue over seven years under the Republican plan. Hospitals in New York -- which train more doctors than hospitals in any other city and serve large numbers of poor and uninsured patients -- could be even harder hit. For many hospitals that are already struggling financially, a $25 million cut simply will mean closing their doors.

Yes, we should balance the budget. But let us do it in a way that reflects the values that we have always held dear in this country. Values like giving every American the opportunity to make the most of his or her own life, strengthening our families, and respecting the duty we all owe to each other.

This budget debate is not just about programs, statistics and dollars; it's about providing for our children's futures and honoring our parents. It's about the intergenerational compact -- which is far more important than any legislative contract -- that says that we owe each other something.

Let there be no mistake: These Republican cuts will <u>not</u> honor the compact among generations. They will pit one generation against another. They will force states to chose between services for the elderly and for children. They will force families to decide whether to pay for nursing home care for their parents or a college education for their children.

What I'd like to focus on today are our children. It has been said that our children are our present and our future, the test of our humanity and our faith. We should ask ourselves a simple question in the budget debate over the coming weeks: will we pass this test or will we fail them and ourselves?

Last week, I visited Babies and Children's Hospital right here in New York to release the Clinton Administration's analysis of the impact of the Republican budget on children. That analysis shows that the Republican budget is an attack on all children.

We are not talking only about poor children. I would wish that, if we were, there would be an uproar and an outcry from every person in our country -- that we should not do to the most vulnerable children among us what we would not let anyone do to our own children.

But these budget cuts go much farther. They will deny millions of children the basics: health care, schooling, proper food, a safe place to live, a secure neighborhood, and air and water that are clean enough to breathe and drink. By stripping away environmental and safety protections and by slashing vital programs, the Republican budget is an assault on every child's future.

While I was at Babies and Childrens' Hospital, I talked with children on Medicaid and their parents about what these cuts will mean to them. I was struck by a sad contrast. On my recent trip to South America, I visited many countries, poorer than ours, that are struggling to provide the most basic health care for their nation's children. I saw how hard those nations are working to invest in their children. At Babies and Childrens, I saw the miracle of high quality health care -- the promise of that investment -- and I wondered how the United States Congress could even consider reversing its own historic commitment to the children of America.

Our children have too few anchors as it is today.

Today, one in five children in our country -- 15 million -- live in poverty. Ten million do not have health insurance. Some 7,000 are lost to homicide and suicide every year. One in three are born to unmarried mothers, and more than 34,000 babies die each year before their first birthday.

Now is no time to take a step backwards. And that is exactly what this Republican budget proposes to do.

Let me give you a few examples. The Republican budget would eliminate HeadStart -- the program that helps children get ready to learn -- for 180,000 children. It would eliminate Goals 2000 which sets standards for teaching and learning in American. It would cut nutrition assistance for 14 million children and reduce funding to keep drinking water clean. It would do away with the President's national service program known as AmeriCorps in which young men and women earn their way to college by performing community service. Very simply, the Republican budget would cut back on our investments in children from the time they are born until the time they reach adulthood.

I want to talk for a few moments about health care for children, because here the Republican budget cuts are particularly cruel.

What we are seeing is the social safety net known as Medicaid being dismantled at breakneck pace. It is being dismantled with very little discussion and no real dialogue. Decisions are being made in great haste -- not only about who pays for health care in America -- but about who gets health care, and who doesn't.

Medicaid is the primary source of health coverage for nearly a quarter of all children in America -- and one in three children under 3. More than half of the children on Medicaid live in families with working parents.

Medicaid is the primary source of health coverage for millions of children who are disabled or who suffer from chronic illness.

It is the primary source of health coverage for nine out of ten children with HIV and AIDS.

Medicaid is the primary source of prenatal and maternal health care for low-income pregnant women.

Medicaid is also an important source of long-term care for older Americans. Over two-thirds of nursing home residents are on Medicaid.

Medicaid is literally a lifeline for many, many millions of Americans.

