E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

05-May-1995 09:03am

TO: Lawton Jordan
TO: Jake Siewert

FROM: Jamie Whitehead

SUBJECT: 5/2 RNC TP's

RNC TALKING POINTS

BILL CLINTON: AWOL (Absent Without Leadership) ON MEDICARE

May 2, 1995

At a joint press conference today, the Republican leadership of the House and Senate challenged President Clinton to become a part of a bipartisan effort to address the crisis of Medicare's impending bankruptcy.

The Medicare Board of Trustees stated in their 1995 Annual Report, released April 3, that the Medicare Trust Fund will go bankrupt in seven years. In fact, it is the second year in a row the Trustees have warned of this fact. It is not a Republican opinion. It is not a Democrat opinion. It is a fact. The report was signed by all six of the Trustees, including three members of Clinton's own Cabinet.

It is also a fact that if Medicare goes bankrupt, by law, no payments can be made for hospital care for Medicare beneficiaries or for any other Trust Fund-paid services. In other words, if you are 58 years or younger today, and Medicare goes bankrupt, your hospital costs will not be covered.

Despite the importance of Medicare to more than 36 million Americans, President Clinton has been silent on the Trustees' report. In fact, it appears the one place the Trustee's report was not read was the White House. As Medicare goes bankrupt, President Clinton has gone AWOL (Absent Without Leadership).

Republicans, however, will not allow Medicare to go bankrupt. Today, Republican leaders in Congress are announcing that Medicare will be taken up on a separate and distinct legislative track. Medicare will not be taken "off budget," but it is so important and its problems are so urgent, it will be dealt with separately from the rest of the budget. We cannot allow partisan wrangling over the budget to endanger Medicare's survival. The Republican course is exactly the one recommended by Medicare's Public Trustees who stated in their supplemental report: "It is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative."

It is important to remember that Medicare's impending bankruptcy has nothing to do with the budget deficit. If we had a balanced budget today, we would still have to take action to save the Medicare Trust Fund from bankruptcy. Changes in Medicare will be made exclusively to protect, preserve and improve Medicare.

Despite what you may hear, we can protect and preserve Medicare, avoid the impending bankruptcy of the Trust Fund, and make the Trust Fund solvent without reducing current Medicare expenditures. In every plan that will be considered, Medicare spending will continue to increase_just not as fast as Clinton currently proposes.

In our effort to protect and preserve Medicare the standard we will follow will be the one set by the Medicare Trustees. We will reform the program sufficiently to meet the Medicare Trustees' own solvency test. That will be the only standard.

Speaker Newt Gingrich last Friday and Senate Leader Bob Dole last Sunday called for a bipartisan effort to save Medicare from bankruptcy. The White House response was, "not interested." Indeed, White House Chief of Staff Leon Panetta wrote the Speaker saying the Clinton Administration awaits our proposal. The following excerpt from yesterday's White House Press Briefing by Press Secretary Mike McCurry shows the Clinton White House has given the Medicare crisis no thought.

REPORTER: Is it your position the president will propose nothing on Medicare until he sees both the Republican Medicare plan and the Republican budget?

MR. McCURRY: I think the president is willing to move forward and work with Congress and even, in fact, perhaps to propose -- he might in fact propose certain measures, but it has to be done in an environment and a context in which we know what direction the Republicans are going to go as they write a budget. You know, you've ....

REPORTER: Mike, that's incomprehensible. What does that mean?

Bill Clinton's silence in the face of this crisis is "incomprehensible." For generations in our country the method of presidential leadership has been well established: The president proposes, and Congress disposes. On Medicare, and most everything else, Bill Clinton has replaced the tradition of presidential leadership with an abdication of responsibility. When he dodges problems as serious as Medicare's bankruptcy, is it any wonder reporters ask if the President is "relevant?"

