should be again. I challenge you to get together and find a way to make the minimum wage a living wage.

Freshman members of Congress have been on the job less than a month. But by the close of business today, 24 days into the new year, each new Congressman has already been given as much in Congressional salary as people who work under minimum wage make in an entire year.

And everyone in this chamber has something else that too many Americans go without: health care. Last year, we almost came to blows over health care, but nothing was done. But the hard, cold fact is that, since ~~the last State of the Union Address~~, we know that ~~another~~ over 1.1 million Americans in working families have lost their coverage. The hard, cold fact is that millions more, mostly workers who are self-employed and in small businesses, ~~have had~~ continue to be priced out of the market as insurance costs ~~their premiums~~, co-payments, and deductibles skyrocket. And the hard, cold fact is that health costs are still holding the federal deficit up -- even though my economic plan is bringing domestic spending as a percentage of our economy to its lowest level in 33 years.

I still believe we must move our nation towards providing affordable health care coverage and health security for every American family. Last year, we bit off more than we could chew. This year, let's work together, step by step, and get something done.

Let's at least pass insurance reform so that no American risks losing coverage or facing skyrocketing prices when they change jobs, or lose a job, or a family member falls ill. Let's make sure that ~~every state has a voluntary pool so~~ self-employed people ~~in~~ and small businesses can buy insurance at more affordable rates. Let's help families provide long-term care for a sick parent or a disabled child. Let's help workers who lose their jobs keep health insurance coverage ~~for a year~~ while they look for work. And let's find a way to make sure our children have health care. Let's work together.

Much of what is on the American people's mind is devoted to internal security concerns -- the security of our jobs and incomes, our children, our streets, our health, our borders. Now that the Cold War is past, it is tempting to believe that all security issues, with the possible exception of trade, reside within our borders. That is not so.

Our security depends upon our continued world leadership for peace, freedom, and democracy. We cannot be strong at home without being strong abroad.

The financial crisis in Mexico is a powerful case in point. We have to act -- for the sake of millions of Americans whose livelihoods are tied to Mexico's well-being. If we want to secure American jobs, preserve American exports and safeguard

Here you go Jim

THE WHITE HOUSE

WASHINGTON

January 21, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
CHRIS JENNINGS

SUBJECT: HEALTH CARE INSERT FOR STATE OF UNION ADDRESS

Don Baer suggested that we send you over the suggested structural/thematic outline for the State of the Union health care insert that the NEC/DPC Health Care Working Group forwarded onto him. It was produced following a meeting that Carol Rasco chaired.

As usual, the meeting was attended by the First Lady, George, Pat, Alice, Laura, Ira, as well as Secretary Shalala and Secretary Reich. This document was subsequently reviewed by these people, as well as other regular and invited participants, such as Bob Rubin, Mark G., and Mike McCurry. We are forwarding to Don any and all narrative suggestions that these individuals are sending to us. We hope you find the attached to be useful.

STATE OF THE UNION -- HEALTH CARE INSERT
Structural/Thematic Suggestions -- Outline

1. **Restate commitment to health security.** Important to show that the vision was and still is right, and that whatever political obstacles there are, the President is still committed to this larger goal.

    - Strong restatement of larger goal also provides a way to measure all Republican health care efforts.

2. **Express disappointment and take responsibility, but do not dwell on the past:** The President should briefly acknowledge the past -- that there were differences, mistakes and/or disappointments -- but it should be clear that he is not apologizing for having tried.

3. **Stress that the problem still exists:** There are three goals served by stressing that the problem still exists.

    - **This is not a matter of politics,** it is a real problem that won't go away. Therefore, "we can't give up." We care about middle class families who are losing their health insurance and therefore we have an imperative to keep trying.

    - **Broad problem definition:** We must define the problem broadly enough so that we don't give the impression that minor incremental reform is enough. We are not for things that "sound good, but don't solve the problems".

    - **Health care costs**: Health care costs still threaten the fiscal security of the nation (the major cause of future deficit increases) and the financial security of families. Examples from OMB:

        - Health care costs will rise more than 50% per person by the year 2000 -- from $3,300 in 1993 to over $5,000 in year 2000.

        - Between 1992 and 1993, 1.1 million more Americans lost their health insurance. (**PLEASE NOTE:** no 1994 statistic available).

        - 84% of the uninsured in 1993 lived in working families and more than 55% were in families headed by full-time workers.

        - As many as 30% of employees say that they are afraid to leave their job for fear of losing health coverage.

4. **Make clear that the ultimate legislative vision is still health security for all Americans, but reach out with step-by-step path that Republicans and Democrats should be able to agree on.**

Three goals to this point:

- **Define incremental measures as part of step-by-step plan for universal coverage**: Make clear that any incremental steps we accept are viewed as a step toward the goal of health security for all and not as health reform in itself. When we work toward or sign an incremental step, it must be seen that we are not satisfied but that we see this as only one step in our path toward our ultimate objective.