The Republican budget cuts would eliminate health care coverage through Medicaid for nearly one-half million children in New York alone, and four and a half million nationwide by the year 2002.

Ripping apart this safety net is not the American way.

It is not the American way to deny infants the preventive care they need to stay healthy.

It is not the American way to deny treatment to children who are disabled or desperately ill.

It is not the American way to punish hardworking parents whose family health coverage vanishes with a job loss or a job change.

It is not the American way to make the oldest among us give up their possessions, sell their house, sell their car, and live a life of poverty if their spouse has to go into a nursing home.

Our America is better than that.

Throughout our history, we have thought of ourselves as an American family. A family whose greatest priority was our children. And as Americans, we have always prided ourselves on our compassion. I think that is a pride well-earned because we have put our children first, both in our public investments and our private ones.

Now, any time I make a speech like this, somebody invariably either writes or says, "Well, you can't expect the government to take care of children -- that is the family's responsibility." Who argues with that? Of course parents bear the primary responsibility for their children.

But let's not fool ourselves. National policies -- whether they are about education or health care or taxes or the environment -- affect every family and child. Government has played and must continue to play an important role in safeguarding the interests of children and families.

As this budget debate continues in the weeks ahead, I hope that policymakers will begin to think about these issues not as partisans, but as parents.

As parents, we know what our children need, and we do what we can to meet their needs. For most Americans, that means working hard to put food on the table, sitting with our kids as they struggle with their math homework, and missing work on the rare occasions when a child has the flu. For others, meeting their children's needs poses greater challenges. On my visit to Babies and Childrens' Hospital, I spoke with families who have given up everything to take care of their sick children. As each family told their story, I was struck by the tremendous sacrifices they had made and by the powerful feeling that I would of course make equal sacrifices for my own child. Each of us would do the same.

But when it comes to legislating, parents can turn into partisans, and good parental instincts can disappear. Would we ever say as parents that only one of four children could go to a doctor or get a vaccination or have a hearing test? Of course not. We would make certain that all four were taken care of. Would we ever say as parents of a child with congenital heart disease that the child no longer deserved treatment and care? Of course not. We would do everything in our power to make the child's life as free of pain and fulfilling as possible.

Let us legislate with the compassion of a mother or the care of a father in mind. As I have said, we can and should balance the budget, but let us do it in a reasoned, moderate way that keeps faith with our children and holds out for them the hope of a better and healthier world. Let us never forget that we are an American family and that our deepest obligation is to protect our children and honor our parents.

Thank you.

# # #

Jennifer Klein

November 2, 1995

TO: Distribution

FROM: Chris Jennings

SUBJECT:

Attached is a state-by-state analysis on the Medicaid formula. This information is being released today and provides useful information on both the House and Senate plans.

Please feel free to use/distribute as you wish.

REPUBLICAN MEDICAID BLOCK GRANTS

- The House and Senate-passed bills eliminate the Medicaid program and replace it with a new block grant. They cut Federal spending on the program by $170 billion, **an amount at least 10 times more than any Medicaid cut ever enacted**.

- The $170 billion cut would reduce Federal support for the Medicaid program and the 36 million Americans it serves, by nearly 20 percent between 1996 and 2002. **By 2002, the cut will amount to a 29 percent reduction below the baseline in Federal support to States.**

- The Republicans claim they would like the public sector health programs to grow at rates similar to the private sector. However, the unprecedented $170 billion cut advocated by the Congressional Majority translates into a per recipient growth rate of less than 2 percent over the 1996-2002 budget window. **The 2 percent per capita growth rate their plan provides is 70 percent below the per person private health insurance growth rate assumed by the Congressional Budget Office (CBO).**

- **One fact is clear. Every state is a loser when the Medicaid program is block granted and cut by $170 billion, but many states lose much more than others.** This fact is clearly illustrated by the attached state-by-state break-out of the $170 billion Medicaid cut.