In 1983, a Republican president, Ronald Reagan, a Republican Senate and a Democrat House of Representatives were able to set politics aside to save Social Security. It is time for President Clinton to join Republicans in that same spirit. We hope he will reconsider and participate in the absolutely necessary task of saving Medicare. If he does not, we will protect and preserve Medicare without him. Indeed, we will not only prevent Medicare's bankruptcy, we intend to improve Medicare.

(end)

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

02-May-1995 12:43pm

TO: Jake Siewert

FROM: Jamie Whitehead

SUBJECT: 5/1 RNC TP's

RNC TALKING POINTS

MEDICARE: STEP UP TO THE PLATE, MR. PRESIDENT

May 1, 1995

On April 3, The Medicare Board of Trustees reported for the second year in a row that the Medicare trust fund will be bankrupt in seven years. Three Clinton cabinet officials signed that report: Treasury Secretary Rubin, Labor Secretary Reich and Health and Human Services Secretary Shalala. If the trust fund goes bankrupt as they predict, the federal government, by law, must stop paying for inpatient hospital and other trust fund-paid services. Medicare's collapse would be a catastrophe for the more than 32 million senior citizens and 4 million disabled people who depend on it.

Yesterday, Senate Majority Leader Bob Dole made the suggestion that we create a bipartisan commission to deal with Medicare's impending bankruptcy, much the same as the commission that led to solutions to save Social Security when Ronald Reagan was president.

What was the reaction of our current president? "White House officials immediately dismissed the idea...," according to the Washington Post. Moreover, in a classic case of the pot calling the kettle black, the White House tried to claim Republicans "will say anything or do anything to avoid their obligation to tell the public how they intend to cut Medicare."

The truth is it's Bill Clinton who refuses to say anything or do anything to save Medicare. His FY '96 budget contains no solutions to the Medicare problem, and he never even mentioned it in his hour-and-a-half long State of the Union address or his recent prime time news conference. His lack of any response to a crisis that his own administration has warned about represents a complete abdication of leadership on Clinton's part. Is it any wonder people are asking if Bill Clinton is "relevant?"

A senior White House official told the Post that Clinton is not prepared to join in finding a solution to Medicare's bankruptcy until he sees the GOP proposals. In short, he expects Republicans to come up with the answers despite the fact that he has more than 4,000 government employees on his payroll at the Health Care Financing Administration that deal with nothing else but Medicare.

It is apparent Bill Clinton is willing to let Medicare go bankrupt, rather than take any political risk in order to save it. Republicans will not let Medicare go bankrupt. We want to preserve, protect and improve Medicare.

Republicans will act on the recommendations made by the public Trustees, who said in the 1995 Annual Report on the status of Medicare and Social Security:

"It is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative. ... The idea that reductions in Medicare expenditures should be available for other purposes, including even other health care purposes is mistaken."

The Fourth White House Conference on Aging convenes tomorrow in Washington D.C. America's senior citizens deserve to hear from Bill Clinton what he will do to prevent Medicare's impending bankruptcy. If he intends to do nothing, he should just say so.

Medicare's bankruptcy should be solved in a bipartisan way, but if Bill Clinton won't step up to the plate, Republicans will be forced to save Medicare by themselves, and they will.

(end)

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

18-Apr-1995 06:04pm

TO: Jake Siewert

FROM: Jamie Whitehead

SUBJECT: 10/17 RNC Briefing

MONDAY RNC BRIEFING

April 17, 1995

This week's briefing focuses on the Republican response to--and President Clinton's lack of leadership on--Medicare's impending bankruptcy.