- **Take ownership of certain measures:** The Administration is looking toward five goals for 1995 and 1996: 1) insurance reform; 2) cover America's children; 3) help to workers who lose their jobs, 4) long-term care initiative; and 5) self-employed tax deduction. To the degree we reach out and ask for cooperation in passing these five steps, we take ownership of the ideas, and when they are proposed by others, we can define the ideas as cooperation in moving toward our step by step path toward universal coverage.

  Rationale: The package chosen by the President is attractive to many key and influential consituencies -- (1) the middle class who care about security and respond particularly well to the insurance reform and the health insurance protection for the short-term unemployed, (2) the more traditional health care reform advocates who respond extremely well to the children's and the long term care pieces, and (3) small businesses and their advocates who love the self-employed tax deduction, which is likely to be passed by the Republicans no matter what happens. (Incidentally, this package is absolutely consistent with the letter the President sent to the Congressional Leadership on December 27th.)

  The benefit of this 1995-96 political positioning strategy is simple: If Congress moves on any acceptable and substantive level, they are likely to move towards some or most of the above-mentioned vision. If they do, it will appear that they are responding to the President's clearly focused challenge; he will clearly NOT be vulnerable to the "me too" charge. If the Republican majority does not pass all or most of the above, the President and the Democrats can more clearly contrast his position to that of the unresponsive, uncaring Republicans: "They could not even respond to a 'modest' set of basic health care priorities that All Americans share."

- **Show bipartisan willingness to reach out on these steps:** By reaching out on these steps, we are telling Americans that we are willing to look for those things that we can all agree on to make progress. This puts the pressure on them to do the same or be held accountable.

5. **Draw the line on Medicare:** The President must make clear that while we are willing to reform health care entitlements in the context of health care reform and expanding coverage, he will not accept Medicare cuts to pay for Republican tax cuts for the wealthy.

6. **Consider the Health Care that Congress Has Approach:** George and others in the group believe that we may want to draft up some language for the President's consideration that says something to the effect that, "we should take steps towards assuring that all Americans have the ability to have and to hold onto affordable health insurance. All of us in this room have that benefit; isn't it time we started to treat our constituents like we treat ourselves?" NOTE: This language is very rough and it needs work; moreover, the pros and cons of using this approach probably merits further discussion.

to: Jen

Two years ago, you and I embarked on a journey to repair what is wrong with our health care system and preserve what is right. We shared a common goal: To provide each American with access to high-quality, affordable, private health care.

We did not reach the end of that journey but I believe all of us learned a great deal from the discussion we had. A lot of good ideas were placed on the table by intelligent, caring people on both sides of the aisle.

Now is the time to show the American people that we can learn from our mistakes and come together to address the very real needs of our people.

A vibrant, affordable health care system is vital to the future of our families and it is critical to our economic future.

Today, thousands of Americans continue to lose their health insurance every month and millions more worry that they may be next.

While we have seen some very promising changes in the health care market, rising health care costs continue to eat away at the wages of hard-working families and erode the profitability of small and large businesses. And health costs unsettle state and national budgets and threaten to reverse our progress on the deficit.

We can't give up.

And I won't give up.

So join me in a bipartisan effort to repair the cracks in our health care system.

Together, we can take steps that will move us toward the kind of health care system that we all want for our families, for our children, and for our country.

Let's start by establishing some very basic rules.

First, no American should be locked out, kicked out, or priced out of our health care system because they're too sick, too old, or too much of a risk.

Second, we must make sure that people who get up and go to work every day can afford to participate in the system.

Third, we must continue to rigorously manage the government's health care programs while protecting the populations they serve.

And fourth, we must begin to address the very real long term care needs of disabled and elderly Americans so that their families can stay together and care for each other.

These are steps -- important steps -- that you and I can take to smooth the path of life for millions of Americans who worry that our health care system won't be there when they need it.

I have faith in our ability to write a health care bill that does all these things.

Let's do it together.

have had bipartisan support when we took the tough steps necessary to reduce the deficit in 1993, but we didn't. Everyone is this chamber tonight says they are for cutting the deficit. This time, when the tough choices have to be made, I hope everyone of you will stand up and prove to the American people that you can put America's long-term interests ahead of short-term political gain.

[Minimum wage? Balanced Budget?]

HEALTH CARE

If we care about working families and the future of our nation, we cannot walk away from one other problem: We must renew our commitment to protect what is right and fix what is wrong with our health care system.

I realize that my proposal did not find favor with everyone here, that some were convinced it had too many requirements -- even though it harnessed the forces of the marketplace to bring costs down. Whatever differences we may have had -- whatever mistakes any of us may have made -- the goal was right then and it is right now.

The hard, cold fact is that, as we gather here tonight, there are 1.1 million American working families sitting in their homes who had health insurance when I spoke to you a year ago and who do

not have it tonight. The hard, cold fact is that there are millions and millions more of you who still have health insurance tonight, but who are paying more for less coverage than a year ago. The hard, cold fact is that last year, for the first time in 25 years, we reduced both defense and domestic spending, and the deficit is still going up -- largely because health care costs are still going up at three times the rate of inflation.

