SCOTT COHEN & ASSOCIATES
1625 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036

(202) 232-6872. fax (202) 234-8231

July 27, 1994

Ms. Jennifer Klein
The White House
Second Floor, West Wing
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Klein:

I appreciate how busy you are at this time, but I want you to know that Peter Alegi and I have decided to introduce in the health care deliberations a new initiative for the inclusion of Americans abroad.

The initiative which follows is inspired in part from the supportive position taken by Mrs. Clinton when she met Mr. Alegi in Rome and from the very positive remarks in her letter to Mr. Alegi of July 1, 1994.

We intend to present this new proposal to Senator Mitchell, Representative Gephardt and other major players on the Hill this week.

Mrs. Clinton's support for this proposal would be enormously helpful to Americans abroad and to the work of Democrats Abroad. Peter Alegi and I would be very grateful if you could speak to Mrs. Clinton about the proposal and determine whether she could openly support it. Please note that the proposed coverage of Americans abroad would be entirely self funded, as spelled out in subparagraph e on the last page: "The cost of the health care coverage authorized in this Section may be financed by the premiums, co-payments (if any) and other fees (if any) required to be paid by the enrollees."

After you read this letter and the proposal, please call me at (703) 527-0425.

We very much appreciate Mrs. Clinton's concern for the legitimate interests of Americans living abroad.

Sincerely,

Scott Cohen

Scott Cohen

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 11
To Jennifer Klein	From Scott Cohen
Co. White House	Co.
Dept. 2d Fl., West Wing	Phone # (703) 527-0425
Fax # (202) 456-2878	Fax # (202) 234-8231

DEMOCRATS ABROAD

DEMOCRATIC NATIONAL COMMITTEE

Health Care for Americans Resident Abroad

The original Health Security Act submitted by the President to the Congress earlier this year excluded Americans resident abroad and confirmed the standing exclusion of these same Americans from Medicare coverage while outside the United States.

The bar to the benefits of Medicare appears to be administrative in nature. The issue of providing Medicare benefits for Americans resident abroad was addressed most recently in H.R. 3990, the Medicare Amendments of 1979. That Bill was incorporated into the Omnibus Reconciliation Act of 1980 as H.R. 7765 and was approved by the House of Representatives. Unfortunately, it failed to survive the Conference. This legislative proposal authorized the negotiation of bilateral agreements to provide the administrative underpinning for the administration of the Medicare program abroad. A copy of the report on the relevant section of H.R. 7765 is attached at Tab 1.

While the Administration's original Bill excluded Americans resident abroad from coverage in the proposed national health care program, the Administration's views have since changed. The Administration now favors the inclusion of Americans resident abroad in the national health care program. A letter from Mrs. Clinton making this point is attached at Tab 2.

There are an estimated 3.5 million Americans resident abroad who are not members of the Armed Services and not employed by the U.S. Government. These Americans vote and are deeply concerned about the crisis in health care in the United States and their own particular situations. Some live in countries where there are excellent health care systems while others do not. In general Americans resident abroad would like to participate in any national health care system enacted in a manner supplementary to whatever system in which they are now required or entitled to participate. This fact alone will tend to reduce the costs of their participation. For example, it is doubtful that the 250,000 Americans resident in Canada would seek to participate.

Clearly the situation of Americans resident abroad is different from that of Americans at home in another respect: Their employers cannot be required to share the cost of their premiums because for the most part their employers are not American corporations and, in any event, many are already required to make such contributions to the health plans in force in their countries of operation. And furthermore, many of these Americans are retired. Thus Democrats Abroad suggest that Americans resident abroad who participate in the U.S. national health care program be allowed to do so on a voluntary, self-financing basis.

With these factors in mind, Democrats Abroad recommends that any national health care program include provisions along the following lines:

1) All American citizens, permanent resident aliens and long term non-immigrants should be eligible for coverage, the standard adopted by the Ways & Means Committee.

2) Enrollment of American nationals and citizens resident abroad should be voluntary and this program be self-financing.

3) American citizens and nationals should automatically be able to transfer between the domestic and overseas health programs if they move overseas or return to the United States from residence abroad.

4) Medicare coverage should be extended to American citizens and nationals resident abroad including authority to extend such coverage immediately on the basis of direct reimbursement to the beneficiary.

5) The Secretary of Health and Welfare, in consultation with the Secretary of State, should be authorized to negotiate agreements with foreign governments, provinces or other appropriate foreign health authorities to secure reciprocal health coverage agreements including coverage of temporary visitors and Medicare administration.

Draft Bill Language

1) Definitions: An eligible individual is any individual who is a citizen or national of the United States, an alien permanently residing in the United States under color of law, or a long-term non-immigrant.

2) Sec. Health Care Coverage for Nationals and Citizens of the United States Resident Abroad.

a) The Secretary, in consultation with the Secretary of State and interested organizations composed of American citizens and nationals residing abroad, shall establish specific health care programs and cost schedules for nationals or citizens of the United States resident abroad on a country by country, provincial or other basis taking into account health care plans which may exist in those jurisdictions in which American nationals and citizens are eligible to participate;

b) Enrollment in the programs authorized by this Section shall be at the option of each national or citizen of the United States resident abroad;

c) No enrollment waiting period requirements shall apply to persons eligible to participate in the programs authorized by this Section or any other Sections of this Act when such persons transfer between domestic and overseas health care programs;

d) No health care plan or program operating under the authority of this Act may deny coverage to persons covered by this Act when such persons transfer their residence from or to the United States, its territories or possessions;

e) The cost of the health care coverage authorized in this Section may be financed by the premiums, co-payments (if any) and other fees (if any) required to be paid by the enrollees.

f) The Secretary shall extend Medicare coverage to American citizens and nationals resident abroad who would be eligible for such coverage if resident in the United States within 90 days of the enactment of this Act. The Secretary shall permit any such eligible American national or citizen resident abroad to participate in the Medicare program through direct reimbursement to the beneficiary;

g) The Secretary, in consultation with the Secretary of State, is authorized to enter into agreements establishing reciprocal arrangements between programs established by or referred to in this Act and a health care program or programs of a foreign country, province or other foreign health care providing entity;

h) Persons eligible to participate in United States health care plans under this Section may communicate with appropriate authorities and entities in the United States, its territories and possessions by means of the Diplomatic Pouch System of the Department of State or the Military Postal System.

TAB 1
(3 pages)

ENUE INCREASES

	Fiscal year 1981 revenue increase
ct of 1980	413
of corpora-	3,063
f 1980 and ct of 1980	302
	358
operty Tax	40
ee payroll	50
	4,226

III. EXPLANATION OF PROVISIONS

A. TITLE I: SPENDING REDUCTIONS

1. SUBTITLE A: MEDICARE AND MEDICAID PROGRAM SAVINGS

a. Medicare Amendments of 1980 (Provisions of H.R. 3990) [1]

HOME HEALTH SERVICES (SECTION 102)

Since the beginning of the medicare program, home health benefits have been available under both part A—hospital insurance—and part B—medical insurance.

To be eligible for home health care, the beneficiary must be: (1) essentially confined to his home, (2) under the care of a physician, and (3) in need of skilled nursing care, speech therapy, or physical therapy. If all these requirements are met, an individual is eligible for the full range of home health services.

The bill amends the medicare home health benefit in the following manner: (1) unlimited visits are to be available under both parts A and B; (2) the present three-day prior hospitalization requirement under part A is eliminated; (3) home health benefits under part B will no longer be subject to the $60 deductible; (4) the need for occupational therapy will be included as one of the qualifying criteria for the home health benefit; and (5) the present requirement that proprietary home health agencies can participate in medicare only in those States that license home health agencies is eliminated. In addition, the bill establishes additional standards and reimbursement guidelines for the effective administration of the home health benefit.

Elimination of the limits on the number of visits under parts A and B.—Beneficiaries are presently eligible for 100 visits per benefit period during the year following a hospital stay of at least three days under part A and 100 visits per calendar year under part B. The bill eliminates the limitation on visits under each part.

Elimination of the three-day prior hospitalization requirement under part A.—In order to receive home health benefits under part A, beneficiaries must be hospitalized for at least three consecutive days. Elimination of this requirement will be particularly helpful to the more than 1.1 million beneficiaries who have only part A of medicare; presently they do not have access to the home health benefit unless they have met this prior hospitalization requirement.

[1] The Committee on Ways and Means favorably reported H.R. 3990 to the House (H. Rept. 96-588, Part I) on November 5, 1979. A supplemental report (H. Rept. 96-588, Part II) was filed by the Ways and Means Committee on December 5, 1979. The Committee on Interstate and Foreign Commerce favorably reported the bill with amendments (H. Rept. 96-588, Part III) on March 18, 1980.

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This limitation on borrowing expenses subject to the bonding and escrow re- recognizes, however, that the amounts e escrow account may not be sufficient to he overpayment. In cases where the re- it are insufficient, the borrowing costs able costs, to the extent they are reason-

ent for certain types of contracts.—The of contracts entered into after the date vices are furnished for or on behalf of by the agency in connection with such a llowable costs if either (i) the term of , or (ii) the amount payable under the age of the agency's reimbursement for

ffice has concluded that long-term con- s—which typically provide for manage- a source of abuse in the medicare pro- rations have been identified which base imbursement, with the result that pay- be considerably more than the actual d. The bill requires the home health udent business practices and assures o pay excessive costs.

rentage-of-reimbursement contracts for are reimbursement to amounts which lue of the service. In adapting these for existing percentage contracts of mittee intends in no way to diminish v, under current law, to impose limita- recognized as allowable with respect to ers of services.

ments.—The bill authorizes the Secre- dministrative requirements for home sary for the effective and efficient oper- ommittee's intent to provide sufficient HS to insure the development of more eimbursement guidelines and, at the y with authority to establish such ad- ents he deems necessary in order to he program. In particular, the Com- ke the following actions:

under the authority of section 223 of appropriate, limits on specific cate- home health agencies; such limits se overall per visit limits which may

l intermediaries by January 1, 1981, used by the intermediaries in deter- overall costs or costs in specific cate- f line with those of comparable home

Develop and issue to the fiscal intermediaries by January 1, 1981, detailed utilization screens which can be used for both reimbursement purposes and identifying potential program abuse;

Develop appropriate mechanisms for assuring that the present standards related to the supervision of home health aides by nurse supervisors are enforced; and

Conduct a comprehensive demonstration program to evaluate alternatives to the present cost reimbursement method for home health services, and report back to the Committee on the progress and findings of the demonstrations by January 1, 1982, and annually thereafter.

The amendments made by this section are effective with respect to services furnished on or after July 1, 1981.

Reciprocal Agreements for Services Furnished Outside the United States (Section 108)

The bill authorizes the President to enter into reciprocal agreements with other countries to provide hospital and medical benefits for medicare beneficaries living or traveling outside the United States.

Under present law, medicare coverage is provided with a few limited exceptions, only for health care services rendered within the United States. These exceptions cover only cases in which the beneficiary needs emergency hospital services while traveling in Canada between the 48 contiguous states and Alaska; or needs hospital services because of a medical problem that arose while traveling or residing within the United States near the border, and a Canadian or Mexican hospital is more accessible than the nearest United States hospital. This limitation on medicare coverage was included in the law because of the administrative problems involved in verifying the medical necessity for services furnished outside the United States, establishing the qualifications of foreign medical practitioners and institutions, and determining the appropriate amount of payments to make for services.

A significant number of medicare beneficiaries are deprived of their medicare benefits during such times as they may be traveling or living outside the United States. Since the basis of the limitation, in present law is administrative, the Committee believes that considerations of equity dictate the development of a reasonably workable arrangement for assuring medicare protection, to the extent feasible, for such beneficiaries.

The Committee recognizes that there are limitations in the approach included in the bill to providing coverage outside the United States. The negotiation process is likely to be time-consuming (although the bill provides authority, pending the conclusion of an agreement, for the Secretary of HHS to enter into interim arrangements with accredited hospitals in a country if serious negotiations are in progress), and there is the possibility that some countries will choose not to enter into an agreement. Moreover, the bill includes certain restrictions on the authority to negotiate such agreements. For example, no reciprocal agreement negotiated under the authority granted by the bill may provide entitlement to benefits in the United States for foreign nationals who do not meet medicare's entitlement requirements with respect to age or medical condition (regardless of that individual's status under

his country's program), or authorize any individual to receive benefits in the United States on a reciprocal basis in excess of those benefits provided for medicare beneficiaries. Nevertheless, the Committee believes that the use of reciprocal agreements represents the most effective method at this time to begin to overcome the administrative and technical obstacles that have heretofore precluded any coverage for services furnished to beneficiaries while they are outside the United States.

This section is effective on enactment.

Dentists' Services (Section 104)

The bill modifies present law to cover services performed by dentists where those services are presently covered when performed by physicians. The bill also covers hospital stays for the performance of noncovered dental services where the severity of the dental procedure warrants hospitalization.

Under present law, services furnished by dentists are covered under part B of medicare but only with respect to: (1) surgery of the jaw or any structure contiguous to the jaw, or (2) reduction of any fracture of the jaw or facial bone. Payment for routine dental services is specifically excluded. However, there are some services which are regularly performed by both physicians and dentists but which are covered under medicare only if performed by a physician. For example, certain procedures and services relating to treatment of oral infections are covered when furnished by a physician but are not covered when furnished by a dentist. Such functions do not involve routine dental care, which is separately excluded under existing law whether performed by a dentist or a physician. It is the Committee's belief that it is appropriate to provide the same coverage for services performed by a dentist (which are within the scope of his state license) that is provided for services performed by physicians. The present exclusion of routine dental services would remain in effect.

The Committee also concluded that present coverage for inpatient hospital services related to certain noncovered dental procedures is inadequate. Under existing law, the test for medicare coverage of the inpatient services is the patient's underlying condition (e.g., history of heart failure). As a result, hospitalization coverage is precluded where, in the judgment of the patient's dentist, the severity of the dental procedure alone requires hospitalization. Accordingly, the bill covers hospital stays based on a dentist's (or physician's) certification that hospital inpatient services are necessary for the performance of noncovered dental procedures either because of the severity of the dental procedure or the patient's underlying condition warrants such hospitalization.

This section is effective with respect to services furnished on or after July 1, 1981.

Treatment of Plantar Warts (Section 105)

The bill eliminates the present exclusion of services related to treatment of plantar warts.

Under present law, coverage for services related to routine foot care—which is defined as "including the cutting and removal of corns,

TAB 2
(2 pages)

THE WHITE HOUSE
WASHINGTON

July 1, 1994

Mr. Peter Alegi
Chair
Democrats Abroad
Via Venti Settembre 1
00187 Rome, Italy

Dear Mr. Alegi:

I very much enjoyed seeing you in Rome. I also had the opportunity to read your article on health care reform in The Overseas Democrat and was interested to learn about the suggestions of the Democrats Abroad Task Force.

