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HEALTH CARE WIRE REPORT

TUESDAY, DECEMBER 14, 1993

3:45 P.M. EDITION

Among the stories inside:

AM-Uninsured Americans, HFR,500
For Release 5 p.m. EST
Number of Uninsured Americans Climbs by 2 Million
By KAREN BALL= Associated Press Writer=

WASHINGTON (AP) More than 2 million Americans under the age of 65 joined the ranks of the uninsured in 1992, pushing the total without health coverage to 38.5 million, according to a survey released Tuesday.

The increase was caused largely by a decline in coverage for people who work for small companies, said the study by the Employee Benefit Research Institute, which was based on Census Bureau numbers tabulated in March.

The latest figures show that there were 38.5 million non-elderly Americans without private or public health insurance during 1992 up from the 36.3 million who were uninsured in 1991. Over three years, that number has climbed by more than 4 million.

The figure from 1991 is the one that's been widely used by President Clinton and other advocates of health care reform in citing the need for wholesale change.

The latest surge ``just goes to show why we need universal coverage,'' said Jeff Eller, the White House spokesman on health care.

``We all pay for those who don't currently have insurance,'' Eller added. ``They get health care when it's too late and it's the most expensive.''

The Employee Benefit Research Institute is a private, non-partisan research group in Washington. Ken Thorpe, a deputy assistant secretary at the Department of Health and Human Services, said the institute's numbers are consistent with the government's estimates of how many Americans are uninsured.

Population growth caused only part of the increase in the uninsured, the institute said, with much of the increase caused by a decline in employer-based care.

For instance, of the 2.2 million Americans who were added to the uninsured rolls from 1991 to 1992, 42 percent were in families headed by someone who worked for an company with fewer than 25 employees. An additional 15 percent were in families in which the income-earner worked for a company with between 25 and 99 workers.

``It's the most volatile part of the market,'' Thorpe said of the way small companies get insurance. Even if small companies can negotiate a competitive rate like big companies, small firms can be canceled or hit with huge premium increases if one of their employees gets a serious illness, Thorpe said.

Declines in employment-based coverage were partly offset, the institute said, by an increase in the number of Americans who got at least partial coverage from the government.

Those getting public coverage has steadily increased from 1989 up from 26.2 million non-elderly Americans getting assistance three years earlier to 33.4 million receiving public coverage in 1992.

The institute said this increase was due in part to the impact of the recent recession and changes in Medicaid.

The number of children uninsured in 1992 was 9.8 million, or 14.8 percent of all children, compared with 9.5 million, or 14.7 percent, in 1991, the institute said.

**** filed by:APE-(--) on 12/14/93 at 15:31EST ****
**** printed by:WHPR(MMIL) on 12/14/93 at 15:34EST ****

bc-health-mandates 12-14

Health Care Reform Project Responds to AMA Retreat on Employer Mandate

To: National Desk, Healthcare Writer

Contact: Charlie Leonard or Bob Chlopak, 202-296-2777, both for Health Care Reform Project

WASHINGTON, Dec. 14 /U.S. Newswire/ -- The Health Care Reform Project, a coalition of 32 organizations representing more than 55 million Americans including more than 200,000 physicians, said today that the American Medical Association's decision to back away from its prior support for an employer mandate amounts to a retreat from the fundamental goal of universal health care coverage.

The Project reaffirmed its own support for universal coverage and said: ``There is no way to guarantee health security and equitable financing -- essential ingredients of real reform --without some form of an employer mandate or single-payer system.''

Speaking on behalf of the coalition, Rosi Sweeney, vice president of social, economic and policy analysis for the American Academy of Family Physicians, said: ``The AMA's modification of its longstanding support for employer mandates suggests self interest over health interests. The members of the Health Care Reform Project believe that to fulfill the promise of universal health coverage for all Americans, all employers and their employees must contribute. For years the AMA supported employer mandates. AMA physicians should be leading this charge, not standing in its way.

On Oct. 20, the CEOs of member organizations in the Project sent a letter to every member of Congress stating their unequivocal support for an employer mandate. The letter was signed by three of the country's leading physician organizations -- American Academy of Family Physicians, American Academy of Pediatrics and the American College of Physicians -- as well as several other associations representing health care providers.

Earlier this year a number of news stories reported that AMA was trying to have it both ways when they professed to support health reform in Washington at the same time they mailed packets critical of reform to all of their members. AMA's latest decision to back off employer mandates is doubly tragic in light of the fact 60 percent of the small businesses in America currently provide health insurance at exorbitant prices, and an employer mandate with a cap -- as proposed by Clinton and McDermott -- would lead to a decrease in heath insurance costs. ``Anyone who wants a clear prescription for health reform would be wise to get a second opinion from the many physician, nurses and hospital groups that support real reform,'' Sweeney said.

Health Care Reform Project Press Briefing Dec. 14

Rosi Sweeney, vice president of social, economic and policy analysis, American Academy of Family Physicians, 202-232-9033

Jackie Noys, director of the Department of Government Liason, American Academy of Pediatrics, 202-347-8600

Howard Shapiro, director of public policy, American College of Physicians, 202-393-1650

Eileen McGrath, executive director, American Medical Women's Association, 703-838-0500

Dr. Bryant Welch, senior policy advisor for National Health Care Reform, American Psychological Association, 202-336-5500.

Jack Bresch, government liason, Catholic Health Association, 202-296-3993

Health Care Reform Project

Member Organizations:

Alzheimer's Association; American Academy of Family Physicians American Academy of Pediatrics; American Airlines; American Association of Retired Persons; American College of Physicians; American Federation of Labor and Congress of Industrial Organizations (AFL-CIO); American Federation of State, County and Municipal Employees (AFSCME);

American Medical Women's Association; American Nurses Association; American Postal Workers Union (APWU); Campaign for Women's Health; The

Catholic Health Association of the United States (CHA); Children's Defense Fund; Chrysler Corporation; Citizen Action; Families USA; The League of Women Voters of the United States;

Multiple Sclerosis Society; National Association of Children's Hospitals and Related Institutions (NACHRI); National Association of Social Workers (NASW); National Council of Senior Citizens; National Education Association; National Health Policy Council; Older Women's League; Service Employees International Union (SEIU); Southern California Edison Company; United Mine Workers; Voice of the Retarded (VOR).

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/U.S. Newswire 202-347-2770/

**** filed by:US-F(--) on 12/14/93 at 13:15EST ****
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PM-NE--Entitlements-Kerrey,561
Kerrey: Entitlement Reform Is About Jobs
hofoneswdcmm2

OMAHA, Neb. (AP) The federal safety net of Social Security, Medicare and other entitlement programs have economic and moral flaws, Sen. Bob Kerrey says.

``The guarantee of entitlement does not always produce gratitude,'' Kerrey told a conference Monday in Bryn Mawr, Pa. ``Instead, it sometimes creates an attitude of irresponsible dependence or expectation that more is deserved.''

Kerrey recently was named by President Clinton to lead a bipartisan national commission to study entitlements, mandatory domestic spending programs that account for most of the $1.5 trillion the government spends each year.

The Commission on Entitlement Reform and Tax Structure will look at tax structure ``because we believe our income and wage tax based system by discouraging personal and national savings also slows job growth, further weakening our personal safety net,'' Kerrey told the conference on the future of entitlements.

Entitlements include Social Security, welfare, food stamps, Medicare, price supports for farmers and pensions for military and civil service retirees.

Kerrey said the conference gave him and Sen. John Danforth, R-Mo., who also is heading the commission, ``a chance to lay out what we think is going to have to occur if we're going to get the entitlements under control.''

But Kerrey said he heard no new ideas at the portion of the conference he attended.

There is a structural problem with the entitlement programs, Kerrey said in a telephone interview after the conference.

``It's just not sustainable economically and there's also something morally wrong with it,'' he said.

Health care entitlements have driven up prices while shielding individuals from the need to be concerned about those increases, he said. In addition, the growth of entitlements exceeds the nation's future ability to pay, Kerrey said.

``Today, the year-to-year increases in payments are greater than the increases in wages and income,'' he said. ``In 15 years, at about the moment I and other baby boomers start to demand our income and health benefits, the wheels come off the system.''

Clinton attended the conference to pay a political debt to Rep. Marjorie Margolies-Mezvinsky, D-Pa., who provided a last-minute vote that insured victory for the president's economic plan in the House last August.

Clinton said Medicare and Medicaid account for 30 percent of entitlements up from 13 percent in 1973. Medicare, which costs $146 billion to provide health care for the elderly, and Medicaid, which costs $80 billion in federal costs alone to provide health care for the poor and disabled, are ``growing like a rocket,'' he warned.

He called for ``a great national discussion'' on slowing the growth of entitlement programs but cautioned against cuts that would drive the middle class elderly into poverty.

``Low-income beneficiaries don't need to fear that we're going to cut their benefits in a Draconian fashion,'' Kerrey said in a brief interview afterward.

But, he said, something must be done about the structure of entitlement programs that rely on funding from a decreasing number of workers.

``The source of income and/or income security are the wages and salaries of people in the work force,'' Kerrey told the conference. ``If this number is getting smaller, so will the value of government guarantees.''

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bc-Catholic-health-refrm

TO NATIONAL, BUSINESS AND HEALTH/MEDICAL EDITORS:

NEED FOR NOT-FOR-PROFIT HOSPITALS WILL CONTINUE UNDER REFORM, CATHOLIC HEALTH ASSOCIATION TESTIFIES

WASHINGTON, Dec. 14 /PRNewswire/ -- The Catholic Health Association of the United States (CHA) believes universal health insurance coverage will not eliminate the need for charitable, community service-oriented, tax-exempt organizations.

"Universal coverage is a moral priority and a practical necessity, but universal coverage does not mean universal access to needed services," Bishop Joseph Sullivan, auxiliary bishop of Brooklyn, N.Y., and a past chairman of the CHA board, stated in testimony today before the Select Revenue Measures Subcommittee of the House Ways and Means Committee.

CHA strongly supports President Clinton's goal of extending universal health coverage to all Americans, but believes persons in inner-cities, in poor rural America, persons who do not speak English, who cannot read, who lack transportation, who are more difficult to care for because their health and social problems are so complex; they will continue to face access problems.

"As important as service to needy persons is to the responsibility of tax-exempt organizations, our mission is much broader," Sullivan testified on behalf of the 1,200 CHA members who make up the nation's largest group of not-for-profit health care facilities under a single form of sponsorship. "Our mission includes being watchful for unmet needs and gaps in service and filling those needs, not because there is an opportunity for economic gain, but because there is need."

The Catholic Health Association supports provisions of the Health Security Act introduced by President Clinton that call for tax exempt providers to assess health care needs of their communities and develop plans to meet those needs. CHA, along with other groups, such as the Voluntary Hospitals of America, the Community Benefit Standards Program, and the American Association of Homes for the Aging (AAHA), and the United Hospital Fund of New York have had successful experience in encouraging not-for-profit health care organizations to continue their charitable community service role.

Standards for Community Benefits, developed by CHA and approved by the association's board more than a year ago, call upon health care facilities to demonstrate their mission and commitment to community service by accessing community needs and developing community benefit plans.

"We have found that standards for assessing community need and planning for meeting community service helps to focus our institutions on their community service tradition," Sullivan stressed. Sullivan serves on the boards of the Sisters of Mercy Health System, St. Louis, and Catholic Medical Center of Brooklyn and Queens, Jamaica, N.Y.

CHA calls for economic and other incentives in a reformed health care system to encourage health care facilities, other providers and health care plans to adopt high standards of community services and benefits. "This will be an important way to protect the health and well-being of persons, families and communities," Sullivan concluded.

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/CONTACT: Fred Caesar of Catholic Health Association, Department of Media Relations, 314-427-2500, ext. 3452/ CO: Catholic Health Association ST: District of Columbia, Missouri, New York IN: HEA SU: LEG IH-DT -- DC021 -- 1726 12-14-93 13:07 EST

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**** printed by:WHPR(MMIL) on 12/14/93 at 14:32EST ****

BC-MAINEHEALTH business editors

By Richard A. Knox

Boston Globe

Small-business owners in Maine are ready for health care reform, according to a new poll, and most would accept either a health care system like Canada's or a Clinton-style plan with managed competition and mandatory employer contributions.

A survey of Maine businesses employing fewer than 50 workers, released yesterday, found 85 percent want major health care reform. Slightly more than half favor either a tax-based or a Clinton-style employer mandate plan.

However, Downeast business leaders do not want to be told they must pay premiums for private health insurance as it currently exists. Only 12 percent favored such an unvarnished ``employer mandate.''

Owners of small businesses said they would support an employer mandate plan only if it included a nonprofit agency to certify participating health plans and regulate costs a definition that would fit President Clinton's proposed health alliances.

Although small-business owners are usually thought to be against regulation, substantial majorities said they favor control over doctors to prevent unnecessary laboratory tests and procedures and regulation of physicians' fees and hospital charges.

``Small businesspeople don't support the private health insurance industry as we know it,'' said Harry Brown of the Maine People's Resource Center, which conducted the survey. ``They balk at maintaining the status quo without any price controls.

``They do not want to be required to purchase private insurance,'' Brown continued, ``but they would contribute to a universal plan administered by a nonprofit, publicly accountable entity.''

The survey, based on 411 responses from 1,849 randomly selected businesses, found that the 51 percent of small Maine firms which currently offer health coverage are making economic sacrifices to maintain it. The survey's authors, who say they are not aligned with any reform plan, did not publish a margin-of-error figure.

More than half of insuring businesses in Maine said they have delayed wage increases to maintain coverage; 40 percent have reduced their work force to cope with rising health costs; one in six has switched all or part of its employees to part-time status, and two-thirds have raised the deductibles employees must pay.

``What made me go `Wow!' was that two out of five small employers'' that offer coverage ``have reduced their work force as a way to cope with health care costs,'' said Sen. Dale McCormick, cochairman of the Legislature's Banking and Insurance Committee.

``I've been trying to convince my colleagues that health care is a jobs issue,'' McCormick added. ``One could conclude that when we solve the health care problem, we'll take a ball and chain off the economy.''

McCormick, a Democrat, is principal author of legislation that would set up a single-payer universal health insurance system like Canada's and fund it through a state payroll tax. She said the new survey would help her cause politically next year.

David Clough of the Maine chapter of the National Federation of Independent Businesses, which represents 7,000 employers statewide, said the poll underscores broad support among small-business owners for major health care reform. But he disagreed that the survey indicates support for a Clinton-style employer mandate.

``There seems to be a tremendous interest and support for health care reform,'' Clough agreed. ``Where it breaks down is in the details. A substantial majority remain opposed to an employer mandate as a solution.''

One business owner said she recently became convinced that the Clinton plan, or something like it, would be in the best interest of her company and her eight employees, who are now uninsured.

``Working through the Clinton plan figures, I found that it would allow me to cover all my employees with very good benefits for the same price or less than I am now paying for myself and family,'' said Peg Tebbets, owner of Window Pretties, a Kennebunk curtain manufacturer.

``I don't really think I'm that unusual,'' said Tebbets, a registered Republican. ``If more small business owners have the opportunity to sit down and work the figures through, I think they will be more positive and optimistic.''

**** filed by:KR-F(--) on 12/13/93 at 21:41EST ****
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bc-court-transplant - a1705
(ATTN: National editors) (Includes optional trims)
Court Upholds Law Requiring Medicaid to Pay for Transplants (Washn)
By David G. Savage= (c) 1993, Los Angeles Times=

WASHINGTON The Supreme Court let stand a ruling Monday requiring states to pay for costly transplant operations for young Medicaid patients.

Without comment, the justices rejected arguments from Florida health officials who said they should not be forced to pay for organ transplants because the procedures are expensive and experimental.

The issue arose in the case of Lexen Pittman, a 20-month-old boy from Fort Lauderdale, Fla., who is not expected to live without a liver and bowel transplant.

The operation, which also depends on finding an organ donor, will cost between $300,000 and $500,000 at the University of Pittsburgh medical center, officials said.

When the Florida Agency for Health Care Administration balked at paying, lawyers for the boy's mother took the issue to federal court.

In August, a U.S. appeals court in Atlanta ordered the state to pay for the operation and ruled that the Medicaid law requires the state to pay for ``all medically necessary treatment'' for eligible children under age 21.

The high court's refusal to hear the state's appeal in the case of Florida vs. Pittman, 93-633, may end further legal challenges to the federal requirement.

The Medicaid law once gave states the option of providing organ transplants, but Congress in 1989 expanded the states' responsibility to pay for medically necessary treatment for poor children.

``Some states are still unhappy over this, but we've made it clear we think the law is straightforward,'' said Bruce Vladeck, administrator for the Health Care Financing Administration, which administers the Medicaid program.

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In California, state health officials also say they authorize payment for organ transplants where they are deemed medically necessary and advisable.

``We have authorized a small number of liver and bowel transplants (for young children),'' said Dr. George Wilson, chief of medical policy for the state Department of Health Services. ``The issue revolves around the word `necessary.' We are concerned about the prognosis for survival.''

Wilson said the state policy on paying for transplants has evolved along with medical science.

Prior to 1983, the state rarely paid for a transplant, he said, because they were considered experimental. But in recent years, transplants of hearts, kidneys, corneas and other organs have become almost routine, he said.

Congress recently imposed one exception to that general rule, he noted. The states are no longer permitted to use Medicaid funds to pay for organ transplants for ``undocumented aliens,'' Wilson said.

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PM-NH--Mental Health, Bjt,590
Equal Coverage for the Mentally Ill Being Pushed
AP Photo CR101 of Dec. 13
patmsrrewstfnhos
By PAUL TOLME= Associated Press Writer=

CONCORD, N.H. (AP) A proposed law that would force insurers to cover mental illnesses at the same level as other illnesses won't be cheap, a state official says.

``I can't give an estimate ... but it would be reasonably significant,'' said Bob Warren, life and health insurance director at the state Insurance Department.

State law only requires that insurers provide $3,000 in yearly coverage and $10,000 in lifetime coverage for mental illnesses. However, other illnesses sometimes are covered up to $1 million over a lifetime.

Members of the Alliance for the Mentally Ill of New Hampshire and several state legislators announced the legislation Monday. The law is needed because mental illnesses have long been snubbed by insurers, and now aren't being adequately addressed by President Clinton, they said.

The bill also would fill gaps in Clinton's proposals and would attack the bias against mental illnesses, they said.

Sen. Jeanne Shaheen, one of the sponsors, said Clinton's plan allows for such a state policy.

``States can choose to add to the (Clinton) package,'' said Shaheen, D-Madbury. She predicted the bill will meet opposition because of the initial cost.

``Insurance companies are going to have some reservations because of that,'' she said. However, ``the long-term costs are going to be less.''

The bill, to be introduced in January, would apply to any insurance plans issued after Jan. 1, 1995. Schizophrenia, depression, paranoia, panic disorder, autism, obsessive-compulsive disorder and other illnesses would be covered.

The mentally ill often are shunned, and the families sometimes considered to be the cause, said Doris ``Rick'' Sherman, president of the alliance.

Mental illnesses ``are equal opportunity brain diseases,'' and can affect anyone, she said. ``Like diabetes, it can be treated, but not cured.''

Although some companies now cover illnesses such as depression, mental illnesses are the problems ``most discriminated against in public and private medical insurance,'' she said. The mentally ill rank just behind AIDS patients when it comes to being shunned by the community, she said.

Margaret Seiden, who criticized the Clinton plan at a health care forum attended by Hillary Rodham Clinton, said providing less coverage for the mentally ill is ``part of the old historical notion that mental illnesses ... are something to be shunned.''

The Clinton plan only provides coverage for a certain amount of out-patient visits for the mentally ill, she said.

Hillary Clinton essentially said ``you should feel lucky'' that any coverage is being provided, said Seiden, a neurologist at the state psychiatric hospital. ``All we're saying is, `Let's be fair.' ''

Recent studies have shown that providing equal coverage for serious mental illnesses would add an extra monthly cost of 50 cents to $1 per person insured, according to the alliance.

However, studies done in the mid-1980s by the Bureau of Labor Statistics showed hospital coverage for mental illnesses was limited to 30 to 60 days, compared with 120 days or more for physical illnesses.

Clark Dumont, spokesman for Blue Cross/Blue Shield of New Hampshire, said the bill would have a greater effect on health maintenance organizations, which control costs partly by limiting the number of doctors' visits covered.

Also, only 40 percent of New Hampshire's insured population would be affected, he said. That's because the other 60 percent receive coverage from self-insured employers, who cover claims out of their own pockets.

Self-insured companies are exempt from state laws and are regulated by the federal government, which means they wouldn't have to abide by the proposal, he said.

``The only ones affected would be the ones not large enough to self-insure, which would be small businesses,'' Dumont said.

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PM-NJ--Health Access, 1st Ld-Writethru,500
Access to Health Care Still Eludes Many in United States, Study Says
RETRANSMITTING to fix slug line;CORRECTS home base of foundation, from New Brunswick to Princeton, graf 4 bgng ``The report...;'' INSERTS ``private'' before ``philanthropy,'' last graf
By MICHAEL BROWN= Associated Press Writer=

TRENTON, N.J. (AP) Staying healthy has become tougher for many Americans, who often lack access to basic medical services, according to a recent study.

``At the current rate of growth, by 1995, Americans will be spending more on health care than on food and housing combined. Yet despite these huge outlays, we have major shortfalls in our overall health,'' said the study released today by the Center for Health Economics Research of Waltham, Mass.

``Disadvantaged people continue to face barriers to obtaining adequate health care and suffer higher rates of illness, injury, disability and death as a result.''

The report, commissioned by Princeton-based Robert Wood Johnson Foundation, found that access to medical care by young and old depended largely on family income. The study was to be presented today at a briefing in Washington for government officials sponsored by the National Health Policy Forum, a private nonpartisan group.

``Everybody's talking about universal coverage to increase access. What we're seeing here is that it's needed more now than ever. There is no safety net for many, many Americans,'' said Marc Kaplan, a spokesman for the foundation. ``If you want to look at who's getting hurt the most, it's poor women and children.''

Among the statistics in the study, drawn from various sources including previous studies and government reports:

Low-income areas have 44 percent fewer physicians serving children than do high-income areas.

Among the elderly, 33 percent of those considered poor received flu shots in 1991, compared with 49 percent of the non-poor.

Despite some progress in the early 1980s in reducing post-neonatal mortality rates for black infants, in 1985 the rates levelled off. By 1989, black infants between the ages of 28 days and 12 months were still almost twice as likely to die as white infants.

Women with cervical cancer who live in poor neighborhoods are more likely to be diagnosed late than those in more affluent areas, and the gap grew from the late 1970s to the late 1980s.

It ``looks like we're doing better with cervical cancer screening for black women,'' said Dianne Barker, a program director at the foundation. ``But black women are still being diagnosed late in the process with cancer, so there's something (wrong) going on between being screened and being treated for the disease.''

Barker said the study found the most pressing issue in medical care was the need for preventive care, especially for the poor, and the ability to finance it.

``People who live in low-income areas are more likely to be hospitalized for conditions that are preventable than people who live in high-income areas,'' Barker said. These ailments include asthma, congestive heart failure, pneumonia and diabetes.

Even though per capita health care spending increased 62 percent between 1980 and 1990, much of the money went to expensive, high-technology services rather than low-cost screening and preventive services, the report said.

``Use of cardiac surgery, for example, has soared over the past decade, despite growing evidence that many of the procedures performed are not medically necessary.''

The Robert Wood Johnson Foundation is the country's largest private philanthropy focused on health-care issues.

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BC-SE-HEALTH
Seattle Health Care Official Sees Both Sides of Troubled System
By Michele Matassa Flores, The Seattle Times Knight-Ridder/Tribune Business News

Dec. 13--About 15 years ago, when he was in his early 30s, Clayton Field crashed while landing off a ski jump and severely injured his back. During his treatment, doctors discovered he had a disease that would attack his back and nervous system and would worsen over the years.

For a number of years, Field functioned normally as a health-care consultant and administrator. But his condition is now worsening. He's begun using a cane and brace for part of each day, and he has to arrange his schedule around his medication routine. He leaves work every afternoon for a few hours to rest, often coming back in the evening.

Finally, this year, his doctors ordered him to quit his job so he can get more rest and increase his medication. At the end of this month, Field, 48,

will step down as president of First Choice Health Network, walking away from a job he loves at a time he calls the peak of his career.

Field declines to name his disease to protect his privacy and avoid pity. But one thing he does acknowledge is his fear.

After immersing himself in his career for years, he doesn't know how he'll react to leaving his profession behind. Divorced with a 21-year-old daughter, he knows he'll see plenty of his family. He knows he'll spend January resting. But he doesn't know what February will bring.

``Is it hard? Is it scary? You bet it is. I've never not worked,'' said Field, who despite his illness looks fit, speaks with a strong voice and at times walks with only a slight hesitation in his step.

Field has gained a national reputation as an insurance-industry leader who supports health-care reform, including some aspects many insurance companies oppose. He was one of the first to call for uniform basic coverage for all; an end to pre-existing condition clauses in insurance policies; and an actual reduction in health-care costs, not just an end to increases as many others have suggested.

He served on Gov. Mike Lowry's Health Care Transition Team Task Force. He travels to Washington, D.C., to meet with congressional delegates and their staffs. He speaks often at civic meetings and writes occasional guest editorials in local and trade press. He was interviewed by CNN a few months ago for his reaction to President Clinton's national reform proposals.

Will he continue some of those activities? Maybe later, but for now he says he must take a break to focus on his health. That's a response he's had to invoke often, as people who hear of his retirement call to recruit him to various causes.

Colleagues and competitors describe Field as a compassionate man who is also a tough competitor, a man who will wine and dine a competitor's customers, then work with that same competitor on joint business deals.

``I will miss him, and others will miss him, greatly,'' said Dr. Brian Goodell, executive director of Swedish Hospital Medical Center. ``What we need right now are leaders with good ideas.''

When asked Field's greatest strength, Goodell replied, ``I just think he's a good man. This is a gentleman in an industry where sometimes people may not be gentlemanly. He's genuinely concerned about the quality of medical care.''

Goodell said Field has built First Choice into ``an excellent organization'' during a time when it was very difficult to get people to work together because of competition. Field has been able to attract competing doctors, hospitals and medical centers to work cooperatively within one network.

During Field's tenure, beginning in 1988, First Choice has grown from covering 50,000 people to about 390,000. It is now the state's largest preferred provider organization, or network of physicians covered by one medical plan. Companies that use First Choice include Weyerhaeuser, Eagle Hardware and Fluke Corp.

Field has been an enthusiastic leader and has helped gain an image for First Choice throughout the community and statewide, said company Chairwoman Barbara Mauk.

Before joining First Choice, Field worked as a health-care consultant with Peat, Marwick & Main and as a vice president for King County Medical Blue Shield.

Phil Nudelman, president and chief executive of Group Health Cooperative, described working with competitor Field to jointly offer CHAMPUS, an insurance plan for military workers, and Options Health Care, one of three new plans announced last month as part of a new health-care cooperative.

``He is a very trusting individual,'' Nudelman said. ``I'm sure I'm not alone in the fact that when Clayton shows that trust, you return that trust.''

During the Legislature's debate over the health-care reform law that passed earlier this year, Field testified often and was aware that Republican legislators were trying to block the efforts. To help resolve the partisan fight, he was instrumental in arranging a visit by Gov. Arne Carlson of Minnesota, a Republican and leading reform advocate.

Colleagues said Field's only visible foible may be that he overextends himself because he can't say no.

Throughout his professional life, Field has been known for helping others with their careers. His company offers full tuition payments for employees who complete programs related to their jobs. Field recalls encouraging one woman to take management courses, then seeing her graduate and become a supervisor at First Choice.

Former King County Executive Randy Revelle cited Field's helping him in 1986, after Revelle had lost re-election to Tim Hill. The two didn't know each other, but Revelle had been told Field was a good contact. Field wound up serving as a reference and sounding board through Revelle's half-year of unemployment.

``I'd say of the 250 people I talked to that year, he was one of the top five people who went out of the way to help me. And he didn't know me from Adam,'' said Revelle, now executive director of the Washington Health Services Commission.

Field said that as a child he received help from many people because both his parents died when he was 10. His father was killed in a car accident, and his mother died of cancer. He always has felt compelled to return the compassion others had given him.

Now it's his turn, once again, to be the recipient of goodwill. He's received many offers of help and moral support from friends and associates.

As a patient, Field said, he has come to understand the plight of the people his company serves. He's had to make medical decisions while his mind was clouded with pain and medication. And he's been overwhelmed by the amount of paperwork required for insurance claims.

``You realize how complex health care is - and the amount of stress and worry a patient has lying in a hospital bed wondering, 'Do I have coverage?' I've thought a lot about it, but I didn't have to worry too much because I know the system and know what coverage I have.''

Adjusting emotionally has been even tougher than navigating the medical system.

-END-OF-AUTOTAKE(1)-
-AUTOTAKE(2)-FOLLOWS

**** filed by:KR-F(--) on 12/13/93 at 21:07EST ****
**** printed by:WHPR(MMIL) on 12/14/93 at 14:48EST ****

bc-uninsured
UNINSURED GROW BY 2 MILLION,
PUSHING NEED FOR HEALTH REFORM
Graphic: On GGN
Sidebar: UNINSURE-LIST, a state-by-state list on the percentage of people without health care coverage.
By ELIZABETH NEUS=
Gannett News Service=
WASHINGTON Two million more Americans lost their health insurance between 1991 and 1992, bringing the ever-increasing total of uninsured people to 38.9 million, according to new figures released Tuesday.
The previous estimate of the number of people without health insurance was about 37 million.
Most of the people without insurance are workers or their families who are under age 65; they account for 38.5 million of the new total. And many of them work for small firms or at low wages, said the report by the Employee Benefit Research Institute.
Among people who worked for companies that employed fewer than 10 people, 30.4 percent had no health insurance. The percentage of uninsured people who worked for companies of 10 to 24 workers was 27 percent.
That's more people with jobs but no insurance than people with neither jobs nor insurance 23.4 percent of those with no jobs also had no health insurance, the report said.
``This speaks pretty clearly to why health care reform is an issue right now,'' said William Custer, director of research for EBRI, an independent think tank that studies employee benefits. ``The impetus for health care reform has not gone away, it's gotten stronger.''
Not all the 38.9 million were without health insurance all year. EBRI's best guess of those who went bare for a solid year is about 25 million; the number of those who lacked insurance at some point during the year may be as high as 50 million.
The 38.9 million represents a snapshot of the uninsured, showing the average number of people without health insurance at any point in time, Custer said.
According to the EBRI analysis of Census figures, the number of Americans without health insurance has been steadily climbing over the last 10 years. But the numbers took a sharp jump between 1989 and 1990, when 2.1 million people lost their insurance. The numbers peaked again between 1991 and 1992, as another 2.1 million people watched their health insurance vanish.
People least likely to have health insurance worked for companies with fewer than 10 workers, made less than $10,000 a year, and were between the ages of 18 and 29.
The largest single group of people without health insurance were unemployed workers between the ages of 18 and 29; 52.2 percent of them were uncovered, the report said.
But people who made less than $20,000 a year made up more than 80 percent of individuals without insurance, the report said. Exactly half of those who make $10,000 or less are uninsured; 31.7 percent of those who make between $10,000 and $20,000 lack health insurance.
Although the study did not look at the reasons why people lose insurance, EBRI experts believed the lingering effects of the recession could be one reason.
Examples of those effects include companies going out of business, people whose interim health insurance ran out before they got a new job, startup companies that never offered insurance in the first place.
``Some of these folks will get it back, because they're between jobs. But some will never get it back,'' Custer said.
Children under 18 accounted for 14.8 percent of those without health insurance, but the EBRI report said that number would be much higher without the safety net of Medicaid, which covers poor families.