Does anyone here tonight really believe that if we do nothing, the American people will be better off a year from now? We cannot walk away from this just because it is politically difficult. I still believe the solution to our problem is to guarantee health security for every American that can never be taken away. We may disagree on the pace or the road-map that guides us. But certainly we have an obligation to overcome our differences and the well-financed interests that have scorned this country's health care crisis to take the first steps.

We can reform insurance, so that no American risks losing coverage or facing skyrocketing prices when they change or lose a job or a family member falls ill. We can find a market-driven solution to the problem of long-term care for American families who are taking care of parents. And, surely, we can find a way to keep every child in America from going without health coverage.

We can begin this long journey with confident steps in the right

direction. I am reminded of the story that Harris Wofford tells about the long struggle for civil rights. In 1957, then- Senate Majority Leader Lyndon Johnson persuaded civil rights advocates to accept modest measures, because that was all he thought was feasible at the time. But within seven years, President Lyndon Johnson led the nation to overcome the American apartheid in the most far-reaching civil-rights legislation in our history. I am proud that we have begun the debate to provide health security for all Americans. Let us take the next steps in good faith.

FOREIGN POLICY

[Foreign policy: This portion will come shortly. The message is similar to the CEE speech. Those who say we can just walk away from the world have views that are short-sighted. We must reach out, not retrench. I will continue to work in this new Congress to forge a bipartisan coalition of internationalists who share these convictions against isolationism. I will do everything in my power, as I have done for two years now, to keep our country engaged in the world. The whole future of the world and the future of our children, depend on our involvement and leadership in the world. Specifics on: Military readiness; nuclear non-proliferation; democracy.]

THE NEW COVENANT

We can renew our government to meet our challenges; we can equip

Carl

Shalala HHS State of Union file

To: Jen Klein

State of the Union

Two years ago, you and I embarked on a momentous journey to repair what's wrong with our health care system and preserve what is right. We shared a common goal: To provide each American with access to the kind of high-quality health care that makes our system the envy of the world.

We did not reach the end of that journey but I believe our nation is better for the discussion we had. A lot of good ideas were placed on the table by caring people on both sides of the aisle.

Now is not the time to walk away. Now is the time to show the American people that those of us in public life can learn from our mistakes and come together to address the very real needs of our nation.

A vibrant, affordable health care system is vital to the future of our families and it is important to our economic future as a nation. Today, thousands of Americans continue to lose their health insurance every month and millions more worry that they're next. And while we have seen some very promising changes in the health care market, rising health care costs continue to imperil the financial stability of our families, our states, and our national government and continued progress on reducing the deficit.

We can't give up. We must move ahead. So let's join hands in a partnership for health care reform that begins to repair the cracks in our system. Together, I know we can take steps that will move us toward the kind of health care system that we all want for our country.

Let's start by establishing some very basic rules.

First, no American should be locked out, kicked out, or kept out of the health care system because they're too sick or too much of a risk. When we do that, we all pay a very high price.

Second, our hard-working middle-class families and their children should not be priced out of the system.

And third, we must begin to address the very real long term care needs of disabled and elderly Americans so that their families can stay together and care for eachother.

These are steps -- important steps -- that you and I can take to smooth the path of life for millions of Americans who worry that our health care system won't be there when they need it.

Let's take them together.

Jennifer Klein

HEALTH CARE COMMUNICATIONS STRATEGY

I. OVERARCHING QUESTIONS

1. What do we want/need to accomplish in 1995?

2. How do we want to position ourselves for 1996?

3. How do we best express the President's commitment to health care reform?

II. SPECIFIC QUESTIONS TO BE ADDRESSED

1. RETROSPECTIVE AND TRANSITION FORWARD. How should the President talk about last year's health care debate? How can the President best claim ownership of health care reform and receive credit for future successes?

2. STRATEGY.

   a. SPECIFICS. How specific should the President be in outlining his vision for health care reform? Should he simply outline a vision, discuss his vision with some mention of particulars (e.g., covering kids), or describe a specific "step-by-step" plan? If he outlines a specific "step-by-step" plan, what level of detail should he describe (i.e., include long-term care, self-employed tax deduction)? What does step-by-step reform entail?

   b. TIMING AND TACTICS.

   . How/when do we talk about whether health care is in the budget (and why not)?
   . How/when do we talk about whether the President will introduce a plan?
   . In his December 27 letter to the Congressional Leadership, the President expressed his commitment to health care reform and his willingness to work with the Republicans. How does he define this relationship and does he draw a line in the sand about what he will/will not accept?

   c. MEDICARE/MEDICAID. When and how should the President announce that there will be no new Medicare cuts in the budget? How do we talk about reinvestment of Medicare/Medicaid savings in health care versus deficit reduction?

III. STATE OF THE UNION. Based on the discussion above and in the larger context of our message on the Middle Class Bill of Rights, what is the health care message we would recommend be included in the State of the Union?