The Task Force recommended that Americans living overseas have the right to purchase insurance. The President's plan preserves the ability of all American individuals and employers to purchase health insurance that covers services delivered in the United States or abroad. Both the Senate Labor and Human Resources and the House Education and Labor Committees have expanded the President's proposal. The Senate Labor Committee's version of the President's plan provides that American employees of American employers may elect to participate in the health insurance program created by the Office of Personnel Management for federal employees living overseas. The House Education and Labor Committee charges the National Health Board with developing a mechanism for Americans living abroad to purchase health insurance coverage for services in the comprehensive benefit package. We will continue to work on this issue as the Congress begins to weave the work of the committees into a bill to be considered on the floor.

The Democrats Abroad Task Force also suggested that it be made clear that any American returning to live in the United States would immediately be eligible to enroll in the new health care system. Under the President's proposal, all Americans returning to the United States are eligible to enroll in the state where they reside. There is no requirement that an individual or family live in an area for any period of time before becoming eligible, and the President's plan includes explicit procedures for enrolling at a time other than during the normal enrollment period.

→

I very much appreciated hearing your views. We are continuing to work with Congress to make health security a reality for all Americans, including families living abroad. Please feel free to contact me with any additional concerns.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

cc: Mr. Thomas W. Fina, Executive Director
Democratic Party Committee Abroad

THE WHITE HOUSE

WASHINGTON

July 1, 1994

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Chair
Democrats Abroad
Via Venti Settembre 1
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I very much appreciated hearing your views. We are continuing to work with Congress to make health security a reality for all Americans, including families living abroad. Please feel free to contact me with any additional concerns.

Sincerely yours,

Hillary Rodham Clinton

cc: Mr. Thomas W. Fina, Executive Director
Democratic Party Committee Abroad

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: June 29, 1994
RE: Americans Abroad

Attached please find a revised letter to Peter Alegi. I had not included the changes in the Kennedy bill because -- believe it or not -- the committee has been arguing about what they did versus what they intended to do in the Simon amendment. I did not want to make any statement from you until they had resolved the issue. They have now agreed on the principle but will need to clarify the language. I had not included the Ford changes because the Democrats Abroad do not see the Ford bill as much of an improvement. Taken together, though, I do think they will like these changes. You should note that neither proposal requires an employer contribution or provides any subsidies to individuals or employers. Today, however, most companies abroad do provide insurance for their employees and can be expected to continue.

You asked if health insurance policies cover medical problems abroad. Health insurance policies purchased in the United States normally provide coverage to travelers for emergency services. There is usually an additional cost for more extensive coverage.

Thanks —
Will you call him &
explain we're reading
letter & tell him to
feel free to contact you
directly re health issues

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: 6/24/94
RE: Americans Abroad

Attached please find the letter to Peter Alegi about coverage for Americans living abroad. As you can see, Maggie also received a letter from Mr. Thomas W. Fina, the Executive Director of Democrats Abroad, forwarding a letter to you from Mr. Alegi.

I did not address Medicare because the reasons that Americans living abroad have never been included in the program (e.g., the difficulty of controlling quality and costs) are also true of the Federal Employees Health Benefit Program -- which does provide coverage. I can add more if you think the last paragraph is not sufficient.

Jennifer-
I thought we had made some changes that permitted expatriates to buy insurance to cover themselves through the coop. Check the Kennedy + Ford bills to see if they deal w/ this issue. If not, we should - doesn't a policy usually cover medical problems abroad?

love

Make 3 copies of this — ① and ③ on p. 5

POTUS / Harold likes see "pledge"; can we act?

Pam - Pls ask Harold if we can provide someone in Political to be liaison for Dems Abroad + advise me

② on p. 2 — to Jennifer Klein

Is this right?

Pls draft R to Peter Mesi ASAP

③ Return Cc to me

~~Pls draft~~

Ask Jennifer for update

INTERNATIONAL EDITION

The Overseas Democrat

PUBLISHED BY DEMOCRATS ABROAD

SPRING/SUMMER 1994

EDITORIAL

Welcome Mr. President

Welcome to Europe for the commemoration of D-Dav. No presidential visit has been so eagerly awaited since John and Jackie Kennedy came to Paris over 30 years ago.

As you know, Americans residing in Europe are part of a much larger community: we now total some 3.5 million civilian citizens around the world, enough to match any one of 24 of our 50 states! Why, then, are our voices so seldom heard?

We share the concerns of our fellow Americans, but we also have our own special problems: transmission of citizenship (we are making progress), cases of disenfranchisement, instances of unfair tax rules and exclusion from Medicare. Most recently your "universal" health care plan, ostensibly for all Americans, neglected to take us into account.

The upcoming Congressional elections will be close, and the votes of Americans abroad could make a significant difference. However, many Americans residing overseas may feel less motivated to vote because they feel no one is listening to them. Lend us your ear, and the overseas community will vote Democratic. Ignore us, and many will stay at home when the time comes to vote.

During the presidential campaign, you pledged to listen to our concerns. Why not designate a member of your staff to work specifically with us, as you promised in your campaign letter to overseas Americans? We are pleased to welcome you. Please make us welcome in Washington.

Peter Alegi, Chair.

November Arithmetic

The Assault Weapon ban passed with two votes; the Brady bill filibuster was broken with three votes, as was the Motor Voter filibuster. The Clinton budget squeaked by with one vote, as did the District of Columbia Appropriations Bill. The Administration could not find the four votes needed to break the Republican filibuster which killed the President's Economic Stimulus Bill.

These narrow decisions were the outcome of hard-fought Congressional battles, where the President prevailed only by bringing every resource at his command into play. And even so, he lost some.

Other landmark legislative reforms will be voted on before the November elections: a universal national health plan; a fundamental reform of campaign financing; and possibly a new welfare system. Again, the outcome will hinge upon a few votes.

That harsh reality is the backdrop to the Congressional elections on November 8. It is the combination of normal party losses during a non-presidential election year, plus the high number of open Democratic seats that makes the November elections of such extreme importance to Clinton.

By constitutional rule, the entire House and one-third of the Senate is up for election. That breaks down into 258 Democrats and 176 Republicans in the House, and 22 Democrats and 12 Republicans in the Senate.

Increasing Number of "Open" Seats

What is more, an unusually large number of incumbents have announced that they will not run for re-election. To date, there are 44 in the House (28 Democrats and 18 Republicans) and 10 in the Senate (6 Democrats and 4 Republicans). This large number of "open" seats increases the uncertainties for the Democrats since two-term (or more) incumbents always have a

Even normal interim election losses of 15 to 20 seats in the House and one or two in the Senate could be crippling for the Clinton Administration. Not that the Republicans have much chance of gaining a majority in either house (the Democrats lead 57 to 43 in the Senate, and 258 to 176 in the House). But the Republicans have been almost solidly opposed to all Clinton legislation and a fair number of conservative Democrats can be counted on to desert to the opposition on almost any issue. (One of the most predictable is Alabama Senator Shelby, who seems willing to be coopted by the Republicans provided they get a Senate majority that would assure him of something like succeeding Dole as Republican leader.)

Vulnerable Freshmen House Members

What is more, some of the most able and supportive House Members are Freshmen and therefore most vulnerable. This is especially true of the women (see box on the next page). In the Senate, the retirements of Mitchell (ME), DeConcini (AZ), Mathews (TN), Metzenbaum (OH), and Riegle (MI) offer the Republicans unique opportunities for significant gains.

Continued on page 2.

Contents

Editor: Lois Grjebine
Editorial Board: Peter Alegi, Tom Fina, Lois Grjebine
Contributors: Peter Alegi, Anna Ducovny, Tom Fina, Jeff Greenbaum, Mary Paul Smith-Jespersen, Joe Smallhoover, Judith Sullivan
Layout: Robin Jackson, INTERKOM

Send comments contributions to: *Lois Grjebine, 11 rue Jules Chaplain,*

(3)

LETTER FROM WASHINGTON

Smears and Successes

by Tom Fina

With the disappearance of the Red Menace, slander and sexual scandal have become the tools of the new McCarthyism. In the absence of public support for its own extremist agenda, the Right has turned to the time-honored smear to harass moderates and liberals. The *Wall Street Journal* and various minor Rightist scoop sheets have been pumping character charges into the public debate with the aim of undermining public confidence in the President and diminishing his effectiveness.

Behind these publishers is a whole universe of Rightist hate-mongers and Christian fundamentalists. The leading man is Cliff Jackson, former Clinton acquaintance in Little Rock, former Rhodes scholar, unsuccessful local politician and minor lawyer. Jackson has dedicated himself to dredging up dubious accusations to feed the scandal sheets. First, Jennifer Flowers, then Whitewater, then Trooper-gate (former Clinton guards who claim they acted as his procurers) and on May 7, Paula Jones, who accused Clinton of sexual harassment, a claim the President unequivocally denied. With the exception of the *Wall Street Journal*, the mainline press refused to run the story until the suit was filed.

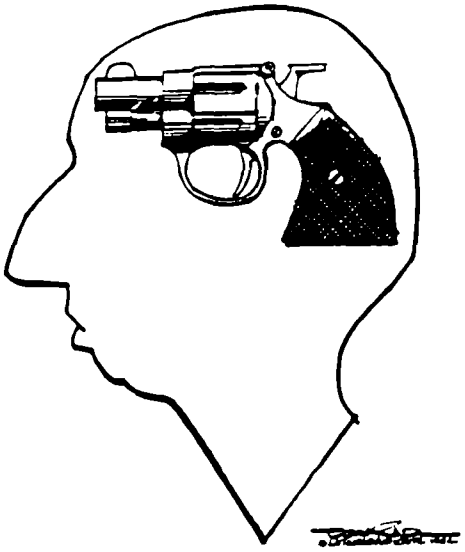
Orchestrated "Scandals"

The Jones story came in the wake of Hillary Clinton's bravura press conference, during which she answered questions on Whitewater without notes until the press finally turned to other issues. As Whitewater receded, the Jones story broke, as if orchestrated to prevent the public from concentrating on real issues.

All the while, the President presses his domestic agenda. He and Hillary continue their grass-roots campaign in favor of health care reform. Despite defections of centrist Democrats to the non-compulsory, and therefore non-universal Cooper-Breaux plan, the various versions that are being negotiated in the half-dozen committees concerned are moving forward.

The key figure here is House Ways and Means Chairman Dan Rostenkowski, by all accounts the most powerful influence in Congress on the fate of this legislation. Rostenkowski is squarely behind the President and is approaching a detailed compromise bill that the Democratic majority of his committee is expected to report out. Their text will be the version that all others will have to beat, and that will be very difficult.

However, this enormously complex package of political compromises is endangered by the expectation that Rostenkowski will be charged by the Department of Justice with financial irregularities as a Member of Congress.



.38 IQ

Under House rules, an indicted chairman must step down. In this case, the next in line is Sam Gibbons, an experienced trade expert from Florida, who reportedly lacks Rostenkowski's political clout with either his committee or the rest of Congress. Consequently, there is more pressure than ever from Rostenkowski himself to report out a bill.

Meanwhile, the President surprised doubters once again when he weighed in on the assault weapons legislation in the House. The NRA felt confident that it could turn back this ban on assault weapons. The day before the vote, the press assessment was that the Administration was short by 15 to 25 votes. But the President went to work on groups and individuals and, thanks to last-minute switches, won with a bare two votes.

This serious defeat for the NRA is attributable to the fact that there is now a countervailing gun-control lobby and a President who, unlike his predecessors, is committed to serious gun control. The battle is not yet over. Texan Jack Brooks, a powerful old House baron and chairman of the Judiciary Committee, opposes gun control. He is angry and ornery enough to be a fly in the ointment, even if he will almost certainly lose to the President.

While pressing for enactment of the crime bill, which steals much Rightist thunder, Clinton is also insisting on the Campaign Finance legislation he promised during the election campaign. Slow progress is being made; the goal is to place restrictions on lobbyist money and actions so that members of Congress and candidates will be much less dependent upon special-interest money.

Breakthrough on Abortion

The skirmishing about abortion continues in Congress and in the courts. In Colorado, the lower Federal Court over-ruled state law that limits the funding of abortions for the poor. This could be a significant precedent for other states. Similarly, a local court in Austin, Texas, awarded Planned Parenthood $200,000 in damages and a further $1 million in punitive damages to be paid by Operation Rescue and its local affiliate for blocking access to Planned Parenthood clinics in 1992.

It is the first step in the largest civil suit of its kind ever to be filed, following a pattern set by the Southern Poverty Law Center, that has largely bankrupted various Ku Klux Klan organizations. Finally, the House easily passed legislation supported by Attorney General Janet Reno to impose tough penalties on those who try to intimidate or obstruct access to abortion clinics (like those who recently murdered a clinic physician).

Thus, despite the continuing efforts to deflect the President from his campaign commitments, the Administration continues to press ahead with an agenda of broad policy changes.

Tom Fina is Executive Director of Democrats Abroad.

The Overseas Democrat

NEWS FROM FRANCE

Keeping Pace With Our Growth

Democrats Abroad France has come a long way since we first organized in the early 1960s. We were then a mere handful, later spurred on by the election of President Carter and by our enfranchisement with the passage of the Uniformed and Overseas Citizens Absentee Voting Act in the mid-1970s. It was during those years, when we could not even be sure of getting a quorum to elect officers, that our present by-laws were adopted.

We have greatly expanded since then, and Democrats Abroad France has become the most active country committee in the international organization. In addition to our regular informative events and voter registration efforts, we now have a monthly discussion group, called First Tuesday, and two caucuses, the Women's Caucus and the more recently formed Minority Caucus.

Our by-laws must be modified in order to take all these changes into account. After more than a year's study, a special by-laws review subcommittee (comprised of Counsel Peter Kenton, former Chair Bill McGurn and Annette Thiam) prepared draft by-laws to replace the current ones. The Executive Committee has voted to adopt the draft. It is now up to you, our members, to vote on that change.

The vote will take place at our Annual General Meeting, and I encourage all of you to come. In addition to the official business and a chance to register to vote in the coming Congressional elections, we will have as our speaker the former President of Amnesty International USA, Rick Halperin. Mr. Halperin's presence is made possible by Americans Against the Death Penalty. Crime and consequently the death penalty have become a primary concern among Americans. During this election year, these issues will be pivotal for many electoral races. (For time and place, see over.)