FYI

Time is Money

"Earning enough just to pay your taxes takes longer than ever. The average American will have to work two hours and 46 minutes out of each eight-hour workday merely to pay all federal, state and local taxes this year, says a report to be released next week by the Tax Foundation."
--THE WALL STREET JOURNAL, 4/12/95

Contract Kudos

"Liberals who ridiculed the Contract last fall when it was proposed now see that the GOP appears to be riding a historic wave of freedom that is cutting the domineering, extravagant liberal superstate down to size."
--INDIANAPOLIS STAR, 4/10/95

"Whatever you may think of the Contract ... it is the rarest of political feats in Washington: A promise kept."
--THE MIAMI HERALD, 4/8/95

"In contrast to the last two years, when Democrats controlled both the executive and legislative branches and yet projected an image of splintered, ineffectual government, the Republicans, in their first crack at leadership in 40 years, brought solidarity to the House."
--SALT LAKE TRIBUNE, 4/7/95

"The Senate may change or balk at some of the items on the

[Contract] list. President Clinton is likely to veto others. ... But the impressive fact remains that House Republicans delivered."
--THE DETROIT NEWS, 4/9/95

Defectionmania

"The growing list of Democratic defections to the GOP is sending shock waves through the Democratic Party's leadership, which fears further congressional losses in 1996 and beyond. Democratic officials deny the desertions are part of a long-term political realignment favoring Republicans. But some Democratic strategists and rank-and-file activists think it's going to get worse for the Democrats before it gets better. 'Yes, it's going to get worse. It's going to go on for a while. You're going to see some more switches by some of these fellows who want to stay in office and who think that changing parties is the way to do that,' said a veteran Democratic adviser who asked not to be named. 'A more Republican Senate and a more Republican House is likely after 1996.'"
--THE WASHINGTON TIMES, 4/12/95

CALENDAR

| | |
|---|---|
| Apr. 20 | GOP-TV's "Rising Tide" focuses on the upcoming budget battle with former OMB Director Jim Miller and American Viewpoint pollster Linda Duvall. |
| 19-23 | Young Republican Leadership Conference, Anaheim, Calif.<br>CONTACT: Mark Szulc (202) 662-1340 |
| 21-22 | National Federation of Republican Women regional meeting, Indianapolis, Ind.<br>CONTACT: Jewell Duvall (703) 548-9688 |
| 21-22 | Republican National Hispanic Assembly National Convention, Wash., D.C.<br>CONTACT: Alicia Casanova (305) 226-1366 |
| 24 | Senate returns from recess. |
| 27-29 | Republican State Chairmen's Meeting, Bal Harbour, Fla.<br>CONTACT: Amy Carrier (202) 863-8630 |
| May 1 | House returns from recess. |
| 4-10 | RNC's Political Education Department's Campaign Management College, Arlington, Va.<br>CONTACT: Joe Jaso (202) 863-8667 |
| 11-13 | American Legislative Exchange Council's National Leadership Summit, Richmond, Va.<br>CONTACT: Brad Barondeau (202) 863-8600 |
| 19-21 | Northeast Leadership Conference, Atlantic City, |

N.J.
CONTACT: John Lowy (609) 989-7300

CAPITOL HILL WATCH

Last Week:

Rep. Nathan Deal of Georgia became the third member of Congress since the November election to quit the Democratic Party and become a Republican. Since Clinton was elected president, 78 elected Democrats have switched parties. Both House and Senate began spring recess.

Next Week:

The House and Senate continue Spring recess.

Senate returns from recess on Monday, April 24.

House returns from recess on Monday, May 1.

FOCUS: Saving Medicare From Bankruptcy

The Medicare program, which provides health care security for 32 million senior citizens and 4 million disabled people, was designed in 1965. America's health care needs are changing, and Medicare, as it exists today, cannot meet those needs. By 2002--in only seven years--Medicare will go bankrupt. It has already started to slip down insolvency's slippery slope. Since 1992, Medicare has been paying out more money in claims than it has received in taxes.

Why Medicare is Going Broke

The program is growing faster than the nation's economy, faster than the federal budget as a whole and faster than twice the rate of inflation. Medicare spending has been rising by an average of 10 percent a year. Unless costs are contained, the system will implode.

- Medicare consumes 11.5 percent of the entire federal budget this year, and that percentage is rising. It will be 12.1 percent in FY 96, according to the Congressional Budget Office.