Two-thirds of children living below the poverty level received health insurance through Medicaid.

The 400,000 elderly without insurance are probably people over 65 who failed to sign up for Medicare, which is available to all Americans over age 65, the report said.

President Clinton's health care reform plan, which will be debated by Congress when it returns next year, promises universal, guaranteed health insurance for all Americans. At least two competing plans one by liberal Democrats and another by Senate Republicans also make the same promise.

**** filed by:---F(--) on 12/14/93 at 17:27EST ****
**** printed by:WHPR(MMIL) on 12/14/93 at 17:47EST ****

AM-NY- Health Insurance,0630
Insurance Program Emerges as Barrier to Hospital Plan
By DAVID BAUDER= Associated Press Writer=

ALBANY, N.Y. (AP) Expansion of a rapidly-growing program that offers health insurance benefits to poor children emerged Tuesday as the chief stumbling block to a deal on reforming New York's health care system.

The future of the Child Health Plus program is being weighed by negotiators for Gov. Mario Cuomo and the Legislature as part of talks on the financial structure of the state's hospitals.

The leaders face a deadline of the end of the month before the state's current hospital reimbursement system expires and money runs out for the children's insurance program. The multi-billion dollar reimbursement system governs how much money hospitals get from Medicaid and private insurers.

Negotiators for the Assembly and Senate say they have agreed to pump an additional $180 million to the state's hospitals, but that is contingent on agreement on the Child Health Plus program.

The state-funded program pays for checkups, immunizations, emergency care and other services for children aged 12 and under who are not Medicaid recipients but whose families have little or no health insurance.

The program began in 1991 but the number of children enrolled has consistently exceeded expectations. There were 64,000 children receiving benefits at the end of November, according to the state Health Department.

Democrats who control the state Assembly want to continue and expand the program, but Republicans in charge of the state Senate are wary about increased costs without a check on who is receiving benefits.

Assembly Democrats have suggested expanding the program to children aged 13 in 1994 and 14 in 1995, said Michael Moran, spokesman for Speaker Saul Weprin. Moran said that would add $17 million to the program's current $50 million-a-year cost.

Also under consideration is adding coverage for dental and vision care, negotiators said.

Democrats in the Assembly are looking for growth in the program that benefits poor children as the price for agreeing to Senate Republican demands that more money be delivered to hospitals.

``We feel that shifting health care resources away from inpatient care is important,'' said Assembly Health Committee Chairman Richard Gottfried.

But Republicans in the Senate are concerned that no one is checking to see whether children who enroll in the program are actually eligible for it, said Angelo Mangia, top aide to Senate Majority Leader Ralph Marino.

Mangia pointed out that initial estimates put the program's cost at $20 million a year. The Republicans suspect part of the reason for the explosive growth is that people not entitled to benefits are receiving them.

``We're concerned the program is not being run as tightly as it should be,'' he said.

Gottfried said Republicans are also worried that expanding the program to 13- and 14-year-olds opens the possibility that benefits might be used to pay for abortions. The state Catholic Conference is pushing to have abortions excluded, he said.

The Senate GOP insists the dispute is over money, not abortions.

Cuomo, for his part, declined in an interview to discuss specific negotiating points. But he expressed concern about expanding the Child Health Plus program without pinpointing where the money would come from.

Negotiators for both sides characterized remaining unresolved issues over the health care plan as relatively minor, but said the dispute over the insurance program has largely halted discussion on other points.

Advocates for the health insurance program stepped up public pressure Tuesday on the Senate to expand the program.

``At this point, if it gets done, hospitals are the winners and health reform is the loser,'' said Richard Kirsch of the New York State Health Care Campaign.

**** filed by:APE-(NY) on 12/14/93 at 17:42EST ****
**** printed by:WHPR(MMIL) on 12/14/93 at 17:47EST ****

AM-OR- Health Insurance, Bjt,470
Small Companies Get Less Insurance For Their Dollar, Study Shows
porrcbpbq1rg2

PORTLAND, Ore. (AP) Small Oregon companies receive less health insurance benefits for their dollar than larger ones do, a new study shows.

The study supports the idea that small companies in the state would benefit from the increased buying power afforded by large insurance purchasing organizations that are being considered by Oregon health planners.

Stephen Long, senior economist with RAND, a Washington, D.C., think tank, told the Oregon Health Council Monday that his organization's study shows most Oregon employers pay about the same amount for a health insurance policy.

However, the larger the employer, the better the insurance deal, he said.

The study shows that average monthly health insurance premiums for Oregon workers are substantially the same, no matter what the size of the company where they are employed.

Single employee policies for companies with one to four workers, for example, cost an average of $122 a month. Policies for employees of Oregon companies with 26 or more workers cost slightly more at $143.

But average annual deductibles for single employees drop dramatically as the size of the company rises.

In companies with one to four employees, the average annual deductible is $206, Long said. The figure declines to $80 a year for companies with more than 26 employees.

The figures are preliminary and probably will change somewhat, Long said.

However, he added, ``We certainly show that the deductibles fall as the number of employees rises. It does look like small employers are getting less for their dollar.''

Jean Thorne, head of the Oregon Medicaid program, said the figures reinforce a long-held view.

``Small companies who are providing insurance are paying about as much as the large ones, but they're not getting as much in return,'' she said.

The study also showed:

A higher percentage of large employers provide health insurance than do small employers 95 percent of employers with 26 or more workers, compared to 41 percent with one to four workers.

Nearly a third of insured Oregonians are enrolled in health maintenance organizations; half of the insured are in preferred provider organizations that funnel patients to specific doctors. Only 17 percent of the insured pay individual physicians on a fee-for-service basis.

The study, paid for by the Robert Wood Johnson Foundation, is designed to help health planners measure the impact of the Oregon health plan on the state's economy.

The plan, which will expand health coverage for the poor Feb. 1, would require that employers provide health care coverage to their workers beginning in 1997. However, legislators are looking into possible alternatives to the employer mandate.

The Oregon Health Council is a 16-member policy advisory group appointed by Gov. Barbara Roberts.

**** filed by:APW-(OR) on 12/14/93 at 17:09EST ****
**** printed by:WHPR(MMIL) on 12/14/93 at 17:48EST ****

AP DAYBOOK, WASHINGTON, TUESDAY, DEC. 14

GENERAL-Part 1 ----------

MORNING

7:45 a.m. TAXES The Greater Washington Society of Association Executives discuss future tax provisions and lobbying deduction guidelines instituted by the Administration and Congress.

Location: ANA Westin Hotel, 2401 M St. NW.
Contact: Wendy Mann, 202-429-9370.

8 a.m. BREAST CANCER Conference sponsored by HHS Secretary Donna Shalala to establish a national action plan on breast cancer.
Highlights: 8 a.m., Surgeon-General Joyceln Elders; 8:25 a.m. Shalala; 8:45 a.m. Sen. Barbara Mikulski, D-Md., Rep. Louise Slaughter, D-N.Y.; Keynote speech by NIH Director Harold Varmus.
Location: Lipsett ampitheater, NIH Clinical Center, Bldg. 10, Bethesda.
Contact: Marc Stern, 301-496-2535.

9 a.m. DEFENSE CUTS News conference to release a report by Rutgers University's Project on Regional and Industrial economics warning that the nation's conversion effort falls short in enabling the econpomy to shift gears for the post-Cold War economy.
Location: National Press Club, 14th and F Sts. NW
Contact: Barbara Brunialti, 908-932-4589.

9 a.m. to 6:30 p.m. ECONOMY Jack Kemp and Empower America host a conference with leading business executives and economists to assess the state of the economy one year into the Clinton administraion and the implications of the Clinton health care plan.
Location: Washington Hilton, 1919 Connecticut Ave. NW
Contact: Kevin Stach or Marc Thiessen, 202-452-8200

9:30 a.m. FDA REGULATIONS Panel discussion moderated by Federal Trade Commissioner Mary Azcuenaga on how Clinton administration policies are affecting FDA-regulated industries, at the 37th annual education conference of the Food and Drug Law Institute.
Location: JW Marriott, 1331 Pennsylvania Ave, NW
Contact: 202-326-2711.

10 a.m. NRC MEETING Meeting of the Nuclear Regulatory Commission to receive staff briefing on results of operator licensing program study.
Location: NRC offices, 11555 Rockville Pike, Rockville.
Contact: 301-504-2240.

NOTE TIME CHANGE: 10 a.m. BALDRIGE AWARD Presentation of the 1993 Malcolm Baldrige National Quality Award to Eastman Chemical Company (Kingsport, Tenn.) and Ames Rubber Corp. (Hamburg, N.J.).
Note: Media credentials required. One-on-one interviews from 10 a.m. to 11:30 a.m. News briefing at 1 p.m. (reporters should arrive no later than 12:45 p.m.)
Location: Andrew Mellon Auditorium, 1301 Constitution Ave. NW
Contact: Jan Kosko, 301-975-2867 or Michael Newman, 301-975-3025

10 a.m. ASBESTOS All-day conference by the Oil, Chemical and Atomic

Workers International Union to begin formulating a campaign opposing the reintroduction of asbestos into the workplace.
Location: Teamsters Union offices, 25 Louisiana Ave. NW.
Contact: Katherine Issac, 202-387-8034.

10 a.m. PUBLIC-POLITICS Release of a report by Project Democracy, sponsored by the National Association of Secretaries of State, on how to increase participation in politics and the election process.
Location: National Press Club, 14th and F Sts. NW
Contact: Deborah McLean, 202-667-0901.

10 a.m. HEALTH CARE The Employee Benefit Research Institute discusses the latest findings on the U.S. population's health insurance status as of 1992.
Location: 2121 K St., NW. Suite 600.
Contact: Carolyn Piucci Pemberton, 202-775-6341.

10 a.m. DIETARY SUPPLEMENTS The Center for Science in the Public Interest sponsors a press conference with the American Asociation of Retired Persons, the American Heart Association and other groups on the Food and Drug Administration's enforcement of dietary supplement labeling regulations.
Location: Room 628, Dirksen.
Contact: John Gleason or Lynn Erskine, 202-332-9110 Ext. 322 or 351

11 a.m. FILM REGISTRY Librarian of Congress James Billington announces the 1993 selections for the National Film Registry.
Location: Pickford Theater, 3rd floor, James Madison Building, 101 Independence Ave. SE.
Contact: Craig D'Ooge, 202-707-9189.

11 a.m. TELECOMMUNICATIONS GE Information Services (GEIS), headquartered in Rockville, Md., and TRANSAXION S.A. of Chile announce a new agreement through which TRANSAXION will market GEIS' EDI products and services in South America.
Location: National Press Club
Contact: Peter Stanton, 202-223-4933
Note: This event also listed in Metro Daybook.

**** filed by:APE-(DC) on 12/13/93 at 10:36EST ****
**** printed by:WHPR(MMIL) on 12/13/93 at 11:11EST ****

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9 a.m. -- (ECONOMY/DEFENSE) NEWS CONFERENCE -- Rutgers University's Project on Regional and Industrial Economics holds a news conference to release its new study, ``Changing the Future: Converting the St. Louis Economy.'' The study details efforts in St. Louis, which has suffered severe cutbacks from canceled weapons contracts, to counteract the negative effects of conversion from a military- to civilian-based economy. Economists Michael Oden and Ann Markusen, authors of the study, discuss their findings and recommendations for aggressive new initiatives to facilitate shifting gears for the nation's post- Cold War economy.

Location: National Press Club, 14th and F streets NW, First Amendment Room

Contact: Barbara Bruniati, 908-932-4589

Note: Embargoed copies of the report are available

9 a.m. -- (CLINTON/ECONOMY) CONFERENCE -- Empower America, a conservative political coalition formed by former Housing and Urban Development secretary Jack Kemp and former Education secretary Bill Bennett, holds a one-day conference to assess the Clinton economic record one year after the ``Little Rock Summit.''

Schedule

9 a.m.: Opening remarks by Jack Kemp

9:10 a.m.: Remarks by former Treasury secretary William Simon

9:30 a.m.: First panel session, ``Is the Clinton Economic Plan Working?'' chaired by William Simon

11:15 a.m.: Second panel session, ``The Clinton Health Care Plan: An Analysis of its Economic Impact,'' chaired by Gail Wilensky, former head of the Health Care Financing Administration

12:45 p.m.: Media availability

1:15 p.m.: Luncheon featuring remarks by House Minority Whip Newt Gingrich (R-Ga.) on ``The Clinton Health Care Proposal: Bad Medicine for America

2:30 p.m.: Third panel session, ``What Creates Economic Growth: An Analysis of Entrepreneurial Creation,'' chaired by financial publisher Malcolm Forbes Jr.

4:15 p.m.: Fourth panel session, ``An Alternative Plan for Economic Growth,'' featuring remarks by Jack Faris, president of the National Federation of Independent Business

Location: Washington Hilton, 1919 Connecticut Ave. NW

Contact: Kevin Stach or Marc Thiessen, 202-452-8200, or the hotel, 202-483-3000

9 a.m. -- (FOOD/DRUGS) CONFERENCE -- The Food and Drug Law Institute holds its 37th annual Educational Conference. First of two days.

Highlights

9 a.m.: Plenary Session titled, ``How Developments in the Clinton Administration are Affecting FDA-Regulated Industries.'' Food and Drug Administration Commissioner David Kessler, EPA Deputy Administrator Robert Sussman, Assistant U.S. Trade Representative Chris Marcich and HHS Agency for Health Care Policy and Research Administrator Jarrett Clinton participate. Federal Trade Commission member Mary Azcuenaga moderates the discussion.

2 p.m.: Panel discussion on ``Food Labelling and Advertising: Where Are We?'' with John McCutcheon, deputy administrator at the Agriculture Department's Food Safety and Inspection Service, and others.

Location: J.W. Marriott Hotel, 14th Street and Pennsylvania Avenue NW

Contact: Joanne Lindley, 202-371-1420, or the hotel, 202-393-2000

AP-The Planner-take 4 (WEDNESDAY)

Looking Ahead

Here are the major stories we anticipate for the rest of the week. All times are LOCAL TO DATELINE.

THURSDAY, DECEMBER 16

WORKPLACE VIOLENCE

Washington: The U-S Postal Service sponsors a symposium on workplace violence. Surgeon General Joycelyn Elders will be the luncheon keynote speaker. Other participants include a cross section of academic and professional experts on workplace violence from across the United States, as well as corporate executives and corporate human resource professionals.

Time: 8:30 a.m. Location: Willard Inter-Continental Hotel

1401 Pennsylvania Avenue NW

Contact: Roy Betts Phone: 202-268-3207

SCHOOL VIOLENCE

Washington: All-day conference on school violence, sponsored by the U.S. Chamber of Commerce and Metropolitan Life Insurance Co. Highlights include news conference to announce results of a survey of teachers focusing on violence followed by a panel discussion on the findings with Surgeon General Joycelyn Elders. Attorney General Janet Reno delivers a luncheon at noon.

Time: 9:30 a.m. Location: US Chamber of Commerce

Contact: Rick Del Vecchio Phone: 202-463-5682

HEALTH CARE

Washington: Families USA releases data on insured Americans who would have better benefits under the Clinton health care plan.

Time: 10 a.m. Location: National Press Club

Contact: Arnold Bennett Phone: 202-628-3030

ENTITLEMENTS DEBATE

Philadelphia: Radio debate between Rep. Marjorie Margolies-Mezvinsky, D-PA, and GOP chairman Haley Barbour on mandatory spending and the federal budget.

Time: 3 p.m. Location: WWDB-FM

Contact: Jake Tapper/cong.ofc. Phone: 215-667-3666

Adriene Davis/RNC 202-863-8550

PACKWOOD

Washington: Hearing before U-S District Judge Thomas Jackson on U-S Senate request to enforce a subpoena for Sen. Bob Packwood's diaries. Packwood argues the subpoena, approved by the full Senate, violates his right to privacy.

CARDINAL BERNARDIN

Cincinnati, OH: Pretrial meeting scheduled in the $10 million lawsuit Steven Cook of Philadelphia filed against Cardinal Joseph Bernardin, the Rev. Ellis Harsham, Archdiocese of Cincinnati and others.

EXECUTION

Jarratt, VA: Scheduled 11 p.m. execution of David Mark Pruett, convicted in the slaying of a high school music teacher. Postponed from November 18.

HUMAN RIGHTS

Washington: Freedom House releases its annual global survey of human

AP-The Planner-take 2 (WEDNESDAY)

Here are the other major stories we anticipate in the coming day. All times are LOCAL TO DATELINE.

The President's Schedule

President Clinton's schedule is unavailable.

Contact: White Hs. press ofc. Phone: 202-456-2100

The Vice President's Schedule

Vice President Gore and Mrs. Gore are in Moscow, continuing an eight-day visit to Russia and several former Soviet republics. The vice president is in Russia for a meeting of the Joint Commission on Energy and Space Cooperation. He also is to discuss plans for the January summit between Presidents Clinton and Yeltsin.

Schedule includes:

10 a.m. Meets with Prime Minister Chernomyrdin. President Hotel.

10:45 a.m. Meets with GC Commission with U.S. Committee co-chairs. President Hotel.

1 p.m. Working lunch with Prime Minister Chernomyrdin. President Hotel.

2:30 p.m. Second session of GC Commission. President Hotel.

4:45 p.m. Meets with President Boris Yeltsin. Kremlin.

6:05 p.m. Visits Luzhninki Sports Palace and visits U.S. and Russian hockey teams.

Contact: VP's press office Phone: 202-456-7035

Washington

ECONOMIC REPORTS

9:15 a.m. Industrial production for November. Federal Reserve.

10 a.m. Business inventories for October. Commerce Department.

BANK PROFITS

The Federal Deposit Insurance Corp. holds news conference to announce the third quarter banking industry profits.

Time: 10 a.m. Location: FDIC

550 17th St. NW., 7th floor.

HEALTH CARE - CONGRESS

The House Ways and Means Committee holds a hearing on the Clinton administration's health care reform legislation effect on jobs and the economy. South Carolina Gov. Carroll A. Campbell, Jr. and Vermont Gov. Howard Dean testify.

Time: 10 a.m. Location: 1100 Longworth House Office Bldg.

HEALTH CARE - SMALL BUSINESS

The National Federation of Independent Business holds a news conference on the concerns of small business regarding the Clinton health plan.

Time: 10:30 a.m. Location: Hyatt Regency-Capitol Hill

Contact: Terry Hill Phone: 202-554-9000

HEALTH CARE - MANUFACTURERS

Health and Human Services Secretary Donna Shalala discusses the effects of

the Administration's health care reform proposals on employers at a National Association of Manufacturers briefing breakfast.

Time: 8:30 a.m. Location: Grand Hyatt Hotel

Contact: Kerry Lynn Marshall Phone: 202-637-3094
HEALTH CARE - DRUG RESEARCH
The Cato Institute sponsors a briefing on the Administration's health care reform proposal as it relates to the funding for drug research.

Time: 12 p.m. Location: Cato Institute

1000 Massachusetts Ave., NW

Contact: Scott Wallis Phone: 202-789-5296
HEALTH CARE - INFANT MORTALITY
The National Commission to Prevent Infant Mortality holds a news conference to present its final prescription for preventing infant death Health care reform will be discussed. The congressionally-mandated commission will disband at the end of the year because Congress did not renew funding.

Time: 12 p.m. Location: National Press Club

Contact: Kelli Wilkerson Phone: 202-205-8364
HEALTH CARE - COVERAGE
The National Leadership Coalition for Health Care Reform holds a press conference to discuss universal health coverage.

Time: 9:30 a.m. Location: National Press Club

Contact: Peggy Rhoades Phone: 202-637-6832
HEALTH CARE - ALTERNATIVE
The Heritage Foundation hosts a luncheon with Sen. Don Nickles, R-OK, to compare the administration's health care proposals to a plan offered by the Heritage Foundation.

Time: 12 p.m. Location: 214 Massachusetts Ave., NW.

Contact: Jeff Dickerson Phone: 202-675-1761
MEDICINE
Cato Institute luncheon program, ``Bad Medicine: Price Controls and the Future of Breakthrough Medicine,'' with Robert Goldberg, senior fellow, the Gordon Public Policy Center, Brandeis University; Henri A. Termeer, president and CEO, Genzyme Corporation; and William Niskanen, chairman, Cato Institute.

Time: 12 p.m. Location: Cato Institute

1000 Massachusetts Ave. NW

Contact: Contact: Scott Wallis Phone: 202-789-5296
EDUCATION
The American Federation of Teachers holds a press conference to discuss the mainstreaming of special education students in regular classrooms.

Time: 10 a.m. Location: AFT

555 New Jersey Ave. NW

Contact: Janet Bass Phone: 202-879-4554
DRUNKEN DRIVING

OFFICE OF NEWS ANALYSIS

MORNING NEWS SUMMARY

Room 160 OEOB, Ext 7151

Wednesday, Dec. 15, 1993

HEALTH CARE -- The Washington Post's David Broder reported that Rep. Gingrich (R-Ga.) yesterday said that he would oppose any compromise health care agreement "based on the current bill" that he charged would mean "socialism, now or later." (WP) Rep. Gingrich also said the President would try "to manipulate the Democratic majorities in Congress next year and ram through a bill the country hates." (WP)

Broder also reported that Rosi Sweeney, vice president of the American Academy of Family Physicians said her group is upset that the AMA backed away from supporting employer mandates. (WP) Sweeney said the AMA doctors were putting "self-interest over health interests." (WP) Charles Leonard, spokesperson for the Health Care Reform Project, said, "The AMA is not the sole voice of the nation's doctors. One-third of the physicians in America are represented by these other groups, which support and employer mandate." (NYT)

The Washington Post's Dana Priest reported that more than 2 million Americans joined the ranks of the uninsured last year, the largest jump in more than a decade, according to a study by the Employee Benefit Research Institute. Forty-two percent of the 2.2 million newly uninsured were members of families in which the head-of-household worked for a firm with fewer than 100 employees. (WP) The New York Times's Robert Pear reported that the total number of people without insurance is now 38.9 million, according to the study, but added that "the data do not necessarily support any specific proposal for extending health insurance." USA Today's Judi Hasson reported that the statistic is "likely to add fuel to the Clinton administration's push for reform." Jeff Eller said the study "reinforces the need for universal coverage." (USA Today) Bob Boorstin said, "In addition to the tragedy of another two million people uninsured, the other message here is to people with insurance. It's their bills that are going to go up because of this....This makes the case for universal coverage once again. No doubt about it." (WSJ)

NBC's Robert Bazell reported that the Administration is planning to launch a new campaign to fight breast cancer; video clips of Secretary Shalala and Surgeon General Elders ran with the story. Bazell also reported that Congress is unlikely to appropriate more than the current $300 million a year to research and that Secretary Shalala wants the plan on the President's desk within six weeks. (NBC)

The Washington Post's Al Kamen reported that the Government Printing Office is selling the Administration's health care bill on disk for $125, but the National Technical Information Service is selling the full text for $10 and it's available free on the Internet.

More in U.S. Lack Health Coverage

Study Cites Pressure On Small Businesses

By Dana Priest
Washington Post Staff Writer

More than 2 million Americans joined the ranks of the medically uninsured last year, the largest jump in more than a decade, according to a national study released yesterday.

At the same time, the percentage of working people who received health insurance from their employers dipped to its lowest point since the early 1980s as thousands of the nation's smallest businesses found the cost of insurance out of reach, officials of the Employee Benefit Research Institute said.

"A jump of this magnitude is surprising," said William Custer, research director at the nonpartisan research group that compiles the annual survey from Census Bureau data. "It adds a lot of pressure to the politics of health care reform."

Nearly 38.5 million Americans under age 65—roughly 17 percent of the nonelderly U.S. population—did not have health insurance in 1992. In the past four years, more than 4 million Americans have lost coverage.

The problem of the uninsured is one of the major forces driving the movement for reform of the health care system. Since the issue made its way into the national political spotlight, first during the upset victory of Sen. Harris Wofford (D-Pa.) in a 1991 special election and then in the 1992 presidential campaign, the problem has worsened.

Despite nationwide, cost-driven changes in the health industry—a record 45 million consumers are being treated this year in prepaid health maintenance organization (HMO)-type corporations—the number of uninsured Americans continues to grow at a quickening pace.

Employees of small firms were particularly vulnerable. According to the Employee Benefit Research Institute's analysis, 42 percent of the 2.2 million additional people without insurance last year were members of families in which the head-of-household worked for a firm with fewer than 100 employees.

The decrease in the number of working people with insurance was somewhat offset by an increase in the number of Americans covered by Medicaid and other publicly funded programs for the poor.

While the survey did not ask firms why they did not offer employees coverage, it is widely believed that the smallest companies—those with the least market clout to bargain for low prices or to stave off large annual premium increases—often drop coverage when costs threaten their bottom line.

Custer said that as the recession ends, new, small businesses "are less likely to offer insurance."

"The impression the average person has is that we're talking about welfare mothers," said Ron J. Anderson, president of Parkland Memorial Hospital, a public teaching hospital in Dallas and the facility that treated President John F. Kennedy when he was shot. "But the majority of our patients are working people. Some work several jobs or in small businesses. We have seen a marked increase in the number of persons who never thought they would use a public hospital."

According to the institute, about 9.8 million children were without medical coverage last year, 400,000 more than the year before.

About 27 percent of those aged 18 to 29 did not have insurance, while 16 percent of those aged 30 to 54 had none. Another 13 percent of people aged 55 to 64 (2.7 million) had no insurance. Many of them would be considered early retirees who would qualify for government-paid health care under a controversial provision of the Clinton plan.

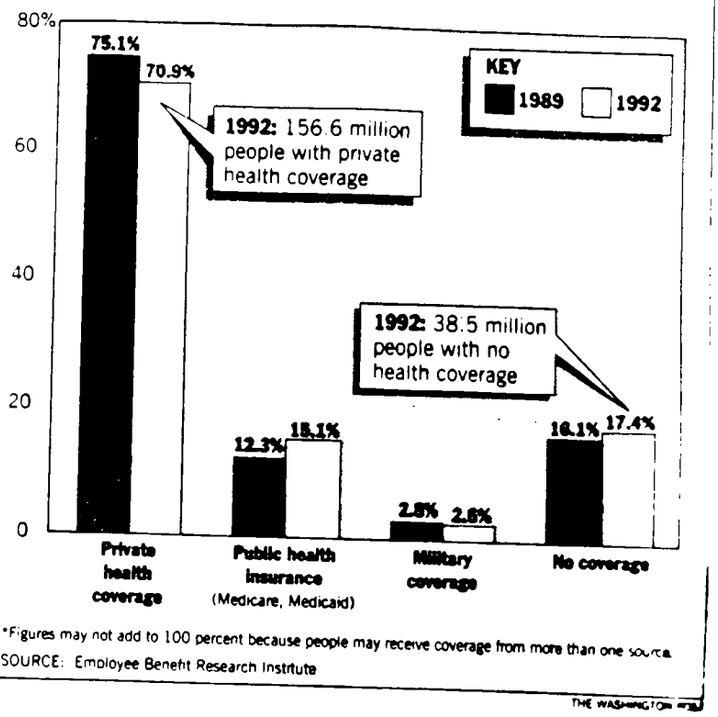
About 25 percent of District residents had no insurance while 14 percent of Marylanders and 17 percent of Virginians had no coverage. Local health officials have cited higher uninsured figures recently.

The states with the largest concentration of the uninsured were Nevada (27 percent), Oklahoma (26 percent), Louisiana (26 percent) and Texas (26 percent). The lowest uninsured rates were in Hawaii (8 percent) and Connecticut (10 percent). Hawaii is the only state that requires employers to pay part of employees' health coverage.

Researchers from the Harvard School of Public Health, the Census Bureau and private research groups say that studies of the number of uninsured are actually "snapshots" of the number without coverage at a given moment. They say that the percentage of Americans who lack insurance at some point during the year is more than a third higher as workers lose their jobs or switch employers.

GROWING NUMBER OF UNINSURED

During the period 1989-92, the percentage of Americans younger than 65 with private health coverage declined, and the percentage who are uninsured or dependent on public insurance increased.



*Figures may not add to 100 percent because people may receive coverage from more than one source.
SOURCE: Employee Benefit Research Institute

FEWER NOW HAVE HEALTH INSURANCE

Decline in Workers' Coverage by Small Firms Is Cited — 38.9 Million Total

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Dec. — The number of people without health insurance reached 38.9 million last year, up 2.3 million from 1991, new Government data show. The increase was greater than in the two previous years combined.

The Employee Benefit Research Institute, which tabulated the data, said today that "a major reason for the 1992 increase in the number of uninsured is a decline in coverage among people working for small firms."

But it also reported that 19 percent of the uninsured — 7.2 million people — are in families headed by those who work for businesses with 1,000 or more employees.

Fuel for Debate

The data show why there is a political clamor to overhaul the nation's health care system. They also suggest that the clamor will not abate until the number of uninsured people begins to decline. But the data do not necessarily support any specific proposal for extending health insurance.

President Clinton wants to require employers to provide coverage for their workers. His proposal has provoked vigorous protests from owners of small businesses. The rise in the number of uninsured does not necessarily increase the cost of Mr. Clinton's plan for the Government. But it probably does increase the number of employers who would, for the first time, have to contribute to the cost of coverage for employees.

From 1989 to 1992, the number of uninsured people increased by 4.2 million, the report says. More than half of the increase, or 2.3 million, occurred last year.

Higher Cost a Factor

William S. Custer, research director of the institute, a nonpartisan research organization whose members include businesses and labor unions, said the rise in the number of uninsured probably reflected increases in unemployment in 1992 and increases in the cost of health insurance, which rises along with the cost of health care.

The civilian unemployment rate averaged 7.4 percent in 1992. That was higher than for any year since 1984. As for the rising cost of insurance, some small companies are reacting by dropping coverage, and some consumers say they cannot afford coverage on their own.

Hawaii and Connecticut had the highest rates of coverage, with less than 10 percent of residents under age 65 uninsured in each state. Residents of Southern states were more likely to be uninsured. In each of four states — Louisiana, Texas, Oklahoma and Nevada — and in the District of Columbia, more than one-fourth of the residents were uninsured. In New York, 16 percent of those under 65 had no health insurance. The comparable figure was 15 percent in New Jersey.

The number of people without health insurance has been a source of [illegible] debate in the last year. Conservative members of Congress say the most commonly used estimate, 37 million, overstates the problem because it includes people changing jobs, people uninsured for just a few months and healthy young people who choose to go without insurance.

Misunderstanding Possible

The data in the new report are drawn from interviews conducted in March by the Census Bureau with 57,000 households chosen to be representative of the entire population. If people answered accurately, the results mean that 38.9 million people did not have health insurance at any time in 1992. But in this year's survey, as in past years, researchers say that many people seem to have misunderstood the questions and to have described the insurance coverage they had at a particular point, rather than for the full 12-month period.

Mr. Custer, the research director of the institute, said the most cautious reading of the data suggests that, on any given day last year, 39 million people were uninsured.

In other words, he said: "A snapshot would show 39 million people without insurance at a given point in time. But some of those people will gain coverage, while others with insurance will lose coverage. Over the course of a year, as many as 53 million Americans may be without insurance for a month or more. But as few as 22 million people may be uninsured for the entire year."