- For example, the first chart shows that under the new Senate block grant proposals, **state cuts range from 4 percent to 52 percent in the year 2002.**

- The second chart shows how California, which was already projected to lose a staggering $13 billion between 1996 and 2002 under the old Senate formula, would now lose an additional $4.1 billion dollars under the new Senate Republican plan. Conversely, the new Senate formula still slashes the State of Texas by over $7 billion, but the cut is less than the $12 billion cut they would have received under the old Senate formula.

- This information helps explain why there is such a dispute within the Congress and in the states over the Medicaid formula.

Estimates of the Effects of the Senate Republican Medicaid Plan on States, 2002 and 1996 - 2002
Formula as of October 27, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$124,838	($52,093)	-29%	$954,338	$777,840	($176,498)	-18%
Alabama	$2,485	$2,169	($316)	-13%	$13,823	$12,864	($959)	-7%
Alaska	$373	$280	($94)	-25%	$2,001	$1,660	($341)	-17%
Arizona	$2,436	$1,849	($587)	-24%	$12,903	$11,511	($1,391)	-11%
Arkansas	$2,084	$1,446	($638)	-31%	$11,081	$8,574	($2,507)	-23%
California	$17,955	$13,102	($4,853)	-27%	$95,663	$77,693	($17,970)	-19%
Colorado	$1,521	$1,039	($482)	-32%	$8,163	$6,343	($1,820)	-22%
Connecticut	$2,345	$1,613	($732)	-31%	$12,990	$10,650	($2,340)	-18%
Delaware	$323	$290	($33)	-10%	$1,728	$1,720	($8)	-0%
District of Columbia	$846	$576	($270)	-32%	$4,511	$3,802	($709)	-16%
Florida	$7,691	$5,272	($2,419)	-31%	$40,720	$31,262	($9,458)	-23%
Georgia	$4,900	$3,320	($1,580)	-32%	$26,050	$20,240	($5,810)	-22%
Hawaii	$508	$373	($135)	-27%	$2,732	$2,450	($281)	-10%
Idaho	$545	$412	($132)	-24%	$2,933	$2,445	($488)	-17%
Illinois	$6,207	$4,637	($1,570)	-25%	$33,242	$28,851	($4,392)	-13%
Indiana	$4,317	$2,545	($1,772)	-41%	$23,100	$15,841	($7,259)	-31%
Iowa	$1,440	$1,104	($336)	-23%	$7,807	$6,874	($933)	-12%
Kansas	$1,079	$943	($136)	-13%	$5,962	$5,874	($88)	-1%
Kentucky	$3,455	$2,243	($1,213)	-35%	$18,353	$13,298	($5,055)	-28%
Louisiana	$6,147	$2,935	($3,212)	-52%	$33,991	$18,818	($15,173)	-45%