- On April 3, Medicare's trustees told Congress that the trust fund will go bankrupt by the year 2002. The trustees--who include Labor Secretary Robert Reich, Health and Human Services Secretary Donna Shalala and Treasury Secretary Robert Rubin--called the outlook for Medicare "extremely unfavorable" and recommended "prompt, effective and decisive action" to save the fund from insolvency.

- A similar warning was issued last year by the Bipartisan Commission on Entitlement and Tax Reform, headed by Democrat Sen. Bob Kerrey and former Sen. John Danforth, a Republican.

- Last year, Medicare costs rose by 11 percent while private-sector health care spending grew by only 4 percent.

- Waste, fraud and inefficiency are rampant within the system, and last year Democrats killed efforts by Republicans to enact measures to reduce health care fraud.

## Clinton is Ignoring the Crisis

The Clinton administration predicts Medicare will grow by a staggering 66 percent over the next five years. Yet despite this forecast, despite the recommendations and warnings by the commission and the Medicare trustees, President Bill Clinton failed in his FY '96 budget to recommend one concrete measure that would help ensure Medicare's health.

Has the president of the United States forsaken Medicare having given it up for dead? If Clinton continues to do nothing, the Medicare portion of FICA taxes would have to be raised 125 percent--that's an extra $725 taken out of a $40,000 salary.

## Republicans are Taking the First Step in Transforming Medicare

Last year, the Democrats thwarted GOP attempts to cut the fraud and abuse that has been driving up the cost of Medicare.

- Sen. William Cohen has re-introduced his bill, the "Health Care Fraud Prevention Act of 1995" (S. 245). It is gathering strong bipartisan support and was also endorsed by FBI Director Louis Freeh.

- Sen. Cohen sponsored legislation during the last Congress to increase penalties for health-care fraud. The bill was stalled by Democrats, who wanted to include it as part of the Clinton's big-government health care plan.

- According to the Senate Committee on Aging, Medicare fraud last year amounted to about $16 billion and is expected to increase to nearly $18 billion this year.

- The General Accounting Office says fraud accounts for as much as 10 percent of health care spending.

## Republicans Will Continue to Provide Leadership

On Capitol Hill, relevant committees are already holding hearings to determine the best ways to transform Medicare. The Republican Congress will hear from people with experience in the program--and the beneficiaries themselves. Rep. Bill Archer and his staff have spent hundreds of hours listening to experts, Medicare recipients and concerned citizens. The consensus is that we don't need to cut the level of Medicare's spending or even freeze it; we just have to slow the rate of growth from 10 percent a year to something smaller.

SURVEY SUMMARY

THE FORTYSOMETHING PRESIDENT
(Newsweek poll, 4/6-7/95)

Do you approve or disapprove of Bill Clinton?

| | 4/95 | 1/95 | 4/94 |
|---|---|---|---|
| Approve | 43% | 40% | 44% |
| Disapprove | 41% | 44% | 40% |

AMERICANS TRUST THE NEW CONGRESS
(The Tarrance Group and Lake Research poll conducted 4/1-4/95)

Is the GOP Congress doing a good job or a bad job of keeping promises made when they were elected?

| | |
|---|---|
| Good job | 58% |
| Poor job | 29% |

Do you think Bill Clinton is doing a good job or a poor job on following through on the promises he made when he was elected?

| | |
|---|---|
| Good job | 43% |
| Poor job | 49% |

Do approve of the way the Republican leadership in Congress is handling its job of dealing with important issues facing the country?

| | |
|---|---|
| Approve | 45% |
| Disapprove | 43% |

Do approve of the way the Democrats in Congress are handling their job of dealing with important issues facing the country?

| | |
|---|---|
| Approve | 33% |
| Disapprove | 57% |

Which party do you trust in dealing with today's problems?