"Our numbers show that the uninsured are not a homogeneous group," Mr. Custer said in an interview. "Some are between jobs. Some have fairly high incomes. But the chronically uninsured are low-income people who work or live in families with workers. They tend to be low-skilled workers employed by small firms."

The report shows that 177.5 million Americans had private health insurance last year, while 63.2 million had public health insurance through programs like Medicare and Medicaid. There is some overlap between the two groups, because, for example, many elderly Medicare beneficiaries buy private coverage to fill gaps in the Federal program.

Three-Year Pattern

In its report, made public today, the institute made these points:

¶Over the last three years, there has been a gradual decline in the number of people with private health insurance and in the number getting coverage through employers.

¶The probability of having health insurance rises with a person's earnings. Among those earning less than $10,000 a year, 50 percent lack coverage.

¶Nationally, 17.4 percent of Americans under 65 were uninsured last year. In 1989, the comparable figure was 16.1 percent.

Why there is a clamor for an overhaul of health care.

Loss of job often means loss of insurance.

¶The probability of having health insurance rises with the size of the company for which a person works. Among people in families headed by workers in small businesses with fewer than 10 employees, 39 percent get health insurance through employers. But in families headed by workers at large companies with 1,000 or more employees, 81 percent have such coverage.

In a separate action, three groups of doctors said today that employers should be required to provide health insurance for their employees. The groups, the American Academy of Family Physicians, the American Academy of Pediatrics and the American College of Physicians, distinguished their position from that of the American Medical Association, which last week urged Congress to consider alternatives to such an employer mandate.

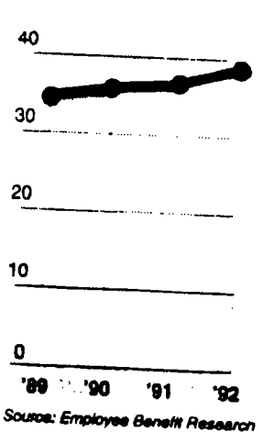
"The most certain way to achieve universal coverage is through an employer mandate," said Dr. J. Robert Graham, executive vice president of the American Academy of Family Physicians.

The three groups supporting employer mandates say they have a total of 200,000 doctors as members. The A.M.A. says it has 290,000 members.

Charles Leonard, a spokesman for the Health Care Reform Project, a coalition of 32 organizations seeking health insurance for all Americans, said: "The A.M.A. is not the sole voice of the nation's doctors. One-third of the physicians in America are represented by these other groups, which support an employer mandate."

The Growing Ranks of the Uninsured

The number of uninsured Americans each year, in millions.



Number (in thousands) and percentage of employees of each size firm who were uninsured in 1992.*

Firm size	Number uninsured	*Uninsured as % of total
Fewer than 10	9,800	30%
10 to 24	4,400	27
25 to 99	5,500	21
100 to 499	4,200	14
500 to 999	1,300	11
1,000 or more	7,200	10
Nonworkers	6,000	23

Growth in number of uninsured employees of each size firm from 1989 to 1992, in thousands.*

Firm size	Increase in uninsured
Less than 25	772
25 to 99	886
100 to 499	577
500 to 999	23
1,000 or more	859
Nonworkers	1,035

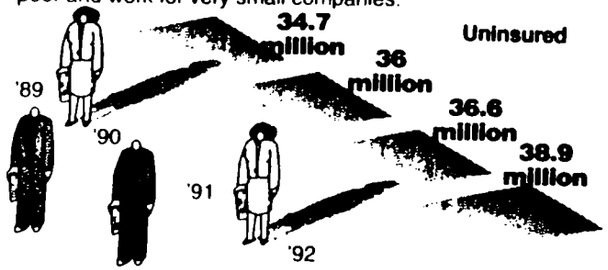
Source: Employee Benefit Research Institute, from analysis of census data.

*Figures include employees and their dependents.

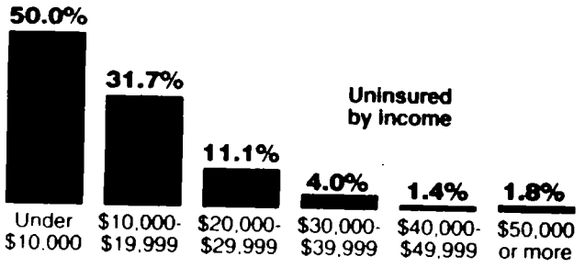
THE NEW YORK TIMES, WEDNESDAY, DECEMBER 15, 1993

38.9 million lack insurance

The number of Americans without health insurance jumped by more than 2.3 million last year, a new study shows. That's the group President Clinton has targeted with his reform package. Of those people, the greatest number are poor and work for very small companies.

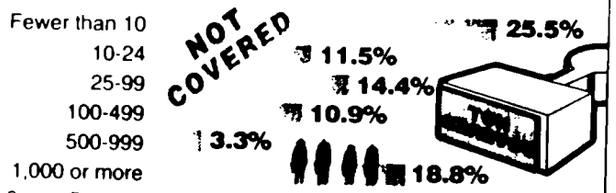


Poorest not covered



Workers have no insurance

Uninsured workers according to size of company



Source Employee Benefit Research Institute

By Julie Stacey, USA TODAY

'Staggering' rise in uninsured

By Judi Hasson
USA TODAY

The number of Americans without health insurance jumped to 38.9 million last year, a statistic likely to add fuel to the Clinton administration's push for reform.

Consumers are more likely to be without insurance coverage if they work for small firms, live in the South or earn under $20,000 a year, says the Employee Benefit Research Institute.

"The numbers have changed dramatically," says William Custer of EBRI, an independent non-partisan group that analyzes worker issues.

"The rate of increase is staggering," says Sen. Jay Rockefeller, D-W. Va. "When families are ruined by health costs and they are forced to use emergency rooms for health care, we all pay the price."

The study "reinforces the need for universal coverage," says White House spokesman Jeff Eller.

In total, the study said 17.4% of the nation's population didn't have health insurance at some point last year.

The study analyzed a Census Bureau survey that asked 150,000 people in March whether they had insurance.

Among the findings for 1992:

▶ More than 25% of the residents of four states — Louisiana, Oklahoma, Texas, Nevada — and the District of Columbia didn't have health insurance.

▶ 25% of those working for firms with fewer than 10 workers didn't have insurance.

▶ Almost 19% of those working for firms with more than 1,000 workers weren't insured.

▶ Half of all workers earning under $10,000 a year didn't have insurance.

▶ The number of children uninsured in 1992 was 9.8 million — nearly 15% of all children, up from 9.5 million.

The major reason for an increase in the uninsured was a drop in the number of employers providing health insurance.

But Leslie Aubin, health policy analyst for the National Federation of Independent Business, says an employer mandate, backed by Clinton, would "jeopardize jobs because a significant number of the uninsured are in low-income jobs and the smallest businesses."

Taking on the AMA

Professional groups, whose total membership exceeds the American Medical Association's 300,000, have been invited to meet Thursday with President Clinton and the first lady on health reform.

Included: the American College of Physicians, the American Medical Women's Association and the American Academy of Family Physicians.

They back Clinton's plan to finance health coverage for all by requiring employers to provide insurance.

The session is part of a strategy to take on the AMA, which last week backed away from employer mandates. "The AMA's modification of its longstanding support for employer mandates suggests self-interest over health interests," said Rose Sweeney of the American Academy of Family Physicians.

The AMA's James Stacey says doctor groups at the AMA meeting "did not speak out" when the vote was taken to look at other ways to finance coverage.

— Judi Hasson, Judy Keen and Richard Wolf

People Lacking Health Benefits Increased in '92

By HILARY STOUT
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – The number of Americans without health insurance climbed to a record 38.9 million last year, according to a new report based on Census Bureau data.

That figure is up more than two million from 1991 and up 4.2 million from 1989, according to the report, which was prepared by the Employee Benefits Research Institute.

The rising number of uninsured people is likely to fuel the arguments of President Clinton and others who insist that any health-reform legislation should guarantee coverage for all Americans. "In addition to the tragedy of another two million people uninsured, the other message here is to people with insurance. It's their bills that are going to go up because of this," said Bob Boorstin, a White House spokesman. "This makes the case for universal coverage once again. No doubt about it."

The figure of 38.9 million people is meant to be a snapshot in time, showing how many people were without insurance on any given day in 1992. Other reports show that a far larger number, around 50 million people, lacked health coverage at some point during the year. And a substantially smaller number, about 25 million people, were without health insurance for the entire year.

Employer-Provided Coverage Slides

The EBRI report found that the number of people receiving employer-provided health coverage plummeted by two million to 148 million in 1992 from 1991. That means that 62.5% of the nonelderly U.S. population had employer coverage in 1992, down from 64.1% in 1991. Meanwhile, the number of nonelderly people receiving coverage from public-health programs jumped to 33.4 million in 1992 from 31.7 million in 1991.

The erosion of employer coverage also is likely to add grist to the arguments of Mr. Clinton and others, who advocate requiring all employers to pay part of the cost of their workers' health insurance.

This so-called employer mandate has become one of the most controversial issues in the health-care debate. Yesterday, three physician groups held a news conference to denounce the recent decision by the American Medical Association to back away from its earlier support of an employer mandate.

'Self-Interest Over Health Interests'

"The AMA's modification of its long-standing support for employer mandates suggests self-interest over health interests," according to Rosi Sweeney, vice president of social, economic and policy analysis at the American Academy of Family Physicians.

The news conference was organized by the Health Care Reform Project, a group of unions, medical groups, public-interest organizations and a few corporations that are working to change the health system. The other doctors' groups speaking out against the AMA and in favor of President Clinton's health-care proposals were the American College of Physicians and the American Academy of Pediatrics. All three groups generally have endorsed the Clinton plan in recent months.

The EBRI report said that more than a quarter of the population lacks insurance in four states – Louisiana, Oklahoma, Texas and Nevada – and the District of Columbia.

Gingrich Takes 'No-Compromise' Stand on Health Care Plan

By David S. Broder
Washington Post Staff Writer

A top congressional Republican drew a hard line against compromise with President Clinton's health care plan yesterday as the split in the medical community over the administration proposal became more public.

House Minority Whip Newt Gingrich (R-Ga.) told reporters he would oppose any compromise agreement "based on the current bill," which he charged would mean "socialism, now or later."

Gingrich, who shares the leadership of the House Republican task force on health with retiring Minority Leader Robert H. Michel (Ill.), made the comments after a speech in which he charged Clinton would try "to manipulate the Democratic majorities in Congress next year and ram through a bill the country hates."

Gingrich has been critical of the Clinton plan from the start, but his talk to a luncheon meeting of Empower America, a conservative think tank, appeared designed to squelch efforts to reach a compromise with the administration. "One of the mistakes we've made in the last three months," Gingrich said, "is not to go to the core of the debate" and show the public that the Clinton plan is designed "not for good health care . . . but to seize control of the health system and centralize power in Washington."

While Gingrich was taking his no-compromise stand, a group of family physicians and others challenged the American Medical Association's credentials to speak for the nation's doctors in the current debate.

Clinton's plan is designed "to seize control of the health system and centralize power in Washington."

—Rep. Newt Gingrich

Rosi Sweeney, vice president of the American Academy of Family Physicians, said her group, the American Academy of Pediatrics and the American College of Physicians are upset that the AMA last week backed away from supporting employer mandates for health insurance.

Employer mandates—requiring all employers to provide health insurance for their workers—are at the heart of the Clinton plan's financing mechanism. The AMA had supported those mandates since 1989, but at its annual meeting in New Orleans it shifted to a position of neutrality on the best method of paying for universal medical coverage.

Sweeney said the AMA doctors were putting "self-interest over health interests." The AMA was already at odds with the American Nurses Association, which has endorsed the Clinton plan, and Sweeney said the three medical groups backing her statement represented 200,000 physicians, compared to the 296,000 members of the AMA.

Lonnie R. Bristow, chairman of the AMA's board of trustees, said in a statement that his organization still supports universal coverage, but "ruling out serious alternatives" to employer mandates "is shortsighted." He noted that the White House has spoken approvingly of a Republican alternative that would require individuals—not employers—to purchase health insurance.

WEDNESDAY, DECEMBER 15, 1993 THE WASHINGTON POST

ADVERTISING

Facing Reform, Health Insurers Change Spots

By Laura Bird
Staff Reporter of The Wall Street Journal

With the future of U.S. health care up for grabs, health insurers are rethinking their ads and struggling to find the right tone.

Insurance advertisers figure that in the end, consumers will have a bigger say about where to buy their medical coverage. So, unlike past advertising in the category, new campaigns are aimed more at individuals than at companies. All strive to be memorable and to brand the insurer's name in people's minds. The campaigns are alternately scary, funny and poignant.

Some insurers – aware that many consumers are anxious about their future health benefits – have been pushing the fear button. A commercial from Health Insurance Plan of Greater New York features a barber who vents his anger over the size of his medical bills while stropping a straight razor, to the dismay of his lathered-up customer. A spot for HMO Blue, part of Blue Cross and Blue Shield of New Jersey, opens like a horror movie, with cartoon-like consumers shrieking in fright at "the cost of health care today."

"It's supposed to get your attention," says a spokesman for the New Jersey insurer.

Others are sticking to the warm and fuzzy approach. **Metropolitan Life Insurance** and its agency, **Young & Rubicam**, staked out this turf years ago by tying almost all of the insurer's ads to the Peanuts gang. MetLife is using Snoopy and his pals again in its first MetLife Healthcare Network ads aimed at consumers, which began in September. "You don't have to be big to benefit from it," notes a

Please Turn to Page B6, Column 5

ADVERTISING

Facing Health Reform, Insurers Are Beginning to Change Spots

Continued From Page B1

headline over Lucy's lemonade stand.

Next year, MetLife plans to run 60-second MetLife Healthcare Awareness Minutes on radio, offering information and free booklets on topics such as nutrition and immunization. "Once you get to know us better, you may want to tell your employer to look into MetLife HealthCare HMO," the announcer says.

BlueCross BlueShield Association, the national organization of regional Blue Cross and Blue Shield insurers, is researching a possible sponsorship of the Winter Olympic Games next year to increase its visibility. The association, based in Washington, has put out feelers on Madison Avenue for an agency to handle the proposed campaign, a spokeswoman says. Among those agencies under consideration: **Hal Riney & Partners**, a master of feel-good commercials.

Then there's **U.S. Healthcare**, whose unusual spots have only the faintest connection to health insurance and have left many industry experts scratching their heads. The company runs unusually long commercials of 60 and 70 seconds that are short on sales pitches and long on lush visuals and nostalgic music. One spot records an idyllic outdoor wedding, with Maurice Chevalier crooning, "Thank heaven for little girls." Another documents a little girl's trip to the emergency room on a dark and stormy night as a voice belts out "Tomorrow" from the Broadway show "Annie."

"I think people have emotional feelings about health care," says Larry Alten, vice president of creative services at the Blue Bell, Pa., company. "We wanted to emphasize the positive aspects because we're into preventive care."

"The way this new world is evolving, it's looking like they were prescient," says Joseph Martingale, vice president of Towers Perrin, an employee benefits consulting firm. Observers say the U.S. Healthcare campaign – which doesn't seem to push anything more than good feelings – may end up being a wise course for advertisers at such an uncertain time for the health-care industry.

Good feelings didn't feel good to **Aetna Life & Casualty** when it developed a "straight talk" campaign with agency **Amirati & Puris** three years ago that replaced the kitschy "Aetna, I'm glad I met ya" campaign. Visually, the ads were stark, made up of white type on a black screen. In one, the sound of [illegible] singing "Happy Birthday" plays in the background, while viewers read about "Lisa," born with malfunctioning kidneys: "We helped Lisa's mother pay for care for her. It saved $200,000 in [illegible] costs. And let Lisa grow up at home."

"Skeptical consumers want straight talk," says Kevin Malloy, Aetna's [illegible] of advertising. Too much warmth and fuzziness have "over many, many years raised false expectations about our role and what we can do as a company."

But for **Cigna**, adding "human qualities" to its image was a must, according to Patrice Kavanaugh, senior consultant at Young & Rubicam's [illegible] design unit, Landor & Associates. It changed the company's old blue [illegible] to a tree. One of Cigna's new commercials shows Andrea and Joseph, a couple expecting their first baby. Donald Sutherland, the actor, narrates scenes of them reading baby books, hanging wallpaper, picking out names.

"But somehow, when their first baby arrived, Andrea and Joseph still felt unprepared," Mr. Sutherland says, in his world-weary mumble. "That's why we send a registered nurse to visit new families that will need [pause] a little help." Then comes the sign-off: "Cigna. A Business of Caring."

"In insurance, you have to be seen as professional and stable," says Ms. Kavanaugh. "Those qualities are the price of entry. The point of differentiation is to be more humanistic and caring."

In its corporate ads, Cigna jettisoned the decidedly unfriendly slogan it had aimed at corporate benefits executives: "We get paid for results." Now, a new corporate campaign, from the Los Angeles office of **Omnicom Group**'s DDB Needham, features brave firemen, an innocent orphan and the same "business of caring" tagline.

The focus on pregnancy and parenthood in the health-plan ads follows a punchier effort that highlighted regional advantages Cigna believed it had over competitors. In one instance, Cigna used a wooden duck in a shooting gallery to brag about the quality of its doctors by promoting, "No Quacks."

Other spots in the new campaign include miniportraits of an infant who was born safely after a high-risk pregnancy and of Gwen and Mike, whose daughter needs a checkup just as their television, refrigerator and clutch go on the fritz.

Clinton's Health Plan Raises Key Issue: Who's an Employee?

By David S. Hilzenrath
Washington Post Staff Writer

President Clinton's health care plan would require businesses to help pay for their employees' health coverage, but it leaves a crucial question unanswered: Who's considered an employee?

More specifically, how would employees be distinguished from free-lance workers known as independent contractors, for whom businesses would not be required to provide health benefits?

The answer could have a significant bearing on the cost of Clinton's plan to workers, businesses and the U.S. Treasury.

Instead of proposing definitions, Clinton is asking Congress to let the Treasury Department write regulations addressing the issue. The regulations would not be written until after Congress had approved the administration's health care bill.

The effects would reach far beyond health care, because the way businesses classify workers helps determine their own tax obligations and those of the workers, and has been one of the most frequently disputed issues in IRS audits.

"The last thing in the world we wanted to try to do was write the rule now," a Treasury official said recently. "That by itself would raise controversy, and we're not ready to do it."

But critics have argued that Congress should resolve the issue as part of any health care legislation instead of leaving it for the Treasury to handle later.

"They can't really estimate the impact of a

See EMPLOYEES, F2, Col. 4

A DEFINING DIFFERENCE

Here are some of the IRS's many general guidelines used to determine if a worker is an employee or an independent contractor:

EMPLOYEE

- Work hours usually set by employer.
- Paid by the hour, week or month.
- Can be fired.
- Can quit at any time without incurring a liability.
- May be required to work or be available full time.

INDEPENDENT CONTRACTOR

- Generally can set own work hours.
- Paid by the job or on commission.
- Cannot be fired so long as the result meets contract's specifications.
- Is legally obligated to make good if a contracted job is not completed.
- Can work for anyone for any length of time.

SOURCE: Internal Revenue Service

Defining Employees and Contractors

EMPLOYEES, From F1

regulation that hasn't been written yet," said one Republican congressional staff member involved in tax issues.

The hiring of independent contractors already is widespread in American business. Construction workers, computer programmers and nurses are among those frequently classified as independent contractors.

Businesses often save money when they treat workers as independent contractors, and representatives of some business groups predicted that the Internal Revenue Service, which is part of the Treasury Department, would use the opportunity to make it harder for businesses to do that.

"From a business standpoint, the last people you want writing the rule is the IRS," said D.J. Gribbin, tax analyst for the National Federation of Independent Businesses, a lobby for small businesses. "We think it's pretty scary."

"They have a very strong bias toward classifying individuals as employees," said John Satagaj, president of the Small Business Legislative Council, a coalition of trade groups.

While independent contractors pay their own Social Security and Medicare taxes, employers are required to pay half of those taxes for each of their employees. Employers also are required to pay federal unemployment tax and withhold income tax for employees, which entails administrative costs.

Moreover, while employees may receive various fringe benefits, independent contractors generally do not.

Many businesses have considerable flexibility as to how they structure their relationships with workers. For example, a publication could treat a writer as a salaried employee or pay the writer fees under a contract to contribute articles.

The IRS now uses 20 criteria to decide whether employers have classified their workers correctly, but accountants and tax lawyers generally agree that the approach is highly subjective.

Administration officials said a new approach is needed to prevent businesses from playing games with the proposed health care system.

By labeling their workers independent contractors instead of employees, businesses could avoid Clinton's proposed requirement that they pay as much as 80 percent of their employees' health insurance costs, officials said. In addition, by turning employees into independent contractors, some firms could improve their eligibility for federal health care subsidies.

Under Clinton's plan, independent contractors generally would pay for their own health insurance, which would be tax-deductible. They might also qualify for subsidies.

Analysts said the government has an incentive to rein in use of independent contractor status that has nothing to do with health care: Employees are much more likely than independent contractors to pay their full share of income taxes, apparently because businesses withhold employees' taxes from paychecks, according to government studies.

There is some indication that the administration is moving to narrow the definition of independent contractor. Although Clinton's health care bill would leave most of the work on this issue to the IRS, the bill itself would tighten some of the circumstances under which businesses could classify workers as independent contractors.

Still, the administration has estimated that the proposal to allow the IRS to draft new definitions would have an impact on federal revenues, and Treasury officials [illegible] that it would not change the use of independent contractors.

IN THE LOOP

Clinton's Health Bill: Either $125, $10 or Free

■ Remember when First Lady Hillary Rodham Clinton talked about some hospitals charging $21,000 or $84,000 for the same open heart surgery? There's no rational pricing system in health care these days, the Clinton folks can tell you.

And that even seems to be true of getting copies of the administration's health care reform proposal. The Government Printing Office is charging $125 for a two-disk set of the Senate bill.

The more frugal can get the full text for $10 from the National Technical Information Service in Springfield.

On the other hand, the whole thing has been on the computer network Internet, for free, for some time, put on line by folks in the White House.

Take two aspirin and call in the morning.

LOS ANGELES TIMES WASHINGTON EDITION

WEDNESDAY, DECEMBER 15, 1993

Patients Seldom Pick Treatment, Professor Says

■ Medicine: He says doctors decide care by habit and other methods, not from a person's choice based on evidence of how to get the best results.

By SARA FRITZ
TIMES STAFF WRITER

HANOVER, N.H.—To those Americans who fear that health care reform will deny them the opportunity to choose the best medical treatment, Dartmouth University professor John Wennberg's research yields some startling news.

In most cases, Wennberg finds, patients now play little or no role in deciding their own treatment. Instead, doctors prescribe treatment according to instinct, habit or community norms—but not according to scientific evidence of what produces the best results.

Based on three decades of studies of medical practices, Wennberg's views turn the usual arguments against health care reform on their heads. In his opinion, those who fret that President Clinton's reform proposal will necessarily bring a Draconian system of medical rationing do not understand the shortcomings of the current system.

Contrary to what most members of Congress are saying, Wennberg argues that the guiding principle for reform should not be to preserve the current pattern of doctor-patient relationships but to improve it. Unlike many opponents of reform, he looks at it as a way to provide patients with a better opportunity to make informed choices between treatment options.

Not surprisingly, officials of the American Medical Assn. view Wennberg's theories skeptically. But his theories are widely shared by other prominent medical researchers.

Nor does Wennberg simply talk about reform. He and his team of researchers at Dartmouth's Center for Evaluative Clinical Sciences have devoted themselves to supplying physicians with research on treatment outcomes to guide their decision-making and to producing interactive videos that inform patients in vivid detail of the treatment options available to them.

In one such videotape, men who have undergone prostate surgery talk candidly about the potential risks, such as incontinence and impotence. In another tape, women with breast cancer discuss the pros and cons of different types of surgery—even baring their chests to demonstrate the results.

Using these videos, Wennberg and like-minded physicians hope to revolutionize the practice of medicine in the United States in a way that would preclude the need for harsh rationing of care or federal limits on total health expenditures.

After viewing the tapes, Wennberg found, patients are more likely to choose a less invasive and less costly approach than are their physicians. In one trial, for example, after 284 prostate patients viewed the tape, only 30 of them opted for surgery.

Such findings suggest that this process could help the government slash health care expenditures without having to resort to rationing or spending strictures.

For Wennberg, 59, who studied at Stanford University, McGill Medical School and Johns Hopkins University, producing these videos is just the latest step in a long intellectual journey that began a quarter of a century ago when he discovered an unexplained variation in the way children's tonsils were treated in two neighboring Vermont towns.

In one community, 65% of the children had tonsillectomies; in a nearby town, the rate was 7%. Wennberg said he quickly realized that physicians in the second town "were not neglecting tonsils—they were just treating them differently."

Although his findings caused grumbling in some quarters, many Vermont doctors quickly took them to heart and changed their practices. But Wennberg also recognized that the changes did not necessarily represent an improvement because doctors "adopted new treatment patterns that were equally arbitrary."

Ever since the days of Florence Nightingale, medical practitioners had discussed the need to determine which procedures produced the best results, but—with the exception of federal regulation of drugs—the profession had never insisted on having such data.

It was this realization that caused Wennberg to become a recognized leader in the science of evaluating the results of medical procedures, now known as "outcomes research."

"More than any other person, Jack Wennberg gets the lion's share of the credit for starting the outcomes-research ball rolling in this country," said Robert Keller, executive director of the Maine Medical Assessment Foundation, which was established with Wennberg's help.

Working with other prominent medical researchers throughout the Northeast, Wennberg—who moved to Dartmouth from Harvard University in 1978—has focused on variations in treatment of enlarged prostate glands. Although the prostatectomy is the second most common surgical operation for men under Medicare, no one had studied whether surgery or non-surgical treatments offered better results.

What Wennberg's researchers found

Please see HEALTH, A12

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HEALTH: Patients Seldom Choose Treatment

Continued from A5

surprised many physicians. Although prostatectomies were often undertaken on the theory that they would lengthen life, it turned out that surgical patients actually had shorter life expectancies. Furthermore, although the patients experienced less difficulty urinating after surgery, they often suffered other serious complications that reduced their quality of life.

These findings caused Wennberg and his colleagues to conclude that patients should be informed of all the options before surgery. If the treatment options for most illnesses posed trade-offs as significant as those for prostate surgery, they reasoned, why shouldn't the patients themselves have an opportunity to make the choice?

Using focus groups, researchers found that patients with similar symptoms often made different choices. "The point was that you had to ask the patient," Wennberg said. "There was no way you could predict how the patient would react."

The interactive videos, produced at Dartmouth as part of a collaboration with physicians from other New England medical institutions, were the logical result of these findings, he said. In addition to the tapes on enlarged prostates and breast cancer, videos have been produced on hypertension, heart bypasses and back pain.

Wennberg argues that proposals to ration care or limit total expenditures are based on the assumption that consumer demand drives the rate at which high-technology procedures are used. But until patients are permitted routinely to choose their own treatment based on the results of outcomes research, he says, no one will ever know the natural level of demand.

Likewise, in cases where the outcomes have not been studied, the choice seems obvious to Wennberg: "If no one knows which rate is right, then the cheaper rate is probably better. It's hard to argue against that idea."

Consumer groups have applauded the idea of shared decision-making, as long as patients are provided with sound medical data. As for the physicians, the AMA and other medical societies have heartily embraced outcomes research and the notion of giving patients a bigger role in deciding their treatments.

But James S. Todd, AMA executive vice president, said that most physicians think Wennberg's videos are impractical in most cases.

"With 4 million patients seeking treatment every day, you cannot develop a video that will cover all circumstances," Todd said. "Clearly, patients should have a say in their treatment. But unless they've been to medical school, they'll never know as much as the doctor."

Thus Wennberg's videos are not widely used. Doctors at some health maintenance organizations, such as Kaiser Permanente, use them but, Wennberg said, even Kaiser has not made it "part of their emblem of quality."

Predictably, he said, some hospitals and other institutions that depend heavily on surgical fees are slow to embrace innovations that might cut profits. As he sees it, his approach will not become standard practice as long as reimbursement of doctors and hospitals is based primarily on fees for services performed, as it is under Medicare.

"The obvious resistance is in the financial system itself," he said. "If you give demand to the patient, unless you have such a backlog of patients that you can go on forever, you can't afford to give the patient responsibility for choosing treatment because you might not be able to pay your mortgage or your staff."

Furthermore, he said, many doctors are skeptical that patients actually understand or want to make treatment choices. Wennberg said that whenever he has shown the videotapes to focus groups, patients welcome the information while doctors judge it to be more information than the patient needs.

In some states, outcomes research has contributed to efforts by doctors to write guidelines on how patients should be treated. Physician groups such as the AMA hope that such guidelines, if adhered to by doctors, could preclude many medical malpractice suits.

While Wennberg does not oppose practice guidelines, he thinks the best way for doctors to avoid liability is to inform the patients better before treatment. "No one would argue that an HMO where the rates of surgery go down is depriving people of care if they have a strategy such as shared decision-making in place," he said.

Wennberg is also at odds with the medical Establishment over the best way to inform doctors of the results of outcomes research.

A portion of Clinton's health care reform legislation incorporates Wennberg's proposal to establish regional foundations that would disseminate the news to doctors "about successful quality-improvement programs, practice guidelines and research findings." But the AMA opposes it on grounds that state medical societies already are serving that function.

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LOS ANGELES TIMES WASHINGTON EDITION

WEDNESDAY DECEMBER 15, 1993

How About a Policy on AIDS?

■ Public health: The Administration's response lacks a plan and a sense of urgency.

By ROBERT DAWIDOFF

When Hillary Rodham Clinton accepts a Commitment to Life award from AIDS Project Los Angeles in January, it will focus attention on the important work APLA does for people with AIDS and will help APLA raise needed money. It is also an occasion to scrutinize the Clinton record on AIDS.

There are signs of movement. Secretary of Health and Human Services Donna Shalala has said that a new AIDS prevention initiative will be announced soon. The 1994 Clinton budget includes increases for AIDS services and research. And the Clinton health-care plan presents the possibility of more secure coverage for many people with AIDS.

Nevertheless, the Administration's record on AIDS is disappointing. People with AIDS were not represented on the health-care task force, nor have they had much to do with planning the reform. The Administration continues to enforce discriminatory immigration procedures that bar people with HIV from entering the country.

The Democratic Convention made a point of showcasing people with AIDS—even the Republicans did that—as a signal that it would not continue the callous policies of the Reagan-Bush presidencies with the spread of HIV in America and the world. In his campaign, Bill Clinton promised that he would appoint an AIDS czar to direct, coordinate and energize national AIDS policy. But the Administration's top AIDS appointee, Kristine Gebbie, advises lowered expectations and counsels *Realpolitik;* if she is a czar, then so is the current Romanov.

To date, the Clinton Administration has failed in the two main areas an effective AIDS policy will require. The nation still has no battle plan, no specific goals and no coordinated strategy and timetable to reach them. The vaunted Clinton policy focus has not included AIDS and, whatever the press of other business, it is necessary to ask why. One can only hope that the failure to address AIDS at the policy level is not because of who it appears at this point primarily to attack: gay men, African American and Latino populations, drug abusers and their children—all relatively powerless members of the society.

The second indispensable requirement of a government AIDS policy is a sense of urgency, which the Administration has so far failed to inspire. The President brings formidable skills to his bully pulpit. He has already used them to highlight the urgency of women's health-care issues. There is no need to choose between breast cancer and AIDS. Urgency is required in both cases.