THE WHITE HOUSE

WASHINGTON

December 27, 1994

Dear Newt:

While we could not achieve broad-based agreement on a health reform initiative last year, there can be little disagreement that we still face the enormous problems of increasing health care costs and decreasing coverage. We need to confront these problems on a bipartisan basis and address the insecurities that too many Americans have about their health care. I am writing to reiterate my strong desire to work with you in this regard.

I remain firmly committed to providing insurance coverage for every American and containing health care costs for families, businesses, and Federal, State, and local governments. In the upcoming session of Congress, we can and should work together to take the first steps toward achieving these goals. We can pass legislation that includes measures to address the unfairness in the insurance market, make coverage more affordable for working families and children, assure quality and efficiency in the Medicare and Medicaid programs, and reduce the long-term Federal deficit.

We look forward to talking with you in the upcoming weeks about a bipartisan effort to deliver health care reform to the American public. Hillary and I send our best wishes for a safe and happy holiday season.

Sincerely,

Bill Clinton

The Honorable Newt Gingrich
House of Representatives
Washington, D.C. 20515

To: Chris J
fr: Mike Berman
- [illegible] to Don &
[illegible]

Rationale

Doing what can be done is not a compromise.

The president demonstates leadership by insisting we do the things on which we agree and that we continue to talk about the things on which we have not been able to reach agreement.

At least once in the past Democrats refused to do what could be done based on an argument that to do those things would undermine the ability to deal with other problems in the short run. However, the result of their decision is that nothing has been done.

The time has now come to deal in increments as a means of building public confidence in the government's ability to deal with some of the bigger problems.

In proceeding on those things on which everyone agrees...the President also has an opportunity to challange the Congress to take a few steps beyond the existing consensus.

Speech

The problems of the health care system are too big and too important not to take the steps on which we agree while we debate the things on which we may not yet agree.

If we all believe that no American should be locked into a job because they can not carry their insurance with them to a new job then let us change that now...this year.

If we all believe that no family should be denied health insurance because their child has asthma or diabetes or some other affliction than let us change that now...this year.

If we all believe that no person should lose health care when they lose their job than let us change that now...this year. (and so on)

And we should not be afraid in the ensuring debate to argue strongly positions on which we can not now agree for that is the only way in which we can find the changes on which we will be able to agree at another time.

As that debate goes forward...if Congress is not yet prepared to insure that no child in American shall go without health care...I am not prepared to stop raising the issue...and...will in the coming months.

I hope that all of you will give this problem special attention so that we might at least have a chance to solve this problem too...this year.

HEALTH CARE COMMUNICATIONS STRATEGY

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   . How/when do we talk about whether the President will introduce a plan?
   . In his December 27 letter to the Congressional Leadership, the President expressed his commitment to health care reform and his willingness to work with the Republicans. How does he define this relationship and does he draw a line in the sand about what he will/will not accept?

   c. MEDICARE/MEDICAID. When and how should the President announce that there will be no new Medicare cuts in the budget? How do we talk about reinvestment of Medicare/Medicaid savings in health care versus deficit reduction?

III. STATE OF THE UNION. Based on the discussion above and in the larger context of our message on the Middle Class Bill of Rights, what is the health care message we would recommend be included in the State of the Union?

HEALTH CARE COMMUNICATIONS STRATEGY

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   a. SPECIFICS. How specific should the President be in outlining his vision for health care reform? Should he simply outline a vision, discuss his vision with some mention of particulars (e.g., covering kids), or describe a specific "step-by-step" plan? If he outlines a specific "step-by-step" plan, what level of detail should he describe (i.e., include long-term care, self-employed tax deduction)? What does step-by-step reform entail?

   b. TIMING AND TACTICS.

   - How do we ~~respond to questions about~~ talk about whether health care is in the budget (and why not)?
   - How do we ~~respond to questions about~~ talk about whether the President will introduce a plan?
   - In his December 27 letter to the Congressional Leadership, the President expressed his commitment to health care reform and his willingness to work with the Republicans. At what point, if any, should he draw a line in the sand about what he will/will not accept?

3. c. MEDICARE/MEDICAID. ~~Do we want the~~ When and how should the President to announce ~~in the State of the Union~~ that there will be no new Medicare cuts in the budget? How do we talk about reinvestment of Medicare/Medicaid savings in health care versus deficit reduction?

4. STATE OF THE UNION. Based on the discussion above and in the larger context of our message on the Middle Class Bill of Rights, what is the health care message we would recommend be included in the State of the Union?

As we move closer to the State of the Union, we have begun to look at the way in which health care should be addressed in the speech. Listed below are both some recommendations that begin to form a basis of consensus about the health care portion of the speech as well as a list of issues which need to be discussed.