Joe Smallhoover
Chair, Democrats Abroad France

A Collective Finger on the US Pulse

Democrats Abroad France kept its collective finger on the pulse of political and cultural developments in the USA this past year. Though the numerous events—sometimes as many as two or three a month—were primarily devoted to such hotly debated subjects as health care, political correctness or crime, members also got together for fun, for example, when music-lovers thronged to the American Cathedral for a rousing gospel concert by the Crenshaw Gospel Choir from South Central, Los Angeles, co-sponsored by Democrats Abroad France.

Impressive Guest Speakers

Guest speakers were of especially high caliber. Soon after the Begin-Arafat accord in Washington, the P.L.O. spokeswoman for France, Leila Shahid, spoke with great eloquence and emotion of the prospects for peace and the difficulties that lay ahead. In early April, former Black Panther leader Elaine Brown mesmerized a large audience by recounting her stormy political career and personal life. She is now raising funds to build a pilot school for underprivileged children in one of the most destitute sections of the Bay Area in California. That same month, the Women's Caucus welcomed members of the Women's National Democratic Club based in Washington at an informal cocktail party.

The newly formed Minority Caucus also hosted a string of noteworthy events. Among them was a meeting with Richard Glanton, President of the Barnes Foundation, to coincide with the showing of the famed painting collection. As part of Black History month, the Caucus brought us the noted scholar Henry Louis Gates, chairman of the African-American studies department at Harvard University. Gates talked about Nobel-prize winner Toni Morrison, noting that she is just one of several black writers who are now reaching a broad cross-section of the reading public.

The First Tuesday Club kept up its pace of one discussion-cum-dinner a month. While the membership roster changed, it remained large and varied, even encompassing some former speakers. Subjects are wide-ranging (two upcoming topics are bio-ethics and the usefulness of NATO). All are pertinent and at times deliberately impertinent, like "Should We Care What Happens to Russia?"

Wide Ranging Topics

Democrats Abroad France as a whole welcomed a number of stellar guests this year, including columnists Flora Lewis and William Pfaff, who joined in a panel discussion on prospects for peace in Yugoslavia, alongside political scientist Jacques Rupnik and Yugoslav businessman-cum-author Boris Vukobrat. There was also a full turnout for Harvey Gantt, an African-American town planner and mayor of Charlotte, who came very close to winning the seat of Republican curmudgeon Jesse Helms, long-time Senator from North Carolina. Gantt, who will likely be in the race once again when Helms is up for reelection in 1996, discussed the emerging role of minorities in the American political process.

With all the activity, one Democrat was overheard complaining to a friend: "I hardly have time for my family anymore. This must be the third event I've attended this month. Anyway, see you next week!"

Judith Sullivan

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: June 29, 1994
RE: Americans Abroad

Attached please find a revised letter to Peter Alegi. I had not included the changes in the Kennedy bill because -- believe it or not -- the committee has been arguing about what they did versus what they intended to do in the Simon amendment. I did not want to make any statement from you until they had resolved the issue. They have now agreed on the principle but will need to clarify the language. I had not included the Ford changes because the Democrats Abroad do not see the Ford bill as much of an improvement. Taken together, though, I do think they will like these changes. You should note that neither proposal requires an employer contribution or provides any subsidies to individuals or employers. Today, however, most companies abroad do provide insurance for their employees and can be expected to continue.

You asked if health insurance policies cover medical problems abroad. Health insurance policies purchased in the United States normally provide coverage to travelers for emergency services. There is usually an additional cost for more extensive coverage.

Thanks —
Will you call him &
explain we're sending
letter & tell him to
feel free to contact you
directly re health concerns

PHOTOCOPY
HRC HANDWRITING

TO: Hillary Rodham Clinton
FROM: Jennifer Klein
DATE: 6/24/94
RE: Americans Abroad

Attached please find the letter to Peter Alegi about coverage for Americans living abroad. As you can see, Maggie also received a letter from Mr. Thomas W. Fina, the Executive Director of Democrats Abroad, forwarding a letter to you from Mr. Alegi.

I did not address Medicare because the reasons that Americans living abroad have never been included in the program (e.g., the difficulty of controlling quality and costs) are also true of the Federal Employees Health Benefit Program -- which does provide coverage. I can add more if you think the last paragraph is not sufficient.

Jennifer-
I thought we had made some changes that permitted expatriates to buy insurance to cover themselves through the coop. Check the Kennedy + Ford bills to see if they deal w/ this issue. If not, we should - doesn't a policy usually cover medical problems abroad?
love

PHOTOCOPY
HRC HANDWRITING

June 6, 1994

Democrats Abroad

Ms Maggie Williams
Chief of Staff
Office of the First Lady
Old Executive office Building
Room 100
Washington, D.C. 20500

Dear Ms Williams:

I attach a confirmation copy of letter from the Chairman of Democrats Abroad, Peter Alegi, to Mrs Clinton concerning the inclusion of Americans resident abroad in the national health care reform legislation.

This was written after he had spoken with her during the President's and her visit to Rome. While Peter had it hand carried to the Presidential party, we have no way of being certain that it actually reached her.

Therefore, I would be grateful if you could please make sure that the First Lady does receive a copy.

With many thanks for your consideration, I am

Sincerely Yours,

Thomas W. Fina

Thomas W. Fina
Executive Director
Democratic Party Committee Abroad

Attachment

Thomas W. Fina, Executive Director • Democrats Abroad • 7400 Rebecca Drive • Alexandria, Virginia 22307 • (703) 768-3174 • FAX (703) 768-0920

DEMOCRATS ABROAD

DEMOCRATIC NATIONAL COMMITTEE

Peter C. Alegi
Chairman

Via Venti Settembre 1
00187 Rome, Italy
Tel (3906) 4820147
Fax (3906) 4871149

June 3, 1994

COPY

Hillary Rodham Clinton

By hand delivery in Rome

Dear Hillary (if I may still...),

I had not expected the opportunity to speak to you yesterday at the Vatican and apologize for the jumbled presentation. Let me take this opportunity to put the facts concerning health care for overseas citizens to you as clearly as possible:

1. No version of the Health Security Act provides coverage for the nearly 3 million non-governmental civilians residing overseas. Indeed, we are specifically excluded from the Administration's bill, although it is intended to provide "universal" coverage.

2. Overseas Americans must have the right to participate in the health care reform plan, at least on a self-financing basis. They should also be included in the Medicare program.

3. We overseas Americans are too often neglected and abandoned; resentment builds, especially when we pay taxes and offer support by voting in large numbers, without our special concerns being attended to. During the 1992 campaign, Gov. Clinton wrote of his intention to attend to our concerns, while Bush did not (see candidates' open letters, International Herald Tribune, September 26-27, 1992 attached).

4. As Chairman of Democrats Abroad and upon David Wilhem's suggestion, I wrote to Ira Magaziner on May 15, 1993 asking that our health care needs be considered. Repeated requests for a reply were never satisfied.

5. While many members of Congress have expressed their support for our cause, only Sen. Simon has produced an amendment, due to be introduced on June 7 in the Senate Labor Committee. However, it is a minuscule step limited to requiring insurance companies to cover overseas employees of American corporations (not subsidiaries). It is recognition, but very little in terms of substance (less than 1%).

6. A broader but still limited legislative program is attached to this memorandum. We hope that you can arrange for your experts to examine our position, recognize the injustice in excluding those of us who do our work for America overseas, and have the White House inform the appropriate Congressional committees of its support for the inclusion of provisions for overseas Americans in their health care legislation.

7. My main task this year in leading Democrats Abroad, the overseas branch of the DNC, in every nation outside the U.S.A. is to get a strong Democratic Congress elected to support the President's program. We were able to get Democrats, Republicans and non-committed citizens abroad to support his presidential candidacy, especially after the Herald Tribune letter mentioned above. However, with continued silence on the health care issue, many of the more than one million overseas absentee ballots are likely not to be cast in this off year. With just a few words of support on the health care issue, those ballots will be cast and will help win some very tight legislative campaigns.

I would be grateful for an early indication of support for our position from the White House. Communications can be simplified if necessary by having your aides contact the Executive Director for Democrats Abroad, Thomas Fina, at tel. (703) 768-3174 and fax (703) 768-0920.

* * *

We last spoke at Sally's Pizza in my native New Haven; to pick up the conversation in the Sala Clementina of the Vatican was indeed an unexpected pleasure. I look forward to seeing you again when the Health Security Act is signed into law, with overseas citizens protected.

Sincerely,

Peter C. Alegi
Chairman, Democrats Abroad

Enc.

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acc

AMENDMENT NO. ____ Calendar No. ____

Purpose: To ensure that coverage provided under the Health Security Act extend to United States citizens that live outside the United States.

IN THE SENATE OF THE UNITED STATES—103d Cong., 2d Sess.

S. 1779

To ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. SIMON

Viz: [Unless otherwise indicated, section references in this amendment are to the Chairman's mark of the Health Security Act]

Section 1902(a)(2) is amended by striking subparagraph (C).

Subparagraph (D) of section 1902(a)(2) is amended to read as follows:

(C) EXCLUSION OF CERTAIN FOREIGN EMPLOYMENT.—The term "employee" does not in-

clude an individual with respect to service, if the individual is not a citizen or resident of the United States and the service is performed outside the United States.

At the end of section 1411, add the following new subsection:

(c) CERTAIN CONTRACTS WITH FEE-FOR-SERVICE PLANS.—

(1) IN GENERAL.—With respect to an employee described in paragraph (2), a contract under this section with a fee-for-service plan shall ensure that the plan will reimburse all providers for items and services that are covered under the comprehensive benefit package and provided to the employee regardless of whether such items or services were provided outside of the United States and regardless of whether such providers reside or are located outside the United States.

(2) EMPLOYEE.—An employee described in this paragraph is an employee who is a citizen or resident of the United States and who is performing services outside the United States for an American employer (as defined in section 3121(h) of the Inter-

nal Revenue Code of 1986) that is an experience-rated employer.

At the end of subtitle G of title I, add the following new section:

SEC. 1710. PARTICIPATION IN OPM INSURANCE PROGRAM.

After the FEHBP termination date referred to in subtitle C of title VIII, an employee who performs services outside the United States for an American employer (as defined in section 3121(h) of the Internal Revenue Code of 1986) that is a community-rated employer, may elect to participate in the health insurance program established by the Office of Personnel Management under such subtitle.

At the end of section 6121(c), add the following new paragraph:

(7) CERTAIN EMPLOYEES RESIDING ABROAD.—

(A) IN GENERAL.—The Office of Personnel Management shall determine the appropriate employer and employee premium payment amounts with respect to employees described in subparagraph (B) who elect to participate in the health insurance program established by the

Office of Personnel Management under subtitle C of title VIII.

(B) EMPLOYEE.—An employee described in this subparagraph is an employee who is a citizen or resident of the United States and who is performing services outside the United States for an American employer (as defined in section 3121(h) of the Internal Revenue Code of 1986) that is a community-rated employer.

At the appropriate place in title VI, insert the following new section:

SEC. ___. INELIGIBILITY FOR PREMIUM ASSISTANCE.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, an employee described in subsection (c), and an employer of such an employee, shall be ineligible for premium discounts and other premium subsidies under this title.

(b) ADMINISTRATIVE SURCHARGE.—An employee described in subsection (c) shall be required to pay an administrative surcharge under the plan under which such employee is covered. The Office of Personnel Management shall determine the administrative surcharge that may be charged under this subsection based on the obligation of a plan to reimburse providers who provide covered items

or services to such an employee outside of the United States.

(c) EMPLOYEE.—An employee described in this subsection is an employee who is a citizen or resident of the United States, who is performing services outside the United States for an American employer (as defined in section 3121(h) of the Internal Revenue Code of 1986), and who is insured under this Act.

[The following page and line numbers refer to S1757]

On page 1246, between lines 6 and 7, insert the following new subsection:

"(d) OTHER EMPLOYEES RESIDING ABROAD.—After the FEHBP termination date, an employee who is a citizen or resident of the United States and who is performing services outside the United States for an American employer (as defined in section 3121(h) of the Internal Revenue Code of 1986) that is a [community-rated] employer, shall be eligible for health insurance under a program which the Office of Personnel Management shall by regulation establish.

Ford mark

section 101(a)(15) of the Immigration and Nationality Act may obtain the comprehensive benefit package through enrollment in a community-rated plan for the community-rating area in which the nonimmigrant resides.

(c) RECIPROCAL TREATMENT OF OTHER NONIMMIGRANTS.—With respect to those classes of individuals who are lawful nonimmigrants but who are not long-term nonimmigrants (as defined in section 1902(29)) or described in subsection (b), such individuals may obtain such benefits through enrollment with community-rated plans only in accordance with such reciprocal agreements between the United States and foreign states as may be entered into.

(d) ASSURING ABILITY OF CITIZENS LIVING ABROAD TO SECURE BENEFITS.—The National Health Board shall identify and, if necessary, establish, mechanisms whereby citizens of the United States who reside (other than on a short-term basis) outside the United States are assured the opportunity to purchase health insurance coverage for items and services included in the comprehensive benefit package and furnished outside the United States. Nothing in this section shall be construed as authorizing any Federal financial subsidies towards the cost of obtaining such coverage.

THE WHITE HOUSE

WASHINGTON

June 27, 1994

Mr. Peter Alegi
Chair
Democrats Abroad
Via Venti Settembre 1
00187 Rome, Italy

Dear Mr. Alegi:

I very much enjoyed ~~speaking with you at the Vatican. During our visit to Paris,~~ meeting you in Rome. I also had the opportunity to read your article on health care reform in The Overseas Democrat and was interested to learn about the suggestions of the Democrats Abroad Task Force.

The President's plan for health care reform restructures the market for health care in the United States by offering consumers a choice of health plans that compete by providing high quality health care at a reasonable cost. Because the system relies on private sector competition between health plans and providers in this country, the plan does not extend to Americans living abroad. American businesses may continue to provide health insurance for their employees abroad. Americans and American businesses overseas will not be required to pay individual or employer premiums under the Clinton plan.

Two of the proposals of the Task Force are addressed in the President's plan for health care reform. The Task Force first recommends that Americans living overseas have the right to purchase insurance. The President's plan explicitly preserves the ability of all individuals to purchase any health insurance or health services. Nothing will preclude an American individual or employer from purchasing health insurance that covers services delivered in the United States or abroad, as they may today. The third proposal of the Task Force suggests that it be made clear that any American returning to reside in the United States would be immediately eligible to enroll in an alliance. Under the President's proposal, all Americans returning to the United States are eligible immediately. There is no requirement that an individual or family live in an area for any period of time before becoming eligible, and the plan includes explicit procedures for enrolling at a time other than during the normal enrollment period.