The President took advantage of AIDS Awareness Day recently to talk about AIDS at last; time will tell whether this marks the beginning of his leadership in the fight against AIDS. When Mrs. Clinton comes to Los Angeles to accept her award, she will be justly praised for her efforts to reform health care. It is to be hoped that health-care reform will benefit the fight against AIDS, but the Administration's record on AIDS is decidedly mixed. AIDS does not read between the lines. It spreads and it kills.

Robert Dawidoff, a professor of history at the Claremont Graduate School, is co-author, with Michael Nava, of "Created Equal: Why Gay Rights Matter to Americans," to be published next year by St. Martin's Press.

Health care reform splits Republicans

The problem: Everybody has a plan

By Ralph Z. Hallow
THE WASHINGTON TIMES

Republicans yesterday showed deep divisions over how to counter President Clinton's health care reform plan.

House Minority Whip Newt Gingrich attacked conservative strategist William Kristol's advice as "nuts," while former Housing Secretary Jack Kemp endorsed universal health care coverage, the keystone of the Clinton plan.

"I know there's a debate over this by my good friends who say we should be against everything. That's nuts," the Georgian said in a luncheon address to more than 400 people, including William Kristol.

They were attending an all-day economic conference sponsored by Mr. Kemp's Empower America.

"It is strategically unwise to grant the premise that the system is fundamentally broken and a comprehensive plan of radical reform needs to be implemented immediately," Mr. Kristol, who heads his own think tank, said in an interview.

"There are areas where I favor radical reform, such as welfare," said Mr. Kristol. "But as Newt eloquently pointed out in his speech today, our welfare system is a disaster, whereas our health care system is not."

In his address, Mr. Gingrich said: "This country knows the current (health care) system is decaying and wants it changed. We can offer better change with better health at lower costs by using personal responsibility and the marketplace and encouraging the biotechnical revolution, not regulating against it."

Mr. Gingrich said in an interview he was specifically referring to a set of criticisms and strategy proposals by Mr. Kristol, former Vice President Dan Quayle's chief of staff.

In a recent speech, former Defense Secretary Dick Cheney appeared to endorse Mr. Kristol's views. Nonetheless, Mr. Gingrich, Mr. Kristol and most conference participants agreed that the current system is not the disaster Mr. Clinton claims. Mr. Gingrich and Mr. Kristol also agree the GOP's first task is to sink the Clinton plan, but they differ on the strategy for doing so.

One of the deepest disputes among Republicans is whether to accept the Clinton plan's universal health care insurance coverage. Some GOP alternatives include it, but plans by Mr. Gingrich and others offer instead universal access for those who want it, including the unemployed and the very poor.

Mr. Kemp, who said his own views are evolving, favors universal coverage. "You can't get a license to drive a car without auto insurance. So why not the same with health care?" he said in an interview.

© Washington Times

Rep. Newt Gingrich says Republicans don't have to be against everything.

Health care expert Grace-Marie Arnett, a conference panelist, said: "A lot of conservatives fear they'll get rolled on this issue because they think it's a social policy issue. That's why they're deeply divided and so distrustful of any plan."

She said their fear is misplaced, provided they unite behind the idea that any change in the health care system "should be built around tax reforms rather than coercive government mandates and bureaucracy."

Many fellow panelists who headed health-related companies agreed.

Mr. Kristol said the GOP ought "to preserve what's good about the current health care system, which, thank God, retains a large element of private choice and individual freedom. If Clinton and the Democratic Congress succeed in convincing people a comprehensive plan is immediately necessary, their plan will win."

Nearly all [illegible] alternative plans, including one by Mr. Gingrich, entail major reforms with varying degrees of government intervention and control.

Empower America Vice Chairman Vin Weber said he agreed with Mr. Kristol that the GOP erred in the first place by buying into Mr. Clinton's claim that a health care crisis exists and the system needs to be replaced.

Washington Times - 12/15/93

The health ante

With an eye on the health care debate, physicians and other health industry groups are pouring millions into congressional campaign coffers, reports USA Today.

Citizen Action, a consumer watchdog group, said contributions from health and insurance industries jumped 31 percent to $5.6 million in the first 10 months of 1993.

Citizen Action's Ed Rothschild charged, "Many members of Congress, particularly among the leadership, both parties and on key committees, are beholden to the health industry."

Career move

Warren Rudman, deficit hawk and former senator, said at the federal entitlements forum in Pennsylvania, "It doesn't take a rocket scientist or an actuary to see that you either have means testing of entitlements or you double payroll taxes in the next 10 or 15 years."

His partner in the Concord Coalition, former Sen. Paul Tsongas, told the audience: "The means testing of entitlements is going to happen. It has to happen. The issue here today is not if, but when."

Sen. John C. Danforth, Missouri Republican, said opponents of Social Security change are "selfish whiners." The Baltimore Sun adds that he said politicians know what to do. The question is whether they can summon the courage to do it.

Sen. Bob Kerrey, Nebraska Democrat, then spoke of a pervasive fear in Congress that "doing the right thing will have career-ending consequences."

BOSTON GLOBE - 12/15/93

Boston Globe Page 25

Kennedy vows to help protect state as health care changes

By John Aloysius Farrell
GLOBE STAFF

WASHINGTON – Sen. Edward M. Kennedy, acknowledging that the administration's health care reform plan may cost the state some high-wage medical jobs, said yesterday that he would try to cushion Massachusetts hospitals from the most drastic effects of what he said was an inevitable, painful restructuring.

"There will be some adjustment and some change," Kennedy said. Massachusetts has the highest medical costs in the nation, the senator said, and "those costs are going to have to come down" as part of any health reform package.

Reflecting the cost-cutting pressures they are facing, the state's hospitals are consolidating rapidly. Amid such turbulence the health care industry, heretofore a bright spot in the state's troubled economy, is seeing more and more layoffs.

Kennedy is a supporter of the president's plan, and universal health care is a popular cause in the state, so many political analysts predict that the senator may profit from his longstanding involvement with the issue as he runs for reelection.

But news last week of the proposed merger between Massachusetts General Hospital and Brigham and Women's Hospital has suddenly driven home to many residents a point that has been made by Republican strategists: The restructuring that accompanies health care reform will have painful side-effects.

"When he talks about national health care, he'll go on and on and on about that," David Carney, political director for the National Republican Senatorial Committee, said of Kennedy. "But how many people think that the state, with the help of the federal government, is going to run a better health care program than the people of Massachusetts enjoy today: one of the finest medical communities in the country?"

In a meeting with reporters yesterday, Kennedy vowed to use his influence as a White House legislative lieutenant and chairman of the Senate Labor and Human Resources Committee to protect the state's medical institutions.

"We have really the best teaching hospitals in the country, and a key element in the president's program is quality of health care. And a key element in terms of quality health care is going to be having the best in terms of the education and continuing educational abilities to train the best in this country," Kennedy said. "And teaching hospitals, in a competitive situation, are in a different position."

Kennedy has worked with the administration to set up two pools of money, together worth some $1.3 billion, in the president's plan to help pay for hospitals' operating costs and graduate medical education. He has also gotten the White House to reverse a decision to distribute funds for medical residencies on a regional basis.

The original decision would have cut Boston hospitals off from tens of millions of dollars they now receive.

"The administration has worked out with me the direct streams in terms of the funding of the teaching hospitals, because they are really unique both in terms of the importance of our state and also in terms of assets for the country," he said.

Kennedy said that local medical institutions would have to shift their resources and investments into medical research and research training. He expects that the changes engendered by health care reform will create new jobs in home care and primary care, and for nurses and nurse practitioners.

In America

BOB HERBERT

Nurses On the Advance

Nurses have been moving steadily, relentlessly toward more autonomy and responsibility, advancing ever more boldly in the last few years into territory previously controlled by physicians. Now the doctors, feeling threatened, are counterattacking.

The issue is whether registered nurses with advanced training should be allowed to deliver primary health care on their own. Primary care refers to the first contact a patient has with the health care system. It's the basic, initial care that you receive when visiting a clinic or a doctor's office — the care you get before being referred, if necessary, to a specialist.

Registered nurses have been delivering this kind of care for decades, but almost always under the supervision of doctors.

In recent years, however, nurses with advanced training — such as nurse practitioners and nurse midwives — have been moving toward greater independence. This has occurred as the country has experienced a growing shortage of primary-care physicians.

They are challenging physicians on delivery of primary medical care.

In many states, including New York, nurse practitioners are allowed to write prescriptions and to be reimbursed by third-party insurers. A growing number of health maintenance organizations are using nurses as primary care providers, and some nurse practitioners are going into practice on their own.

As long as the nurses were working for the doctors, there wasn't much of a problem. The nurses lightened the workload. They helped bolster profits. For routine visits, the doctor told the patient, in effect: "See the nurse and have your insurance company send *me* a check."

Now the Clinton Administration, with its health reform package emphasizing primary care, has added its considerable weight to the move to afford greater responsibility for advanced-practice nurses.

Hillary Rodham Clinton could not have been clearer last month when she told a group of Georgia physicians, "We are increasing the scope of practice opportunities for advanced-practice nurses because we don't have adequate numbers of primary-care practitioners in either the private or the public sector."

Last week the doctors struck back. The American Medical Association issued a report that could easily have been titled, "Enough Is Enough." It criticized virtually every argument on behalf of greater autonomy for nurses. "Quality medical care," the report said, "requires that a physician be responsible for the overall care of each and every patient."

The A.M.A. even rejected the idea that nursing care is less expensive than physician care. The report said, "There is no convincing evidence that nurses are the most cost effective [illegible] providers."

That is particularly interesting when you consider that the average income for doctors last year was $170,600, while for nurse practitioners it was $43,600.

But the cornerstone of the doctors' argument is that nurses acting independently would be a threat to the health of their patients.

There does not seem to be any evidence at all for that argument.

Mary Mundinger, dean of Columbia University's School of Nursing, noted that nurse practitioners have been delivering primary care since 1965 and that hundreds of studies have examined the quality of their work, including their diagnostic ability and management effectiveness.

"There is not a single study that shows any lapses," said Ms. Mundinger, "and most of the studies have been done by physicians."

When asked if any studies had shown any problems with the quality of care delivered by advanced-practice nurses, Dr. Lonnie Bristow, the A.M.A.'s chairman, said: "No, certainly not. In fact, we believe the quality of care is quite good." But he stressed that the nurses studied had all worked with — or for — doctors.

Every team, he said, "needs a quarterback."

With health care costs creating economic havoc, it is not likely that doctors or anyone else will be able to slow the movement toward greater independence for advanced-practice nurses.

If nurses with special training are delivering high-quality health care at a reasonable cost, then we need a reason other than doctors' anxiety to [illegible] them.

Alliances: Which plans get in?

By John S. Hoff

The administration is talking out of both sides of its mouth on a critical element of its proposed health care plan. It claims that people will be free to choose their own insurance, but it also boasts of a scheme that will reduce costs by severely restricting that choice.

The proposal requires every American to purchase health insurance. They must buy through state-run "regional health alliances." The only exception is for Medicare beneficiaries and for employees of large corporations (currently defined as 5,000 workers or more) if the employer elects to set up its own "corporate alliance."

The plan contains strong incentives for large employers not to create corporation alliances. Corporate alliances must pay a 1 percent payroll tax, are not eligible for the Federal subsidy resulting from the limit (7.9 percent of payroll) on health "premiums" that applies to other employers, and must themselves subsidize low-income workers' purchase of insurance.

Because few of the employers that are eligible to create a corporate alliance will actually do so, at least 80 percent, and perhaps 90 percent or more, of the non-Medicare population will be forced to obtain health insurance through a regional alliance.

The important fact, not acknowledged by the administration, is that regional alliances will limit people's choice of plans. States will review insurance plans to make sure they meet the qualifying standards. But regional alliances are encouraged to pick and choose from among the state-certified plans and to preselect the plans that will be available to people.

To sell its proposal, the administration claims that alliances will have to offer every state-approved plan, except those whose premium is 20 percent or more above the average.

John S. Hoff is a health care lawyer and policy analyst in Washington.

This admitted exception itself is enough to severely restrict choice. But the alliances' power is even broader. They will be able to exclude any state-certified plan. The bill would require alliances to negotiate with plans before entering into contracts. What can be the terms of negotiation other than price and other conditions of service? If the alliances negotiate with plans on these terms, they must be able to decide not to enter into a contract with them. The requirement that alliances negotiate with plans means that an alliance can refuse to enter into a contract with a plan that does not meet its terms. Without a contract, the plan cannot be offered, even if it is certified by the state.

The administration in fact trumpets the alliances as a cost-saving mechanism because they will give consumers "the same buying clout as the big companies" (p. 56). To do this, they must be able to reject contracts with plans that charge more than the alliance believes should be spent for health care.

The important fact, not acknowledged by the administration, is that regional alliances will limit people's choice of plans.

The alliances are a key component of the proposal's cost containment scheme. They are likely to contract with the plans that offer the lowest premiums. However, plans that are forced to lower their premiums to meet the requirement of this monopoly purchase may not provide the kind of quality care people want.

The administration is trying to have it both ways. It relies on the alliances to exercise buying power to negotiate favorable prices, but refuses to admit that this function will include the right to exclude plans that do not negotiate a price that is satisfactory to the alliance.

Collective purchasing power is good, but any collective purchasing power should be subject to the same antitrust laws that are applicable to other purchasers. Obviously a purchaser that has 80 percent to 90 percent of the market can negotiate better terms, but American policy is that such monopsony purchasing power is against the public interest. The goal is to have the price determined in a competitive market.

The administration's idea of the role alliances will play is the same as if it sought to reduce automobile prices by ordering every purchaser to go through a government agency that would decide which cars consumers could choose from. Add to this a requirement that the car purchasing agency reduce the amount spent on cars, and one can imagine that it would not be long before American drivers would have to choose between a Chrysler Sundance, a Ford Escort, and a Chevrolet Cavalier. They would not be able to purchase a Cadillac or even a Toyota. What the administration proposes for health care is no different.

The administration must decide what its policy is. If it is willing to respect consumers' desire to choose on their own, it should be willing to have its bill explicitly provide, as it now does not, that the alliance cannot exclude a plan that the state has certified. On the other hand, if it wants to give the alliance monopoly power to negotiate prices, it must acknowledge that this can result in the exclusion of plans that the alliance finds are too expensive and that this will limit individuals' choice of the type of health care received.

But the administration cannot hide the effect of its bill and attempt to have it both ways. It must admit that alliances are monopoly purchasers which will restrict consumer choice or it must include explicit language in its bill that alliances may not prevent people from choosing any plan that the state finds is qualified to be offered.

The Washington Times WEDNESDAY, DECEMBER 15, 1993

HEALTH CARE WIRE REPORT

WEDNESDAY, DECEMBER 15, 1993

4 P.M. EDITION

Among the stories inside:

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38.5 Million Americans Have No Health Insurance, Survey Says (Newsday)

Americans Lacking Health Insurance Continues to Rise (Baltimore Sun)

Clinton Health Plan Needs An Accounting System (Newsday)

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Governors Split on Employer Mandates For Health Care, Congress Told
Eds: Subs grafs 4-7 to CORRECT second references to Campbell, sted Carroll

WASHINGTON (AP) The nation's governors support President Clinton's goal of providing health insurance to all Americans, but are split on whether employers should have to pick up the burden, Republican Gov. Carroll Campbell of South Carolina told Congress Wednesday.

That prompted a Democrat on the House Ways and Means Committee to challenge Campbell, chairman of the National Governors' Association and a potential GOP White House contender in 1996, to identify a better way to provide everyone coverage.

``You have a goal of universal coverage, but you don't tell us how to get there,'' Rep. Bob Matsui, D-Calif., said sharply to Campbell.

``We have a disagreement in our association, just like you do here,'' Campbell countered, noting many in Congress oppose Clinton's proposal to require employers to pay 80 percent of their workers' health insurance.

Campbell appeared along with Vermont Gov. Howard Dean, a Democrat and vice chairman of the association, as lawmakers continued health care hearings. Next year Clinton's health plan and all the alternative health plans that have been offered will be a priority for Congress.

Dean, who said he supports employer mandates to help finance health care reform, and Campbell said states want a federal framework on health care that creates uniform ``rules of the game'' between states.

Governors support many goals of Clinton's plan, Dean and Campbell said, such as a core set of benefits, but they also listed trouble spots and areas where the association is split. The governors:

Support creation of regional purchasing alliances at the state level, but are divided on whether they should be mandatory or voluntary. Clinton's plan would require these alliances, which would pool individuals and businesses to give them better purchasing power.

Want a change in the way the Clinton plan draws boundaries for the regional alliances. The president's plan would ban dividing metropolitan statistical areas into different alliances, to stop discriminatory practices. Governors want to prohibit discrimination, but want waivers to divide metro areas so they could include rural areas or draw the boundaries across state lines.

Have problems with Clinton's plan giving both the federal government and states direct oversight and regulatory control over alliances and health plans. That could hurt efficiency, the association said, and urged the federal government to provide guidelines rather than direct oversight.

Back budget ``targets'' in the early years of national reform, rather than the enforceable premium caps as called for in Clinton's plan.

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Health care alternative gaining steam
By MARY ANN AKERS=

WASHINGTON (UPI) A Democratic alternative to President Clinton's health care reform plan is gaining momentum, buoyed by 93 co-sponsors in the House and supported by key committees that have a pivotal role in deciding the final outcome of health care reform.

Known as the single payer plan, the system much like the one Clinton envisions would guarantee health care coverage to every American. However, it would eliminate the role of insurance companies in the health care arena with the federal government financing the system and state governments controlling health care fees and price increases.

Its chief sponsor, Rep. Jim McDermott, D-Wash., said his plan would ``break the link between employment and health insurance.''

He argued Clinton's health care plan ``presses upon employers to foot the bill rather than taking (the money) from the population at large.''

Based on a Congressional Budget Office report, McDermott claims a single payer plan would save $533 billion in national health care spending over five years while a managed competition bill would increase that spending by $214 billion over the same time period.

Opponents argue a single payer health care system would shift all responsibility to the government. However, McDermott said an important distinction is financing versus administration of health care.

He said critics ``want to smear it all together to make it look like the government is running health care.''

McDermott also attacked the administration's proposed method of financing the health care bill through ``sin taxes'' on cigarettes, alcohol and other products, saying that would only perpetuate addictions that lead to mounting health care costs.

``I think that's a rotten way to finance it...because it's an unstable form of funding,'' he said. ``I've never liked the idea that I would say to you, please go out and smoke so that we can pay for the health care bill.''

McDermott's plan is co-sponsored by 93 House members, 41 of whom also signed the Clinton plan. McDermott is enjoying key support from members of the powerful House Ways and Means Committee and the House Energy and Commerce Committees, which will have jurisdiction over health care bills next year.

One-third of the members on Ways and Means support McDermott's bill and more than one-third of Energy and Commerce supports it. The bill is also backed by the chairman of the House Rules Committee, Rep. Joseph Moakley, D-Mass.

McDermott said many of the lawmakers who co-signed Clinton's bill did so ``out of courtesy to the president.'' He also said backers of the single payer plan, in getting Clinton's plan to the House floor, can pass their alternative in the form of an amendment.

McDermott said he believes single payer supporters have the best chance of reaching any compromise with the Clinton administration on health care. Clinton said when he unveiled his reform package to Congress in October he would not sign a bill that does not provide universal coverage, and McDermott said his is the only alternative that provides universal coverage.

Other major alternatives sponsored by House Republican leader Bob Michel of Illinois, Rep. Jim Cooper, D-Tenn., and Sen. John Chafee, R-R. I., only purport to provide ``universal access,'' he said.

A vote on the House floor, where health care must first be debated, is not expected until late summer.

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(ndy) (ATTN: National, Financial editors) (Includes optional trims)
38.5 Million Americans Have No Health Insurance, Survey Says
By Glenn Kessler= (c) 1993, Newsday=

Soaring health-care costs and the lingering recession caused more than 2 million Americans under the age of 65 to lose their health insurance last year, bringing the total without health coverage to 38.5 million, according to a survey released Tuesday.

The size of the increase attributed largely to a decline in coverage offered by small employers who faced premium increases or went out of business surprised researchers and may bolster President Clinton's contention that the health-care system is in a crisis and that universal health-care coverage is necessary.

``This number going up is going to feed the public anxiety about losing insurance,'' said Robert Blendon, head of the health policy department at the Harvard School of Public Health. ``That has been the driving force for this political issue since the 1980s.''

The survey by the non-partisan Employee Benefit Research Institute in Washington, D.C., based on Census Bureau data, showed that 17.4 percent of the non-elderly population lacked health insurance in 1992, up from 16.6 percent, or 36.3 million people, in 1991. All told, the number of Americans without insurance has increased by more than 4 million since 1989. Americans over the age of 65 are excluded from the data because most are covered by Medicare.

``It is the magnitude of the change that is surprising here,'' said Bill Custer, research director at the Employee Benefit Research Institute.

Custer said that the improving economy made it less likely that a similar jump in the number of uninsured will be reported next year. But, he said, ``it is an established trend that the number of uninsured Americans will continue to grow.''

Clinton has said that overhauling the health-care system is his top priority next year. The White House effort, however, has been slowed by questions about the cost of the Clinton proposal and by growing support in Congress for enacting legislation that would make some changes but would not promise universal coverage.

Jeff Eller, a White House spokesman, said Tuesday that the increase in the number of uninsured ``clearly underscores the need for universal coverage and also is another continuing sign that we must act on health-care reform as soon as possible.''

Some conservatives argue, however, that problems faced by the uninsured can be solved with a few, targeted reforms, such as prohibiting insurers from rejecting applicants with pre-existing conditions. ``Clinton is proposing to undo the whole structure of the health-care system to address the problems of a quite small minority,'' said David Tell, spokesman for the Project for the Republican Future, a group founded by GOP strategist William Kristol.

(Optional add end)

Small employers, who would be required to provide health coverage to workers under the Clinton plan, accounted for much of the increase in the ranks of the uninsured, the survey said.

More than 42 percent of the 2.2 million newly uninsured were in families headed by someone who worked for a company with fewer than 25 employees. An additional 15 percent were in families in which the income-earner worked for a company with between 25 and 99 workers.

Ken Thorpe, a deputy assistant secretary at the Department of Health and Human Services, said some small companies have faced a doubling in health insurance premiums.

Distributed by the Los Angeles Times-Washington Post News Service=

**** filed by:LAWP(--) on 12/15/93 at 02:29EST ****

bc-insure-sun - a1759
(bal) (ATTN: National, Financial editors)
Americans Lacking Health Insurance Continues to Rise (Washn)
By John Fairhall= (c) 1993, The Baltimore Sun=

WASHINGTON A new study shows that the number of Americans lacking health insurance is rising every year and may now be near or exceeding 39 million a number immediately seized on by Clinton administration officials as evidence of the need for health care reform.

The number of uninsured Americans under 65 the age when they become eligible for Medicare coverage rose from 36.3 million in 1991 to 38.5 million last year an increase of 2.2 million, according to the study released Tuesday by the Employee Benefit Research Institute, a non-partisan organization in Washington.

Most of the recent increase in the uninsured is due to cutbacks in health benefits by small businesses reacting to the rising cost of insurance, institute officials said.

Clinton administration officials, who are pushing a sweeping health reform plan that would guarantee all Americans insurance by 1998, said the study demonstrates the need for universal coverage. They are worried that Congress may embrace a less-ambitious health reform plan that does not achieve the president's goal.

``I think it just continues to show that there is a growing need for universal coverage and also that this is another clear sign we need to act on health care reform now,'' said White House spokesman Jeff Eller.

The proportion of Americans under 65 who are not insured has risen from 15.9 percent in 1988 to 17.4 percent in 1992.

Institute officials said their numbers were extracted from a Census Bureau survey last March of 150,000 Americans. The numbers represent people who lacked coverage for at least part of the year.

Typically, the uninsured make less than $20,000 a year, but are not poor enough to qualify for Medicaid, the federal health program for the poor. Many work in small businesses that don't offer coverage, often because it is unaffordable. Distributed by the Los Angeles Times-Washington Post News Service=

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.bc-health-pay-comment - a0853
(ndy) (ATTN: Editorial Page editors)
Clinton Health Plan Needs An Accounting System
Marie Cocco is a columnist for Newsday based in Washington.
By Marie Cocco=

The truth's out. Stan Greenberg, President Bill Clinton's pollster, has been deliciously candid about a fundamental decision the White House made as it searched for ways to finance its vast revamping of the national health-care system. Having toyed with paying for universal coverage and expanded benefits by imposing a European-style value-added tax, the president nixed the idea when polls showed the public would rebel. Clinton decided instead to require that employers buy insurance for their workers, and pay 80 percent of that cost, with workers paying the remaining 20 percent.

That tidbit about poll-driven White House decision-making made for titillating headlines. But there's much more to Clinton's choice.

Its real importance is being played out now, in a behind-the-scenes skirmish among the White House, Republican lawmakers and the nonpartisan experts at the Congressional Budget Office the arm of Congress that issues judgments and cost estimates in all spending and tax matters. The battle is over whether the funds spent by business and individuals to buy mandatory insurance money that would be funneled through government-run health ``alliances'' should be called a ``tax.'' And if it is, should the revenue and spending be counted as part of the federal budget?

This arcana has everything to do with politics, and a good bit to do with economics, too. Its political importance is paramount: Most of the funds to finance Clinton's plan would be raised through the employer-paid insurance premiums $321 billion in 1994. If this were called a payroll tax (which most independent budget analysts agree it is), it would far and away be the largest tax hike in history. And it would be the death knell of health reform.

Republicans could easily call the Clinton plan a huge new tax-and-spending program that vastly increases the government's reach into business and personal decisions that are now largely private. And they've got the elements of a case.

The Clinton health-insurance program would work quite like Social Security. In Social Security, the government mandates a benefit pensions for retirees and these are financed through taxes on employers and employees.

There are other ways the health-care mandate would act like a tax. It would redistribute income among classes, with the poor, the unemployed and the underemployed standing to benefit at the expense of young, healthy and affluent individuals. It would also redistribute money among regions, with the South gaining at the expense of the Northeast and Midwest. That is in part because fewer businesses in the South now provide insurance for their workers and because Medicaid benefits there are less generous than they would be under the Clinton plan.

Nonetheless, I am willing to wink right along with the president and the first lady, and refrain from calling this a tax. That is because health reform is too necessary to have the effort founder at the hands of political obstructionists who label it a ``tax-and-spend'' boondoggle.

But it is crucial for the CBO, Congress and the White House to acknowledge the necessity of showing just how all this money flows in and out of the health-care system. It doesn't necessarily have to be within the confines of the federal budget. But without ledger that accounts for all this new private and public-sector spending, the goal of containing health-care costs can't be realized. It will be impossible to know whether the elaborate mingling of private and public funds, of joint business and government involvement, will rein in crippling health costs or create a new, off-the-books entitlement. If that happens, the Clintons will have been too clever by half: They will have camouflaged their moves so well they sabotage themselves.

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BC-HMO medical, lifestyle editors
HMOs saving money by using specific hospitals
By Susan Kelleher
Orange County Register
It happened so fast.

The chest pains, the tests, the emergency operation to replumb the blood supply to her husband's heart.

As Elaine Zion walked back and forth from the hospital to the guest cottage with a security guard, she grew angry at the events that placed her husband, Abraham, in a hospital 45 minutes from their home under the care of a doctor they didn't know.

``We thought we could choose, but we had no choice of anyone whatsoever,'' said Elaine Zion, 67, of Anaheim, Calif.

The Zions had signed up for a health plan because it had the doctors they wanted and the hospital they wanted. What they didn't know was that their health plan had signed a special contract with The Hospital of the Good Samaritan in Los Angeles to perform all heart bypasses needed by the plan's members.

``We were shocked,'' Zion said. ``It was the same procedure he had 16 years ago, but everything was different.''

The Zions' experience in the health-care system is not uncommon: Special contracts between hospitals and health-care plans once a rarity are now routine for expensive procedures such as transplants and heart bypasses. And they're becoming that way for less intensive treatments as well, providers said.

Unfortunately, consumers usually don't find out about their narrowed choices for care until they become ill. If the illness requires emergency treatment, as it did for Al Zion, the shock to the family can be great.

``What usually happens is you get a booklet from the HMO telling you who can sign up with,'' said David Langness, vice president of the Hospital Council of Southern California, an industry advocacy group. ``Unless you read the fine print, you don't know if there are restrictions.''

Even then, most insurers don't spell out to potential customers every contract they've signed.

A spokesman for Inter Valley Health Plan, the HMO that insured the Zions, said doing so would be too burdensome, and advised consumers to ask about contracts for services they're concerned about.

Insurers like contracts because they save big bucks.

A heart-bypass operation used to cost about $50,000 in hospital charges alone, but now costs half that in a so-called ``case rate'' that represents one charge for hospital, doctor and lab fees, said Richard Travis, director of contracted managed care for UCI Medical Center in Orange, Calif.

Hospitals that performed specialty procedures in large volume were able to lower the price of such operations and make costs more predictable for the people paying the bills, Travis said.

The ability to predict costs is especially important to providers, who, in agreeing to accept a fixed fee to treat a patient, also agree to eat whatever additional costs are incurred if that person needs additional care.

Business, Travis said, goes to the hospital that can do a procedure for the least money and the best outcome. And usually that means a hospital that deals in large volume.

Insurers' love of contracts has forced hospitals to specialize to stay in business.

``We're all very much aware of the fact that insurance companies are playing a greater role in the referral process,'' said Kimberly Ely, executive vice president of Children's Hospital of Orange County. ``A lot of payors are leaning toward what they call `centers of excellence.'''

A recent forecast by the Hospital Council of Southern California predicted that in the future hospitals will become so specialized that contracts may be written for such narrowly defined specialties as patients on ventilators.

For patients, the contracts are a mixed bag that requires them to be more flexible and more knowledgeable about the business side of health care.

``The downside is that patients are shipped off to a hospital they weren't expecting, far from home, far from support systems, with unfamiliar doctors and unfamiliar surroundings,'' said UCI's Travis. ``Some people are accustomed to seeing their family doctor. Well, their family doctor is not necessarily going to drive to downtown Los Angeles to talk to the specialist and visit them in the hospital.''

Patients, however, are likely to have fewer complications and get out of the hospital sooner if they go to a hospital that specializes in the medical care they need, Travis said.

Dr. Alexander Bokor, medical director for Inter Valley a 50,000-member health plan in Pomona that has up to 800 enrollees in Orange County said that Zion's case is a case in point.

``Mr. Zion's case turned out extremely well,'' he said. ``It was an extremely successfully operation.''

``Inter Valley and other health plans look for facilities that are centers of excellence,'' he said. ``The outcomes are superb. They do a great job of taking care of patients, and they have protocols for transfering patients.''

The health plans, he said, are looking for hospitals that can perform successful operations and discharge patients in a shorter period of time.

``That translates into better quality and better outcomes,'' he said.

Normally, he said, doctors have an opportunity to discuss with a patient the reasons he or she won't be able to pick where the procedure is done, or sometimes even the doctor who will do it.

The company doesn't mention its specialty contracts in its sales presentations to consumers, he said, because it would require going down a list of about 500 diagnoses and explaining what would happen in each one.

``Most people,'' he said, ``are happy to know they're going to go to a center of excellence.''

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BC-HEALTHGAP-EDITORIAL op-ed editors
Credibility gap on health-care reform
Knight-Ridder/Tribune News Service

The following editorial appeared recently in The Colorado Springs Gazette Telegraph.