RECOMMENDATIONS

* THE PAST

While the speech should acknowledge that mistakes were made, it should emphasize that much good was done and that our commitment to the issue still remains:

"There is enough blame to go around for the collapse of last year's reform efforts. A lot of things were done wrong. But a lot of things were done right, too. As a result of our efforts last year, we moved this debate father along than anyone in history, and, as a result, we are closer than ever to ensuring working families in this country the affordable and secure health care they deserve. I am proud of that. And I am willing to say that the meaningful health care reform that this Administration and Congress will enact in the future--legislation that reforms the abuses in the insurance industry, makes coverage more affordable for working families and children, and reduces the deficit--would not have been possible without our efforts and commitment of last year.

My commitment to this issue has not waned. I am disappointed that we were unable to get this done last year, and I know that a majority of Americans feel the same way. I take responsibility for our efforts, just as I take responsibility for continuing the fight so that every American has the health care they deserve."

* OWNERSHIP/CREDIT

The speech must reflect ownership over this issue. People still want this issue to succeed, albeit, incrementally. Step-by-step reform is most likely to be passed. We need to position ourselves to take credit for that victory when it happens, both in the short-term ('95) and long-term ('96).

* THE SHIFT FROM UNIVERSAL TO STEP-BY -STEP REFORM

The speech should reiterate our commitment to providing insurance coverage for every American while acknowledging that we understand the goal needs to be realized in steps. This issue should always be defined as a "step-by-step" rather than "incremental" approach. This might also be an appropriate place to address issues of big government and an opportunity to reiterate that we "get it." *(see Wall Street Journal 1/12).*

4 1. How specific in our step-by-step?

3 2. How talk about leg strategy?

- budget? why not?
- who goes first?

2 3. Past interp.

1 4. Overall prominence

5. Medicare | deficit reduction story

Goals

1. ~~What~~ are we trying to accomplish ~~is our strategy~~ for '95
2. Position for '96
3. Presidential issue | Character

* JUSTIFICATION FOR ISSUE'S PROMINENCE

Data and information is being compiled to illustrate that the need for health care reform has not lost any of its importance--both from an affordability and security point of view:

"Very little has changed. The American people continue to tell us that this issue is of grave importance to them. And do you know why? Because working families are still one illness or one pink slip away from financial devastation. Small business owners around the country continue to try to provide insurance for their employees, but can't compete with insurance companies who triple their premiums in the course of a year.....We owe it to the American people to do what they sent us here for.....The power to change this system is more within our grasp than ever before."

OUTSTANDING ISSUES

* THE SPECIFICS

-Is health care in the budget?
-Will we introduce a plan?
-How specific are we about the basic principals that must be addressed in any acceptable health care reform plan? Does being more specific enable us to take more credit for the successes?
-Do we talk about where we won't go? Draw a line in the sand?
-Do we challenge Congress in any specific way in terms of presenting a plan, time lines, etc...?
-Extent of detail in the outline of a plan---long-term care discussed? Tax deduction for small businesses? Percentage of tax deduction?

How do we raise about our leg. strategy?

* MEDICARE/MEDICAID

* STATE FLEXIBILITY

Reform will be flexible enough to meet the needs of people in each state.

* ISSUES OF "TONE"

Do you hit the GOP for not including the issue in the Contract with America? Do you absolve Congress/GOP of responsibility for the collapse?

To what extent do we take into account what the news media has already heard us say versus the need to start from scratch in explaining what happened and where we stand for the American public? Who is the intended audience here?

OVERALL GOALS

* What do we want/need to accomplish in 1995?
* How do we want to position ourselves for 1996?
* How do we want this issue to be positioned in terms of this Presidency?

LEGISLATIVE STRATEGY

* ~~How do we respond to whether or not health care is included in the budget?~~
* Do we ask Congress to present a plan? If so, is there a time line? Do we draw lines in the sand about what we will not accept?
* Do we submit a plan? If so, when? If not, how do we illustrate our commitment?

SPECIFICS

* What is the level of specificity described in either our plan or the plan we expect from Congress? Do we state goals of insurance reform, affordable coverage for working families and children, and deficit reduction? Do we go into further detail (i.e., long-term care, tax deduction for small businesses, etc...)?
* What does step-by-step reform entail?

MEDICARE/MEDICAID

* How do we talk about reinvestment of Medicare/Medicaid savings in health care versus deficit reduction?

INTERPRETATION OF THE PAST

* Admission of mistakes in last year's effort, but also assertion that a lot of good was accomplished; that the vision was a sound one
* Show the leadership already displayed on this issue and the commitment and resolve to reform in the future
* Need to do a set-up of "The Problem Still Exists"
* How do we, or to what extent do we, want to show ownership of this issue? And, how do we ensure we receive credit for future successes?

STATE OF THE UNION

* How is our vision/plan for health care reform best described in the larger context of the Middle Class Bill of Rights?

* How is our vision/plan for health care reform best described in the larger context of economics/deficit reduction?

HEALTH CARE COMMUNICATIONS STRATEGY

OVERARCHING QUESTIONS

1. What do we want/need to accomplish in 1995?

2. How do we want to position ourselves for 1996?

3. How is our vision/plan for health care reform best described: (1) in the larger context of the Middle Class Bill of Rights and (2) as a "Presidential" issue?