I have forwarded the recommendations of the Task Force to our Office of Policy Development for further review and have asked them to pay particular attention to the suggestion that Medicare be extended to Americans abroad. I very much appreciated hearing your views as we continue to work with Congress to make health security a reality.

Sincerely yours,

Hillary Rodham Clinton

cc: Mr. Thomas W. Fina, Executive Director
Democratic Party Committee Abroad

February 22, 1994

The Honorable Pete V. Domenici
United States Senate
Washington, DC 20510

Dear Senator Domenici:

The President forwarded to me your letter and floor statement about managed competition. We agree that the Health Security Act builds on the model that is currently in place in Albuquerque.

The President's primary strategy to control health care costs is private sector competition. Consumers are given a meaningful choice of health plans providing the same package of benefits and asked to make informed decisions. Consumers choose among health plans based on cost -- they pay more if they choose a more expensive health plan -- and quality -- they are given understandable information about health care quality and consumer satisfaction.

Regional alliances promote competition among health plan. Alliances reduce administrative costs and increase the purchasing power of individuals and businesses who are forced today to buy small group and individual insurance. Alliances offer to these consumers a choice of health plans that compete by providing high quality care at a reasonable cost rather than by selecting only healthier applicants or varying premiums based on age or health status, as so many do today.

Competition among health plans is backed by a safety net of caps on the rate of increase in insurance premiums. If employers and individuals have responsibility to contribute to coverage, and the federal government provides discounts to small businesses and individuals, we need to guarantee that premiums will not rise unchecked and that government will not spend without accountability.

Thank you again for sending this information. We look forward to continuing to work with you in the coming weeks.

Regards,

Ira C. Magaziner
Senior Advisor to the President
for Policy Development

ICM:jk

THE WHITE HOUSE

July 18, 1994

Ms. Mayree Clark
Morgan Stanley & Co., Inc.
1251 Avenue of the Americas
New York, NY 10020

Dear Mayree:

I would like to thank you personally for your extraordinary generosity in helping Pamela Hinkley pay some of her medical expenses. I know you found her story as compelling as I did. Her experience provides a human face to the health care reform debate and reinforces my belief that what is at stake is people -- hardworking Americans who far too often are forced to make heartbreaking choices because of a broken health care system. Her story, and the many like it that I have heard as I have travelled around our country, has deepened my personal commitment to working toward meaningful health care reform.

Your help made possible a happy and inspiring ending to the Hinkleys' story. Please accept my sincere thanks.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

THE WHITE HOUSE
WASHINGTON

Ms. Mayree Clark
Morgan Stanley & Co., Inc.
1251 Avenue of the Americas
New York, NY 10020

THE WHITE HOUSE

August 1, 1994

Mr. Lark W. Mullen
Box 248
Yadkenville, NC 27055

Dear Mr. Mullen:

Thank you for writing to share your experiences and support. I cannot begin to tell you how sorry I was to hear about your daughter.

Stories like yours constantly remind me of the desperate need for health care reform. Too many Americans do not have health insurance coverage at all. And even those fortunate enough to have insurance may discover, as you did, that their plan does not cover a particular service -- just as they need it the most.

The President and I want to guarantee health security for every American family. We look forward to continuing to work with Congress to pass real health care reform legislation this year.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

Please take your story in Catherine's memory to your Members of Congress

THE WHITE HOUSE

WASHINGTON

July 26, 1994

David Trimble, Jr., M.D.
Senior Staff Physician
Department of Medicine, Ambulatory Care
Department of Veterans Affairs Medical Center
4801 Linwood Boulevard
Kansas City, MO 64128

Dear Dr. Trimble:

Thank you for your letter about the Department of Veterans Affairs (VA) health care system and for your support of the President's health reform proposal. You mentioned in your letter that the role of the VA should be expanded under health care reform. The President and I wholeheartedly agree that reform should prepare the VA system to deliver the high quality, affordable health care that our nation's veterans deserve.

As you pointed out, VA facilities are staffed by talented and dedicated health professionals and have a long history of providing quality care to our veterans. Yet, today, the VA health care system must overcome numerous regulatory and financial barriers to serve our veterans. As you know, the current VA system must contend, for example, with prohibitions against receiving reimbursement from private insurance, complex eligibility rules, and restrictive personnel and contracting requirements.

Reform will free the VA system to provide high quality, affordable health care. Under the President's plan, veterans will be able to enroll in VA health plans that provide the comprehensive package of benefits guaranteed to all Americans as well as additional services that target the particular health needs of veterans. Veterans with service-connected disabilities or low incomes will receive all of those services at no cost to them. Those veterans who do not enroll in a VA health plan may continue to receive the supplemental services that they are eligible to receive today, such as hearing aids and long-term care.

The President's plan prepares the VA system for its role in the new system by investing over $3 billion over a three year period to modernize and improve the VA system. In addition, for the first time, the VA will be able to collect Medicare and

private insurance payments. Finally, unnecessary and burdensome regulations will be reduced, freeing VA hospitals and doctors to concentrate on patients rather than paperwork.

Thank you again for writing to share your thoughts and concerns. I look forward to continuing to work with Congress to give our nation's veterans the health security they deserve.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

THE WHITE HOUSE

WASHINGTON

July 22, 1994

Mary Ann Shoback, R.N.
102 Brookfield Apartments
Dallas, Pennsylvania 18612

Dear Ms. Shoback:

Thank you for taking the time to share your thoughts and experiences. As I travel around the country, I am continually reminded that what is right about our health care system is the dedication and talent of health care professionals like you. The problem is simply that too many Americans are unable to get the health coverage that they need.

You expressed concern in your letter about hospital mergers. The President's proposal for health care reform leaves current antitrust laws in place because, as you so correctly noted, they preserve competition. In some circumstances, though, competition is promoted by mergers, joint ventures and other cooperative activities among hospitals and other health care providers. In the fall of 1993, therefore, the Department of Justice and the Federal Trade Commission together issued antitrust guidance to reduce uncertainty among health care providers regarding the application of antitrust laws to hospital mergers and other joint activities. These agencies will provide further guidance in the future.

You also pointed out that there has been a steady decrease in the ability of patients to choose their doctors. As costs continue to rise, employers limit their employees' choices of health plans and doctors. According to the Employee Benefit Research Institute, one in five American families report that they have involuntarily changed their doctor in the last five years. The President's plan expands choices by allowing families to choose among all health plans in an area. All Americans will be given the opportunity to join a fee-for-service plan that allows them to see any doctor they choose. Even those Americans enrolled in health maintenance organizations may purchase a point-of-service option that permits them to see doctors outside of the plan. As a result, under the President's proposal, every American will be able to choose their doctor and health plan.

Thank you again for writing. I very much appreciated hearing your views as the President and I continue to work to make health security a reality for all Americans.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

THE WHITE HOUSE

July 6, 1994

Mrs. and Mr. Curtis Hinkley
6108 Rymer Court
Las Vegas, Nevada 89130

Dear Mrs. and Mr. Hinkley:

Thank you for writing to share the happy and well-deserved ending to your story. It is experiences like yours that constantly remind me of the real need for health care reform.

Thank you also for your kind words of support. My thoughts and prayers are with you, Richie and the rest of your family. I look forward to voting for Richie for President!

With best wishes, I am

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

THE WHITE HOUSE

July 5, 1994

Ms. Gwen Paul
Director of Engineering
CVAC, Inc.
3333 South 7th St.
Minneapolis, MN 55403

Dear Ms. Paul:

Ms. Sandra Tenney Myklebust recently wrote to me about your breakthrough in health care technology. Her letter and the enclosed articles demonstrate the significant impact of your centralized evacuation system on reducing the risk of operating room infection and improving the health care environment for both providers and patients.

The President and I recognize that our nation will maintain its leadership in medical technology only with the continuing contribution and commitment of people like you. I wish you the best of luck and look forward to reading in the future about your ongoing achievements.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

cc: Sandra Tenney Myklebust

Evie
Who on health care staff should look at this? - Maggie
Let's send a response

Ms. Sandra Tenney Myklebust, CPCM, FMP
1201 Yale Place #504
Minneapolis, Minnesota 55403
(612) 340-0071 voice
(612) 376-9055 fax

612 473 6886
3333 4th St.

March 9, 1994

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 3

To [illegible]	From [illegible]
Co. The White House	Co.
Dept.	Phone # 612 340-007[illegible]
Fax # 202 456 6844 (202)-456-6844	Fax # 612 376-9055

Ms. Hilary Rodham Clinton
The First Lady
The White House
Washington, D. C.

Dear Ms. Clinton:

I am writing to introduce to you, Ms. Gwen A. Paul, Director of Engineering at CVAC, Inc., of Minneapolis, Minnesota. Ms. Paul is the recent recipient of several awards for a ground breaking technology in the healthcare industry. She is the designer of an operating room filtration system which was patented on November 23, 1993.

The CVAC™ is a centralized airborne evacuation system. In the past debris from the air in operating rooms has been removed with portable systems. The new system has several major advantages over the portable methods of filtration. It is convenient, quiet and effective. At the present time, CVAC, Inc. a small, recently formed company, has one major installation. In January, the system was installed in 19 renovated and new operating rooms at the 672 bed Minneapolis based Abbott Northwestern Hospital.

The need for ground breaking technology such as this centralized air filtration system has never been greater. There are more than 24 million laser, electrocautery and orthopaedic procedures taking place in the U. S. each year. These methods of surgery produce airborne blood and tissue debris that may put healthcare workers at risk. An estimated 70 % use no form of airborne debris evacuation system.

Ms. Paul, the designer of the award winning evacuation system has been recognized by the (American Consulting Engineers Council (ACEC). The association noted in awarding this prestigious recognition that it is rare that an engineering innovation has such a direct impact on people. It is even more rare that this innovative technology originated from a young, 32 year old female engineer. Early last month the State of Minnesota awarded its inventor of the year award to Ms. Paul.

The Association of Operating Room Nurses (AORN) has adopted the following Recommended Practice: "Patients and perioperative personnel should be protected from inhaling the smoke generated during electrosurgery. An evacuation system should be used to remove surgical smoke."

Perhaps a letter commending Ms. Gwen Paul for her centralized evacuation system toward a better, more cost effective healthcare environment would be appropriate.

Thank you for your interest. I will telephone soon to talk with your office further about this proposal on behalf of Ms. Paul.

Sincerely yours,

Sandra Tenney Myklebust, CPCM, FMP

ENGINEERING EXCELLENCE

Laser Safety System Wins Grand Conceptor Award

The design of a pioneering laser smoke evacuation system which eliminated hazardous conditions from a hospital's operating room earned ACEC's Grand Conceptor Award for the Minneapolis consulting engineering firm of Michaud, Cooley, Erickson & Associates (MCE). The Grand Conceptor is the top award given in the Council's annual Engineering Excellence Awards competition. The project was commissioned by Abbott Northwestern Hospital (ANW) in Minneapolis, to be used in 19 new and renovated operating rooms equipped for laser procedures.

The use of laser surgery in the United States has been increasing dramatically. In ANW, for example, the number of laser surgery procedures more than doubled between 1988 and 1991. Using lasers rather than scalpels reduces the post-operative pain patients experience, shortens the time patients spend in the hospital, and virtually eliminates the need for large, fully staffed operating rooms.

Unfortunately, lasers also create unpleasant and potentially hazardous working conditions for the medical staff. Laser interaction with human tissue generates a visible, malodorous smoke plume that can contain carcinogenic chemicals and infectious particles, such as Human Papillomavirus DNA (HPV DNA), which cause genital warts. HPV DNA is often present in HIV-positive patients. It presents a risk of infection if it is inhaled or exposed to open tissue.

The system designed by MCE is capable of handling blood and tissue debris aerosolized during electrocautery and orthopedic procedures. In addition to addressing the health hazards of laser surgery, ANW required the new evacuation system to be capable of serving all 19 operating rooms simultaneously. MCE responded by designing the Centralized Laser Smoke Evacuation System (CVAC).

Prior to the development of CVAC, ANW used portable laser smoke evacuation units that filtered, then recirculated air back into the procedure room. These portable units can serve only one procedure at a time, may not eliminate offensive odors, require up to seven square feet of floor space, are noisy, and cannot evacuate wet debris.

Since it is centralized, CVAC can serve any number of operating rooms simultaneously. It draws the laser smoke and debris through transparent, flexible tubing connected to an articulating arm. Permanent tubing in the articulating arm draws the smoke and debris to a copper piping system located above the ceiling. (At ANW, this piping system links all 19 operating rooms, with provisions to serve additional rooms in the future.) The smoke and debris are drawn rapidly through the piping system to a central mechanical room and discharged into a centrifugal separator. Rotation and gravity combine to separate the debris from the air. The separator tank is rinsed with a disinfectant solution, which flushes the debris to the sanitary waste system. Vacuum producers draw the remaining air through a high efficiency (HEPA) filter to the exterior of the building.

The entire CVAC system can be rinsed and disinfected from the point of use by drawing water or a disinfectant solution through the flexible tubing in the operating room. The solution then passes through the piping system where it is flushed at the separator tank.

By removing the smoke from the procedure room, CVAC minimizes the risk of infection from airborne contaminants, eliminates odors, and evacuates carcinogens. CVAC captures 98% of all the airborne particles generated by the laser procedure. The use of disposable flexible tubing, available in varying lengths and diameters, enables health care professionals to evacuate smoke close to the procedure site.

Note - CVAC is a spin off from Michaud Cooley Erickson. SF Bay

Modern Healthcare
WEEKLY BUSINESS NEWS
Aug. 9, 1993

TECHNOLOGY

Clean air an issue during electrosurgery

By Lisa Scott

The Association of Operating Room Nurses is ready to ask hospitals and other healthcare providers to keep the air clean during electrosurgery.

A draft of recommended practice guidelines, published in the July issue of *AORN Journal*, state that smoke evacuators should be used in all electrosurgical procedures.

AORN already recommends that hospitals use smoke evacuators during the 2½ million laser surgery procedures performed each year. And most hospitals do.

That's because laser smoke smells bad and can make it difficult for operating room personnel to see. Also, scientists say that masks alone don't block particles of human flesh and dangerous hydrocarbons sometimes found in laser smoke. Some studies suggest that particles of flesh in laser smoke can carry active viruses, such as one that causes venereal warts.

Research has not spelled out the long-term health risks laser smoke presents for surgeons and operating room personnel.

Scientists now argue that smoke produced during electrosurgery, or any other procedure that burns tissue, also could be dangerous. For example, a 1992 study by the National Institute of Occupational Safety and Health said that smoke from one gram of tissue burned during electrosurgery could mutate cells as much as the smoke of three to six cigarettes.