X X X

What the president might dismiss as a partisan potshot may well be his wake-up call as he plots health-care reform: A key GOP economist for Congress predicts the White House plan would add up to $446 billion to the annual budget deficit.

Morgan Reynolds, senior Republican economist on the Joint Economic Committee staff, arrived at findings reported this week by comparing what the president proposes to mandate in health-care coverage with the money he plans to tap.

Observed Reynolds, ``I just don't think they can buy the level of coverage they're promising with the revenue they'll have available.'' Not by a long shot, in fact, and Reynolds noted as well that ``all of this has to be considered on top of a $200-billion-a-year deficit for existing federal spending.''

His report reaffirms the discomfort even key congressional members of the president's own party have been feeling recently over the health plan's price tag and the shortfall of projected funds to pay for it. Sen. Daniel Moynihan of New York, chairman of the powerful Senate Finance Committee, has gone on record referring to the administration's health care finance figures as ``fantasy.''

In essence, the president's plan has too many variables that can't be reconciled, much as the administration may try. Among such variables is the administration's claim it can squeeze a good portion of its plan's asking price out of savings it proposes on federal Medicare and Medicaid appropriations. The administration also insists, incredibly, that the heretofore meteoric rise in overall health-care costs 875 percent since 1960 will suddenly slow to the inflation rate. Asked Moynihan, ``How would that survive the reality check?''

Now, Reynolds points out that even if the Medicare and Medicaid savings somehow did come to pass, and even if national health-care cost increases astonishingly ground almost to a halt, the administration would still come up short. Despite its low-ball projection of $1.376 trillion in national health care expenditures of all kinds by 1998, the administration's projected savings, coupled with contributions from employers, employees and a proposed tobacco tax hike still would yield only $1.306 trillion.

But wait; the administration also has repeatedly pledged to mandate health-care coverage for every American that resembles the premium package offered to employees by the typical Fortune 500 company. Reynolds calculates that the annual total expenditure for all U.S. health care needs by 1998 under that scenario would be around $1.752 trillion. The health care deficit alone would be $446 billion per year.

One big reason for the shortfall is that the administration, wittingly or naively, has vastly underestimated the current cost of health care even absent future inflation. The Clinton plan promises the top-drawer coverage of large corporations at prices too low to deliver such benefits. The average Fortune 500 company at present spends 16.4 percent of its payroll costs on health care; the administration claims it will assess no company more than 7.9 percent.

The bottom line here is that the president can fill in these gaping holes through any of three ways: He can significantly raise taxes; he can offer coverage that is vastly inferior to what so many Americans now enjoy or he could simply send our perennial federal deficit into the stratosphere. Under all three options, he would be breaking fundamental campaign promises, again.

As Congress prepares to weigh the Clinton plan in earnest next year

some say it's already dead on arrival our elected representatives would do well to measure the differences between the president's health care fantasy and hard-boiled reality.

Colorado Springs Gazette Telegraph

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PM-AR--Dickey-Crime, Ark Bjt,400

Congressman Says Crime Issues More Urgent Than Health Care

tpjshot

HOT SPRINGS, Ark. (AP) Anti-crime measures before Congress are more urgent than health-care reform, Rep. Jay Dickey says.

``I'm in a quandary right now,'' Dickey, R-Ark., said Tuesday. ``I'm thinking the crime bill is more important. I still don't know how I'm going to vote on those two things.''

Dickey visited Hot Springs to meet with law enforcement officials on anti-crime measures pending before a congressional conference committee. The meeting was one of a series he is holding with law enforcement agencies in the 4th District.

The freshman congressman also was interviewed by The Sentinel-Record newspaper about his performance during the past year, and his plans for the coming year.

He said crime is the more urgent of the two issues because it is intertwined with reforming health care and needed changes in the welfare system. Crime drives up health care costs, he said, and welfare has eroded traditional family values, including respect for the law.

Police say the people they are arresting ``don't give a doggone about anything,'' Dickey said. ``They have nothing better to go back to than prison.''

Dickey said he plans to lobby the committee for more prisons, equipment and manpower, as well as for stiffer sentences and crime prevention measures.

``As a nation, we ought to become intolerant of crime, just like we would of any nation that wanted to invade our coast,'' he said.

He would consider voting to raise taxes for crime reform, Dickey said, because that's the only kind of tax increase that residents of the 4th District say they support.

Dickey said he had hoped anti-crime funding could come through savings from reductions in the federal workforce, but those cuts were defeated by Congress earlier this year.

He favors welfare reform that ``gets families back into the order of society,'' Dickey said, but hasn't decided which proposal he would support.

One proposal would put a two-year cutoff on welfare benefits, while another would mete out specific, limited funds for the individual states to distribute.

Dickey said he hadn't decided which of four health-care reform packages he would support.

``I can't find one that's right,'' he said.

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BC-ND--Myrdal-Health Plan, Bjt,500
Lieutenant Governor Offers Outline Of Health Care Plan
dewstffonrm
By DALE WETZEL= Associated Press Writer=

BISMARCK, N.D. (AP) Lt. Gov. Rosemarie Myrdal presented rough outlines of a health care reform proposal Tuesday, which includes a guaranteed basic care package and medical savings accounts for North Dakotans.

``I picked ideas from everywhere,'' she told the Legislative Council's Health and Communications Committee during a brief presentation Tuesday, which included a chart and a two-page outline.

Under the proposal, all state and federal funds paid for health care in North Dakota would be pooled, including workers compensation, Medicaid and Medicare, and employer and employee taxes.

Equal payments from that pool would be allocated to each North Dakotan to provide basic health care benefits, with individual expenditures charged to each account.

If a person did not exhaust their allocation during the year, a percentage of the unspent portion would then be diverted into a tax-free ``medical savings account.''

Money from the account could be saved for future health-care expenses, such as nursing home bills, or spent on health ``extras'' like cosmetic surgery. It could also be donated to others, Myrdal said.

The lieutenant governor said she has no outline of what basic care should consist of or what the annual payments should be. Many details remain to be fleshed out, she said, calling the plan a ``point of discussion'' that reflects ideas being talked about in Gov. Ed Schafer's office.

``This is a very simplistic Myrdal plan. It hasn't been blessed by the governor and everyone in the world,'' she said.

Her presentation left some furrowed brows. ``It's very fuzzy,'' said Sen. Judy DeMers, D-Grand Forks.

The panel's chairman, Sen. Tim Mathern, D-Fargo, said he was glad Myrdal came forward with suggestions.

``We need people to be part of the process now, so that we develop a product that the majority of the people can live with,'' Mathern said. ``Now it can be scrutinized ... and we can clarify it.''

The North Dakota Health Task Force, a group studying health care reform options, will report its recommendations to Mathern's committee next year. Schafer has said he may submit his own health care plan to the Legislature if the task force's work is not to his liking.

Myrdal said if someone overspent their ``basic care'' allocation, the overage would be charged against next year's portion.

Keeping track of each individual's health-care expenditures also will give officials a better idea of what services cost, and what is spent on health care, Myrdal said.

Medical savings accounts are part of the welter of health care reform proposals being offered in Washington, but they are different than what Myrdal proposes. Those ``medical IRAs'' would let people set aside money from their wages, tax-free, for medical expenses.

``This is quite a bit different,'' Myrdal said of her savings account proposal.

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PM-WI- Health Care,180
Most Wisconsin Residents Have Health Insurance: Survey
senfoner-jdh

MILWAUKEE (AP) Most Wisconsin residents have health insurance, are satisfied with it and do not consider health care reform a major state issue, a survey conducted for the Wisconsin Policy Research Institute indicated.

The telephone survey released today found that 91 percent of the 1,000 Wisconsin residents questioned had health insurance and 83 percent were satisfied with it.

``Compared to crime and other issues, health care reform is not a major state issue in the view of most residents,'' a news release accompanying the survey claimed.

The report said only 9 percent mentioned health care as the most important problem facing state government.

The poll was taken Nov. 7-14 by Gordon S. Black Corp. of Rochester, N.Y., and was described as having a margin of error of plus or minus three percent.

The report said 83 percent of those 18 to 24 years old questioned had health insurance, 81 percent of those with incomes of $10,000 or less had insurance and 88 percent of blacks had health insurance.

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BC-DAYBOOK-MAJOR-DEC15

THE REUTER DAYBOOK OF MAJOR EVENTS
Wednesday, December 15, 1993

Below are the top events listed by The Reuter Daybook. The daybook editor is Steve Ginsburg. Tim Ahmann, Melissa Bland, Peter Ramjug and Paul Schomer also are available to help you. If you have information for the daybook or any questions, please call 202-898-8345. For service problems call 1-800-435-0101. All times listed below are eastern, and all addresses and telephone numbers are in Washington, unless noted.

PRESIDENT CLINTON'S SCHEDULE (Early schedule)

5:30 p.m.: Hosts a White House Christmas party for the press. Closed press coverage

8 p.m.: Hosts a second White House Christmas party for the press. Closed press coverage

ECONOMIC INDICATORS AND REPORTS (Highlights)

9:15 a.m.: The Commerce Department reports on industrial production and capacity utilization for November.

10 a.m.: The Commerce Department reports on business inventories for October.

CONGRESS

HOUSE WAYS AND MEANS -- 10 a.m. -- Holds hearing on the impact of health care reform on the economy and employment. National Governors' Association Chairman Carroll Campbell, governor of South Carolina, and NGA Vice Chairman Howard Dean, government of Vermont are among the witnesses. 1100 Longworth

Contact: 202-225-1721
Note: C-Span covers live

ADVISORIES

(NASA/HUBBLE) ADVISORY -- The National Aeronautics and Space Administration holds a noon EST briefing via teleconference on the recent space shuttle flight to fix the Hubble Space Telescope. Originating from the Goddard Space Flight Center in Greenbelt, Md., the teleconference will provide an update on the Hubble's working capabilities. Media can access the teleconference by calling the following contact.

Contact: Michelle Mangum, 301-286-8956

GENERAL NEWS EVENTS

8:30 a.m. -- (HEALTH CARE/SHALALA) BREAKFAST -- Health and Human Services Secretary Donna Shalala discusses the Clinton administration's health care reform plan at a National Association of Manufacturers' Issue Briefing Breakfast.

Location: Grand Hyatt, 1000 H St. NW, Independence Ballroom
Contact: 202-637-3120 or the hotel, 202-582-1234

9 a.m. -- (POLAND) VISIT -- The following is the schedule for Polish

+U.S. HOUSE OF REPRESENTATIVES - WEEKAHEAD+
+ WEDNESDAY, DECEMBER 15, 1993 +
UNITED PRESS INTERNATIONAL - FEDERAL NEWS SERVICE

10:00 am EVENT: HOUSE WAYS AND MEANS COMMITTEE meeting SUBJECT: Holds hearing on the impact of health care reform on the economy and employment. LOCATION: 1100 Longworth December 15 CONTACT: 202-225-1721

**** filed by:UPI-(--) on 12/13/93 at 05:16EST ****
**** printed by:WHPR(MMIL) on 12/13/93 at 11:16EST ****

HEALTH

Shalala Says Clinton Benefits Package Open To Debate ...

HHS Secretary Shalala today said the administration is open to discussing the scope of the standard benefits package in its healthcare reform plan, but emphasized a need to maintain quality. "Some investments on the front end are absolutely critical," Shalala told the National Association of Manufacturers, apparently referring to both the economic and health benefits of expanded preventive and primary care services. NAM President Jerry Jasinowski, in introducing Shalala, said most group members are not now prepared to back President Clinton's plan and some are concerned about the extent of state leverage over health care.

Meanwhile, National Governors Association officials appearing today before a House Ways and Means Committee hearing pressed for state flexibility on alliance size, experimentation and the ability to contract out all parts of a state's single-payer plan. They also said they support budget targets early-on, rather than immediately enforceable premium budget caps. They said there is "considerable uncertainty" about the short-run effects and questioned the healthcare industry's ability to create new jobs. Ways and Means Chairman Rostenkowski said he is concerned about hardships on tobacco farmers, who may have to switch to other cash crops due to the administration's proposed tobacco tax hikes. Committee member Robert Matsui, D-Calif., sought to determine the responsible party if subsidy caps for the low income are reached and more money is needed. The governors said they are talking to the administration about sharing the burden -- and contended that would be their incentive to stay within budget.

On another front, a bipartisan panel of healthcare aides from both houses told reporters today that key committees are poised to enter the healthcare debate without clear majority support for any of the Clinton plan's key elements. Although there is broad support among House and Senate Democrats for universal coverage, the aides said, there is far less support for an employer mandate, limits on insurance premium increases and mandatory regional healthcare alliances. Aides suggested there is room for compromise on mandates. Members will have scant time to resolve their differences: House subcommittees are supposed to finish their work by March 4 and full committees before the end of the Easter district work periods -- with legislation to the floor before May 27.

The Congress Daily --- Wednesday --- December 15, 1993

bc-NFIB-health-plan
TO NATIONAL, BUSINESS AND HEALTH/MEDICAL EDITORS:
PRESIDENT'S HEALTH PLAN IS `WRONG PRESCRIPTION,'
SMALL BUSINESS LEADER SAYS

WASHINGTON, Dec. 15 /PRNewswire/ -- Millions of low-wage, uninsured employees of small businesses will be worse off if President Clinton's health care reform plan becomes law, the nation's largest small-business advocacy organization, the National Federation of Independent Business (NFIB) said today, because their employers will be hard hit by new costs and administrative burdens.

"The president's plan is the wrong prescription to cure the health care ills of small-business owners and their employees," NFIB President Jack Faris said during a press conference here today. "In fact, it is our opinion that the Health Security Act will dramatically increase the cost and regulatory burden for two out of three American businesses."

"Why should we run the risk of harming our economy and threatening the jobs of our most vulnerable citizens, the employees of small businesses?" Faris asked. "There are better ways to get the job done."

Faris reiterated the group's support for alternative reform proposals such as the Managed Competition Act, sponsored by Rep. Jim Cooper (D-Tenn.) and Sen. John Breaux (D-La.), and the Health Equity and Access Reform Today Act by Sen. John Chafee (R-R.I.) and Rep. Bill Thomas (R-Calif.)

The administration's plan includes "a new payroll tax small business cannot afford, a government subsidy they do not want, financing they cannot trust and a bureaucracy they will not accept," said Faris, whose organization represents more than 600,000 small firms across the nation. "This is not the kind of health reform that small-business owners and workers need."

NFIB's analysis noted that, under the Clinton plan, approximately three of every five health care dollars would come from the business community. Faris cited a recent study by Lewin/VHI, a health care policy consulting firm, which estimated the plan would produce a net increase in employer health care spending of $29 billion in the first year alone.

Virtually all of that new spending would come from the small- business sector, Faris noted. NFIB estimates 55 percent to 60 percent of all small firms currently are unable to provide insurance to their workers. And, the Lewin/VHI study found, nearly half (43.5 percent) of all currently insuring firms would pay at least $100 more per employee under the proposal.

"Overall, three of every four small firms would see a significantly greater share of scarce operating capital shunted by governmental decree into health insurance," Faris said. "That's tens of billions of dollars no longer available for investment in modernization, expansion or salary improvement."

The proposed subsidies and caps on premium costs, promised as a means of easing the financial burden on small firms, offer no long-range relief, Faris said. "The subsidies are meaningless. The administration has already said they are, at best, temporary. It's only a matter of time before small employers with coach-class profits will be stuck with full-fare bills for first-class health insurance."

Noting that subsidy levels have already been pared back twice and an overall spending cap has been added, Faris said "there's ample evidence the government will act to limit its own financial liability under the system and stick employers with the tab.

"In this untried system, wherever something could go wrong and costs could explode, employers are identified as financial safety valves." As an example, Faris noted that states or health alliances that fail to keep within their health budgets or to collect the premiums owed can make up the funding "shortfall" simply by charging employers supplemental premiums.

When the options are to extract money from business, cut back on programs or raise taxes on constituents, governments and bureaucracies will always opt to make business the financial fall guy, Faris said.

Aside from direct financial support, small firms also would suffer from

"an avalanche of extensive and incredibly complex" paperwork and reporting requirements, Faris said. "Small firms do not have separate personnel and accounting departments that can devote countless hours to the kind of paperwork this plan would generate," said the small business advocate.

-0- 12/15/93

/NOTE TO EDITORS: For a copy of "The Health Security Act: An Analysis of Small Business Concerns," contact NFIB Media Relations at 202-554-9000./

/CONTACT: Terry Hill or Angela Jones of the National Federation of Independent Business, 202-554-9000/ CO: National Federation of Independent Business ST: District of Columbia IN: HEA SU: EXE KD-DT -- DC013 -- 2249 12-15-93 12:23 EST

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BC-DAYBOOK-FINANCIAL1-2TAKES-DEC15

THE REUTER FINANCIAL DAYBOOK
Wednesday, December 15, 1993

The daybook editor is Steve Ginsburg. Tim Ahmann, Melissa Bland, Peter Ramjug and Paul Schomer also are available to help you. If you have information for the daybook or any questions, please call 202-898-8345 or fax 202-898-8401. For service problems call 1-800-435-0101. All times listed are Eastern, and all addresses are in Washington, unless noted.

ECONOMIC INDICATORS AND REPORTS

9:15 a.m.: The Commerce Department reports on industrial production and capacity utilization for November.

10 a.m.: The Commerce Department reports on business inventories for October.

2:30 p.m.: The Treasury Department announces two- and five- year note auctions.

3 p.m.: The Agriculture Department releases the weekly broiler/egg placements report, a milk production report, and the industrial uses of agricultural markets outlook.

5 p.m.: The Energy Information Administration releases the weekly report on petroleum inventories.

CONGRESS 12/15/93

HOUSE WAYS AND MEANS -- 10 a.m. -- Holds hearing on the impact of health care reform on the economy and employment. National Governors' Association Chairman Carroll Campbell, governor of South Carolina, and NGA Vice Chairman Howard Dean, government of Vermont; Barry Bosworth of the Brookings Institute; C. Eugene Steuerle of the Urban Institute; Uwe Reinhardt of the Woodrow Wilson School of Public and International Affairs at Princeton University; Jonathan Gruber of MIT; Ford Motor Co. Chief Economist Martin Zimmerman; and PepsiCo Inc. Vice President David Scherb are tentatively scheduled to testify.
1100 Longworth
Contact: 202-225-1721
Note: C-Span covers live

GENERAL NEWS EVENTS

8 a.m. -- (BREAST CANCER) CONFERENCE -- The Department of Health and Human Services sponsors the Secretary's Conference to Establish a National Action Plan on Breast Cancer. Today is devoted to a report-writing working session. Second and final day.
Location: NIH, 9000 Rockville Pike, Building 31C, Conference Room 10, Bethesda, Md.
Contact: Marc Stern, 301-496-2535

8 a.m. -- (DOE/ENVIRONMENT) MEETING -- The Energy Department's Advisory Committee on Environmental Restoration and Waste Management holds a meeting. Second and final day.
Location: Holiday Inn Eisenhower Metro, 2460 Eisenhower Ave., Alexandria, Va.
Contact: James Melillo, 202-586-4400, or the hotel, 703- 960-3400

+U.S. HOUSE OF REPRESENTATIVES+
+WEDNESDAY, DECEMBER 15, 1993 +
UNITED PRESS INTERNATIONAL - FEDERAL NEWS SERVICE

10:00 am EVENT: HOUSE WAYS AND MEANS COMMITTEE meeting SUBJECT: Holds hearing on the impact of health care reform on the economy and employment. Note: C-Span covers live LOCATION: 1100 Longworth December 15 PARTICIPANTS: National Governors' Association Chairman Carroll Campbell, governor of South Carolina, and NGA Vice Chairman Howard Dean, government of Vermont; Barry Bosworth of the Brookings Institute; C. Eugene Steuerle of the Urban Institute; Uwe Reinhardt of the Woodrow Wilson School of Public and International Affairs at Princeton University; Jonathan Gruber of MIT; Ford Motor Co. Chief Economist Martin Zimmerman; and PepsiCo Inc. Vice President David Scherb are tentatively scheduled to testify. CONTACT: 202-225-1721

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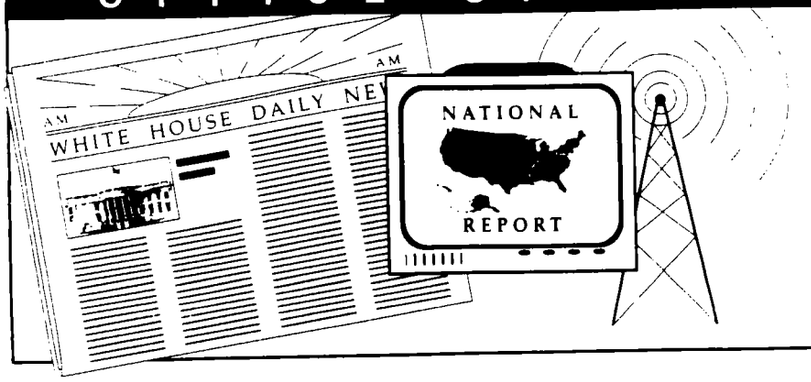
OFFICE OF NEWS ANALYSIS



MORNING NEWS SUMMARY

Room 160 OEOB, Ext 7151

Thursday, Dec. 16, 1993

HEALTH CARE -- The Washington Post's Ann Devroy and David Broder reported that the President "fired back" at GOP critics of his health care plan yesterday, challenging the GOP to provide "an answer to the fact that the number of uninsured Americans is going up every single day." In a Wall Street Journal interview, the President said he was "real disappointed" that the AMA backed away from its previous endorsement of an employer mandate. (WSJ)

The New York Times's Robert Pear reported that in a report just released to Congress, the President showed how he "would reshuffle huge amounts of money, using optimistic assumptions about the ability of people to navigate a complex new health care system."

Under the headline, "Health card raises a public concern: Privacy," USA Today's Judi Hasson reported that privacy experts are warning that the health-care system is "ripe for abuse as technology takes over." White House health adviser Walter Zelman said, "The card is your guarantee that you have access to...benefits," and that the card will not be used for anything else. (USA Today)

Devroy and Broder also reported that the House Ways and Means Committee "got a good hint of the cost-pressures they will face from opposing elements of the business community." (WP) Ford Motor Co. economist Martin Zimmerman said cost-shifting will get worse unless all companies are required to provide insurance. (WP) PepsiCo vice president David Scherb said providing health insurance to a part-time worker in its Pizza Hut division would cost the company more than $1,000 for someone earning $5,700 a year. (WP) Gov. Campbell (R-SC) said, "The question becomes whether workers are insured or out of a job." (USA Today) Gov. Dean (D-Vt.) said, "The quickest way to get everyone insured is an employer mandate." (USA Today)

At a luncheon yesterday, Sen. Nickles (R-Ok.) said the President's health plan limits consumer choice by instituting a package of minimum health care benefits on everyone. (WT) Sen. Nickles said his health care plan, the Consumer Choice Health Security Act, would require every American to buy health insurance but would end the practice of employers picking health plans for their workers. (WT)

The Washington Times's Paul Bedard reported that the group suing the White House yesterday told the federal court that the White House has released just 2% of the papers from the White House health care task force. Justice Department lawyers said in court filings that they have turned over essentially everything that Judge Lamberth ordered them to release. (WT)

Bradley Smith's Wall Street Journal op-ed said, "The lengthy list of criminal and civil penalties lays to rest the administration's oft-repeated claims that this is a plan based on choice and market incentives. This is a plan based on coercion, pure and simple, and lots of it."

HEALTH PLAN LEANS ON THE EMPLOYERS

New Details Show Businesses Paying for Care of Millions of the Poor and Elderly

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Dec. 15 — President Clinton provided Congress today with new details of his health plan, including proposals to finance it by requiring employers to pay for the care of millions of poor people and elderly people now enrolled in Federal health programs.

In a report to Congress, the President described how the Federal budget would be affected by his proposal to guarantee health insurance for all Americans while imposing strict limits on health spending.

The report shows how Mr. Clinton would reshuffle huge amounts of money, using optimistic assumptions about the ability of poor people to navigate a complex new health care system.

The Administration reckons that Medicare would save $28 billion over five years by requiring older workers to get their primary insurance coverage from employers. This requirement would apply to 5.4 million Medicare beneficiaries who are working or have working spouses.

The change in rules for the working aged was scarcely noticed when Mr. Clinton sent his health care bill to Congress seven weeks ago.

The Congressional Budget Office says that in the five-year period covered by the new report, from 1996 to 2000, the Federal Government will spend $1.2 trillion on Medicare and $703 billion on Medicaid if there are no changes in current law.

Big Savings Foreseen

Under Mr. Clinton's proposals, Medicare and Medicaid would save $65.7 billion of those amounts over five years by reducing or eliminating special payments to hospitals that serve disproportionate numbers of poor people.

Such payments would no longer be needed if all Americans had insurance coverage, the White House said.

But Richard J. Davidson, president of the American Hospital Association, questioned the logic of this proposal and said it caused great concern for the 4,900 hospitals represented by his organization. "Those payments have made the difference in our ability to care for the poor," he said. "If you take away the funds without universal access to care, patients and hospitals are big losers."

Mr. Clinton promises that all Americans will have health insurance and access to health care. But hospital executives say they fear they will lose their special Medicare and Medicaid payments before such universal coverage is achieved.

Diane Rowland, executive director of the Kaiser Commission on the Future of Medicaid, a private bipartisan study group, praised Mr. Clinton's effort to guarantee coverage for all Americans, but expressed concern about his Medicaid proposals.

In recent Congressional testimony, she observed that: "the Clinton plan would require significant cost-sharing by most low-income Americans," and she expressed doubt about whether they could meet such "onerous financial obligations."

Subsidies for Low Income

Low-income people could apply for Federal subsidies to help pay their insurance premiums, but the insurance would not necessarily cover their share of the charges for medical services actually used.

Only welfare recipients would be eligible for a reduction in such charges, and then only if they enrolled in health maintenance organizations or similar entities, Ms. Rowland said. "The premium and cost-sharing levels in the plan may prove burdensome for low-income people and compromise access to care for those with health problems who use the most services," she added.

Here are details of other Clinton proposals, as described in today's report to Congress:

¶Low-income people under 65 who are now on Medicaid but not on welfare would get a comprehensive package of health benefits through large purchasing groups, known as regional alliances. But "Medicaid will not pay their premiums." The White House says this would save $79.5 billion for Medicaid over five years.

¶Medicaid recipients now on the welfare rolls would also get coverage through the regional alliances, but the Federal Government would help pay their premiums. The Government would make a flat payment for each Medicaid recipient, and there would be stringent limits, intended to cut $22 billion from the projected growth of Medicaid over five years.

¶Medicaid payments to hospitals serving large numbers of poor people would be eliminated, saving $51.1 billion for the Federal Government over five years. Medicare payments to such hospitals would be reduced, saving $14.6 billion for the Federal Government over five years.

¶Medicare would be expanded to cover prescription drugs for the elderly and disabled. The cost to the Government would total $65.8 billion over five years. A Medicare beneficiary would still be expected to pay for prescriptions up to $250 a year.

The Administration estimates it can save $15 billion over five years by trimming Medicare payments to doctors, and more than $70 billion by limiting the growth of payments to hospitals.

In addition, the White House said it could raise $4 billion over five years by tripling Medicare premiums for people with high incomes (over $105,000 a year for single people and $130,000 for couples). The premium is now $36.60 a month for all beneficiaries.

THE NEW YORK TIMES, THURSDAY, DECEMBER 16, 1993

Health card raises a public concern: Privacy

Debate could bog down reform plan

By Judi Hasson
USA TODAY

A "health security" card that guarantees every American access to medical care is a key piece of President Clinton's health-reform plan.

So is computerization of everyone's medical records to streamline paperwork. But the combination is raising questions that could set up roadblocks to passage of the plan.

Chief among them: Will Big Brother — or anybody else — be watching when you go to the doctor? Who will be able to find out that you are being treated for cancer or drug abuse? The answer, some say: Anyone working in a doctor's office or hospital.

Some privacy experts warn that the health-care system is ripe for abuse as technology takes over.

"You run the risk of making records vulnerable, not only to people getting access outside the system, but people within having easy access," says JanLori Goldman of the American Civil Liberties Union.

Testifying recently before Congress, she warned that any health card should be used only to prove you have coverage and "any other use strictly prohibited."

Clinton's health advisers agree. They say the health security card intends to do just that.

"The card is your guarantee that you have access to those benefits. It's a symbol of the guarantee. If you lose the card, you still have the guarantee," says White House health adviser Walter Zelman.

The card, Zelman says, won't be used for anything else.

Civil libertarians want to make sure that promise is kept — that it won't be a national identity card used to single out illegal immigrants.

Privacy experts also warn that centralizing the medical system would leave it wide open. Under the Clinton plan, health records will be computerized within health plans; there will be no central system.

But if a patient from New Jersey were injured in Oregon, an emergency room would be able to call up medical records across the country by computer.

The health-reform legislation contains provisions imposing penalties for the unauthorized use of medical records. But that may not be enough to put the public at ease.

A Louis Harris poll of 1,000 people in July and August found people are worried about protecting their medical record privacy:

▶ 85% said protecting people's medical records is essential in health reform. They made it a priority ahead of providing health insurance for those who don't have it.

▶ 75% were concerned "that a computerized health-care information system will come to be used for many non-health care purposes."

▶ 11% of those surveyed said that to protect their confidentiality, they had not filed insurance claims for medical bills; 7% said they didn't seek medical care for a physical condition because they didn't want to hurt their job prospects.

But 84% supported the idea of a national health insurance card, and 67% would like to use their Social Security number because they don't want yet another number cluttering up their lives.

"People need something concrete to deal with their health-care insecurity," says Harvard health policy expert Robert Blendon. "The health card is a symbolic example of what it's all about."

Some critics say the card is almost useless.

Without information that could help save a person's life, "it's a very serious waste of time and money," says Janet Sayles-Falls, executive director of the Smart Card Industry Association, which advocates putting a consumer's entire medical record on a "Smart Card."

"A consumer's medical history is going to be in a big data base in the sky. The consumer doesn't have hands-on access to their information without having to go through that computer," says Sayles-Falls, whose fledgling industry could make millions of dollars if its version of computerized cards is adopted instead of the administration's much more limited card.

Counters White House health adviser Zelman: "You can make a logical case for putting certain things on this card, but we're going to err on the side of caution. We're very, very sensitive about putting anything on this card that might be in some way be misused."

Others call the card a gimmick.

"It's a cute device," says GOP health adviser Gail Wilensky. "It doesn't get at the fundamental issue — who is going to pay for what and how we are going to control costs. And it raises serious privacy issues."

As the ability to computerize records expands, it's imperative to protect privacy, says the American Medical Association's Donald Lewers.

"People must have confidence," he told Congress, "that they can speak to their doctors without that information being broadcast."

And other issues relating to the card and the medical system in the computer age remain unanswered.

What number would be on the card? Privacy experts are emphatic the health security card shouldn't carry a Social Security number.

"The public is nervous about a national health ID number," says Columbia University privacy expert Alan Westin.

In fact, opponents of using Social Security numbers say they are used too frequently as identifiers for driver's licenses, credit cards, bank cards, library cards, electric bills.

Almost anyone, they argue, can find your Social Security number and misuse it for access to bank records, credit cards and other fraudulent purposes.

A working group at the Justice Department is studying privacy issues and what kind of number to use on the health card.

The decision is likely to be left up to Congress.