Maine	$1,092	$782	($310)	-28%	$5,999	$5,155	($844)	-14%
Maryland	$2,532	$1,706	($826)	-33%	$13,478	$11,193	($2,285)	-17%
Massachusetts	$4,717	$3,005	($1,712)	-36%	$25,516	$19,835	($5,681)	-22%
Michigan	$5,992	$4,581	($1,411)	-24%	$32,153	$28,518	($3,635)	-11%
Minnesota	$2,701	$2,000	($701)	-26%	$14,665	$13,121	($1,544)	-11%
Mississippi	$2,342	$1,825	($517)	-22%	$12,640	$10,820	($1,820)	-14%
Missouri	$2,625	$2,512	($113)	-4%	$14,871	$15,338	$467	3%
Montana	$636	$434	($202)	-32%	$3,409	$2,590	($820)	-24%
Nebraska	$822	$558	($264)	-32%	$4,448	$3,662	($785)	-18%
Nevada	$540	$341	($199)	-37%	$2,899	$2,022	($877)	-30%
New Hampshire	$631	$375	($256)	-41%	$3,728	$2,542	($1,186)	-32%
New Jersey	$5,100	$3,279	($1,821)	-36%	$28,038	$21,646	($6,392)	-23%
New Mexico	$1,147	$940	($207)	-18%	$6,066	$5,577	($489)	-8%
New York	$22,034	$14,820	($7,214)	-33%	$119,527	$97,831	($21,696)	-18%
North Carolina	$5,406	$3,421	($1,985)	-37%	$29,014	$21,298	($7,716)	-27%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,985	($506)	-20%
Ohio	$7,508	$5,275	($2,233)	-30%	$40,586	$32,948	($7,638)	-19%
Oklahoma	$2,060	$1,332	($729)	-35%	$11,074	$7,896	($3,179)	-29%
Oregon	$1,649	$1,439	($209)	-13%	$8,884	$8,960	$76	1%
Pennsylvania	$7,102	$5,474	($1,628)	-23%	$38,448	$35,910	($2,537)	-7%
Rhode Island	$1,004	$627	($377)	-38%	$5,465	$4,138	($1,327)	-24%
South Carolina	$2,756	$2,286	($471)	-17%	$15,252	$13,555	($1,697)	-11%
South Dakota	$442	$347	($94)	-21%	$2,380	$2,163	($217)	-9%
Tennessee	$4,587	$3,331	($1,256)	-27%	$24,576	$20,739	($3,838)	-16%
Texas	$11,358	$9,130	($2,228)	-20%	$61,167	$54,157	($7,010)	-11%
Utah	$960	$659	($302)	-31%	$5,128	$4,096	($1,031)	-20%
Vermont	$366	$300	($67)	-18%	$1,982	$1,868	($115)	-6%
Virginia	$2,434	$1,635	($798)	-33%	$13,022	$9,730	($3,293)	-25%
Washington	$3,381	$1,988	($1,393)	-41%	$18,203	$13,122	($5,081)	-28%
West Virginia	$2,591	$1,529	($1,061)	-41%	$13,723	$9,521	($4,203)	-31%
Wisconsin	$3,066	$2,260	($806)	-26%	$16,484	$14,069	($2,415)	-15%
Wyoming	$236	$180	($56)	-24%	$1,269	$1,067	($202)	-16%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance majority staff estimates as of October 27, 1995