"Electrosurgery smoke or argon beam coagulator smoke is not all that different from laser smoke," said Albert de Richemond, a senior project engineer at ECRI. The Plymouth Meeting, Pa.-based not-for-profit firm evaluates healthcare technology. It conducted a study of smoke evacuators in 1990.

Electrosurgery is an element of about 80% of all surgical procedures, or 18 million each year. Most hospitals don't use smoke evacuators during electrosurgery, said Larry Lachowski, marketing manager of Stackhouse, a Riverside, Calif.-based manufacturer of smoke evacuators.

Many manufacturers see these two facts as a sign that the demand for smoke evacuators and accessories is about to boom. Some estimates place the potential market at $50 million to $100 million.

Stackhouse controls more than 50% of the market, while Deerfield, Ill.-based Laser International is a distant second. Several companies are entering the field.

"Three years ago, there was us and maybe three or four other companies," Mr. Lachowski said. "Now, maybe there's 20 others."

The latest technology is a centralized vacuum system designed by Michaud Cooley Erickson, a Minneapolis engineering firm. It was installed in January at 672-bed Abbott-Northwestern Hospital in Minneapolis to filter bone dust and surgical smoke.

The central equipment cost about $75,000, said Gene Torrey, facilities director at the hospital. That doesn't include the cost of design, installation and piping. With regular maintenance, the system should last indefinitely.

By comparison, portable smoke evacuators cost from $1,600 to $4,700 and have a life of about six years, Mr. de Richemond said. Disposable accessories, such as filters and flexible tubing, run about $15 per procedure.

At Abbott-Northwestern, the evacuation system draws off smoke through a hose attached to an articulating arm on each operating room's service column.

The hospital had been using portable smoke evacuators, which took up valuable space next to the operating table and added noise to an already hectic environment, Mr. Torrey said. ■

THE WHITE HOUSE

June 23, 1994

David M. Epstein, M.D.
President
Delaware Chapter
American Academy of Pediatrics
110 Christiana Medical Center
Newark, Delaware 19702

Dear Dr. Epstein:

Thank you for your letter of support for our efforts to make health security a reality for all American families. I was happy to have the opportunity to speak to representatives of the American Academy of Pediatrics as well as other important and dedicated physician groups on May 12.

Stan Greenberg meant only to make an empirical statement that many Americans will judge health care reform by how it effects the elderly. This Administration wholeheartedly agrees with your view that our nation's children desperately need health care reform. Too many American children do not get immunizations, tests and periodic checkups because their families are uninsured or underinsured and, therefore, do not have access to affordable primary and preventive health care services.

The President and I are committed to ensuring that American children get the health care they need and to guaranteeing their families the security they deserve. Thank you again for your ongoing support.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

cc: Ms. Jackie Noyes, American Academy of Pediatrics

THE WHITE HOUSE

WASHINGTON

June 29, 1994

Anne M. Winthrop, Esq.
Suite 235
6632 Telegraph Road
Bloomfield Hills, Michigan 48301

Dear Ms. Winthrop:

Thank you for writing with your thoughtful suggestions for financing the President's proposal for health care reform. You suggested that hospitals be taxed on at least part of their non-profit income as a source of funding for health care reform.

As you know, under current law, tax exemption is granted to non-profit hospitals that meet a "community benefit" test. The President's health reform proposal continues to allow non-profit hospitals to be eligible for tax exemption, but goes beyond current law by requiring them to assess the health care needs of the community at least annually and to develop a plan to meet those needs in order to qualify for tax exemption. Hospitals must conduct this assessment with the participation of representatives of the community.

Many non-profit hospitals provide essential services, especially in our most underserved rural and urban areas. The President's proposal creates explicit standards for obtaining tax exemption, while fostering the ability of non-profit hospitals to provide the preventive care, medical research, and education and outreach programs so needed in these communities.

Thank you again for your letter. I very much appreciate your support of our goal to make health security a reality for all American families.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

Anne M. Winthrop

Attorney at Law
and
Counselor

Suite 235
6632 Telegraph Road
Bloomfield Hills, Michigan 48301
(810) 353-2552
FAX (810) 737-4665

May 23, 1994

Hillary Clinton
White House
Washington, D.C.

RE: Health Care Reform Plan---Proposal: TAX NON PROFIT CORPORATIONS

Dear Mrs. Clinton:

I have thought of a new way to help fund your health care reform plan which may have been overlooked. Specifically, non profit corporations such as hospitals should be taxed on at least part of their non profit income. There are billions of dollars sitting in the coffers of non profit corporations like hospitals which could be utilized to fund national health care. There is no ethical reason that these revenues should continue to be untapped. I have obtained a copy of the 1993 tax return of the largest hospital in Michigan which lists 397 million dollars in net assets against a total asset figure of 739 million. This means 397 million in money labeled as non taxable which is sitting to be possibly tapped for future investments.

I came across this hospital tax return when I recently started a legal expense containment consulting business in which I hoped to cut defense litigation costs for hospitals in the medical malpractice area. Not one of over 100 hospitals responded which indicates that they have no interest or incentive to cut their litigation costs. All attorneys practicing in this area as I have know that defense litigation costs are padded with unnecessary legal work.

Individual tax payers are being asked to pay more while no mention has been made to question non profit corporations. The reality is that a non profit corporation is a legal and tax fiction which is outdated, unfair and unpatriotic. The question is and should be : Why are non profit corporations sacrosanct when the nation's health care reform plan cannot afford to overlook any financial taxable resource.

As a practicing attorney for 17 years and a single woman I would love the opportunity to go to Washington and assist this administration in some way with its goals. I hope my plan assists you in your battle and if I can be of any further assistance, please let me know.

Very Truly Yours,

ANNE M. WINTHROP

TAX TREATMENT OF NONPROFIT HOSPITALS

Hospitals have been eligible for tax exemption since the beginning of our income tax system; the tax law recognizes the promotion of health as a charitable purpose. Health care services benefit society as a whole, and maintaining a healthy work force improves productivity and the general standard of living.

It is appropriate that hospitals should earn their tax exemption by providing services that meet the health care needs of their communities. Current law applies a "community benefit" test that provides some assurance that tax exemption is granted only to deserving nonprofit hospitals.

The Health Security Act proposes a new rule that will apply in addition to the community benefit test of current law. Under this new rule, a nonprofit hospital must assess the health care needs of its community at least annually and develop a plan to meet those needs in order to qualify for tax exemption. The hospital will have to conduct this needs assessment and plan development process with the participation of representatives of the community.

This Administration feels it is important to maintain a viable nonprofit sector. Nonprofits are likely to engage in behavior that is beneficial to their communities in the absence of strong pressure to maximize profits. Treating patients who are unable to pay is one example of this type of behavior, and others include medical research, education programs, health screening, immunization, preventive care, and outreach programs.

THE WHITE HOUSE

June 16, 1994

Mr. James R. Scales
President Emeritus
Wake Forest University
P.O. Box 7228
Winston-Salem, N.C. 27109

Dear Mr. Scales:

Thank you for writing to me about health care reform. As you so correctly pointed out, the fundamental goal of reform must be to provide health insurance for all Americans. At some point during the year 58 million Americans go without insurance coverage, and two million people lose their coverage each month.

The President's proposal for health care reform will guarantee every American private health insurance that can never be taken away. It will be illegal for an insurance company to drop coverage or cuts benefits, charge higher premiums based on health condition, or apply lifetime limits on coverage.

Thank you again for your letter. The President and I are continuing to work with all members of Congress to pass health reform legislation that will make health security a reality for all American families.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

THE WHITE HOUSE

WASHINGTON

May 25, 1994

Patricia A. Kreidler, M.A., L.P.C.
1058 Vista Trail, N.E.
Atlanta, Georgia 30324

Dear Ms. Kreidler:

Thank you for writing to express your support for health care reform and to share your experiences as a professional counselor. It is stories like yours that remind me over and over again of the desperate need for real reform of our health care system.

For too long, people with mental illness have faced discrimination in the health insurance marketplace. Many are prevented from purchasing insurance because they have a so-called "preexisting condition". Those able to obtain insurance are often forced to pay the highest rates. And many reach lifetime limits just when they need coverage the most. Under the President's proposal for health care reform, it will be illegal for insurance companies to drop coverage or cut benefits, charge higher premiums based on health condition, or apply lifetime limits.

The comprehensive benefit package guaranteed to all Americans will cover a broad range of mental illness services, including inpatient hospitalization, outpatient treatment, and cost-effective and innovative intensive nonresidential treatments such as partial hospitalization and behavioral aide services. Health plans will be encouraged to use this wide array of treatment options to provide individuals with a continuum of care through substitution of inpatient and residential days for treatment in other settings. Significantly, no day or visit limits apply to medical management, diagnosis, screening and assessment, and crisis services. While annual day limits for some services will exist initially, they will be eliminated by the year 2001 as the service system develops the capacity to deliver and manage a more comprehensive mental health benefit. In addition, the President's plan will include coverage for prescription drugs, making medication more affordable and accessible for the mentally ill.

You also raised concerns about the complexity of today's health care system and particularly about the excessive paperwork that is currently required. One of the primary goals of the President's proposal for health care reform is to simplify the

health care system. The President's plan will require insurance companies to use a single, standard claims form and to simplify billing procedures. A uniform, comprehensive benefit package will replace hundreds of different insurance products that today confuse health care providers and consumers. These changes will both reduce costs and improve quality by allowing health professionals to spend less time on paperwork and administration and more time providing high quality care to patients.

Thank you for your support in this important endeavor.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

January 28, 1994

Mrs. Hillary Rodham Clinton
The White House
Washington, D. C.

Dear Mrs. Clinton:

It is with great pleasure that I have the opportunity to meet you. I feel you and your husband are advancing our great country in extraordinary ways. I want to let you know how much I appreciate your skills and your wonderful efforts. I can only imagine constant emotional, physical, and spiritual cost it must be to you and your family.

I am a mental health provider who is in private practice in Atlanta, Georgia. I enjoy my work as a Professional Counselor very much; however, in my over ten years of practice I have never seen such decline in a profession as mental health care and, subsequently, all health care.

I'm not asking -- I'm begging for your continued assistance. I have been shocked with the grim realities of insatiable greed in the insurance trust companies who are no longer satiated with keeping every cent of the insurance premiums they collect each year, but now hungrily and greedily are eyeing the daily interest the premiums collect each day to line their deep black-holed pockets.

I, at present, work with managed care companies who have been hired by primary insurance companies who install, delay, reduce, and deny payment of claims which have been previously provided as well as to stop the delivery of future benefits for mental health care. Every day it seems they come up with new and more devious schemes that seem to spread through the insurance industry like wild fire.

Some of my concerns include:

1) People are unaware of and unable to obtain information on mental health and medical coverage they are currently purchasing with huge premiums.

2) Insurance companies should not be allowed to subdivide or contract to small subsidiaries such as managed care groups, employee assistance programs [EAP], etc. I can't help feeling this is some type of way to launder profits.

3) Insurance forms need to become STANDARDIZED AGAIN, such as the standard HCFA forms. Now, EAP, Managed Care groups, etc. and insurance companies are requiring additional forms to be filled out. These forms are unique to their particular company and require the practitioner to fill out many of these additional forms. Most of these additional forms are four and five pages in

length and cannot be computerized. Names and addresses need to be put down on form after form.

4) Many of these companies are paying less and less for services rendered. Sometimes 60% to 70% less. They are paying below break-even costs to run a practice. Yet, they are requiring expensive, continuous work from the practitioner on not only the paperwork but the ongoing telephone calls back and forth between themselves and the practitioner. They refuse to reimburse the practitioner for his additional time and cost. Some pay fees as low as $30.00 per session. Nevertheless, they require full-time office personnel to receive even this payment.

5) Some of these companies change their contracts without informing the practitioner; therefore, months go by without payment which requires extensive follow-up and tracking from the practitioner's business office. Finally, they inform you they have changed your contract many months ago and you did not fill out the forms correctly. They always blame the practitioner. Also, without notice or cause, they lower your reimbursement rate.

6) Most of these companies allow a certain number of therapy sessions each time paperwork is filled out. The paperwork has to be constantly updated, sometimes for one or two therapy sessions. These sessions need to be constantly tracked as far as the number utilized. These companies are providing different fees for the same service given to the same client by the same provider at any time. Constantly confusing the patient and denying the practitioner of his/her previously agreed-upon fee is an attempt to wear down the practioner as well as to frustrate and humiliate the patient into not utilizing their paid-for insurance premium benefits.

7) Limiting certain practitioners to their HMO or EPA or Managed Care Systems is a restraint of the trade. These practitioners are under fiduciary contract with the insurance company. Therefore, they are told what to do. They function as an employee of the insurance company. Is this Shermon's Anti-trust? Is this conflict of interest? Is this morally, ethically, and legally correct?

8) Second opinion procedures need to be provided by randomly selected, similarly trained pools of practitioners or by the patient's choice of similar practitioner.

9) These above concerns are surely grave, but now I would like to take a moment to share with you a clinical case which is particularly unfortunate but, by far, not an isolated story. A few months ago one of the managed cares' high school graduates called up a psychiatrist to whom I referred a patient. This woman dressed down this psychiatrist for prescribing certain medications for which this managed care person stated their psychiatrist had disagreed. Their psychiatrist's name was never mentioned nor was he available to the practicing psychiatrist for discussion. The practicing psychiatrist told me that **NEVER** in his career of practicing psychiatry had he ever heard this type of language or talk, as well as demeaning attitude from anyone. This woman called me and advised me **NOT** to refer to this psychiatrist any more. Unfortunately, I have no

alternative but to listen to her or she and her huge managed care company will blacklist me as well. Several weeks later she called me and indicated the patient had utilized enough treatment, and that I need to see him less, once a month for a little while. I informed the patient of her decision. The patient had been previously told that it was my decision as to when he was to end treatment, and I advised him that with good clinical therapy we could make this decision together. This patient was recently considering hospitalization for his serious health problems. He was shocked and concerned by this new snag in his treatment. Therefore, he decided to take some action on his own. He was able to obtain for the first time information on his mental health insurance benefits. Apparently, he had utilized only $587 of the $2,000 of outpatient mental health benefits that his policy provided for the annual year. After exhausted and courageous action on his part, he is now allowed to see me for bi-weekly therapy sessions for a little while.

Words could not possibly explain how sadened and sickened I feel that this patient had to go through this ordeal to utilize his paid-for mental health benefits. I wish this were an isolated case, but it is just one of many. The situation seems to be getting worse each month. The gatekeepers of the insurance benefits appear to be getting more and more brazen with each passing unaddressed occurrence.