THURSDAY, DECEMBER 16, 1993 · USA TODAY

Proposal adds layer of 'new bureaucracy'

By Judi Hasson and Judy Keen
USA TODAY

President Clinton's plan to overhaul the nation's health-care system includes a new layer of management from a centralized board with enormous power.

The board would be composed of seven people named by Clinton and confirmed by the Senate.

They would oversee the "health alliances" — one or more in each state — that Clinton wants the states to set up to negotiate prices of medical services, decide which health plans could be offered and supervise quality control of all medical care.

As the president is the commander in chief of the armed forces, his health board would be like his joint chiefs of staff. Under the board, depending on how you count, would be a system of dozens of offices.

Gannett News Service

DASCHLE: Board is 'invisible framework.'

The board would have unprecedented powers in the health-care system — powers so big that its role is likely to become a major controversy in the coming months.

"There is a tremendous resentment toward the Clinton plan and the level of bureaucracy it contains," says Thomas Reardon of Portland, Ore., a member of the board of trustees of the American Medical Association.

Little discussed, less understood, the board would be given unprecedented powers to regulate the health system — set up the structure; make rules for doctors, hospitals, medical schools, insurers; decide how much could be spent; and say which ailments and treatments are covered beyond the basic package, down to how often a mammogram would be paid for. The board is mentioned 122 times in Clinton's bill.

"It sounds like a star chamber. It is enormous, invisible and an unelected new bureaucracy," says Rep. William Clinger, R-Pa., ranking Republican on the Government Operations Committee.

Much concerned about the powers of the board, Clinger says it means more government even as the administration is vowing to cut 250,000 government jobs.

"I've got to believe it's going to create many more than that," Clinger says.

But Health and Human Services Secretary Donna Shalala told Congress earlier this year the board "is a relatively minor oversight group that would have some functions, but I don't think anyone views it as a major bureaucracy."

Many people do. "It's got more power than the czars of Russia," says the conservative Heritage Foundation's Robert Moffit.

Paul Feldstein, University of California at Irvine management professor, says the board and state health alliances would create a monopoly.

"It's hard to find some situations where the government acts as a monopoly and does things better than the private sector," says Feldstein.

And when the government runs something like the Veterans Affairs hospital system or the U.S. Postal Service, it requires huge government subsidies, he says.

"Russia and the Eastern European countries are now believing more in competition, and we are moving the opposite way," Feldstein says.

But many see a board as the best way to run a revamped health system. "No legislation ever spells out every single detail of a program," says White House health adviser Walter Zelman. "Every large program needs an administrative mechanism."

Says Sen. Tom Daschle, D-S.D.: "We want to replace bureaucracy, not add to it." He calls the board an "invisible framework in which the private sector functions."

THURSDAY, DECEMBER 16, 1993 · USA TODAY

Noting Rise in Uninsured, Clinton Challenges GOP on Health Plan Criticism

By David S. Broder and Ann Devroy
Washington Post Staff Writers

President Clinton fired back yesterday at Republican criticism of his health care plan, challenging the GOP to provide an "answer to the fact that the number of uninsured Americans is going up every single day."

Responding to recent criticism by House Minority Whip Newt Gingrich (R-Ga.) and potential 1996 Republican presidential candidates Jack Kemp and Richard B. Cheney, who called the administration proposal a design for big government or "socialism," Clinton said, "I don't think the rhetoric corresponds to the reality of the proposal. The pro- we have made . . . gives more consumer choice to the American people than they have today and will simplify lives for America's physicians if it passes."

The president reiterated his readiness to negotiate details of the plan but insisted that it must provide universal coverage and a comprehensive benefits package—a need he said is underlined by a report Tuesday that the number of uninsured Americans grew by more than 2 million last year.

Meantime, members of the House Ways and Means Committee got a good hint yesterday of the cross-pressures they will face from opposing elements of the business community when they start drafting a health bill next year. Executives of the Ford Motor Co. and Pepsico Inc., gave flatly conflicting judgments on the economic wisdom of ordering all firms to provide health insurance for their employees, as the president's plan (but not the Republican alternatives) would do.

Martin B. Zimmerman, Ford's chief economist, supporting the administration's employer mandate, cited studies that companies like his, which provide insurance for workers, "pay a penalty of 28 percent on their health care costs, which penalizes our employees and reduces our ability to compete with foreign competitors." Cost-shifting will get worse, he said, unless all companies are required to provide insurance. But if such mandates and cost controls are imposed, "the gains . . . will be shared by employees, shareholders and consumers in the form of higher wages, lower costs and lower prices . . . leading to faster growth and job creation and increases in our standard of living."

On the other side, David E. Scherb, vice president of Pepsico, said providing health insurance for the typical part-time worker at its Pizza Hut division would cost the company more than $1,000 for someone earning $5,700 a year. That payroll increase of almost 20 percent, he said, would mean "more than half of our restaurant profits would be taken away by new health care costs."

"We'd start hiring fewer people," Scherb said.

The administration plan, he added, "would cost the nation jobs on a net basis and . . . would have a disproportionate impact on entry-level jobs for the young and in many cases the unskilled and disadvantaged, the very groups where unemployment is greatest."

Earlier yesterday, congressional health policy aides said that there is only lukewarm support—even among Democrats—for some of the key elements of Clinton's health plan.

The aides, who spoke at a breakfast briefing for reporters on condition that their names not be used, said there is not much House enthusiasm at present for government-set caps on the growth of private-sector health insurance premiums.

"Mainstream House Democrats and Republicans are both [illegible]. The Democrats are not clear the caps can work" in holding down the growth of health costs, said one aide. Others said that while the caps, opposed by many insurers and providers of health services, might pass the Senate Labor and Human Resources Committee with some changes, the requisite approval by the more conservative Senate Finance Committee is dubious. The issue would then have to be decided on the Senate floor.

A second Clinton proposal that is not arousing much enthusiasm is the creation of semi-governmental "health alliances" to facilitate and regulate the sale of health insurance in geographic areas. The alliances are expected to promote competition among medical groups and push down costs.

Staff writer Spencer Rich contributed to this report.

Line that divides governors is bottom line

By Judi Hasson
USA TODAY

The nation's governors support health reform, but they are split over President Clinton's plans to pay for it.

About half support Clinton's proposal to require employers to provide insurance to their workers, says South Carolina Gov. Carroll Campbell, chairman of the National Governors' Association. Those who oppose the mandate fear it would cause job losses at companies that couldn't afford the cost.

"The question becomes whether workers are insured or out of a job," Campbell, a Republican who opposes the mandate, told the tax-writing House Ways and Means Committee.

But Vermont's Democratic Gov. Howard Dean, a supporter of the requirement, said it's the most efficient way to build on a system that already exists.

"The quickest way to get everyone insured is an employer mandate," Dean, a physician, told the panel.

Dean said that if he had a chance to design a health-care system from scratch, he wouldn't rely on mandates.

But he said, "An employer mandate takes care of most people with the least amount of bureaucracy."

Campbell said the governors agree on many of Clinton's proposals, including a core set of benefits. They are divided on a number of issues, including how regional health networks would be set up. They back "targets" rather than enforcable caps on premiums.

But Campbell said the states urgently need help in getting health-care costs under control.

Last year, 643,000 Medicaid recipients went to South Carolina emergency rooms when there wasn't a real emergency. Because Medicaid pays only 58% of the charges, he said $94 million was passed on to private-paying patients.

Both Dean and Campbell urged the panel to make sure there are co-payments in the plan so people understand that the cost of medical care is not free.

Said Dean: "Everybody ought to pay something, even 50 cents."

USA Today - 12/16/93

POLITICS & POLICY

Clinton, in Interview, Shrugs Off Russian Vote For Ultranationalists and Frets Over AMA Policy

By Jeffrey H. Birnbaum
And Michael K. Frisby
Staff Reporters of The Wall Street Journal

WASHINGTON — President Clinton discounted extreme nationalist Vladimir Zhirinovsky's strong showing in Russia's recent election and voiced continued support for President Boris Yeltsin and his reform movement.

In an Oval Office interview with The Wall Street Journal, Mr. Clinton said that many Russians, neophytes to democracy, were swayed by cleverly vague and patriotic television commercials used by Mr. Zhirinovsky's party. "I would bet nearly anything that most Russians who voted for Mr. Zhirinovsky and for that party not only did not subscribe to a lot of those positions that he's taken, but were not even aware of them.

Bill Clinton

Mr. Clinton also asserted that the quick, stringent economic changes in Russia demanded by the West and by international lending institutions may have been too harsh, and contributed to the Russian discontent reflected in the election results.

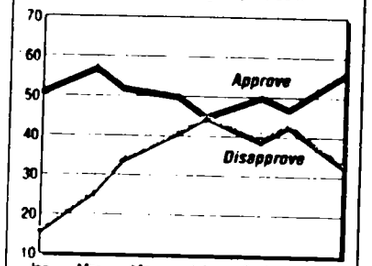
The interview came as a new nationwide Wall Street Journal/NBC News poll showed a substantial rise in public approval for his performance on the job, to 56%, the highest level since March. In the course of the wide-ranging Journal interview, Mr. Clinton:

Spoke glowingly about the potential for such combinations as the one proposed by Bell Atlantic Corp. and Tele-Communications Inc. The president said he hadn't specifically studied the antitrust implications of a Bell Atlantic-TCI deal. But he said the impact of such transactions "can be quite good for the economy" and are "an area of enormous economic opportunity." He also predicted that advances in telecommunications could create new, high-wage jobs.

Acknowledged that the fight over whether to cut military spending in the next budget more deeply than expected is a "problem." But he asserted that the much-publicized tug of war between military spending and funding for domestic policy initiatives isn't "a stark either or thing."

Doing Better

"Do you generally approve or disapprove of the job Bill Clinton is doing as president?"



THE WALL STREET JOURNAL/NBC NEWS POLL

The president insisted that "there are some other options," including one he said he doesn't like: exceeding the strict spending limits set in this year's deficit-reduction bill.

Said he was "real disappointed" that the American Medical Association backed away from its previous endorsement of mandating employers to pay for part of health coverage for their employees, a central component of the Clinton health-care plan. The president expressed the hope that the physicians' group, which is riven by disagreements over several aspects of the health-care plan, will eventually return to the fold. (To help it along, Mr. Clinton and Hillary Rodham Clinton today plan to meet with representatives of other physician groups that support the employer mandate.)

– Ducked a question about raising the minimum wage next year. "I don't know what's going to happen on that," Mr. Clinton said, adding that he will decide in the coming weeks whether to push for it.

The new Journal/NBC poll, which was conducted by Democratic pollster Peter Hart and Republican Robert Teeter, found that the more favorable view of the president's performance extends to both domestic and foreign matters.

Views on Economic Policy

In the poll, 48% of those surveyed approved of his handling of the economy, while 39% disapproved; that is the first time since last spring that the public's yeas have exceeded its nays. Americans approved his handling of foreign policy by a 45%-to-40% margin.

Those surveyed seem to think Mr. Clinton has accomplished at least as much as other presidents in their first years. Asked to compare Mr. Clinton to his predecessors, 32% said he had accomplished a lot, while 44% said he had accomplished an average amount. But there also still seems to be a fear that he's taking on too many tasks: 52% agreed with the statement that he has "tried to tackle too many of the country's serious problems."

In the Journal interview, Mr. Clinton defended his health-care plan, asserting that hundreds of doctors helped to put it together and that it enjoys wide support in the medical community, despite the AMA's stand. Other doctors, he said, "clearly understand that their problems with uncompensated care and with rising administrative costs and cost-shifting," as well as lack of preventive care, "will never be solved until there is universal coverage."

On the issue of military spending, Mr. Clinton said he is "very concerned" about making more cuts. "I thought we had, in this last budget, cut defense absolutely just as much as we could and maybe a little more. And so it's a big issue with me; it's not just the Defense Department."

One way to ease the pressure on the defense budget, he said, would be for Congress to approve his proposed changes in procurement policies. He also hinted that he would embrace a somewhat smaller version of the $22 billion anticrime bill that passed the Senate; savings from the scaling-back of that measure could help ease the defense-spending crunch.

No Fatal Blow

In discussing Russia during the interview, Mr. Clinton said Mr. Zhirinovsky's strong showing in the parliamentary election isn't a fatal blow to democratic forces. "I wouldn't count Yeltsin and the reformers out," he said.

The president declined to say whether he intends to meet with Mr. Zhirinovsky when he visits Moscow next month – "I haven't talked about it with anybody," he said – but in a later news conference strongly denounced Mr. Zhirinovsky's extreme nationalist, antiforeigner remarks. "No American, indeed, no citizen of the world who read such comments could fail to be concerned," he said.

Using Mr. Zhirinovsky's showing as an object lesson, Mr. Clinton warned in the Journal interview that the international community might be pressing countries in political and economic transition too hard and too fast. By making conditions "too tough" and forcing the citizens of those countries "to go through too much hardship too quick," he said, the West might "be recreating the conditions we are seeking so much to move away from."

Still, the president said, the Russian election results might have been different if the democratic reformers had used television as cleverly as the extremists. "A lot of this, around the edges would have been changed, I think, with a different political strategy," he said. "But these folks are just getting the hang of this; it's not like they've been doing this a long time."

When asked to name his single top foreign-policy priority next year, the president cited two: elevating "global economic issues to a central place in foreign policy" and "making sure we protect and promote our vital national security interests in the post-Cold War world." But then he added a few more: Russia, North Korea and the North Atlantic Treaty Organization, and especially "denuclearization."

How Poll Was Conducted

The Wall Street Journal/NBC News poll was based on nationwide telephone interviews of 1,002 adults conducted Saturday through Tuesday by the polling organizations of Peter Hart and Robert Teeter.

The sample was drawn from 263 randomly selected geographic points in the continental U.S. Each region was represented in proportion to its population. Households were selected by a method that gave all telephone numbers, listed and unlisted, an equal chance of being included.

One adult, 18 years or older, was selected from each household by a procedure to provide the correct number of male and female respondents. The results of the survey were minimally weighted by age and income to assure that the poll accurately reflects registered voters nationwide.

Chances are 19 of 20 that if all adults with telephones in the U.S. had been surveyed, the findings would differ from these poll results by no more than 3.2 percentage points in either direction. A limited number of questions were asked of half the sample; for these, the margin of error was 4.5 percentage points. The margin for any subgroup would depend on the size of that group.

Stonewalling called ploy to shield Clintons

Rest of health panel's papers sought

By Paul Bedard
THE WASHINGTON TIMES

A1

Despite assurances that it has turned over virtually all documents detailing the activities of Hillary Rodham Clinton's health care task force, the White House has released just 2 percent of the papers, according to new court filings.

A group suing the White House for access to the papers, which spell out how President Clinton's health reform plan was developed, said the stonewalling is "politically motivated" to protect the first lady and White House from embarrassment.

Lawyers suing the White House said they have received just two of more than 100 boxes of relevant task force documents.

Justice Department lawyers defending Mrs. Clinton's group, which has disbanded, said in court filings that they have turned over essentially everything that U.S. District Court Judge Royce C. Lamberth ordered them to release.

In the same filing, however, Justice lawyers said they have collected more than 100 boxes of task force working group documents but have only given two boxes to lawyers representing the Association of American Physicians and Surgeons Inc.

The Justice lawyers said the rest of the papers apparently aren't covered by Judge Lamberth's order or had been reviewed by the medical group earlier.

Kent Masterson Brown, who represents the medical group, charged that the Justice Department is trying to conceal papers that would prove his case that Mrs. Clinton's 500-person working group illegally met in secret.

In an angrily worded memo to the federal court here, Mr. Brown charged that the Justice Department was engaged in "politically motivated procrastination." He also asked Judge Lamberth to order that the other boxes held by the Justice Department be released.

Mr. Brown, who first sought the documents several months ago, claimed that the four-person Justice Department team assigned to defend Mrs. Clinton is using "evasive and overtly misleading tactics" to protect the White House.

He filed suit in February seeking to stop Mrs. Clinton from holding secret meetings to map out the Clinton health care plan. He has since targeted the secret meetings of the task force working group, the 500-person panel that drew up the health care reform legislation, and the documents produced by the group.

Mr. Brown has claimed that the White House violated federal "sunshine" laws by holding secret meetings, even though several non-government outside consultants and special interest representatives were involved. Under the Federal Advisory Committee Act, only government task forces composed "wholly" of federal employees can meet in secret.

He has sought the working group papers, agendas, meeting minutes and membership lists to prove that outsiders were involved.

If he wins the case, all task force working group documents would have to be released to the public. The documents would show which special interests influenced the packaging of the health care plan and how the White House decision-making process works.

In addition, the White House would be put on notice that other special task forces — such as those on welfare reform and crime initiatives — would be prohibited from meeting in secret if any outside help were involved.

Mr. Brown charged in new court filings that the papers the Justice Department continues to hold would "undoubtedly illustrate the ... extent of contacts with outside interests" the task force and working group had.

Currently, the two boxes of papers provided by the White House are being kept under a protective seal until the case is decided.

Meanwhile, the Justice Department is seeking a three-week extension of the deadline to hand over the documents, to verify it has collected all working group papers available. It also needs extra time to draw up a full working group membership list, since the White House doesn't have one.

But the White House defense team said that "few documents that defendants have not already produced will surface in this effort."

In a brief description of the two boxes of papers delivered to Mr. Brown, Justice lawyers said that the White House since April has tried to collect all task force and working group documents related to expenses, meeting minutes and agendas, membership lists, and ethics forms.

But of the 500 people on the working group, Justice said only 40 had produced any documents.

GOP health plan touted for choice

Nickles proposal has 24 backers

By J. Jennings Moss
THE WASHINGTON TIMES

The author of a leading GOP alternative to President Clinton's health care plan said yesterday that the president's proposal limits consumer choice by instituting a package of minimum health care benefits for everyone.

"Consumers should be able to make those choices and not have it preordained or mandated or dictated by Washington, D.C.," Sen. Don Nickles, Oklahoma Republican, said at a luncheon to explain his plan.

Mr. Nickles is the chief author of one of the leading health care reform alternatives on Capitol Hill. With 24 co-sponsors in the Senate so far, his plan has the most support after Mr. Clinton's.

Called the Consumer Choice Health Security Act, it would require every American to buy health insurance but would end the practice of employers picking health plans for their workers.

The plan, largely modeled on a proposal from the Heritage Foundation, would have private health care work much like the Federal Employees Health Benefits Program.

The federal health system has about 300 different health insurance plans, and federal workers typically can choose from 10 to 20 insurance alternatives. Mr. Nickles said the federal program is good because employees who want more benefits and are willing to pay for them have that option.

Under Mr. Nickles' plan, the employer's contribution to a worker's health plan would be part of base pay. The worker could purchase any health plan but as a minimum would have to purchase catastrophic insurance covering major medical expenses.

Workers also could put their health dollars into medical savings accounts. Other Republican health care alternatives also provide that option.

To get Americans to purchase health insurance, the government would provide tax breaks of between 25 percent and 75 percent, depending on the amount of income spent on health care. To punish those who do not buy insurance, a taxpayer's personal exemption would be taken away, the proposal says.

The plan would cost the federal government $133 billion through 1999, which would be paid with $67 billion in Medicare savings and $72 billion in Medicaid savings.

Mr. Nickles said the proposal does not make drastic changes to either Medicare or Medicaid, although it turns over federal Medicaid funds to the states and makes them more responsible for managing a system that has seen yearly cost increases of more than 20 percent.

Mr. Clinton's health care plan has "fatal flaws," Mr. Nickles said.

Those flaws include a mandate on employers to purchase health insurance for their workers, a national health budget to control health costs and limited choices for consumers, Mr. Nickles said.

Sen. Don Nickles says Clinton's plan has "fatal flaws."

Mr. Clinton said yesterday that he was willing to negotiate with Republicans as long as two main principles are upheld: that all Americans are covered and that there is a basic benefits package.

In related developments yesterday:

- Leaders of the National Governors' Association told the House Ways and Means Committee that governors support Mr. Clinton's goal of universal coverage but split on the issue of employer mandates.

  Republican Gov. Carroll Campbell of South Carolina, NGA chairman, opposes requiring employers to pay 80 percent of their workers' health insurance. Democratic Gov Howard Dean of Vermont, NGA vice chairman, said he backed Mr. Clinton's plan.

- The National Federation of Independent Business issued a statement that said "millions of low-wage, uninsured employees of small businesses will be worse off" under the Clinton health plan.

Washington Times - 12/16/93

Clinton leaves party behind in poll

By J. Jennings Moss
THE WASHINGTON TIMES

President Clinton gets a 57 percent job approval rating in a new poll — his highest rating since February — but his party is stuck at 50 percent while Republicans have moved slightly ahead during the past six months.

The president's job rating has jumped 10 percentage points since mid-October, when Republican Ed Goeas and Democrat Celinda Lake last conducted such a poll. Mr. Clinton's lowest point was 39 percent in June.

The latest survey by the two pollsters, who joined forces last year to produce several bipartisan polls on the presidential election and the nation's attitudes, is part of their Battleground '94 project.

Mr. Goeas said that, while Mr. Clinton's approval numbers are up, "the ground water for Democrats overall have not increased. . . . The party has not risen with the president."

Democrats have received the same favorable rating by the public — 50 percent — during the past six months. Meanwhile, the image of the Republican Party has improved — 53 percent of the public has a favorable impression of the GOP, up 5 points.

Ms. Lake said the poll results demonstrate what Democrats need to do going into next year's congressional elections.

"It's important for Democrats to have an economic agenda. The 1993 elections ought to be good warning for us," she said, referring to Democratic gubernatorial losses in New Jersey and Virginia.

And she noted that the public views Democrats as being more capable of improving health care, improving education, creating jobs, reforming welfare, cutting government waste, reducing the deficit, protecting the middle class, and fighting crime and drugs.

But on nearly all of the issues where Democrats get better points than Republicans, Democrats have lost ground and Republicans have improved during the past seven months.

Asked at a press conference about his new job rating, Mr. Clinton attributed it to improved economic indicators and the passage of the North American Free Trade Agreement and the Brady Bill.

"I think the American people want results, and they also want an administration that will take on the tough problems and try to see them through," Mr. Clinton said.

The two pollsters agreed that the public is becoming more dissatisfied with Ross Perot, the 1992 independent presidential candidate and Clinton critic, but said Mr. Perot's core backers continue to support him.

"His strength was always his message, not his messenger, and the message is still out there," Mr. Goeas said. The anti-government message is one that Mr. Goeas said he is advising Republicans to adopt.

In the poll, 33 percent said they had a favorable impression of Mr. Perot, and 55 percent said they had an unfavorable view. Among those who voted for him last year, 70 percent have a favorable view of him.

Ms. Lake said that in the short term Democrats might be happy to have Mr. Perot around: In three-way presidential contests — between Mr. Clinton, Mr. Perot and either Senate Minority Leader Bob Dole or former Rep. Jack Kemp — Mr. Clinton fares better than in two-way contests.

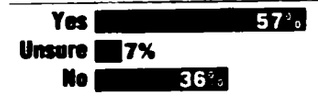
Among the other findings:

- 33 percent of the public cites crime as the most important problem facing the country, a 26-point increase since January.
- The biggest problem facing the middle class is a decline in family values, 28 percent of the respondents said.
- 54 percent believe the country is "on the wrong track."
- 25 percent approve of the job Congress is doing, and 66 percent disapprove. The numbers show a slight improvement in Congress' image since January.

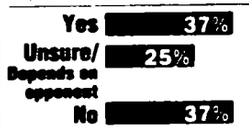
CLINTON JOB APPROVAL

President Clinton gets his highest job-approval rating in a new national poll by Republican pollster Ed Goeas and Democratic pollster Celinda Lake.

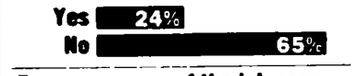
Do you approve of the way President Clinton is handling his job?



Does President Clinton deserve re-election?



Do you approve of the job Congress is doing?



Do you approve of the job your congressperson is doing?

President Clinton should focus on...	
Jobs	23%
Crime	17
Getting health care costs under control	15
Reducing the budget deficit	14
Cutting government waste	10
Holding down taxes	8

Biggest problem facing the country...	
Crime	26%
Economy	9
Jobs	7
Unemployment	7
Drugs	6
Health care	6

Source: Battleground 1994; The Tarrance Group and Mellman, Lazarus, Lake

The Washington Times

The Washington Times FRIDAY, DECEMBER 16, 1994

Washington Times – 12/16/93

Uninsured up

A new study shows that the number of Americans lacking health insurance is rising every year and may now exceed 39 million — a point immediately seized on by the Clinton administration as evidence of the need for health care reform, the Baltimore Sun reports.

The number of uninsured Americans under 65 rose from 36.3 million in 1991 to 38.5 million last year, said a study released by the Employee Benefit Research Institute, a nonpartisan group. Most of the increase was attributed to cutbacks by small businesses reacting to rising insurance costs.

MMM strikes again

Rep. Marjorie Margolies-Mezvinsky, a freshman Democrat under GOP siege for casting a deciding vote for President Clinton's budget plan, will get the debate she wanted with Republican National Committee Chairman Haley Barbour.

Mrs. Margolies-Mezvinsky, who got her reward from Mr. Clinton when he attended an entitlements meeting in her suburban Philadelphia district this week, will debate Mr. Barbour on the mandatory domestic spending programs.

The debate, at 3 p.m. today, will be broadcast on a Philadelphia-area radio station, the congresswoman's office said. Mr. Barbour will do the broadcast from Washington, Mrs. Margolies-Mezvinsky from Bala Cynwyd, Pa.

LOS ANGELES TIMES WASHINGTON EDITION

THURSDAY, DECEMBER 16, 1993

Panel Calls for U.S. to Curb Infant Deaths

■ Health: Final report says the mortality is a preventable social problem, not a medical one. More prenatal care for blacks is urged.

By ROBERT L. JACKSON
TIMES STAFF WRITER

WASHINGTON—The National Commission to Prevent Infant Mortality, which has run out of funding, issued a final report Wednesday calling on the nation to remedy a surprisingly high infant death rate that gives the United States one of the worst records of any developed country.

Florida Gov. Lawton Chiles, the commission's chairman, said six years of work by his panel has shown that the death of infants "is not so much a medical problem as it is a social problem . . . that is preventable."

He recommended that more efforts be directed to prenatal care for "inner-city families," where the death rate for black babies under 1 year of age is more than double that of white babies and has caused the United States to rank 21st among developed countries.

Until Congress refused to authorize funding for the commission, which will expire Dec. 31, the panel worked with private organizations and community groups to provide counseling to poor, young expectant mothers, to direct them to prenatal clinics and to show them how to care for young children, officials said. It served as a national study and resource center to promote the well-being of expectant mothers and small children.

Chiles said the 16 members of the commission unanimously believe that Congress must rate prenatal and infant health as "a national priority" in any health care reform plan it adopts next year. He commended President Clinton and First Lady Hillary Rodham Clinton for "their commitment to universal access to prenatal and pediatric care."

"Everyone must have access to both health insurance and medical services. We need to do more to put our money and effort on the front end during the prenatal period."

But, speaking as a governor, Chiles said that "Congress, in addressing health care reform, must allow states the flexibility to meet their needs."

The commission said the latest mortality figures show that 8.9 American infants of every 1,000 die during their first year. That is worse than most European nations, Canada, Japan, Hong Kong and Singapore. Only Greece, Portugal and Israel have poorer rankings, all with 10 infant deaths per 1,000, officials said.

Citing statistics compiled by the U.S. Centers for Disease Control and Prevention, the commission said the rate for white children was 7.3 per 1,000 in 1991, the last year reported, but mortality among African Americans has remained virtually unchanged in recent years at 17.6 infants per 1,000.

Congenital disabilities were the leading cause of death among white infants, whereas low birth weight ranked as the principal cause of death among black babies, officials said. They said poverty is largely to blame for higher mortality rates among blacks, particularly among families that have limited access to medical care and are not covered by health insurance.

The commission said that the overall infant mortality rate is improving but that this is attributable "to expensive neonatal technology that saves smaller and sicker newborns" and "not to preventing the problems in the first place."

It said prenatal care is essential to solving the problem. Referring to low birth weight as a chief cause of death, the panel observed that "a low birth weight baby's hospital bill is thousands of times as high as good prenatal care."

THE WALL STREET JOURNAL THURSDAY, DECEMBER 16, 1993

The Health Police Are Coming

By Bradley A. Smith

Despite all the controversy surrounding the president's proposed Health Security Act, nary a word has been heard about the significant new civil and criminal penalties included in the act. These new crimes and penalties both raise significant issues in their own right and belie the administration's claims that its plan relies on market incentives and choice.

The Health Security Act federalizes a broad range of routine crimes and torts previously dealt with by the states. Most notably, the act creates two broad new categories of federal crime, dubbed "federal health care offense" and "health care fraud" (Sec. 5402[d]; 5401). "Health care fraud" includes, among other things, any effort to defraud a "health plan" (i.e., a private insurer, health maintenance organization or self-insured employer) or "any ... other person" in connection with the delivery or payment of health care benefits, supplies or services. Thus the act federalizes mundane fraud cases merely because they are perpetrated on an organization that provides health care.

While the ham-fisted nature of these penalties is troubling enough ("health care fraud," for example, is punishable by criminal penalties ranging up to life imprisonment), an even more serious question is the wisdom of turning routine events, effectively handled on a local level, into federal crimes. Not only are state and local authorities better equipped to deal with most crime, but local control of law enforcement is a fundamental check on federal power.

The act makes it a "federal health care offense" to willfully falsify or conceal any material fact in "any matter involving a ... health plan" (Sec. 5433). To understand the effects of such language, imagine a situation in which a provider of janitorial services misrepresents that she is bonded when negotiating a contract to clean the offices of an HMO. Today, this is no more than a state civil law contract claim, for which the HMO could recover any actual damages suffered in a civil lawsuit. However, under the Clinton plan, the janitors would have committed a federal crime punishable by fines and imprisonment for up to five years. This would be true even if no harm had ever come to the HMO because of the concealment of a fact.

Similarly, the act makes federal crimes out of embezzlement, theft or unlawful conversion of any assets of a private HMO, insurer or employer that provides coverage under the act (Sec. 5437).

Another disturbing feature of the act's criminal penalties is the provision for asset forfeiture. Under the act, whenever a person is convicted of a "federal health care offense" having a "significant detrimental impact on the health care system" (a phrase left undefined), the court must order the forfeiture of property, including personal property, that either was used in the commission of the offense or is "derived from proceeds traceable to the ... offense" (Sec. 5432).

Proceeds from these asset forfeitures are to be deposited in an "All Payer Health Care Fraud & Abuse Account," which will be controlled by the inspector general of health and human services. These funds can then be used by the inspector general to expand investigative activities. Additionally, any other penalties assessed for "claims related to the provision of health care" go into the fund, again to be recycled by the inspector general in additional investigations (Sec. 5402).

Civil libertarians should be concerned about an act that provides direct budgetary incentives for prosecutors and investigators to pursue maximum asset forfeitures, and to bring marginal or even baseless charges in the hope of extracting quick settlements from defendants.

The list of criminal and civil penalties lays to rest the administration's oft-repeated claims that this is a health plan based on choice and market incentives. It is based on coercion.

The lengthy list of criminal and civil penalties also lays to rest the administration's oft-repeated claims that this is a plan based on choice and market incentives. This is a plan based on coercion, pure and simple, and lots of it.