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language.

Source: U.S. DHHS

01-Nov-95

Comparison of the Senate Republican Medicaid Block Grant: 1996-2002
September 27 versus October 27, 1995 Formula
(Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	Older Formula Medicaid Block Grant		Newer Formula Reduction In Medicaid		Difference
		Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction	+: Smaller Loss Under Senate -: Larger Loss Under Senate
United States	954,338	$186,733	20%	$176,498	18%	
Alabama	13,823	2,607	19%	959	7%	1,649
Alaska	2,001	394	20%	341	17%	53
Arizona	12,903	2,517	20%	1,391	11%	1,125
Arkansas	11,081	2,860	26%	2,507	23%	353
California	95,663	13,801	14%	17,970	19%	(4,169)
Colorado	8,163	1,297	16%	1,820	22%	(523)
Connecticut	12,990	3,544	27%	2,340	18%	1,205
Delaware	1,728	115	7%	8	0%	107
District of Columbia	4,511	734	16%	709	16%	25
Florida	40,720	8,944	22%	9,458	23%	(514)
Georgia	26,050	5,904	23%	5,810	22%	94
Hawaii	2,732	267	10%	281	10%	(14)
Idaho	2,933	581	20%	488	17%	93
Illinois	33,242	2,902	9%	4,392	13%	(1,490)
Indiana	23,100	8,624	37%	7,259	31%	1,365
Iowa	7,807	1,082	14%	933	12%	149
Kansas	5,962	704	12%	88	1%	616
Kentucky	18,353	4,928	27%	5,055	28%	(127)
Louisiana	33,991	15,352	45%	15,173	45%	179
Maine	5,999	946	16%	844	14%	102
Maryland	13,478	1,536	11%	2,285	17%	(749)
Massachusetts	25,516	5,652	22%	5,681	22%	(29)
Michigan	32,153	4,692	15%	3,635	11%	1,057
Minnesota	14,665	1,019	7%	1,544	11%	(524)
Mississippi	12,640	1,251	10%	1,820	14%	(570)
Missouri	14,871	2,043	14%	(467)	-3%	2,509
Montana	3,409	948	28%	820	24%	128
Nebraska	4,448	692	16%	785	18%	(93)
Nevada	2,899	850	29%	877	30%	(27)
New Hampshire	3,728	1,164	31%	1,186	32%	(22)
New Jersey	28,038	7,172	26%	6,392	23%	781
New Mexico	6,066	615	10%	489	8%	126
New York	119,527	21,450	18%	21,696	18%	(246)
North Carolina	29,014	8,319	29%	7,716	27%	603
North Dakota	2,491	540	22%	506	20%	34
Ohio	40,586	6,683	16%	7,638	19%	(955)
Oklahoma	11,074	3,423	31%	3,179	29%	245
Oregon	8,884	35	0%	(76)	-1%	111
Pennsylvania	38,448	2,422	6%	2,537	7%	(115)
Rhode Island	5,465	1,141	21%	1,327	24%	(186)
South Carolina	15,252	2,954	19%	1,697	11%	1,257
South Dakota	2,380	240	10%	217	9%	23
Tennessee	24,576	4,165	17%	3,838	16%	327
Texas	61,167	12,187	20%	7,010	11%	5,176
Utah	5,128	1,052	21%	1,031	20%	21
Vermont	1,982	205	10%	115	6%	90
Virginia	13,022	3,079	24%	3,293	25%	(213)
Washington	18,203	5,579	31%	5,081	28%	499
West Virginia	13,723	4,615	34%	4,203	31%	412
Wisconsin	16,484	2,639	16%	2,415	15%	224
Wyoming	1,269	264	21%	202	16%	62

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance Committee's estimates of the spending by state under the proposal released on September 27 & October 27.

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language.