SPECIFIC QUESTIONS TO BE ADDRESSED

1. RETROSPECTIVE. How should the President talk about last year's health care debate? To what extent should he acknowledge mistake or fault? To what extent should he talk about the role of the Republicans and special interests?

2. STRATEGY. How can the President best claim ownership of health care reform and receive credit for future successes (especially if we choose initially to react to other proposals)? Does he, at the same time, extend an olive branch to Republicans? Does he draw a line in the sand about what we will/will not accept?

   In the next few weeks, how should we respond to the following questions:
   - Is health care in the budget? If not, why?
   - Will the President introduce a plan?

3. SPECIFICS OF VISION FOR REFORM. How specific should the President be in outlining his vision for health care reform? Should he simply outline a vision, discuss his vision with some mention of particulars (e.g., covering kids), or describe a specific "step-by-step" plan? Does he need to go into further detail (i.e., long-term care, self-employed tax deduction)? What does step-by-step reform entail?

4. MEDICARE/MEDICAID. Do we want the President to announce in the State of the Union that there will be no Medicare cuts in the budget? How do we talk about reinvestment of Medicare/Medicaid savings in health care versus deficit reduction?

Everyone of us will be judged by whether we take on this issue. We underestimated the difficulty of this issue and we made mistakes. What was not wrong ~~was~~ was our commitment to getting this done -- still wrong that every Am. is one illness or pink slip away from losing their health care.

Character - responsibility and commitment. Pres. should not blame special interests - not Presidential

HEALTH CARE QUESTIONS

Everything that the President says about health care in the State of the Union address is likely to be judged against his waving of the veto pen last year. How should the President talk about his continuing commitment to reform (e.g., strong commitment to fight for his longstanding goal of universal coverage) in the context of more incremental proposals? How do we justify the shift from comprehensive to incremental reform?

. How should we talk about last year's health care debate? To what extent do we acknowledge mistake or fault? To what extent should we talk about the role of the Republicans and special interests?

. How can we best claim ownership of health care reform (especially if we choose initially to react to other proposals)? How can the President be a leader on this issue even if he does not propose a plan?

. How specific should the President be in outlining his vision for health care reform? Should he simply outline a vision, discuss his vision with some mention of particulars (e.g., covering kids), or describe a specific "step-by-step" plan?

Simple, clear - not fed. govt, not big

- Insurance reform
- Covering children
- helping the uninsured? unemployed? workers

. If he speaks generally in the State of the Union, the following issues will need to be addressed after the speech:

Makes it his
Also, defines the parameters of the debate

. Will health care be in the budget?

. Will the President introduce a plan?

Under ins. reform

Long-term care - [long-term care Ins. nondiscrim]
Self-employed tax deductions

. How will we pay for health care reform?

. In light of the current emphasis on the middle class bill of rights, how can our health care reform goals be described in this context? As an issue of security? ~~Cost containment~~? Or both?

Affordability?

lessen burden of families taking care of loved ones

Are there any new data, personal stories, studies, articles or polls that we can use to talk about the problems in the health care system in a new way?

Cost cont. aid go to part of speech on long-term deficit reduction.

Medicare/Medicaid -- Need to understand how Reps will attack Medicaid
e.g. more generous than BC/BS
- How to look like we're not defending the status quo

But what to do about Medicare - in short-term can only use savings for it

- over long-term, can only reduce deficits by reducing health spending.

Empowerment / middle class families

Medicaid was a Republican issue originally.

Do we want to identify where we don't want them to go? Draw lines?
On Medicare | aid cuts? Especially Medicare cuts.
Nothing that hurts children?

Is the issue of how we propose things without paying for them being addressed in a larger way in the SOTU?

→ Did say no addtl cuts w/ exception of beyond extensions of current policy.
I have done this so I did invest in health care.
Let's work together

Univ. v incremental
Why can't we do what we agree on?
What is the horizon? As soon as possible.*

Flexible to meet the needs of everyone in every state.

MEMORANDUM

TO: Dave Levy (FAX: 6-6423) January 10, 1995
FR: Chris Jennings
RE: Health Care Communications/State of the Union
cc: Jennifer Klein

Dave, the office suggested that I outline in a brief memo the desire of the NEC/DPC health policy working group to ensure that Mike M. is briefed on this issue. (As you may know, Jen Klein and I are coordinating this work for Bob Rubin and Carol Rasco.) It is important that Mike gets up-to-speed fairly soon regarding the status of health care as it will be a major topic of discussion during prep for the State of the Union. (In fact, there is likely to be a senior White House/Department Secretary meeting on this very subject later this week; Mike will be invited to this meeting).

In addition, a number of Administration reps are testifying this week and are likely to field health reform questions. Lastly, leaks about the budget (and what is in it relative to Medicare cuts and health reform) may occur and, once again, Mike may well be put in the position of responding. (Medicare/Medicaid budget cut proposals may be leaking out of the Republican camp as well as they try to figure out their spending/savings priorities.)