A telltale sign is the creation of a new federal crime for "bribery in connection with health care." Any "offer or ... promise of value" to "influence ... actions, decisions, or duties relating to a health alliance or health plan" is punishable by up to 10 years in prison (Sec. 5434). The obvious question: "Why would a person want to bribe anyone over health care?" Despite rhetoric to the contrary, the Clintons must know this plan will result in rationing.

There will undoubtedly be shortages and waiting lists for procedures, and bribes might provide patients with a life-saving short cut. On the other side of the table, medical students, their options to enter the specialty of their choice limited by the act's quotas on specialists, might seek to ensure their desired career through a well-placed gift. In a plan that ignores markets, bribery and influence peddling will be the natural result.

The criminal and civil penalties in the act roll on and on. A health insurer, HMO or self-insured employer that fails to pay claims "promptly" may be fined up to $1 million for repeat "offenses" (Sec. 5206). Thus a plan that delays payment to investigate possible fraud may find itself sued by the federal government.

Drug companies that do not provide, on a timely basis, the cost information the government requests to "negotiate" discounts are subject to a $10,000 penalty for each offense. The penalties increase up to $100,000 per offense if the information turns out, even accidentally, to be incorrect (Sec. 2003). Similarly, a self-insured employer may be fined up to $100,000 merely for failing to report financial information on a timely basis (Sec. 1394).

There are even penalties for a health insurer that dares to offer financial incentives to enroll in its plan (Sec. 5412). And should a health insurer or doctor devise a simpler or more efficient enrollment, claim or reporting form than that prescribed by the newly created "National Health Board," the insurer or doctor may be fined up to $10,000 for each use of such a form (Sec. 5141[b]). This is not "managed competition." It is bureaucratic edict backed up by government force.

If these new criminal and civil penalties are not enough (and the above list is hardly exhaustive), the act also creates new causes of action for private lawsuits against health care providers. For example, the act provides a private right to sue for discrimination by any health plan on the basis of race, sex, age, national origin or—catch this—income or perceived future demand for health services. Plaintiffs can hold over a defendant's head the threat of attorney fees, compensatory damages, punitive damages and an added civil penalty of up to $100,000 (Sec. 5238).

These antidiscrimination clauses apply to any health insurer, HMO or self-insured employer that engages in "any activity" with a discriminatory effect, whether or not the activity is even related to the provision of health care, and whether or not the activity is intended to have a discriminatory effect (Sec. 1402[c]). Yes, even trimming a payroll to reduce costs may be prohibited income discrimination under the act.

In making its sales pitch, the administration has steadfastly denied that the plan will restrict choice and competition or create a massive federal bureaucracy at the expense of the states. The act's extensive provisions for civil and criminal penalties tell otherwise.

Mr. Smith is a visiting assistant professor at Capital University Law School, Columbus, Ohio.

Hobart Rowen

Budget Bind

Would you believe that the government spent a larger part of its resources on domestic programs such as transportation, job training and energy conservation under Republican George Bush than it will under Democrat Bill Clinton?

Better believe it, because it's true. The facts about discretionary spending were brought to light by the House Democratic Study Group in a report published Nov. 3. It was titled "All Too Real," with this subhead: "Large and Painful Spending Cuts Are the Undiscovered Story in the Recently Enacted Deficit Reduction Plan."

Under Bush, "discretionary" domestic spending, so named to distinguish it from mandatory or "entitlement" programs like Medicare, grew from 3.3 percent of gross domestic product to 3.8 percent from 1990 to 1993, reversing a long-term decline under Reagan.

But under the $500 billion deficit reduction program signed by Clinton earlier this year, such discretionary spending will decline from 3.8 percent in 1993 to 3.5 percent by 1998.

It's hard to find a domestic program—apart from the entitlements—that isn't already underfunded. The federal government now pays a smaller portion of education costs than it did in the 1960s and 1970s, a key factor contributing to the discouraging rise in racial segregation in the nation's schools reported on Dec. 13 by the National School Boards Association.

In contrast to the usual budget-reduction exercise that merely slows growth in domestic programs, Congress also exacted from Clinton a commitment for real cuts. Over the five-year period ending in fiscal 1998, spending on discretionary programs will drop by $68 billion in real dollar terms, according to the study group.

At 3.5 percent of GDP, the nation in 1998 would be spending less on discretionary programs than it did in fiscal 1964, before Lyndon Johnson's Great Society programs of fiscal 1965. As the report on school segregation said, we seem to be going backward.

The president acknowledged the budget bind at a press conference at Blair House last week. "If we want to spend new money on things like retraining the work force, we're going to have to cut things elsewhere," he said.

The situation is so desperate that Labor Secretary Robert Reich is toying with a probable non-starter, a payroll tax increase to pay for $3 billion in new programs he seeks to ease the plight of "dislocated workers"—those unlikely ever to get their old jobs back.

Except for the explosion in health care costs—Medicare and Medicaid are projected to go up $103 billion over five years—the new budget is tighter than most of official Washington, including the Congress that passed it, understood. And the crunch hits all of the nation's most sensitive current needs—law enforcement agencies, the Immigration and Naturalization Service, the Veterans Administration and the National Institutes of Health.

Other deficiencies the study group noted include bridge repairs, airport improvement, air traffic control modernization and highways. The widely admired Head Start program for disadvantaged kids is getting $3.3 billion this fiscal year, compared with the $4.2 billion Clinton requested.

This is hardly the scenario touted by Clinton during the campaign, when he spoke passionately of the need for government "investment" in crime control, boosting environmental cleanup, energy efficiency, job training and scientific research as a way to cut unemployment and boost American productivity. But feeling the heat from Ross Perot, Clinton also promised to slash the budget deficit, and so far, budget-cutting has won out.

Clinton is clearly ambivalent on the conflict between deficit reduction and the cost of people programs. In his talk with reporters, he said: "You don't want to make so much a fetish of the deficit reduction that you promote a recession." He also suggested that "if there is a great clear public consensus that we have to do something, we will find the money to do it." That may be true on crime, because the public is fed up with gun violence.

But on the larger question, Clinton is whistling in the dark. Congress is willing to allow the budget to shrink for everything, in real dollar terms, except for Medicare and Medicaid.

The most valuable contribution of the "All Too Real" report is that it shows how limited are Bill Clinton's options. He is locked into a pattern of rigid budget cuts that would require a congressional upheaval to change. Many Democrats, having lost out in the Penny-Kasich effort to cut spending, will be trying again in the next Congress.

"The unpleasant truth," said the report, "is that government is simultaneously becoming more expensive while providing fewer benefits and services. The root cause of this problem is remarkably simple: the explosion in health care costs."

Washington Post - 12/16/93

MARY McGRORY

Gingrich's Buzzword Pudding

From Newt Gingrich, President Clinton got a little dose of what awaits him in the health care debate. The House Republican whip and prospective leader has looked at Clinton's bill and found it to be a socialist plot.

Does he think that Clinton, who has been identified on alternate days as an old Democrat and a new one, is a socialist, Gingrich was asked after his speech to the Empower America conservative think tank. "Yes," he said firmly, "a pleasant socialist, who believes government knows best."

The president's erstwhile partner on the North America Free Trade Agreement called Clinton's next major project "1,300 pages of red tape." He was perhaps signaling to the faithful that he has not gone soft on Clinton and is, in fact, returning to his old in-your-face tactics.

His audience ate it up. His speech was the high point of a daylong policy conference that featured a panel of experts from the health industry. While generally agreeing to the basics of universal and portable coverage, they found certain aspects of the president's plan "sinister," "ominous" and bad for business, especially small business, which could lose 600,000 jobs if the requirement to buy insurance for every employee goes into effect. The point was frequently made that four out of five Americans are happy with their health plans and that Clinton's only shows his hostility to the marketplace.

Clinton's folly as they see it, would have significant negative impact on biotechnology. With the specter of price controls, investment in companies on the brink of discoveries that could eliminate chronic illnesses has fallen off.

Moderator Gail R. Wilensky, George Bush's domestic policy adviser and health care financing administrator, held up the hefty volume that contains the Clinton plan with all its entangled alliances, panels, boards and committees, and said, "the Clinton health plan is not going to make our lives easier, simpler or better." She got a big hand. There were dark references to "central planning."

Gingrich is understandably feeling his oats these days. He has wiped out all opposition for the job of House minority leader that will be open in the next Congress, he is taking bows for his "statesmanship" on NAFTA. He talked twenty to the dozen, his words coming out in a cascade of demagoguery.

"The Clinton health plan is culturally alien to America," he declared, as if his fellow citizens would make their decision about their health care on exclusively ideological grounds.

Gingrich is too smart to think that references to "central planning" would influence the outcome of the coming struggle. Nearly two years ago, when Clinton was fighting for his life in the New Hampshire primary, voters exhibited an almost total indifference to his philosophy—they only wanted to hear his plans. Maybe Gingrich wishes to rouse the right with molten words from the past. It will be interesting to see if "socialism" retains its galvanizing force.

Gingrich threw other, potentially more damaging charges against his erstwhile confederate—"disingenuous" and "professional politician." And, "Bill Clinton is not confused. He is confusing."

The Clintons, he said, have a bill that "clearly provides for a state monopoly, and they have refused to admit it."

With Soviet generals attending our war college, and joint ventures in technology the new vogue, red-baiting has gone out of style. And this week's stupefying election returns from Russia made tapioca of familiar buzzwords—the raving fascist who won big is called "a Democratic liberal." But Gingrich still couldn't resist entirely.

"Bill Clinton is doing almost precisely the same thing we are telling Boris Yeltsin to stop doing," was one of his quips.

He was making the point, which has always been sure-fire in fund-raising letters to the far right, that government can't get anything right. "If you liked public housing, you will love public medicine," he gibed.

As the forces gather and indulge in preliminary skirmishes, the bill that has the most cosponsors—136—is one named after House Minority Leader Robert H. Michel (R-Ill.) and Sen. Trent Lott (R-Miss.). Gingrich supports it. The bill would have got its sponsors labeled "socialists" 20 years ago. It throws around grants for improved rural health care, expanded community services and creates an Office of Emergency Medical Services and does a number of other things that Republicans used to regard as the province of the private sector.

The complicated bill is not as long as Clinton's or as long on bureaucracies, but it shows why Newt Gingrich for all his bluster, recognizes that some kind of health care reform is as urgent as Bill Clinton says it is.

HEALTH CARE WIRE REPORT

THURSDAY, DECEMBER 16, 1993

3:45 P.M. EDITION

Inside:

(no stories on the NFIB)

PM-Clinton Health Reform, 2nd Ld-Writethru, a0558,730
White House Marshals Support From Doctors' Groups
EDS: Top 14 grafs new with Clinton quotes, color from ceremony; edits throughout to tighten
By CHRISTOPHER CONNELL= Associated Press Writer=

WASHINGTON (AP) President Clinton surrounded himself today with leaders of doctors' groups far friendlier to his health reform proposal than the American Medical Association. Their support ``debunks the notion'' that the plan would let bureaucrats meddle with medical decisions, he said.

A week after the 296,000-member AMA backed off its firm support for a mandate on employers to pay for health insurance, the president and Hillary Rodham Clinton hosted 10 smaller physicians' groups that collectively claim more than 300,000 members.

The groups include pediatricians, family practitioners and internists, all of whom would play a larger role under the health care system Clinton envisions.

Clinton noted with a smile that his Health Security Act was derided as socialist the other day by House Republican Whip Newt Gingrich of Georgia.

``These people do not look like a bunch of socialists to me,'' he quipped about the medical leaders.

``The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government, bureaucratic plan that erodes the doctor-patient relationship,'' Clinton said.

He said the leadership of the AMA, ``which represents fewer than 300,000 doctors, but still a substantial number,'' sent him a letter this morning making clear that ``they are not opposed to an employer mandate, but they think other options in addition to an employer mandate should be considered.''

Clinton said he hoped the health reform debate would not become ``unduly partisan'' within either the medical community or the political world.

Hillary Rodham Clinton praised the supportive doctor groups for putting ``the quality of patient care (and) access to quality care for every American above any other interests. They have considered people, their patients, first.''

The groups generally have not endorsed the Clinton plan in its entirety. But they share its principles. White House adviser Ira Magaziner said they may have ``a quibble'' here or there, but they all back its general thrust, including the employer mandate.

Dr. William Coleman of Scottsboro, Ala., president of the 74,000-member American Academy of Family Physicians, said his organization views the Clinton plan as ``a starting point for health system reform'' and clearly better than the status quo.

Dr. Betty Lowe, president of the 47,000-member American Academy of Pediatrics and once Chelsea Clinton's doctor in Little Rock, Ark., called the White House plan ``the best vehicle to date.''

The leaders of the 10 groups stood on a stage with the Clintons beneath large signs bearing their organizations' insignia.

The other groups are: American College of Obstetricians and Gynecologists; American College of Physicians; American College of Preventive Medicine; American Medical Women's Association; American Society of Internal Medicine; American Thoracic Society; National Hispanic Medical Association and the National Medical Association.

Meanwhile, Families USA, a liberal group working to promote passage of Clinton's plan, released a report today that catalogs what it called the major gains that millions of Americans would realize under the White House reform blueprint.

It said the bill would guarantee coverage for 54 million Americans by 1998 who would otherwise lose it or lack insurance entirely and provide new drug benefits for 53 million. By 2001, it said, 121 million people would gain dental coverage and 153 million would get new or expanded coverage for mental illness and treatment of substance abuse.

The White House released documents Wednesday indicating it expects 500,000 wealthy retirees to drop Medicare coverage for doctor bills because the Clinton plan would sharply raise their premiums.

The administration also assumes Medicare will save $28 billion through the year 2000 by requiring elderly workers to use their private health insurance from their jobs or from their spouse's job as their main coverage. Some 5.4 million Medicare beneficiaries would be affected by that.

**** filed by:APE-(--) on 12/16/93 at 12:53EST ****
**** printed by:WHPR(MMIL) on 12/16/93 at 15:35EST ****

Clinton wins support of family physicians
By LORI SANTOS=

WASHINGTON (UPI) President Clinton won the backing Thursday from groups representing more than 300,000 American doctors for his sweeping plan to reform the nation's health care system.

At a White House annnouncement meant to counter the recent, high- profile opposition of the American Medical Association, the groups lined up in support for Clinton's Health Security Act.

``These physicians here represent over 300,000 American physicians,'' the president said. ``They know if we're ever going to control the cost of health care...we simply have to have universal coverage.''

Clinton spoke to the gathering as the maneuvering began in earnest on Capitol Hill for various alternatives to the massive plan drafted by the administration that is aimed at providing medical insurance to everyone, including the 37 million Americans now without it. Clinton's plan would offer a comprehensive package of benefits, with the nation's employer's bearing the lion's share of the costs.

The event also followed criticism of Clinton's plan by the AMA, which urged that alternatives be considered.

``The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship,'' the president said.

He also told the group he had just received a letter from the AMA, which he noted actually represents fewer than 300,000 doctors, that was meant to clarify their recently announced position. Clinton said the prestigious group had stated continuing support for universal coverage and employer mandates but again insisted ``other options should be considered'' for the funding necessary.

``And I appreciate that and I think we all should,'' Clinton said. ``I do not wish this debate in this coming year to become unduly partisan, both within the medical community or within the American political community.

``The truth is that all Americans have a common interest'' in getting the system fixed, he said.

Alternatives to Clinton's plan already abound, including one pushed Wednesday by the nation's governors that would provide universal access to affordable health care rather than Clinton's proposal for universal coverage.

Another popular alternative plan is a single-payer approach, which promises universal coverage while eliminating the role of insurance companies and giving the government control over prices.

Announcing support for the Clinton plan were: The American Academy of Family Physicians; American Academy of Pediatrics; American College of Obstetricians and Gynecologists; American College of Physicians; American College of Preventive Medicine; American Medical Women's Association; American Society of Internal Medicine; American Thoracic Society; National Medical Association and National Hispanic Medical Association.

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BC-HEALTH-BENEFITS

GROUP SEES BIG GAINS FOR INSURED IN HEALTH REFORM

WASHINGTON, Dec 16 (Reuter) - Many Americans with health insurance will see their benefits improve under President Clinton's health reform plan, according to a consumer group that advocates passage of the White House plan.

Families USA head Ron Pollack said the biggest gains will be in added insurance benefits for mental health, vision, dental care and prescription drugs.

Opponents to Clinton's plan say millions of Americans will pay more for health care benefits if Congress enacts the White House proposal. But the White House said most of those who would pay more are the young and healthy who will reap the benefits as they age.

According to the Families USA analysis, under Clinton's plan by 1998 some 54 million Americans who would otherwise be without health insurance will have it at least part of the year. Clinton's plan would bar insurers from dropping anyone due to health problems and from rejecting anyone for coverage.

``Insured Americans are big winners under the Clinton reform,'' Pollack said.

Also by 1998, Families USA said the Clinton plan would mean 53 million insured Americans would have better coverage for prescription drugs, 139 million would have better vision benefits and 31 million would not face being dropped from coverage due to health reasons.

The estimates assume that with enactment of Clinton's plan, 180 million Americans will have health care coverage through their employment in 1998.

The Families USA report did not count those on the government's Medicaid health care programme for the poor or who are currently uninsured.

An estimated 38.9 million Americans were without health insurance in 1992, according to the Employee Benefits Research Institute.

REUTER

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Clinton meets with Democratic leaders

WASHINGTON (UPI) House Speaker Thomas Foley said Thursday that President Clinton will deliver his State of the Union address on Jan. 25, the day Congress returns to Washington to begin tackling health care legislation.

Foley also said the health package will be the top priority of next year's legislative agenda and expects Congress to have the controversial legislation wrapped up by Labor Day.

The Washington Democrat said he expected there would be a lot of debate on health care reform where opposition is mounting among Republicans and some medical groups to block the administration's plan.

Asked about the congressional battles ahead, Clinton said it was ``fine'' to debate the issue but he will hold firm on two principles that a health care plan must be universal and include comprehenive benefits.

Foley also told reporters that he did not expect a vote on the successfully negotiated General Agreement on Tariffs and Trade until next summer.

House Democratic leader Richard Gephardt, D-Mo., indicated Thursday that GATT was more acceptable to him than the North American Free Trade Agreement, which he strongly opposed, parting company with the president who prevailed.

Clinton held the final get-together with the leaders before they depart for a long yuletide holiday with no business on Capitol Hill until the last week in January.

Meanwhile, the president has been reviewing the budgets of each cabinet department to close out final figures on the spending blueprint for the next fiscal year. Outgoing Defense Secretary Les Aspin was expected to meet Friday with Clinton and budget director Leon Panetta to make a final pitch to add $50 billion to the military budget.

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bc-aafp health-care 12-16

American Academy of Family Physicians Statement in Support of Health Care Reform

To: National Desk, Health Care Writer

Contact: Dr. Robert Graham of the American Academy of Family Physicians, 202-232-9033 or 816-333-9700, ext. 5100

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The American Academy of Family Physicians is a national medical specialty society representing over 74,000 members, including practicing family physicians, family practice residents, and medical students with a particular interest in pursuing a career in family medicine.

As doctors on the front lines of health care, family physicians are seriously concerned about the problems faced by people who don't have adequate health insurance coverage. This is why the AAFP has advocated comprehensive health system reform since 1989, and why the Academy's Board of Directors recently voted unanimous support for President's Clinton's Health Security Act as the starting point for reform.

The Health Security Act achieves all of the Academy's major principles for health reform, which are:

-- universal health insurance coverage through an employer mandate;

-- comprehensive benefits that emphasize primary and preventive care;

-- physician workforce initiatives that will achieve a balance between generalists and specialists;

-- maintenance of choice by patients and providers in regard to the health plans with which they wish to affiliate;

-- serious cost-containment through global budgeting.

Naturally, with any plan of this magnitude and complexity there will be areas where anyone can find room for improvement, and we are no exception. However, in comparison to the status quo, we believe that the President's plan clearly represents a positive change for both patients and providers.

We understand that passage of health system reform will be difficult, and we pledge the ongoing support of family physicians to secure legislative enactment in 1994 of the comprehensive healthy system reform that our citizens deserve.

Family practice is the medical specialty that attends to the health needs of persons without regards to age, gender, or organ system. Family physicians provide preventive as well as curative services in partnership with patients and their families. They are the successors to the general practitioners of the past. Family physicians are required to complete three years of residency training beyond medical school and sit for a national board certification exam. Formal recertification by examination is required every six years. ily

The American Academy of Family Physicians is headquartered in Kansas City, Mo.

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bc-nma health-care 12-16

National Medical Association Statement on Administration's Health Care Plan

To: National Desk, Health Care Writer

Contact: National Medical Association, 202-347-1895

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following is a statement issued by the National Medical Association.

The National Medical Association (NMA) enthusiastically supports President Clinton's call to health care reform. We stand with the President in insisting that the nation cannot afford further delay. With nearly a quarter of our population uninsured or underinsured, we must change the way health care is delivered and we must make those changes now.

We also applaud the President for his commitment to universal access and universal coverage. These are principles to which NMA has subscribed over its nearly 100 year history. We also endorse the six principles that provide the conceptual framework for the President's Health Security Act.

The President is to be commended for his invitation to the citizens of this nation to examine closely the specific mechanisms and policies through which these broad principles may be achieved. Considering the complexity of the issues and the enormity of their impact, we believe we must all be committed to let the best ideas prevail.

NMA is clear about its responsibilities in the discussion. We care first and foremost about our patients and our communities. We put our patients first 30 years ago when we fought for Medicare and Medicaid, and we are committed to them today. We also care about what happens to African Americans and other underrepresented minority health providers, who have often served the economically disadvantaged when there was no financial incentive to do so. We will work to ensure that there are adequate provisions (policies and funds) and to remove our tattered ``safety net''. We will also work to ensure that there are more -- not fewer -- minority providers who can continue to serve everyone, including those at risk.

NMA will be participating in every aspect of the decision-making process. We have made our positions known, and we will continue to do so, as the President's bill is analyzed and discussed. We are no less committed to involvement at the State level. As a convenor of a broad minority health care coalition, we will continue to encourage other organizations and coalitions to do the same.

We accept with great appreciation the challenge the President has put before us. NMA will work to bring about a reformed health care system that benefits us all. We will gladly commit ourselves to a crusade that culminates in equitable and accessible health care as an inalienable American right.

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bc-asim-health-plan 12-16

ASIM Statement in Support of Health Care Reform

To: National Desk, Health Care Writer

Contact: American Society of Internal Medicine, 202-835-2746

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following is a statement by American Society of Internal Medicine Executive Vice President Alan R. Nelson, M.D., on the need to pass comprehensive health system reform in 1994.

Since 1988, the American Society of Internal Medicine --representing the nation's largest physician specialty -- has worked toward the enactment of comprehensive reform to guarantee all Americans access to quality, affordable health care. We commend the President and Mrs. Clinton for their shared commitment to this goal. As do the Clintons, ASIM believes that the remaining hurdles that stand in the way of universal access must be overcome. Still, we realize that change is never easy.

As we move closer to the enactment of major changes in our health system, the chorus of nay-sayers grows louder. ASIM is concerned that the current fragile consensus for reform could be broken apart if cynicism continues to pervade the reform debate. To combat the cynics, ASIM continues to highlight -- to its members and the public -- the undeniable benefits of meaningful reform and the futility of clinging to the status quo.

ASIM agrees with the President that the time for positive change is now. That's why we strongly support the goals and most of the key elements of the President's blueprint for change, the Health Security Act. Like the President, ASIM believes that universal access is best achieved by requiring employers to contribute to the cost of their workers' health insurance. We also share the President's vision for a pluralistic system of health care delivery that spurs quality, cost-effective care through competition.

ASIM shares the President's desire to ensure choice in any reformed system -- allowing patients to choose their own physician and their own health plan. We also agree with the administration that any reformed system must free physicians and patients from the burdensome regulations and administrative hassles that all too often inhibit quality care.

As major providers of primary care, internists applaud the President's commitment to a reformed system that fairly and appropriately recognizes the role of the generalist physician. Through work force and payment reforms and a standard benefit package that emphasizes preventive services, ASIM believes the Health Security Act will greatly improve the status of the nation's primary care physicians.

To its credit, the administration has consistently shown a willingness to consider new ideas and approaches, and to amend its reform plan, when appropriate. While a legislative proposal of this magnitude will inevitably draw slings and arrows, the onus is on its critics to propose viable alternatives and pragmatic changes. For our part, ASIM will continue to accentuate the plan's positive elements, while proposing constructive alternatives to elements that we view with concern, such as proposed premium caps, Medicare cuts and insufficient malpractice relief.

Our nation is closer to the enactment of comprehensive health system reform than ever before. But like any marathon, the final miles are the hardest. ASIM strongly urges Congress to keep moving forward toward the finish line, to listen carefully to the concerns expressed by ASIM and other physician groups, and to enact reform legislation in 1994 that will once and for all guarantee affordable and quality health care to all Americans.

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bc-nhma health-care 12-16

National Hispanic Medical Association Statement in Support of Clinton Health Care Reform Plan

To: National Desk, Health Care Writer

Contact: Dr. Elena Rios of the National Hispanic Medical Association, 916-654-2827

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following is a statement issued by the National Hispanic Medical Association.

The ``HEALTH SECURITY ACT'' provides the greatest opportunity for universal health coverage and universal health access for the United States. We are especially hopeful about the Act's impact for Hispanic and underserved communities, because these communities currently have a crisis situation that will only become worse without reform. These areas lack health facilities, lack Hispanic physicians and providers, lack resources, and the population is predominantly low income without health insurance -- and all these issues are addressed by President Clinton's health reform plan.

Hispanics currently total 22 million and are 9 percent of the U.S. population. In 1989, there were 7.2 million Hispanics (39 percent) under the age of 65 who were uninsured -- three times higher than Non-Hispanic Whites and nearly twice that of African Americans. Between 1980 and 1990, the Hispanic community grew by 53 percent, the fastest growing minority group in the U.S., and by 2010 Hispanics will be the largest minority group in the U.S. Hispanics reside in the Southwest, Northeast, Florida, and Puerto Rico.

As a group of concerned Hispanic physicians, we have been actively working with President Clinton since he assumed the presidency and will continue to support his health reform efforts because we believe that our community has the most to gain from the Health Security Act compared to other Congressional proposals.

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HEALTH CARE WIRE REPORT

THURSDAY, DECEMBER 16, 1993

12:15 P.M. EDITION

Among the reports inside:

(No stories have been written on the NFIB)

White House Marshals Support From Doctors' Groups (AP)

Report: Insured Americans will see improvements in health care (UPI)

Doctors' groups statements of support (American College of Physicians, American College of Obstetricians and Gynecologists, American Thoracic Society, American Medical Women's Association)

PM-Clinton Health Reform, 1st Ld-Writethru, a0413,730
White House Marshals Support From Doctors' Groups
EDS: INSERTS 1 graf after 8th pvs, The White with impact on Medicare beneficiaries who keep working; picks up 9th graf pvs, The documents; will be topped after 11:30 a.m. EST White House event
By CHRISTOPHER CONNELL= Associated Press Writer=

WASHINGTON (AP) The American Medical Association may have misgivings about requiring employers to pay for health insurance, but the White House says 10 other doctors' groups with more than 300,000 members are supporting its reform proposals.

President Clinton, noting that almost 39 million Americans were without health insurance at some point last year, defended his insistence on universal coverage and comprehensive benefits. To Republican critics he asked Wednesday, ``What's your answer to the fact that the number of uninsured Americans is going up every single day?''

Clinton and his wife Hillary were staging a White House event today with leaders of 10 medical groups, including the major primary care organizations, that have been far more supportive of the Clinton Health Security Act than the AMA.

The groups are: the American Academy of Family Physicians; American Academy of Pediatrics; American College of Obstetricians and Gynecologists; American College of Physicians; American College of Preventive Medicine; American Medical Women's Association; American Society of Internal Medicine; American Thoracic Society; National Hispanic Medical Association and the National Medical Association.

The 296,000-member AMA, at a meeting in New Orleans last week, backed off on its support of a requirement that employers help pay for insurance a cornerstone of Clinton's proposal.

Meanwhile, Families USA, a liberal group working to promote passage of Clinton's plan, released a report today that catalogs what it called the major gains that millions of Americans would realize under the White House reform blueprint.

It said the bill would guarantee coverage for 54 million Americans by 1998 who would otherwise lose it or lack insurance entirely and provide new drug benefits for 53 million. By 2001, it said, 121 million people would gain dental coverage and 153 million would get new or expanded coverage for mental illness and treatment of substance abuse.

The White House released documents Wednesday indicating it expects 500,000 wealthy retirees to drop Medicare coverage for doctor bills because the Clinton plan would sharply raise their premiums.

The administration also assumes Medicare will save $28 billion through the year 2000 by requiring elderly workers to use their private health insurance from their jobs or from their spouse's job as their main coverage. Some 5.4 million Medicare beneficiaries would be affected by that.

The documents, which elaborate on the financial assumptions behind the president's proposal, also indicate the subsidies Clinton would provide to small businesses, poor people, the jobless and early retirees would cost $274 billion from 1995 to 2000.

And while the administration has promised help for the Veterans Affairs Department to upgrade its hospitals and clinics to attract more patients, the White House actually foresees no change in the number of veterans getting VA medical care.

He also would make upper-income retirees starting at $90,000 for an individual and $115,000 for a couple pay 75 percent of the costs of their Medicare Part B coverage for doctor bills and out-of-hospital expenses instead of 25 percent.

The budget document forecasts that Medicare will help pay for 1 billion prescriptions for 36 million elderly or disabled workers each year. But it also assumes ``that 500,000 high income beneficiaries would disenroll from Part B'' due to sharply higher premiums.

The documents also indicated:

Medicaid would save $51 billion from 1995 to 2000 by phasing out its so-called disproportionate share payments to hospitals serving large numbers of poor, uninsured people. The rationale is that under universal coverage, the hospitals will no longer have to provide so much charity care.

The government would raise $7.3 billion in extra Medicare payroll taxes by requiring all state and local government workers to pay the tax.

Three million disabled people would qualify for new home- and community-based care. The state-run program would be phased in over several years and provide services worth almost $11,000 a year on average. Severely mentally retarded people living outside institutions could get help worth more than $31,000 each.

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Report: Insured Americans will see improvements in health care

WASHINGTON (UPI) A consumer group advocating health care reform said Thursday most Americans who now have health insurance will obtain improved benefits under President Clinton's health care proposal.

Families USA, basing its report on government data, said improvements will be seen in coverage for dental, vision, prescription drugs, long- term care, and treatment for mental illness and substance abuse.

Families USA Executive Director Ron Pollack said insured Americans also will receive better protection against insurance company discrimination under Clinton's plan.

The report said 35 million insured people will gain new or improved coverage for prescription drugs by 1998, while 121 million people will obtain dental benefits by 2001.

The report also said 139 million will gain new or improved vision protection by 1998, 153 million will gain improved benefits for mental illness and substance abuse treatment by 2001, and 2.6 million will be eligible to receive new long-term care services at home by 2003.

Families USA also said 37 million people will have lower deductibles and copayments by 2001, and 31 million people will benefit from protection against insurance company discrimination.

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PM-NH- Health Care,110
N.H. Coalition Releases Report Praising Clinton Plan
ndkpatstho

CONCORD, N.H. (AP) A coalition of groups supporting President Clinton's health care reform plan touted a national report today that says the plan will help millions.

The New Hampshire Health Care Coalition said the report by the Washington-based Families USA Foundation, ``Better Benefits,'' supports its position in favor of the plan.

At a news conference held by the coalition Thursday, U.S. Rep. Dick Swett, D-N.H., reiterated his support for Clinton's proposal.