Mrs. Clinton, Shakespeare was right. If you are going to strike a cobra, you had better kill it. This is not just one cobra, rather it's hundreds. Make no mistake, they will never, never give up; their greed now consumes them. They can think of nothing else but money.

I realize the insurance industry tells investors one scenerio and profit margin history while they tell the public and insurance commissioners another profit history. Blue Cross & Blue Shield is, by far, not the only company to keep several sets of books. I have been informed that Hurricane Andrew, the greatest financial disaster to date in American history, took the private insurance companies only nineteen days of premiums to pay. Yet, the insurance companies continue to bellyache and demand higher and higher premiums. They have the gall to even threaten the public of going out of business. All of this was because they had to pay nineteen days of premiums! Are they so spoiled in keeping every cent of the premium that one bad year has them in such an uproar?

The recent fires in LA tell another but similar insurance industry scam. These fires that occurred involved expensive homes that were fully insured with riders and top-end insurance premiums that the insurance industry and agents had recommended. Yet, after these homes burned, the insurance industry was planning to pay 20% to 40% less than the value of the home because of new terminology which allegedly was not written into their insurance policy. Who did the insurance industry blame for this? Of course, they blamed the insurance agents just like they are trying to put the blame on the providers, particularly the mental health providers.

Health care delivery is falling into the hands of gatekeepers who are told to add up the cost and include such variables as age, sex, race, profession, family or friends involvement, etc. Then these gatekeepers are to decide if this patient should receive full medical care or a much-reduced version. They are incensitized not to provide benefits. Is this murder? How has this happened to us?

If I may be so bold to suggest that you orchestrate a quiet confidential investigation that gathers reliable, provable information about the insurance industry profits while you remain in The White House, out of the limelight. Your value **NOW** is to be behind the scenes. I feel they are attempting to get rid of you as our leader in such a slick way that we would be left without you as well as without the benefit of your martyrdom. Please consider obtaining information on the insurance industry profits for not only the health care profits but for as many of the insurance areas as you can. Although health care is by far the worst of the insurance industry, in my opinion, it is getting worse every day.

I must shamefully admit my fears and reservations in regard to speaking out against the health care industry for fear that they would blacklist me into financial ruin. It would be the same for anyone who spoke out publicly.

I feel nothing, absolutely nothing, is beneath these insurance profiteers and those who do their bidding. If the full truth be known, surely this immoral, unethical, and illegal insurance profit scandal would dwarf the Howard Millican and S& L scandals combined.

How many times do we have to shoot ourselves in the foot before we can learn? Have we learned nothing from computer chips to Japan as well as environmental patents to Germany? Your husband stated that we are a world economy, and we have a first-class marketable product, our health care providers. Let's not permit them to slip away to other countries as well. Yes, there are greedy, unscrupulous health care providers as there are unscrupulous people in every field. However, there are **NO** honest and fair insurance companies!!! Why? Because we have failed to monitor them; therefore, ensuring the integrity of the insurance industry system. Is there a way we can set up a check-and-balance system such as a banking system?

These companies need yearly outside randomly chosen audits and auditors. Also, strict financial disclosure statements to the people they insure and their representative entities will encourage and allow questions and answers. A clear and open attitude of honesty and integrity must prevail. It is imperative that they be streamlined and simple. Their Byzantine web of confusion and chaos is most definitely a well-designed and carefully-operated system.

I feel our health care facilities and providers will leave the field for other professions, early retirement, or go to other countries such as Mexico or Aruba or someplace where they could function as providers and obtain greater financial reward and prestige. Finally, and most sadly, they may sink into the apathetic world of mediocrity.

I realize that the foreprofit hospitals, physicians, and other health care providers did become caught-up in their greed of the 1980's. Significant changes must occur through public knowledge and some limited government intervention. However, I feel that had the insurance companies been honest and utilized integrity the situation of our current health care problems would not have gotten so out of hand because the insurance companies would have been able to inform the public of the situation. Also, to utilize this ability to inform the public as a way to negotiate and problem solve with the facilities and providers who were becoming too greedy. This ability to inform others

could be utilized as a check-and-balance system. If the public could actually assess and compare fees, services, quality of care, and the price of insurance benefits and premiums as compared to other insurance companies, the basic principles of the law of laissez-faire would surely survive.

I would set up some type of voluntary participation system to pay for indigent care. Perhaps a tax deduction for providers and/or insurance companies to receive a 10% tax deduct for every ~~10%~~ 30% of direct provider services rendered or a ~~10% deduction~~ 30% of indirect insurance premiums issued. Voluntary participation would reduce the constant complaint of "we are paying for those who do not pay for themselves." This compromise would be viewed as bipartisan and would increase the probability of becoming passed by Congress and enacted into law.

Error PAK 2/2/94

We do not need more parasitic institutions whose only job is to review, assess, correct, and instruct the work/product produced by others, particularly, when these producers have higher developed education, training, skills, and expertise.

This is how we have failed ourselves, i.e. the American public.

Sadly, I worry about my own health care benefits.

Thank you for your patience and time. If there is any way I can be of service to you, feel free to contact me.

Respectfully submitted,

Patricia A Kreidler MA/LPC

Patricia A. Kreidler, MA/LPC
1058 Vista Trail, NE
Atlanta, Georgia 30324

h. 404 633 6786
w. 404 986 8051

PAK:cm

P.S. Mrs. Clinton, I'm very sorry you could not make the ASLI meeting on Friday. I will hand deliver this letter to your associate, Carol Rasko. Please, note this letter only reflects my personal opinion.

THE WHITE HOUSE

WASHINGTON

March 26, 1994

Russell D. Harrington, Jr.
President
Baptist Medical System
9601 Interstate 630
Little Rock, Arkansas 72205-7299

Dear Russ:

Thank you for writing to share both your support and concerns about our health reform proposal. As you know, our goal is to provide health care security for all Americans. Within a national framework guaranteeing coverage and real access to comprehensive, high quality and affordable health care services, we chose to allow states to develop and implement a system best able to meet the needs of their citizens.

You raised specific concerns in your letter about the Medicare program under reform. The success of Medicare has made Americans over age 65 the only age group that has real health care security today. Under our health reform proposal, Medicare will continue -- and older Americans will receive the same benefits and may see the same doctors that they see now. Yet even under Medicare, too many older Americans are forced into nursing homes because home care is unaffordable, and too many older Americans must choose between medication and food. Therefore, Medicare will be enhanced under the Health Security Act through the addition of prescription drug coverage. In addition, older Americans will also benefit from a new long-term care program.

You also expressed concern about Medicare savings proposed under the Health Security Act. In the context of a health reform plan that will bring down private sector costs, we can achieve Medicare savings without shifting costs or endangering beneficiaries' access to services. The President's plan -- and virtually every Democratic and Republican plan that has been proposed -- recognizes that we can save money by lowering the rate of growth in Medicare and Medicaid. The Act does not, however, cut Medicare. Instead, it reduces the growth in Medicare spending from triple to double the inflation rate.

Thank you again for sending your support and thoughtful comments.

Sincerely yours,

Hillary

Hillary Rodham Clinton

Regards to Donna

DEPARTMENT OF HEALTH & HUMAN SERVICES
Office of the Secretary
Washington, D.C. 20201

MAR 24 1994

Mr. Derrick Bell
New York University, School of Law
40 Washington Square South
New York, New York 10012-1099

Dear Mr. Bell:

Thank you for writing to Secretary Shalala urging that the form UB-92 and all claims forms used under health care reform contain data on race and ethnicity. The Secretary has asked me to respond to your letter because this office is coordinating health care reform within the Department of Health and Human Services.

This Department is firmly committed to the goal of eliminating ethnic and racial discrimination. Furthermore, we recognize the importance of data on race and ethnicity to identify patterns of discrimination. However, there are several problems with using the UB-92 form to collect this information. First, many patients will resent data on race and ethnicity data being collected and verified at the point of service. This practice seems to communicate a message that racial and ethnic differences ought to matter to the provider when our goal is equity in health care delivery. Second, it is inefficient. Static information such as race should be collected once and maintained in a permanent data base. This approach eliminates costs for collecting, transmitting, editing and verifying redundant information. Third, the burden on filers is reduced when transaction forms such as the UB-92 are used to collect only dynamic information.

The Health Care Financing Administration is currently working with the Social Security Administration to effectively link enrollment data bases and other sources with claims files. The linked data will be available for program enforcement, analyzing patterns of care, and to identify incidents of discrimination. The Office of Management and Budget (OMB) recently approved the UB-92, without race and ethnicity data, as an interim policy expiring in June. Both the Office of the Secretary in this Department and the OMB will review the issue at that time.

Certainly health care reform offers the opportunity and the obligation to assure the most effective approach to information collection for evaluating both access to and quality of care for minorities. The issue of how best to collect this information will be the responsibility of the National Health Board under the Health Security Act. Ideally, information regarding race and ethnicity should be collected only once but made part of the

individual enrollee's permanent record. For example, enrollment forms could allow individuals to provide information about their racial/ethnic background with that information linked to the unique data base encoded upon or immediately accessible through the enrollees' unique health security cards.

Again, thank you for your letter and your continued interest in this vital issue.

Sincerely,

Judith Feder

Judith Feder
Principal Deputy Assistant Secretary
for Planning and Evaluation

Give to Lori to have her refer press to her

I think this was the letter you were looking for;

516-653-4265

To Jennifer to Please call + ask her to write/call + help Bushmans history

Dear Ms. Clinton,

I am the American Dream's worst nightmare.

A successful tv writer, playwright and journalist (for Parade Magazine, which recently devoted an unprecedented full issue to your health care concerns), I earned a comfortable 6-figure income, had garnered a number of prizes and awards and had even, at age 48, begun the "giveback" phase of my career by teaching the craft of writing at a local college. I am the father of an all-American nuclear family (boy, girl, dog, cat, station wagon). We lived in a beautiful Father Knows Best house near the sea in the upscale resort town of Westhampton Beach, Long Island, where each night our little group could tuck in within sound of the ocean's roar -- happy, safe, and financially secure thanks to my income and my wife's, and our growing nest egg of stocks, bonds and real estate investments.

Now, within 2 short years, all of it -- including our home -- is gone.

Why? Because it is exactly 2 years ago that the most impossible, most unlikely of medical events -- a severe brain hemorrhage -- struck without warning.

It has been a long, frightening and occasionally painful 2 years which I would gladly live again if only this time the outcome

Ms. Hillary Rodham Clinton
The White House
1600 Pennstylvania Ave.
Washington, DC

Peter Swet
Box 555
Quogue, NY, 11959
(516)653-6010
April 6, 1994

Dear Ms. Clinton,

I am the American Dream's worst nightmare.

A successful tv writer, playwright and journalist (for Parade Magazine, which recently devoted an unprecedented full issue to your health care concerns), I earned a comfortable 6-figure income, had garnered a number of prizes and awards and had even, at age 48, begun the "giveback" phase of my career by teaching the craft of writing at a local college. I am the father of an all-American nuclear family (boy, girl, dog, cat, station wagon). We lived in a beautiful Father Knows Best house near the sea in the upscale resort town of Westhampton Beach, Long Island, where each night our little group could tuck in within sound of the ocean's roar -- happy, safe, and financially secure thanks to my income and my wife's, and our growing nest egg of stocks, bonds and real estate investments.

Now, within 2 short years, all of it -- including our home -- is gone.

Why? Because it is exactly 2 years ago that the most impossible, most unlikely of medical events -- a severe brain hemorrhage -- struck without warning.

It has been a long, frightening and occasionally painful 2 years which I would gladly live again if only this time the outcome

could be more positive for my overburdened wife and 2 college-bound kids.

Perhaps the story of what happened can be useful to you in your struggle to reform medical insurance in our country. Quite apart from the tension and turmoil of catastrophic illness, mine is the story of how the American way of health care (as opposed to the health condition itself) has come close to destroying an otherwise healthy and typical American family.

To be brief, I will outline only what I deem to be the most destructive of all the outragious decisions of our health care provider: the refusal to cover 2 months of hospital room and board on the grounds it was not necessary.

Ms. Clinton, I was not merely paraplegic at first. I was severely brain damaged, with all that that condition implies. I was emotionally unstable, lived in a mental dream world, was capable of rash or even dangerous impulses. For my own safety and that of others I was placed in restraints at night and strapped into my wheelchair during the day. I was utterly confused, had problems with vision and memory and was incapable of making even the most mundane decisions for myself. There is no question that I required careful round-the-clock supervision. There is also no question that living at home would mean outright danger not just to myself but to my wife and kids. Yet, our insurance carrier will pay only for physical therapy services, insisting that I did not require hospitalization but should have lived at home while going off each day to a therapy center some 30 miles away.

We are now paying off some $30,000 in room and board charges. At

the rate of $200 per month, this will take us more than 20 years, when we will have reached our 70s. We are also paying off numerous other charges that the insurance company has refused so that with each mail delivery, staggering new bills arrive. My total annual income is now the small amount received from Social Security Disability insurance (about 11% of my former income, which in itself will be cut in half when my 17-year-old daughter turns 19. My 20 year-old son is already disqualified, though he is still dependent). All of our other resources have been drained and we owe everyone. Simply put, we are financially destroyed.

While I remain determinedly optimistic, it is most dispiriting to have survived a grave medical crisis only to be faced with such overwhelming medical bills that it would have been easier for my family if, in fact, I had not survived and was therefore able to provide them the benefits of my life insurance.

I feel that my story -- the American Dream undone by bad luck and bad insurance -- may be of some use to you in your continuing struggle to educate the American public on the needs of health care reform. Hundreds of thousands of others are just now beginning to face what my family has already been through. It may be of some comfort to them to learn how someone else has survived (and survive we will).

I'm not writing to you for sympathy. I'm writing in the hopes that my story, only a small portion of which is laid out here, can support your cause and that of so many other Americans. I can assist, I'm sure, by writing magazine pieces (I would need help only in placing stories in various media) and participating in

other activities to underscore our national health care problems, giving them "a face" while at the same time helping at least one catastrophic illness family (my own) to get back on its feet -- not through charity but through the hard work of which I am capable. I have no problems with writing as (hopefully) you can see, and am still a reasonably effective public speaker (my speech having remained undisturbed).

The author of that Parade piece, Dotson Rader, is a dear friend of mine and my wife's. He has told us of your forthrightness, generosity and great desire to help the American people. With such firsthand knowledge of how our present health care system can destroy lives perhaps, I, too, can be of service. Thank you.