| | |
|---|---|
| Republicans | 35% |
| Democrats | 28% |

If the election for U.S. Congress were being held today, would you vote for the Democratic or Republican candidate?

| | |
|---|---|
| Republican candidate | 43% |
| Democratic candidate | 38% |

Should Clinton be re-elected?
    No    71%
    Yes   21%

Does Clinton deserve to be re-elected on the basis of his job performance?
    New person   52%
    Re-elect     39%

In a generic presidential election, you would vote...
    Republican   42%
    Democrat     37%

THE CONTRACT AND AN APPROVING PUBLIC
(Times Mirror poll, 4/6-9/95)

How do you see the GOP's Contract With America?
    Favorable     61%
    Unfavorable   28%

Has the GOP Congress kept their campaign promises?
    Yes   59%
    No    30%

What is your reaction to the GOP Congress?
    Happy    52%
    Unhappy  36%

Will the GOP Congress get their programs passed into law?
    Successful     63%
    Unsuccessful   28%

INVESTING IN REPUBLICAN IDEAS
(A Quick & Reilly survey of 500 investors conducted by The Wirthlin Group, 3/27-30/95)

Would you favor replacing the current income tax with a flat rate tax?
    Approve      64%
    Disapprove   22%

Do you approve or disapprove on the performance of Congress in its first 100 days?
    Approve      66%
    Disapprove   32%

(END)

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

10-Apr-1995 05:26pm

TO: Jake Siewert

FROM: Jamie Whitehead

SUBJECT: RNC Medicare TP'S

RNC TALKING POINTS
SAVING MEDICARE: BILL CLINTON TAKES A HIKE

April 7, 1995

Medicare provides an important source of health security for 32 million of our nation's senior citizens and four million disabled persons. But Medicare spending has been rising 10-11% a year, and if costs continue to soar, everyone will have to pay more: beneficiaries, taxpayers and businesses. If we don't act by the year 2002, the Medicare portion of FICA taxes for everyone will have to be raised 125% from their current level--that's $725 more on a $40,000 salary, and senior citizens will face a 300% increase in annual premiums (Source: 1994 Social Security Trustees Report).

Last year, in their annual report, the Social Security and Medicare Board of Trustees projected that the Part A Trust Fund will be broke by the year 2001. The Trustees, who included Secretary Reich, Secretary Shalala and then-Secretary Bentsen, concluded:

> "The Federal Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about seven years and is severely out of financial balance in the long range."

Today, the trustees told Congress that the Medicare trust fund will go bankrupt by the year 2002. Despite the fact they added another year to the forecast, the trustees called the long-term outlook for Medicare "extremely unfavorable" and recommended "prompt, effective and decisive action" to save the fund from insolvency. A similar call to action was issued last year by the Bipartisan Commission on Entitlement and Tax Reform headed up by Sen. Bob Kerrey (D-Neb.) and former Sen. John Danforth (R-Mo.).

Unfortunately, despite the recommendation of this presidential commission and his own cabinet officials, Bill Clinton has failed to act on Medicare. His FY 96 budget proposed no solution to the problem, saying it would have to wait for health care reform. But short of admitting in his State of the Union Address that his government-run health care proposal had been a mistake ("I know that last year, as the evidence indicates, we bit off more than we could chew"), Clinton has not advanced a health care proposal this year.

Bill Clinton has basically decided to take a hike on Medicare and the whole issue of balancing the federal budget. Clinton's FY 96 budget contains $200 billion deficits every year as far as the eye can see, adding $1 trillion of new debt to the trillions we already owe. Apparently he's content to stick his head in the sand and leave these problems up to our children, who will be forced to pay enormous taxes as a result of his procrastination.

Republicans believe we owe it to our senior citizens to save Medicare from bankruptcy, and we owe it to our children not to saddle their futures with our debt. In the coming months we will address the problems of Medicare and present our plan to give the country a balanced budget by the year 2002. If Bill Clinton is not going to lead, Republicans will.

(end)

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