As you know, Laurie McHugh dealt with day-to-day health care press inquiries last year. We think she is great and are continuing to work closely with her. We would advise that she be present at any such briefing for Mike.

Dave, I'd appreciate it if Mike or you could get back to me as soon as you can on this issue. If Mike cannot make the health care discussion regarding the State of the Union later this week, I'd advise that he send someone in his stead. I assume it would make the most sense for it to be Laurie, but that is -- of course -- his call.

I can be reached at 6-5560. Thanks.

p.s. You might like to remind Mike how far he and I go back. I worked with him for a short while on Senator Glenn's staff when he and I shared an office on the Senate Aging Committee in 1984. (This was after the first of his fateful Presidential campaign experiences.)

HEALTH CARE QUESTIONS

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  - Will health care be in the budget?

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  - How will we pay for health care reform?

- In light of the current emphasis on the middle class bill of rights, how can our health care reform goals be described in this context? As an issue of security? Cost containment? Or both?

- Are there any new data, personal stories, studies, articles or polls that we can use to talk about the problems in the health care system in a new way?

January 10, 1995

MEMORANDUM TO CHRIS JENNINGS

FROM: IRA C. MAGAZINER

SUBJ: STATE OF THE UNION SPEECH

I'm not a wordsmith, but I think ideas like the following should be included in the speech.

Last year I submitted a proposal to make health insurance more affordable, to guarantee health coverage to all Americans and to increase choice and quality in our health system. I said at the time that I had no pride of authorship in my specific plan and was willing to work with the Congress, listen to your ideas and together devise an approach to solve our health care crisis. Special interests who profit from the current system spent hundreds of millions of dollars to mislead and scare the American people and to defeat our proposal. Congress failed to act.

As a result, the health care crisis is still with is. Health costs are going up at twice to three times the rate of increase in workers' wages. Over 58 million Americans and their families will be without health insurance some time this year, the vast majority of them working middle class Americans and their families. Tens of millions of other working middle class American families with health insurance will see their health benefits cut. Millions of others will lose their right to choose their own doctor. Millions of our senior citizens will not be able to afford the prescription drugs and long-term care they need and soaring health care costs will continue to eat up federal, state and local government budgets.

The First Lady and I have worked hard to solve these problems. The problems will not go away by themselves. We must enact comprehensive reform if we are to solve them. We will continue to work until all Americans have affordable health insurance which can never be taken away. I call on this Congress to work with us.

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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

06-Jan-1995 08:11pm

TO: Carol H. Rasco

FROM: Christopher C. Jennings
Domestic Policy Council

CC: Jennifer L. Klein

SUBJECT: communications/political meeting tonight

Carol:

Here's our reporting of tonight's meeting:

1. Bob, George, Bill, Gene, John A., Laurie M., Karen H. (for Harold), Janet M. (for Pat), Jeremy, Jen, and I attended.

2. Consensus still seems to be to keep as quiet as possible with regard to our health care intentions (whether in or out of budget) and to, if needed, refer to Leadership letter and POTUS comments to press and to the bipartisan Leadership. (Although there was a quick toying around by George of possibly considering making the announcement that no new Medicare cuts would be in budget; Bob thought not, George later seem to agree).

3. Everyone seems to be comfortable with our general talking points and how we are coordinating testimony with the Departments.

4. Agreement was unanimous that we needed to schedule the map group meeting to focus primarily on what we are going to say in the State of the Union. (We will try for sometime later next week -- perhaps Thursday). Everyone in attendance seemed to believe that the President should be very strong with his comments re health and lay out a vision similar to that outlined in the Leadership letter. Gene felt that it needed to be more specific; George thought not. Both felt that different approaches should be layed out at the Map Room meeting for the discussion.

5. We raised question about how we respond to non-traditional health reform Republican statements (e.g., like if their health program cuts get leaked out). George felt we should monitor closely and provide quick responses for considerations by higher ups in White House. Gene suggested that that effort be coordinated through him since Leon wants him to be able to quickly respond to all budget-oriented misstatements by the Republicans. (Gene subsequently asked us to help him coordinate through Departments that will be monitoring hearings.)

6. As we discussed the issue of likely deep Medicare and Medicaid cuts, we talked about the advisability of having the next POTUS briefing be specifically on the Medicaid block grant proposals that seem likely to emerge from the Republicans. Everyone, particularly George, felt this was very important. (We think, if you agree to, that we should try to schedule this prior to the Governors' meeting -- perhaps sometime during the week of the 16th?).

Please call if you have any questions. You can reach either one of us, of course, through Signal.

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

07-Jan-1995 04:18pm

TO: Christopher C. Jennings

FROM: Carol H. Rasco
Economic and Domestic Policy

CC: Jennifer L. Klein

SUBJECT: RE: communications/political meeting tonight

Thank you for the excellent summary memo...I again apologize I could not be there. I agree one hundred per cent we need to have the map room meeting next week and will want to have a briefing time with you all before the session since I will be presiding if Bob's confirmation goes as quickly as expected. I also agree it is imperative to have a the briefing session with POTUS on Medicaid prior to governors' meeting.