Sincerely,

Peter Swet

Prev-Med Clinics, Inc.
Suite 206
10713 Highway 620
Austin, TX 78726
Phone: (512) 331-9906/7 • Fax: (512) 331-6100

August 10, 1994

The First Lady
Mrs. Hillary Clinton
The White House
Office of Scheduling and Advance
1600 Pennsylvania Ave. NW
OEOB Room 185.5
Washington, DC 20500

Fax: 1 202 456-2461

Dear Mrs. Clinton,

I have been asked to write to you and offer what ever type of support necessary in order to assist this administration in the passage and acceptance of health care reform.

The president of Prev-Med Clinics, Dr. William Fourie, believes that Americans would be made stronger and have less incidence of catastrophic illness if preventative medicine was more a reality. He is personally committed to the concept of Preventative Medicine as an art form.

This request for an audience is two fold:

1. To offer whatever support required to the on going effort of promoting the Clinton Health Plan

2. To give and receive dialogue on the direction and philosophy of Health Care in the 21st. century. Our excitement was kindled by the Surgeon General at the National Medical Association's 99th Annual Conference in Orlando, Florida.

Dr. Fourie has many resources available from the private sector which may assist your efforts in reaching your goal.

PRESENTING

Commitment To Quality Care

We at Prev-Med know that you have a choice when it comes to selecting a clinical provider, however in terms of providing education for the different Disease Groups, Prev-Med is unequaled. We at Prev-Med want you to experience quality difference when you use our facilities.

Quality at Prev-Med means that our commitment is to educating and treating with aligned treatments, your patient and his/her family with respect, sincerity and personal attention. We are dedicated to providing you with the services requested or ordered by your practice. Our skilled paramedical staff and quality medical resources join forces to improve the quality of life and to assist you in all of your mental and physical health needs.

Whether it is for drug or alcohol counseling, back to school immunizations, flu shots for the elderly and the at-risk group, dietary and nutritional training, physical therapy or just routine lab work, Prev-Med clinics will provide the patient and the physician with the quality care representing our commitment to excellence.

For referral contracts and general information, contact us at:

1 (800) PREVMED
or
1 (800) 773-8633

Administrative Offices:

Prev-Med Marketing Services
10713 Highway 620 N.
Suite 206
Austin, Texas 78726

Phone: (512) 331-9906
Fax: (512) 331-6100

Introducing

PREV - MED CLINICS INC.

1 (800) PREV-MED

BACKGROUND

Prev-Med Clinics, Inc.

Prev-Med Clinics, Inc. was founded by Dr. William Fourie. Dr. Fourie served on the faculty of two prestigious universities. He is totally aware of the needs of both the physician and the patient. Dr. Fourie became the director of Tertiary Care, a company providing education, counseling, and routine follow-up testing for patients referred by their doctors who felt that the patient would benefit from the comprehensive medical support offered. The support offered is in the following categories:

- **Testing**
- **Education**
- **Counseling**
- **Monitoring**

Prev-Med Clinics works as a prescriptive adjunct to the physician. The Clinic will enhance the quality of care offered to the patient group.

OBJECTIVE

Prev-Med Clinical Centers are to be functional education centers, whose purpose will be to educate patients about their illness and the prevention of the recurrence thereof.

How The Concept Will Work

Prev-Med Clinics, Inc. realizes the value of professional time and therefore lends itself to assist and support the physicians. With Prev-Med Clinics, the physician will be able to diagnose and treat the patient as before by prescribing the usual regimes, but will also have the further advantage of expanding his own practice whereby his patients can be referred for education in terms of the etiology, pathology, physiology, morbidity and mortality of each diagnosed group.

Prev-Med Clinics, Inc. will accept referrals for any of the following diagnosed groups:

- **Hypertension**
- **Coronary Heart Disease**
- **Post Operative Bypass Patients**
- **Diabetes Mellitus (Types 1 & 2)**
- **Low Back Pain Syndrome**
- **Stress Management Disorders**
- **Arthritic Patients**
- **Geriatrics**
- **Obesity**
- **Alcohol and Drug Abuse**

All interactions between Clinic staff (R.N. specialists, physiotherapists, dieticians, psychologists, social workers, etc.) and the referred patient will be recorded, and comprehensive feedback reports submitted to the referring physician to appropriately monitor the patient's progress.

Advantages For The Physician

1) The physician will now be able to expand his patient load without incurring additional hours.

2) The physician will have peace of mind knowing that once he has diagnosed his patients and treated the illness, Prev-Med Clinics will educate his patients on tertiary care basis in terms of preventative and rehabilitative education.

3) Doctor-patient relationship will grow stronger due to the broader spectrum of services provided.

4) The patient will remain the patient of the referring physician at all times.

5) Prev-Med Clinics will strictly adhere to the referring physician's instructions. We will abide by the professional high standards and code of ethics as prescribed by all the respective Medical Associations.

A Message from the President...

Dr. Wiliam Fourie

PREVENTIVE MEDICINE AND HEALTH CARE reform is long over due in this country, even now The Congress of the United States is deeply embroiled in trying to decide which health care legislative package will best serve The American people. The goal of 95 to 100% coverage for all Americans is a difficult, but not impossible task. One of the ways private Health Care givers can help is to provide a new twist to an old theme, that is for the private practitioner to begin to practice aggressive PREVENTIVE MEDICINE, To provide in a creative caring manner follow-up care for at risk patients and other patients where indicated. PREV-MED CLINICS will assist the physician by offering an environment especially designed to augment physicians prescriptive needs, for example; testing counseling, training, education and monitoring of patients between visits to the physician, these Prescriptive Services could include, Physical Therapy; Diet and Nutrition Counseling; Alcohol and Substance Abuse Counseling, Immuniations and a variety of laboratory tests as required, special studies such as sleep and psycological group therapy i.e. Battered Women, etc. PREV-MED Clinics is designed to service small groups of physicians in areas where such clinical support is either non-existent or is not adequate for the preventative medicine model.

At PREV-MED the physicians control the accounts directly and pay the clinic for actual services provided. PREV-MED also offers investment or ownership opportunities for aggressive communities, and finally PREV-MED offers start-up or "incubator" office space for new practitioners at a fraction of the regular cost.

We at PREV-MED are committed to keeping America Healthy through Preventitive Medicine.

FACT SHEET

THE PREV-MED CLINICS, INC.

Founded in the late 1970's. The Prev-Med Clinics is slated to be one of the most innovative, creative, private for profit clinics in the United States and plans are already on the drawing board for clinics abroad. Each clinic will be staffed by more than twelve health care professionals as well as necessary support staff. Each Clinic will be located in high a density location with access to public as well as private transportation.

Prev-Med is primarily a support facility for the physician offering Education, Counseling, Testing, and Therapy as prescribed by the patients doctor.

Prev-Meds focus will be in the following categories: Hypertension; Coronary Heart Disease; Post Operative By-Pass; Diabetes; Low Back Pain; Stress Management; Arthritic Conditions; Geriatric Patient Care; Obesity Management; Arhritic Conditions; Geriatric Patient Care; Obesity Management; Alcohol and Drug Treatment; and Immunizations.

Through its affiliates Prev-Med will offer a full range of laboratory testing, physical and group therapy all on site.

Another innovation at Prev-Med is our incubator system which provides office space and full privileges for new physicians seeking modern up to date facilities.

Each Prev-Med Clinic has the capacity to serve over 8000 patients per year, and is in keeping with the theme "Better Health Through Preventative Medicine."

The Clinics will have fully automated computerized patient information recording system which means that physicians will spend less time on paperwork and guesswork, and have time to provide care to more patients.

Future plans call for ovenight or short term therapy as indicated in respiratory therapy, sleep studies, alcohol recovery, and mild stress related conditions.

Our staff includes a Registered Nurse, Dietician, Physical Theapist, Counselors, Technicians, and Psychologists (when indicated). Other staff will include a receptionist and other support staff including security personnel.

Our Senior patients will be counseled individually and where indicated, in group therapy sessions utilizing the most advanced methodology available.

At PREV-MED The Senior patient involvement will be enhanced due to the fact that they will be educated and motivated by our highly trained selected paramedical staff.

Senior patients will know the full spectrum of the illness for which they have been referred and will be motivated by the respective clinic staff members to participate in achieving and maintaining long term controls.

Senior patients requiring diets and exercise programs will have individual diet and exercise programs worked out for them, by the responsible professional staff member, relevant to their own specific conditions. They will no longer have to contend with diets and exercise programs which are designed for generic groups.

We at PREV-MED see our senior patients as a most valuable National Treasure. Therefore we provide a special caring, a warm atmosphere and provide a little extra time in explaining their prescribed clinical service.

Counseling...

Patients recieve counseling of the importance of taking medicines as prescribed. Patients also recieve counseling on Diet, Physical Therapy and Substance Abuse

Geriatrics and at risk groups...

When the flu season strikes PREV-MED offers a full range of vaccines and immunizations as prescribed by the physician.

Commitment To Quality Care

We at Prev-Med know that you have a choice when it comes to selecting a clinical provider. And that is why we at Prev-Med want you to experience quality difference when you come to our facility.

Quality at Prev-Med means that our commitment is to treating you and your family with respect, sincerity and personal attention. We are dedicated to providing you with the services requested or ordered by your physician . Our skilled medical staff and quality medical resources join forces to improve the quality of your life and to assist you in all of your mental and physical health needs.

Whether it is for drug or alcohol counseling, back to school immunizations, flu shots for the elderly and the at-risk group, dietary and nutritional training, physical therapy or just routine lab work, Prev-Med clinics will provide the patient and the physician with the quality care representative of our commitment to excellence.

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- Testing
- Education
- Counseling
- Monitoring

Prev-Med Clinics works as a prescriptive adjunct to the physician. The Clinic will enhance the quality of care offered the patient group.

OBJECTIVE

Prev-Med Clinical Centers are to be functional education centers, whose purpose will be to educate patients about their illness and the prevention of the recurrence thereof.

How The Concept Will Work

Prev-Med Clinics, Inc. realizes the value of professional time and therefore lends itself to assist and support the physicians. With Prev-Med Clinics, the physician will be able to diagnose and treat the patient as before by prescribing the usual regimes, but will also have the further advantage of expanding his own practice whereby his patients can be referred for education in terms of the etiology, pathology, physiology, morbidity and mortality of each diagnosed group.

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- Low Back Pain Syndrome
- Stress Management Disorders
- Arthritic Patients
- Geriatrics
- Obesity
- Alcohol and Drug Abuse

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3) Doctor-patient relationship will grow stronger due to the broader spectrum of services provided.

4) The patient will remain the patient of the referring physician at all times.

5) Prev-Med Clinics will strictly adhere to the referring physician's instructions. We will abide by the professional high standards and code of ethics as prescribed by all the respective Medical Associations.

Children's Services

at PREV-MED our focus is on having the first medical experience, a pleasant one from immunization, testing to back-to-school innoculations we try hard to set the tone which project trust and gentleness. PREV-MED will go that extra mile for our children's sake.

Growing Pains...

The four most frequent reasons children have to spend time in a hospital are Gastroenteritis, Pneumonia, Asthma and Bronchilitis.

PREV MED Clinics offer training and educations programs for the parent that will greatly reduce the incident of preventable hospitalizations

Everyone

is talking about Managed healthcare and preventitive medicine. At a recent medical convention The Surgeon General of the United States said that...(Preventive Medicine)..."is one of the most important issues in the country today."

We at PREV-MED support the principle of health care for all Americans and stand ready to do our part. Last year managed health care was a 606 billion industry. In one year 1989-1990 the cost of health care rose a whopping 10.5% or to look at it another way each American spends $2500.00 or more in routine health care. The Boston Globe reports that the US health care costs exceeds Canada by 50% and is three times the cost in Great Britain.

Our goals at PREV-MED are:

- To reduce patient cost
- To enhance patient care
- To expand physicians ability to see more patients
- To provide an "incubator" office for new physicians

THE CONCEPT AND SERVICE

For years, physicians have been aware that patient therapy has been inconclusive due to the fact that vital education has not been given to the various patients requiring education. This fact **has not been the fault of the physician**, who really does not have the time for the individualizing of diet and exercise programs.

Prev-Med Clinical Centers are to be functional educational centers, whose purpose will be to educate patients about their illness, prevent the recurrence thereof and/or minimize the impact of it's symptomatic effects.

Prev-Med Clinics Inc. realizes the value of professional time and therefore lends itself to assist and support physicians. With Prev-Med Clinics the physician will diagnose and treat the patient as before by prescribing the usual regimes, but will also have the further advantage of expanding his own practice whereby his patients can be referred for education in terms of the etiology, pathology, physiology, morbidity and mortality of each diagnosed group.

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Low Back pain Syndrome
Stress Management Disorders
Arthritic Patients
Geiatrics
Obesity
Alcohol & Drug Abuse

All interactions between Clinic staff and the referred patient will be recorded and comprehensive feedback reports submitted to the referring physician on a continuing basis. This will enable the physician to better monitor his patient's progress.

PREV-MED Goals:
1. reduce patient cost
2. enhance patient care
3. expand physicians ability to see more patients
4. provide an "incubator" office for new physicians

PREV-MED Clinical Centers are to be functional educational centers- purpose:
1. educate patients about their illness- therefore preventing the recurrence or minimize the impact of it's symptomatic effects.

PREV-MED primarily a support facility for the physician offering:
1. Education
2. Counseling
3. Testing
4. Therapy

for their patients.