Source: U.S. DHHS

01-Nov-95

Estimates of the Effects of the House Republican Medicaid Plan on States, 2002 and 1996 - 2002
Revised Formula as of October 30, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$126,360	($50,571)	-29%	$954,338	$780,650	($173,688)	-18%
Alabama	$2,485	$2,112	($373)	-15%	$13,823	$12,668	($1,155)	-8%
Alaska	$373	$226	($148)	-40%	$2,001	$1,480	($521)	-26%
Arizona	$2,436	$1,932	($504)	-21%	$12,903	$11,590	($1,313)	-10%
Arkansas	$2,084	$1,353	($731)	-35%	$11,081	$8,117	($2,964)	-27%
California	$17,955	$13,678	($4,278)	-24%	$95,663	$78,706	($16,957)	-18%
Colorado	$1,521	$1,037	($484)	-32%	$8,163	$6,236	($1,927)	-24%
Connecticut	$2,345	$1,692	($654)	-28%	$12,990	$11,094	($1,896)	-15%
Delaware	$323	$205	($118)	-37%	$1,728	$1,342	($385)	-22%
District of Columbia	$846	$553	($292)	-35%	$4,511	$3,629	($882)	-20%
Florida	$7,691	$5,365	($2,327)	-30%	$40,720	$30,869	($9,850)	-24%
Georgia	$4,900	$3,299	($1,601)	-33%	$26,050	$20,314	($5,736)	-22%
Hawaii	$508	$369	($139)	-27%	$2,732	$2,288	($443)	-16%
Idaho	$545	$419	($126)	-23%	$2,933	$2,411	($522)	-18%
Illinois	$6,207	$4,478	($1,729)	-28%	$33,242	$27,274	($5,969)	-18%
Indiana	$4,317	$2,450	($1,866)	-43%	$23,100	$16,069	($7,032)	-30%
Iowa	$1,440	$1,107	($333)	-23%	$7,807	$6,871	($936)	-12%
Kansas	$1,079	$939	($140)	-13%	$5,962	$5,829	($133)	-2%
Kentucky	$3,455	$2,230	($1,225)	-35%	$18,353	$13,374	($4,979)	-27%
Louisiana	$6,147	$4,505	($1,641)	-27%	$33,991	$28,729	($5,262)	-15%
Maine	$1,092	$803	($289)	-26%	$5,999	$5,264	($735)	-12%
Maryland	$2,532	$1,717	($815)	-32%	$13,478	$10,964	($2,514)	-19%
Massachusetts	$4,717	$3,319	($1,398)	-30%	$25,516	$21,765	($3,751)	-15%
Michigan	$5,992	$4,496	($1,496)	-25%	$32,153	$27,900	($4,253)	-13%
Minnesota	$2,701	$1,942	($758)	-28%	$14,665	$12,722	($1,942)	-13%
Mississippi	$2,342	$1,902	($440)	-19%	$12,640	$10,943	($1,697)	-13%
Missouri	$2,625	$2,448	($177)	-7%	$14,871	$15,193	$321	2%
Montana	$636	$406	($230)	-36%	$3,409	$2,480	($930)	-27%
Nebraska	$822	$542	($279)	-34%	$4,448	$3,552	($895)	-20%
Nevada	$540	$394	($145)	-27%	$2,899	$2,269	($630)	-22%
New Hampshire	$631	$650	$19	3%	$3,728	$4,260	$532	14%
New Jersey	$5,100	$3,276	($1,824)	-36%	$28,038	$21,488	($6,550)	-23%
New Mexico	$1,147	$918	($229)	-20%	$6,066	$5,281	($785)	-13%
New York	$22,034	$14,808	($7,226)	-33%	$119,527	$97,116	($22,412)	-19%
North Carolina	$5,406	$3,290	($2,116)	-39%	$29,014	$20,418	($8,596)	-30%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,979	($511)	-21%
Ohio	$7,508	$5,260	($2,248)	-30%	$40,586	$32,642	($7,944)	-20%
Oklahoma	$2,060	$1,393	($667)	-32%	$11,074	$8,016	($3,058)	-28%
Oregon	$1,649	$1,210	($439)	-27%	$8,884	$7,331	($1,553)	-17%
Pennsylvania	$7,102	$5,521	($1,581)	-22%	$38,448	$35,303	($3,144)	-8%
Rhode Island	$1,004	$597	($407)	-41%	$5,465	$3,915	($1,550)	-28%
South Carolina	$2,756	$2,290	($466)	-17%	$15,252	$13,736	($1,516)	-10%
South Dakota	$442	$325	($116)	-26%	$2,380	$2,006	($375)	-16%
Tennessee	$4,587	$3,027	($1,560)	-34%	$24,576	$18,153	($6,424)	-26%
Texas	$11,358	$9,201	($2,157)	-19%	$61,167	$54,782	($6,385)	-10%
Utah	$960	$669	($291)	-30%	$5,128	$4,012	($1,116)	-22%
Vermont	$366	$247	($120)	-33%	$1,982	$1,617	($365)	-18%
Virginia	$2,434	$1,623	($810)	-33%	$13,022	$9,796	($3,227)	-25%
Washington	$3,381	$1,992	($1,389)	-41%	$18,203	$13,062	($5,141)	-28%
West Virginia	$2,591	$1,493	($1,098)	-42%	$13,723	$9,264	($4,460)	-32%
Wisconsin	$3,066	$2,183	($883)	-29%	$16,484	$13,549	($2,935)	-18%
Wyoming	$236	$150	($86)	-36%	$1,269	$984	($285)	-22%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the House Commerce Committee's estimates of the spending by state under the proposal released on October 30

NOTE: The estimates from the House Commerce Committee do not include the supplemental allotments for aliens, TN & OR, and have growth rate ceilings that are not consistent with the bill language

Source: U.S. DHHS

01-Nov-95