Thanks...call this weekend via skypager number if there are things we should discuss.

Political Strategy/Communications Meeting

* Administration Testimony Consistency

* How to Discuss Health Care Prior To Budget Release. In/out of Budget; Medicare cuts, etc.

  . How do we respond to leaks about budget?

* Response to Republicans' legislation, testimony, statements

* State of Union

Mon.
Portas prep w/ Judy, L, G

Thurs
Mtg re TP for State of Union

* Gore Question re Inconsistent Message re Deficit Reduction and Coverage Expansion

* Internal Process for Developing Communications/Next Map Group Meeting

George:
Strategic goal - don't talk about Medicare cuts before Reps are forced to

Keep Admin. quiet until State of the Union

Bring Secs etc. into room to talk about how to answer these questions

(TO DO) ← Map Room → Wed or (Thurs 12)

All health care mistakes -- feed to George or Mark — through Gene
Eric Berman can distribute from DNC

George - not specific - be a critic
Gene - Speak about 3 step plans

Memo on state of union suggestions ✓

(TO DO) ← Briefing for Portas on Medicaid block grant - Jun 14-15

For Internal Use

Health Care Questions and Answers - January 3, 1995

Q. How is the Administration going to proceed on health care reform?

A. * The President remains firmly committed to providing insurance coverage for every American and containing health care costs for families, businesses and Federal, State and local governments.

* As he stated in his December 27 letter to Congressional leadership and during end-of-the-year interviews last week, he believes that we should work in a step-by-step manner to achieve these goals.

* The President wants this Congress to work with him in taking the first steps by passing the temporarily measures to address the unfairness in the insurance market, making coverage available and affordable for children and unemployed [redacted], assuring that the populations served by Medicare and Medicaid are protected and reducing the long-term federal deficit.

Q. What is the Administration's reaction to Senator Daschle's health care proposal?

* Senator Daschle's proposal is consistent with the vision laid out by the President in his December 27 letter to the Congressional leadership. Both the President and Senator Daschle want to work in a bipartisan fashion on health care reform. The nation's health care problems have not gone away and it is imperative that we move forward.

Q. Is the Daschle bill effectively the Administration's bill?

* No, but it shares the vision that the President outlined in his letter to the Congressional leadership last week.

* By including health care in his leadership package, Democrats are sending an important signal that health care reform remains a high priority for the nation. We hope to work with the Republicans in a bipartisan manner to enact health care reform this year.

Q. Did Senator Daschle consult with the President?

* Senator Daschle and his staff informed the Administration of the proposal and outlined the direction that it would take.

Q. Senator Daschle is challenging Senate Republicans to pass his bill within the first 100 days of the 104th Congress. Does the Administration support this challenge?

* Every day, American families are losing health care coverage. This Administration has been working hard to ensure that families have quality, affordable health care. Every day that we wait, more families live in jeopardy of being one job loss or one illness away from losing their coverage. We want to work with Congress to move health care reform forward as quickly as possible.

Q. What specifically does the Administration feel about Senator Daschle's insurance reform proposals (or any other specifics in the bill)?

* We haven't yet analyzed line-by-line every provision proposed. Senator Daschle's bill appears to be consistent with the vision outlined by the President last week. What the Administration feels is important is that both Democrats and Republicans work together to move forward on health care.

* As the President said last week, we can and should work together to take the first steps necessary to put us on the road to achieving health security and containing health care costs.

Q. Last year the Administration said that insurance reform could not really be achieved in the absence of universal coverage. Has the Administration backed away from this claim?

A. * This Administration has not backed away from its commitment to provide Americans with real health security. We believe, however, that this now should be done in a step-by-step approach. We can put America on the road to universal coverage by addressing the unfairness in the insurance market and beginning by expanding coverage to children and working families. But all of this must be done in the broader context of eventually reaching universal coverage.

Q. Last year the Administration said that everyone must be covered by 1997. Now you are saying eventually. What does eventually mean?

A. * We need to focus our energies now on putting America on the road to health security. Let's move forward in a step-by-step fashion to ensure that Americans have quality and affordable health care.

Q. Will health care be in the budget?

A. * There have not been any announcements made on the budget.

Q. Will the President introduce health care legislation?

A. * Everyone knows where the President stands on health care. His goals have not changed. He believes that we must now act in a step-by-step manner to achieve these goals.

* The President is committed to work in a bipartisan fashion to begin putting America on the road to health security. He will work with Congress as Democrats and Republicans develop proposals. If he feels that adequate steps are not being taken, legislation may be introduced. The President has made it very clear that he will NOT give up the fight to for health security and affordable health care. We need to work with Congress and see what develops.

Irrelevant - wants to work w/ Cong. to get this done

Q. The President says that he believes that we can make a start on expanding coverage. How will he pay for it?

* The Administration wants to work with Congress to expand coverage and ensure that any action taken is paid for and achieved without increasing the deficit.