Serve over 8,000 patients per year

Each clinic: 12 health care professionals plus necessary support staff.
Staff will include:
1. Registered Nurse
2. Dietitian
3. Physical Therapist
4. Counselors
5. Technicians
6. Psychologist
7. Receptionist plus support staff and security

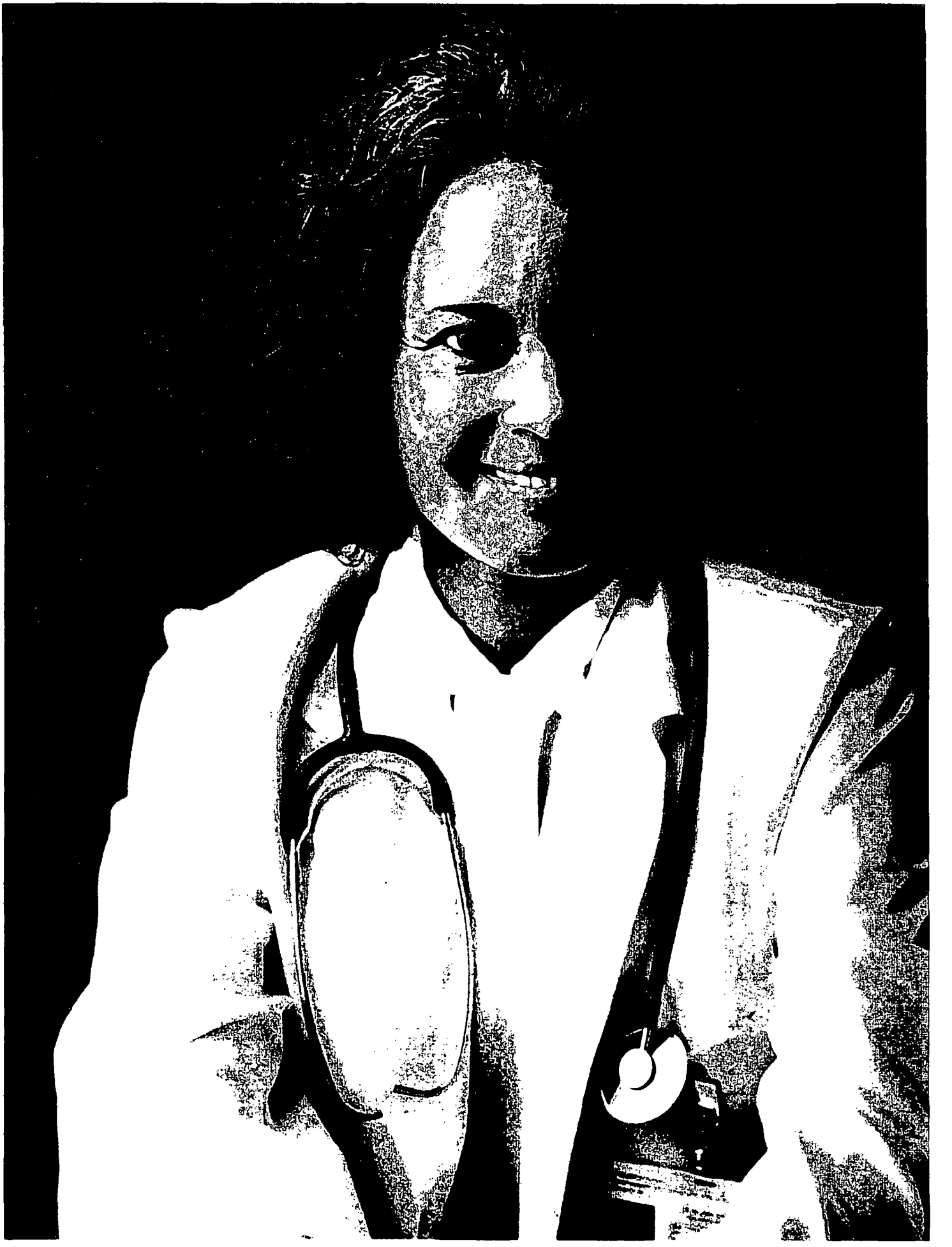
PREV-MED CLINICS will assist the physician by offering an environment especially designed to augment physicians **prescriptive needs**:
1. testing
2. counseling
3. training
4. education
5. monitoring of patients between visits to the physician

Prescriptive services:
1. Physical Therapy
2. Diet and Nutrition Counseling
3. Alcohol and Substance Abuse Counseling
4. Immunizations
5. laboratory tests
6. Special studies- sleep and psychological group therapy

PREV-MED will focus on:
1. Hypertension
2. Coronary Heart Disease
3. Post Operative By Pass
4. Diabetes
5. Low -Back Pain
6. Immunizations
7. Arthritic Conditions
8. Obesity Management
9. Stress Management
10. Geriatric Patient Care
11. Alcohol and Drug Treatment

WE AT **PREV-MED** SEE OUR SENIOR PATIENTS AS *A MOST VALUABLE NATIONAL TREASURE.*
THEREFORE WE PROVIDE:
1. Special caring
2. warm atmosphere
3. provide a little extra time in explaining their prescribed clinical service.

Children Services: Our focus is on having their first medical experience a pleasant one.
1. Immunizations
2. Testing
3. back to school innoculations



PROGRAM ELEMENTS:

PUBLIC

1. RECEPTION AREA
2. ATRIUM-WAITING / LOUNGE AREA
3. RESTROOMS

HEALTH CARE PROFESSIONALS

1. NURSES STATION
2. 6 DOCTOR OFFICES
3. GROUP OFFICE SPACE

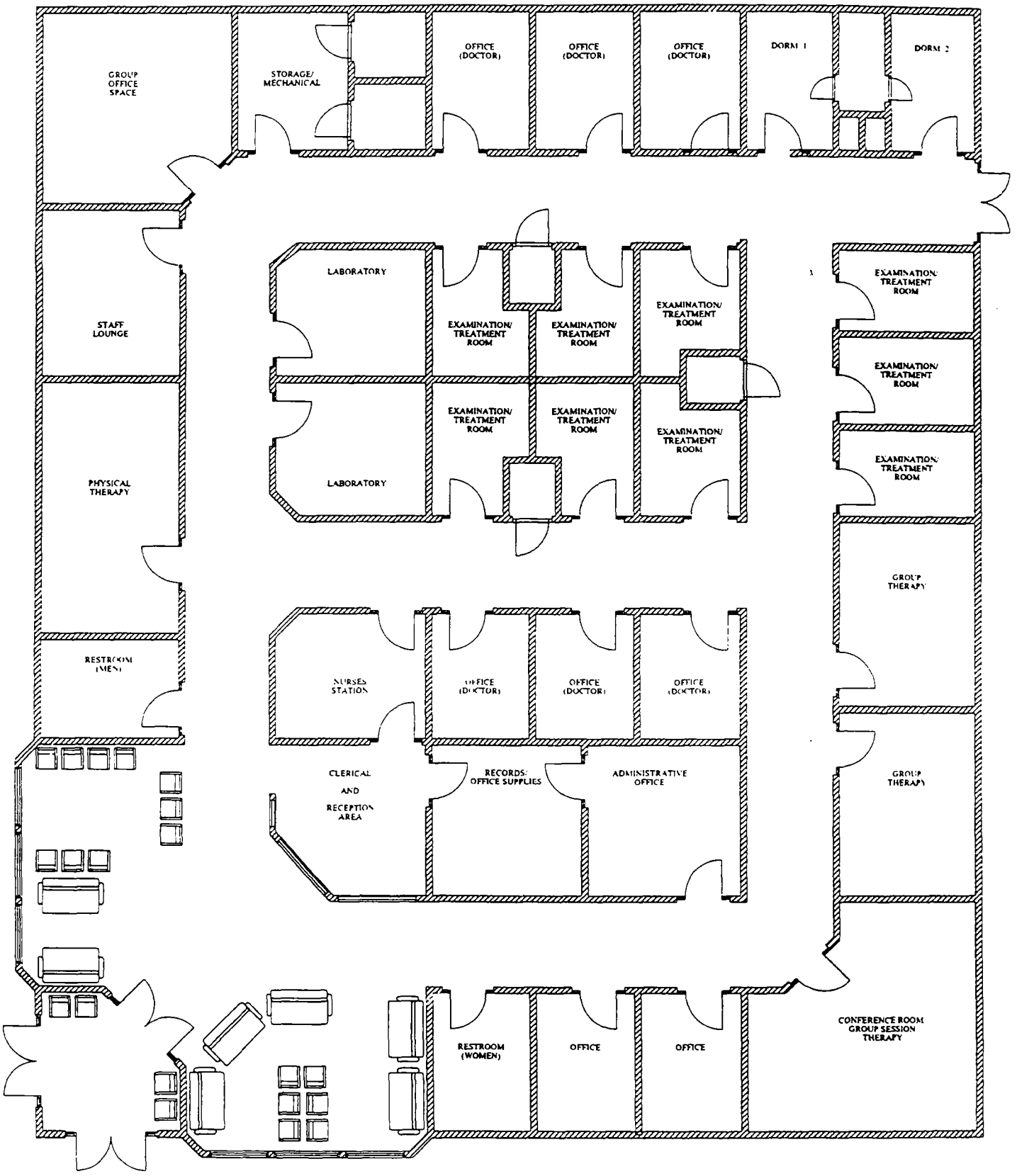
STAFF

1. ADMINISTRATIVE
   A. EXECUTIVE OFFICE
   B. 2 OFFICES
   C. SECRETARY
   D. RECORDS, SUPPLIES
2. STAFF LOUNGE
3. STORAGE AREA

PATIENT CARE

1. 9 TREATMENT / EXAMINATION ROOMS
2. 3 GROUP THERAPY ROOMS
3. PHYSICAL THERAPY
4. 2 LABORATORIES
5. 3 RESTROOMS
6. 2 DORMS

*** The architect's rendering provided is for the purpose of concept only. Modifications may be required depending on geographic or other requirements.*



P R E V M E D C L I N I C

3/8" = 1'

Recognizing

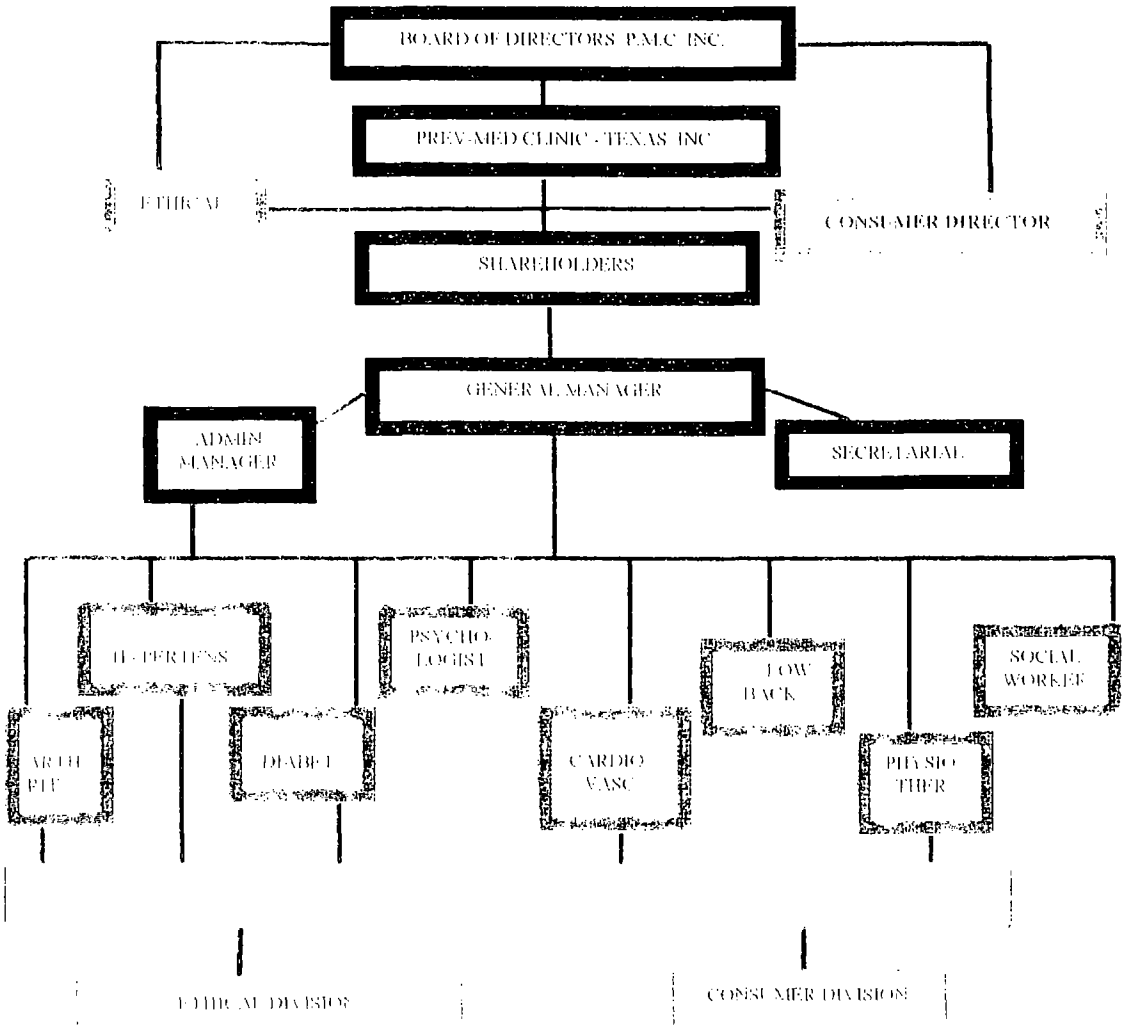
its obligation to the total community PREV-MED Clinics offers office space for physicians at a fraction of the cost required for an initial start-up. In keeping with its innovative posture PREV-MED can establish a clinic in your area of the country within 120 days of capitalization (excluding site location) build out, furniture equipment and staff will be ready to go.

PREV-MED is interested in a partnership arrangement, franchise, co-op or turn-key opportunities.

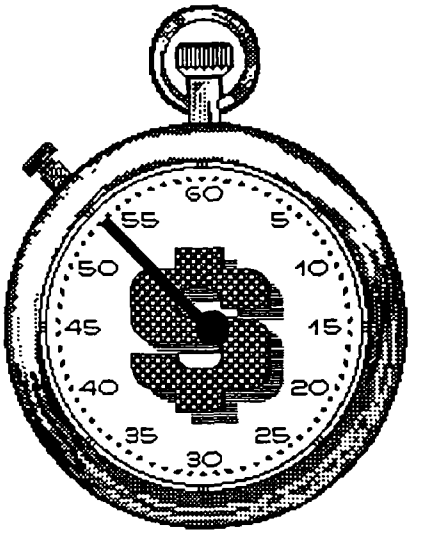
For more details please contact Dr. Wiliam Fourie or Dr. Guy Rankin at 1-800-PREVMED.

PREV-MED CLINICS,

MANAGERIAL/STAFF FLOW CHART



How much is your time worth?



If you have patients with...
Hypertension, Heart Disease, Diabetes, Low Back Pain, Obesity, Stress Management Disorders, Arthritis,Geriatric Disorders..

or any of the hundreds of ailments that require continuous counseling, monitoring and prescribed professional services, you need to refer them to...

PrevMed Clinical Centers

CLINICS TO OPEN SOON.

Prev-Med Clinical Centers are functional patient monitoring and education centers whose purpose is to educate your referrals about their illnesses. Patients learn their diseases' distinct etiology, pathology, physiology, morbidity and mortality while being assigned and monitored in prescribed diet, exercise, medication and maintenance programs.

BENEFITS:

- Better patient success and survival rates enhanced by education.
- Patients receive individualized care, diet and exercise counseling.
- Monitoring services by PrevMed professionals cut in-office workloads.
- Fees and tariffs applicable to the requirements of medical insurance carriers.
- Physicians expand their practice by offering PrevMed's specialized services.

Investment information also available. Call today.
1-800-773-8633 (1-800 PrevMed)

The concept of
PREVentive MEDdicine
as an art form, has arrived...

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