Swett said he will be holding town meetings through February to rally public opinion in favor of the plan.

Critics have said the Clinton plan is too bureaucratic.

But Steve Gorin, who heads the coalition, disagreed.

``I think there's nothing more bureaucratic than the current system,'' Gorin said.

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bc-acp health-care 12-16

American College of Physicians Statement in Support of Clinton Health Care Plan

To: National Desk, Health Care Writer

Contact: Kathleen Haddad of the American College of Physicians, 202-393-1650

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following is a statement by the American College of Physicians, the nation's largest medical specialty society.

The non-negotiable goal of health care reform is security of health coverage for all Americans. Everyone must have access to the medical care they need, when they need it.

The Health Security Act accomplishes this goal because it guarantees pluralistic financing through an employer mandate.

All alternative proposals must be put through the same tough test: Will they guarantee comprehensive universal coverage by guaranteeing adequate equitable financing from all sectors of society? Only the Health Security Act meets this test.

The American College of Physicians, which represents 80,000 physicians practicing internal medicine, reaffirms its unqualified support for an employer mandate as the means for achieving universal coverage.

The employer mandate builds on our existing system; most Americans currently get health coverage through their employers.

The employer mandate approach evens the competitive playing field for employers.

And this approach is the most equitable one because it distributes costs among all the sectors of our economy -- employers; individuals, who participate in cost-sharing; and the government, which would continue to finance care for the poor.

The American College of Physicians is committed to passage of comprehensive health care reform legislation in 1994. We will work with the President and Congress to that end. Like others, we have questions about certain components of such a complex proposal. If we all keep our eye on the goal of health security for all, then specific issues on which there are differences of approach will be resolved.

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bc-acog-health-plan 12-16

ACOG Statement in Support of President and Health Care Reform

To: National Desk, Health Care Writer

Contact: Penny Murphy or Alice Kirkman of the American College of Obstetricians and Gynecologists, 202-484-3321

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following was issued today by the American College of Obstetricians and Gynecologists.

STATEMENT IN SUPPORT OF THE PRESIDENT AND HEALTH CARE REFORM

by Richard S. Hollis, MD, FACOG

The American College of Obstetricians and Gynecologists (ACOG), representing over 33,000 physicians who provide women's health care, commends the President and Mrs. Clinton for their commitment to better health care in the United States. Recognizing that the interests we share with the President outweigh our differences, the College pledges to work with the President to pass the major provisions of the Health Security Act.

The shared goals that bring us together include providing affordable health care to all Americans, strengthening access to primary care -- particularly for our underserved populations, and improving coverage of reproductive and maternity care, which will benefit the lives of all American women and their children.

We physicians and the President must work together, if we are to improve health care coverage and enhance the quality of care that patients receive. We must not lose sight of our shared objectives, and of the major provisions of S. 1757 and H.R. 3600 that will make our goals a reality. They include:

Universal access to health care, achieved through an employer-mandate.

Improved coverage of preventive health services. For women, this means wider access to maternity care and to clinical services important to the early detection and treatment of conditions like cervical and breast cancer -- a major step forward.

More primary care for more Americans. The bill promotes not only better coverage, but also the training of more primary care doctors -- which includes obstetrician-gynecologists, who serve as the primary physicians for many American women today.

Federal tort reform. We applaud President Clinton for recognizing that the federal government needs to take the lead on reforming medical malpractice laws. The College will work to strengthen and expand the bill in this area.

As the Health Security Act moves through Congress, the College will strive to improve those provisions in this 1300-page bill with which we disagree. Today, we want to emphasize our commitment to comprehensive reform. The College looks forward to working with the President to help ensure the enactment of the major components of the Health Security Act.

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bc-ats-health-plan 12-16

ATS Statement in Support of Clinton Health Plan

To: National Desk, Health Care Writer

Contact: Diane Maple of the American Lung Association, 202-785-3355

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following statement was issued by the American Thoracic Society.

The American Thoracic Society applauds President Clinton and Hillary Rodham Clinton for putting forth a plan to reform and revitalize the nation's health care delivery system. The scope of the plan is quite comprehensive, anticipating needs in patient access to care, medical education, biomedical and health services research and cooperation with academic health centers, as well as focusing on ways to pay for health insurance for part-time workers, employees of small businesses, and dependent students living away from home. It is one of the only health care plans on the table today that truly guarantees universal coverage for all Americans.

The American Thoracic Society (ATS) is a professional organization of over 11,000 physicians, scientists, nurses, and other health care professionals who specialize in pulmonary medicine and lung-related research. The ATS also serves as the medical section of the American Lung Association.

The American Thoracic Society, in conjunction with the American Lung Association, will continuing working with the Clinton Adminsitration and Congress to assure that the nation's new, reformed health care system will adequately meets the needs of people with chronic lung disease.

POINTS OF AGREEMENT:

-- UNIVERSAL COVERAGE. ALA/ATS position supports and the Clinton Plan ensures universal coverage for all citizens and legal residents of the United States, regardless of employment status, health status, or ability to pay. Pre-existing condition clauses and waiting periods are prohibited.

-- BASIC BENEFITS. ALA/ATS position supports and the Clinton Plan ensures that all eligible individuals will have access to the same basic benefits package that includes preventive, acute, chronic, and rehabilitative care.

-- QUALITY OF CARE. ALA/ATS position supports and the Clinton Plan ensures high quality and appropriateness of care.

-- EMPLOYER MANDATE. ALA/ATS position supports and the Clinton Plan requires employers to provide benefits to all workers and workers' dependents. Subsidies must be provided to small employers and low- income employees to ensure coverage.

-- ADMINISTRATIVE PROCESSES. ALA/ATS position supports and the Clinton Plan provides for simplification of administrative processes to facilitate patient access to care.

-- PRIMARY CARE/SPECIALTY CARE. ALA/ATS position supports and the Clinton Plan provides for appropriate distribution between primary care and specialty providers, as well as more equitable geographical distribution of providers.

-- INDIVIDUAL RESPONSIBILITY. ALA/ATS position supports and the Clinton Plan provides emphasis on an individual's responsibility to maintain a healthy life style.

-- COST SHARING. ALA/ATS position supports and the Clinton Plan provides for sharing the costs of health care reform over a broad base.

-- COST CONTAINMENT. ALA/ATS position supports and the Clinton Plan endorses cost containment mechanisms to hold down current costs and restrain future health care costs.

Please call Diane Maple at 202-785-3355 for more information or to set up an interview with any of the following:

Jimmie T. Sylvester, M.D., ATS President

Alfred Munzer, M.D., ALA President

James P. Baker, M.D., Chair, ALA/ATS Health Policy Task

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·bc-amwa-health-plan 12-16

American Medical Women's Association Statement in Support of Health Care Reform

To: National Desk, Health Care Writer

Contact: Sheri Singer of the American Medical Women's Association, 703-838-0500

WASHINGTON, Dec. 16 /U.S. Newswire/ -- The following statement was issued by the American Medical Women's Association.

The American Medical Women's Association (AMWA), representing 13,000 women physicians and medical students across the country, applauds the historic effort by President Clinton and Hillary Rodham Clinton to reform our nation's health care system and is proud to offer its support of the American Health Security Act. This legislation is a testament to the Administration's spirit of collaboration with groups such as AMWA, and its commitment to assuring the best possible health care for the American public.

AMWA was founded in 1915 to support women in medicine and to promote women's health. AMWA members practice in all medical specialties and settings. Above all, AMWA is committed to ensuring that the needs of women patients are met under health care reform.

The Clinton plan promotes women's health in the following crucial ways:

Universal Coverage

Women are particularly vulnerable under the current health care system because they earn less than men, make up the majority of the part-time work force, and are more likely than men to be insured through their spouses -- leaving them to a loss of coverage not only if they themselves become unemployed, but also if they divorce or are widowed, or if a spouse becomes unemployed. Nearly 12 million women have no health insurance of any kind. Furthermore, women are the primary caregivers to our nation's children and dependent elderly, often fulfilling this role alone. The Clinton plan's fundamental commitment to universal coverage, supported by mandated employer benefits, is essential to providing women and their families with the health security all Americans need and deserve throughout the course of their lives.

Basic Benefits Package

By guaranteeing a specific, comprehensive benefits package, the Clinton plan assures quality health care no matter where a patient lives, or how much she earns. The Clinton plan's coverage of a full range of preventive and primary care services for women takes crucial steps toward curtailing the major killers of American women, such as heart disease; lung, breast and cervical cancers; and HIV/AIDS. Of particular note is the plan's recognition of the full range of women's reproductive health needs, including abortion. And by including contraception and family planning among the list of covered services, the Clinton plan takes significant action toward diminishing the need for abortion care.

Improved Physician Autonomy

By easing the current health care system's burden of paperwork and bureaucratic oversight, health professionals will be better equipped to do what they do best: provide quality care to patients. When physicians have the freedom -- and indeed, the mandate -- to cultivate better communication with their patients in order to deliver better preventive care, they can begin asking the important, sometimes difficult questions which are vital to women's health, from inquiries about nutrition, exercise, and tobacco use, to sexual abuse, domestic violence, and unsafe sexual behaviors. In addition, the Clinton plan also offers states the opportunity to explore a variety of implementation plans. Just as one physician may not be right for all patients, one administrative mechanism may not be right for all regions of the country.

Increase in Primary Care Providers

The current health care system's incentives toward medical specialization not only inflate costs -- they also perpetuate fragmented care and neglect of the preventive health needs of patients, particularly women. By defraying the

student loan burden of those physicians who commit to primary care practices, the Clinton plan takes dramatic action to improve comprehensive health care for women patients. And under the proposal, that health care will be more accessible to women by including community- and home-based services.

Enhanced Tracking of Health Care Outcomes

The Clinton plan puts forward a definitive mechanism for assessing the quality of health care delivery around the nation. As the scientific community, Congress, and patients themselves are finally acknowledging the cumulative damage done by historic neglect of women's health concerns, the Administration's proposal helps ensure that the patient care mistakes of the past will not be repeated. Women physicians welcome the opportunity to serve on the National Health Board and related bodies in order to assure that appropriate outcomes data are assembled -- ensuring improved health care for women.

President Clinton and Hillary Rodham Clinton have provided the Congress and the American people with an historic opportunity for fundamental change. Their dedication to addressing the diverse needs of all patients, regardless of age, gender, socioeconomic circumstances, or employment status, has shaped and sustained the health care reform process from its inception.

The nation's women physicians look forward to playing a leading role in promoting the American Health Security Act's core principles, and in securing for American women and their families the health care they deserve.

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/U.S. Newswire 202-347-2770/

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BC-HEALTH-1 national editors:WA
1994 should be the year of health-care reform
(First of four)
(GRAPHICS; details below.)
(HAS TRIMS)
By R.A. Zaldivar
Knight-Ridder Newspapers

WASHINGTON For U.S. consumers outraged at high medical costs, dismayed over shrinking insurance benefits and fearful of losing coverage altogether, 1994 stands to be the year of health-care reform.

As Congress prepares to confront the social policy challenge of a generation, lawmakers face a single fundamental question: whether to guarantee all Americans the right to comprehensive health-care coverage.

The answer will determine the cost of reform, whether new taxes are needed, the level of government control of the health-care system in short, just about everything.

Liberals have sought to establish a right to health care for nearly 60 years, only to be thwarted by the medical lobby, insurance companies and business. This time it won't be any easier.

``Getting to universal coverage is not a foreordained conclusion,'' first lady Hillary Rodham Clinton said. ``And if we don't get there, then we don't have health reform.''

But others don't see the need to rush.

Rep. Jim Cooper, D-Tenn., leader of a group of moderate House Democrats and Republicans, argues that a gradual approach to insurance coverage is better, because it would allow the government to pinpoint the chronically uninsured and tailor a program to help them.

``Let's aim before we shoot,'' Cooper said.

To help consumers sort through the thicket of reform plans, Knight-Ridder's Washington Bureau has prepared a series of reports examining how major health-care proposals address key issues, beginning with coverage and benefits. Additional articles deal with the choice of doctors, costs and financing.

Knight-Ridder compared six plans before Congress that offer a full range of options.

The plans address the question of coverage for all very differently. Some respond with an emphatic ``yes,'' others say ``not now,'' and still others answer ``perhaps with time.''

``Despite surface allegiance to the goal of universal coverage, Congress isn't even close to a deal on how to pay for it,'' said Drew Altman, president of the Henry J. Kaiser Family Foundation, a health-care philanthropy based in Menlo Park, Calif.

Coverage for all is not the whole equation. The value of any insurance coverage depends largely on what benefits are included in the policy.

Some of the reform plans would sidestep the benefits question by delegating a commission to devise a package. Others would promote low-cost insurance for catastrophic illnesses.

``Consumers should be running through a checklist of the types of protection they want,'' said Gail Shearer, a Washington-based health policy specialist with Consumers Union, publishers of Consumer Reports.

If the major proposals were arranged on a ladder, the plan introduced by Rep. Jim McDermott, D-Wash., would sit on the top rung as far as coverage and benefits.

Modeled after the Canada's system, McDermott's plan would guarantee insurance for everyone by 1995, but would do it by virtually abolishing the private health insurance industry and putting the government in charge.

The McDermott plan, also known as the single-payer bill, offers the most comprehensive benefits. It is the only plan that provides nursing home benefits, for example.

But its very generosity also could be its weakness.

``A nursing home benefit is extremely expensive, and including it makes (single-payer) a very different animal,'' said Ed Howard, director of the Alliance for Health Reform, a Washington educational organization. ``It's far more generous, and far more difficult to enact.''

President Clinton's plan would come next. It guarantees coverage for all by 1998 and offers a package of benefits close to what major companies provide.

(EDITORS: NEXT GRAF OPTIONAL)

Some critics think Clinton is offering too much. He would establish a new program of home and community-based care for the severely disabled, provide prescription drug coverage for Medicare beneficiaries, and pick up most of the health insurance costs for early retirees.

(END OPTIONAL TRIM)

Under Clinton's plan, nearly half of households would pay more for insurance most of them for better benefits. All employers also would be required to pay for health care.

The conservative approach to universal coverage is embodied in a plan by Sen. Don Nickles, R-Okla. Financed through tax credits, it would require all Americans to carry at minimum insurance for catastrophic illnesses by 1997.

Nickles says his plan is a low-cost, no-frills way to achieve insurance for everyone.

``Everybody can handle the $100 or $200 medical bills,'' Nickles said. ``What most people can't handle is the catastrophic accident that leaves you a quadriplegic.''

But critics say catastrophic insurance discourages people from seeking treatment in the early stages of an illness.

``To me, universal coverage is a kind of a combination  covering all the people and providing them with a meaningful benefit,'' said Diane Rowland a Kaiser Foundation vice president. ``I don't think you have to be as comprehensive as Clinton, but you have to be somewhere in the ballpark.''

Other proposals by Sen. John H. Chafee, R-R.I.; Rep. Jim Cooper, D-Tenn.; and Rep. Robert H. Michel, R-Ill. would help millions of uninsured people get health care.

But they either would make coverage for all conditional on getting savings in government health-care programs, or leave the problem to be resolved later.

(EDITORS: NEXT GRAF OPTIONAL)

That approach would appeal to Americans who believe the government has no business requiring that everyone have health-care insurance.

``We are not living in a socialistic republic,'' said Richard Hartwell, 58, of Lake Mary, Fla., a medical equipment salesman. ``To have a major overhaul of the system to deal with 15 percent of the population that is uninsured does not seem to me like good economics.''

(END OPTIONAL TRIM)

Chafee's plan would stretch the time frame for achieving insurance for everyone to the year 2005 through three presidential elections. Like Nickles, he would require individuals to get their own insurance, but only if the federal government can save enough money to subsidize premiums for all low-income people.

``We have to be very careful about adding new open-ended spending programs,'' Chafee said. Long-term care benefits, Medicare prescriptions and coverage for early retirees are ``costly obligations we cannot afford.''

Chafee's plan would leave the design of the benefit package to an expert commission, working under broad guidance from Congress. To have lawmakers do it is ``the ultimate form of micromanagement and it should be avoided,'' he said. Cooper's plan also calls for a commission.

(EDITORS: NEXT GRAF OPTIONAL)

Mrs. Clinton counters that spelling out the benefits means consumers will know exactly what they're getting.

-END-OF-AUTOTAKE(1)-

-AUTOTAKE(2)-FOLLOWS

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BC-HEALTH-2 national editors:WA
A look at tradeoffs in health-care reform issues of insurance, benefits
(Second of four)
(GRAPHICS; details below)
By Robert S. Boyd
Knight-Ridder Newspapers

WASHINGTON The first question most people ask about health-care reform is: Can I keep my doctor?

The answer depends on which if any reform plan Congress passes in 1994.

There are 460 health bills kicking around Capitol Hill, including the president's 1,342-page Health Security Act. They differ considerably on how you would get and pay for medical care.

Some proposals would give you totally free choice of doctor or health plan. Others would let you pick your care-giver freely, but charge you more for the privilege. Still others, to save money, would allow employers to limit their workers' choices.

Freedom of choice is only one of the major questions facing Congress when it takes up health-care reform in January.

The problem is not the quality of U.S. medicine, which generally is acknowledged to be the best in the world. It is the delivery system the way you get and pay for care which is enormously complicated, inefficient, wasteful and full of holes.

``The science of medicine has changed drastically since the 1940s, but we continue to deliver health care in this country in the same organizational structure that we used 50 years ago,'' says George Halvorson, chief executive of HealthPartners, a large Minnesota medical plan.

Ira Magaziner, lead architect of Clinton's health-care reform proposal, says 1,000 of the smartest people in the world couldn't invent a more cumbersome health-care system than the United States has today.

The federal government runs six separate health-care programs each with its own set of rules for the elderly, the poor, the military, veterans, Native Americans and Civil Service employees. And there are more than 1,400 private insurance companies selling individual and group health policies.

Nevertheless, 37 million Americans remain uninsured and millions more have inadequate protection.

Amid the welter of health-care reform proposals, there are six major approaches from which Congress can choose. Some would bring about major change; others only tinker around the edges.

The most revolutionary approach is a Canadian-style plan sponsored by Rep. Jim McDermott, D-Wash, that virtually would abolish the private insurance industry and have the federal government provide coverage.

The most conservative plans are those proposed by House Republican leader Robert H. Michel, R-Ill., and by Sen. Don Nickles, R-Okla.; their plans would leave intact most of the present system.

In the middle are Clinton's proposal, a plan sponsored by a bipartisan group of moderates headed by Rep. Jim Cooper, D-Tenn., and another offered by moderate Republicans associated with Sen. John H. Chafee, R-R.I. To varying degrees, they would revamp the current system to make insurance more available.

There are three basic ways to deliver health care:

By the government, as in England and Canada.

By the private sector, as it mostly used to be in this country before the creation of Medicare and Medicaid in the 1960s.

By a mixed public-private system such as we have now.

Only the McDermott Canadian-style plan would go the big government route. Every citizen would be entitled to ``free'' health care financed by taxes instead of by private insurance premiums. States would administer the system under federal rules.

Since the government pays all the bills, patients could go to any doctor at no extra charge.

· Such a system would be simple, fair and efficient. But it might put a politically unacceptable burden on the tax system, and it would rely on government price controls, and perhaps rationing, to contain costs.

The other approaches encourage but do not compel people to sign up for managed care plans, like health maintenance organizations, which cost less if you use a doctor who belongs to the HMO. But they all allow free choice of doctor at a higher price.

Michel's plan offers insurance reforms and tax breaks for health expenses but otherwise would leave the existing system much as it is. Nickles would replace employer-provided health insurance with tax credits to offset individual insurance premiums and out-of-pocket medical expenses.

The principal innovation of these Republican plans is a tax-free Medical Savings Account like an IRA which an individual could use to pay medical expenses.

Clinton, Cooper and Chafee take a middle path. They would expand employer-sponsored private insurance to cover the uninsured. Clinton wants universal coverage by 1998, the others would reach it over time.

To hold down costs, the three centrist plans rely primarily on market forces, setting up networks of doctors, hospitals and insurers to compete for customers on the basis of price and quality. In addition, Clinton would hold price controls in reserve in case competition didn't work.

Clinton would administer his program through giant regional health alliances, one or more per state, that would bargain with doctors and hospitals for care. Cooper and Chafee would make insurance more available by creating voluntary purchasing co-ops.

X X X

REGULATIONS:

Health care today no longer is a model of free enterprise. A haphazard patchwork of rules created by federal and state governments, insurance companies and employers already alters traditional relationships between doctors, hospitals and patients.

The spread of HMOs is accelerating the trend toward third-party interference in medicine.

Clinton's plan would add even more layers of regulation: a National Health Board to set benefits and budgets, plus more than 100 appointed boards to run the regional alliances, plus 50 state agencies to certify thousands of local health plans. If a state failed to meet federal standards, Washington would have power to take over its system and tax its employers to pay for it.

Cooper and Chafee go easier on regulation. Each would set up a national commission to define a standard set of benefits. But they would rely on voluntary insurance purchasing cooperatives, such as many states are already organizing.

Michel and Nickles oppose government regulation, and would let competitive market forces bring about reform.

McDermott's plan nationalizes the financing of health care, but leaves the regulation up to the states.

X X X

INSURANCE RULES:

The private health insurance industry has been criticized widely for denying coverage to those who need it most. All the reform plans would do something about this problem. They also provide subsidies or tax breaks to help poor people buy insurance.

McDermott simply would replace private health insurance with government insurance. The only role left for commercial firms would be to sell supplementary benefits not offered by the government. States also could hire insurance companies to process claims.

-END-OF-AUTOTAKE(1)-

-AUTOTAKE(2)-FOLLOWS

**** filed by:KR-F(--) on 12/15/93 at 18:51EST ****

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PM-SD--Miller-Health, 1st Ld Writethru,470
Eds: Adds details of commission's proposals
Miller Says His Health Plan Won't Be Like Clinton's
mkbctwmosdsio

SIOUX FALLS, S.D. (AP) Gov. Walter D. Miller said he plans to introduce several health-care reform bills in the 1994 Legislature but his reform plan will be much different than the one offered by President Clinton.

Miller traveled to Sioux Falls Wednesday to pick up a report from the state Health Care Advisory Commission, which studied the Clinton plan and its possible impact on South Dakota.

``I think that they have sensed...the people of South Dakota have not accepted the so-called proposed Clinton plan carte blanche,'' Miller said. ``I think there are some thing that need to be looked at, and I was very pleased with what they reported.''

The governor said he liked ideas such as allowing workers to transfer their health insurance when changing jobs and encouraging people to join large groups to buy health insurance. But Miller said he opposed plans to require businesses to pay a portion of health insurance costs or measures that would require new taxes.

The commission gave the governor a list of 17 bills they would like to have introduced in the legislative session. Among its suggestions:

Reimbursing medical school tuition to doctors practicing in rural South Dakota.

Penalizing doctors who accept scholarship money and agree to practice in rural areas but don't.

Expanding telecommunications for health-care professionals so doctors or other medical practicioners in small towns can get input from doctors or other specialists in large medical centers.

Requiring doctors to post their fees.

Letting people not eligible for group coverage form cooperatives to buy coverage.

South Dakota Democrats on Tuesday proposed creating a South Dakota Health Authority to study the state's health-care needs and help write a state reform plan. The Democrats said they hoped to garner bipartisan support for the idea, but they did not get any support from Miller.

``We already have a South Dakota Advisory Health Commission which I think can offer all of the assistance and all of the technical advice and other suggestions that we need,'' Miller said.

Miller said a state health authority would be the first step toward extensive government control of the health care system.

``If we want to play into the hands of a federal manipulated, managed health care system ... that's the first step we ought to take is create a South Dakota Health Authority board,'' Miller said.

``I disagree with that. I think it would be very expensive, and I don't think it's in the best interest of the people of South Dakota to have the federal government manage and manipulate our health care program.''

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**** printed by:WHPR(MMIL) on 12/16/93 at 11:55EST ****

THE WHITE HOUSE
WASHINGTON

Dec. 16

House Ways & Means
10am - ~~bobt~~ health care
cost containment
Stuart Altman
1100 Longworth

Shalala -
health care reform to
Gen. physicians
Georg. medical center

moved
10am. - Families USA
N. Press Club
Lisagor Room

repeat
- 1st data on the number of
insured Americans by the Clinton
benefits under the Clinton plan

+U.S. HOUSE OF REPRESENTATIVES - WEEKAHEAD+
+ THURSDAY, DECEMBER 16, 1993 +
UNITED PRESS INTERNATIONAL - FEDERAL NEWS SERVICE

10:00 am EVENT: HOUSE WAYS AND MEANS COMMITTEE meeting SUBJECT: Holds hearing on health care cost containment. LOCATION: 1100 Longworth December 16 CONTACT: 202-225-1721

**** filed by:UPI-(--) on 12/13/93 at 05:20EST ****
**** printed by:WHPR(MMIL) on 12/13/93 at 11:16EST ****

OFFICE OF NEWS ANALYSIS

MORNING NEWS SUMMARY

Room 160 OEOB, Ext 7151

Friday, Dec. 17, 1993

HEALTH CARE -- Yesterday, the President announced the support of 10 doctors' groups for the basics of his health reform plan "in an attempt to counter recent criticism" by the AMA. (WP) USA Today's Judy Keen and Judi Hasson reported that the President "flaunted the support of ten groups," sending an "in-your-face message" to the AMA. The New York Times's Robert Pear reported that representatives from the groups appeared on stage with the President "to express support for his health care plan and underline their differences" with the AMA.

The groups included the American Academy of Family Physicians and the American Academy of Pediatrics. (WP) Since the AMA voted not to support an employer mandate, it has attempted to reassure the White House that it still supports universal coverage. (WP) Yesterday, the President read a letter from AMA Exec. Vice President Todd that said, "We believe that (the policy change) -- which should not be construed as 'backing off' the employer-required insurance -- is more flexible than our earlier position." (WP) However, the President did not read the entire letter, which also defined "significant disagreements," such as "excessive" government regulation, "the lack of protection of the physician's role in decision-making" and the absence of "meaningful liability reform." (USA Today)

The Congressional Budget Office has determined that a single-payer, Canadian-style health care system would reduce annual medical spending by $114 billion by 2003. (WP) The New York Times's Robert Pear reported that the savings could be as low as $70 billion or as high as $292 billion, depending on how high a national limit on health spending was set. The Washington Post's Dana Priest reported that, "Of all the CBO plans to analyze in the coming months, the single-payer legislation is likely to be the one to show the greatest overall cost savings, as it did when the CBO last studied a similar array of bills." Rep. McDermott (D-Wa.) said, "The single-payer system is the most cost-efficient way to deliver health care. We can provide the most generous package of benefits and preserve the right of choice of health care providers while saving substantial amounts." (NYT)

Also Yesterday, the American Nurses Association Board of Directors voted to "enthusiastically support" the President's plan. (WP)

A new NBC News poll indicated that 47% of Americans support the healthplan, while 32% oppose it. (NBC) Sixty-five percent said they favor employer mandates to pay for health care. (NBC) However, only 13% cited health care as a major concern, behind crime, education and employment. (NBC) NBC also reported that an independent study showed that the plan would cost 17% higher than reported by the Administration.

10 Doctors' Groups Endorse Clinton's Health Plan

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Dec. 16 — Leaders of 10 doctors' organizations appeared on stage with President Clinton today to express support for his health care plan and underline their differences with the American Medical Association, which has objected to many elements of it.

Obstetricians, pediatricians, family doctors, internists, specialists in preventive medicine and spokesmen for groups representing black doctors and Hispanic doctors said they endorsed Mr. Clinton's plan, including one of its most hotly debated features: a requirement that employers buy health insurance for their workers.

The event, at the Old Executive Office Building, next to the White House, was organized by Clinton aides to inject new life into the campaign for Congressional passage of the bill, the most ambitious piece of social legislation proposed by any President in half a century.

Republicans and conservative Democrats have been pecking away at the Clinton plan, endorsing the President's goal of universal health insurance coverage while complaining that his proposal relies far too much on a complex, untested Federal regulatory apparatus.

Last week the American Medical Association urged Congress to consider alternatives to Mr. Clinton's proposed employer mandate, the requirement that all employers buy health insurance for their employees. Mr. Clinton said today that the 10 doctors' groups supporting his plan represented more than 300,000 physicians, slightly more than the 296,600 members that the A.M.A. claims as of the end of last month.

Surrounded by doctors, Mr. Clinton said, "The presence of these physicians here debunks the notion that the plan we have presented is some sort of big-government bureaucratic plan that erodes the doctor-patient relationship."

As the doctors gathered here, the Congressional Budget Office today predicted significant savings from a rival proposal under which the Federal Government would raise the revenue to pay most medical bills, virtually eliminating private health insurance. The budget office said this proposal for a "single payer" program of national health insurance would save money over the seven-year period from 1997 through 2003.

Federal outlays for health care would rise sharply, but private spending would decline more sharply, and the total of all health spending would be less than projected under current law, the budget office said. The savings, it said, could be as low as $70 billion or as high as $292 billion, depending on how high a national limit on health spending was set. That would amount to a saving of 0.6 percent to 2.6 percent of the total amount that would otherwise be spent.

The single-payer bill, drafted by Representatives Jim McDermott of Washington and John Conyers Jr. of Michigan, both Democrats, with 90 co-sponsors, seeks to control health costs with a national budget and fee schedules.

"This confirms what we've been saying," Mr. McDermott declared. "The single-payer system is the most cost-efficient way to deliver health care. We can provide the most generous package of benefits and preserve the right of choice of health care providers while saving substantial amounts."

No Estimate on Clinton Plan

The budget office has not yet issued an estimate of the cost of Mr. Clinton's proposal.

On Tuesday, Representative Newt Gingrich of Georgia, the House Republican whip, said the Clinton proposal would lead to too much central planning and could bring "socialism" in the health care system. Mr. Clinton made light of that criticism today after listening to some of his supporters from the ranks of medicine.

"When I heard that Alabama accent and that Arkansas accent — we've got a doctor from rural Mississippi here and another one from North Carolina — I thought, 'These people do not look like a bunch of socialists to me,' " Mr. Clinton said.

Although the doctors supported Mr. Clinton's proposals for universal coverage, a standard package of health benefits and an employer mandate, some demurred on other details.

For example, Dr. Alan R. Nelson, executive vice president of the American Society of Internal Medicine, said his group objected to Mr. Clinton's proposal for substantial cuts in the projected growth of Medicare, the Federal program for 36 million elderly and disabled people. And while the internists support the idea of health spending goals, he said, they oppose Mr. Clinton's proposal to enforce a national budget for such spending through Federal regulation of health insurance premiums.

The Clinton plan would enhance the role and, in many cases, the incomes of family doctors and general practitioners, whose representatives supported it here today.

Dr. William H. Coleman of Scottsboro, Ala., president of the 74,000-member American Academy of Family Physicians, said his organization viewed the Clinton plan as "a starting point for health system reform."

The other groups supporting Mr. Clinton's effort are the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, the American College of Physicians, the American College of Preventive Medicine, the American Medical Women's Association, the American Society of Internal Medicine, the American Thoracic Society, the National Hispanic Medical Association and the National Medical Association, which represents black doctors.

THE NEW YORK TIMES, FRIDAY, DECEMBER 17, 1993

Medical groups join Clintons for health-care rally

By Judy Keen and Judi Hasson
USA TODAY

President Clinton on Thursday flaunted the support of 10 groups — representing 300,000 American physicians — for his health-care reform proposal.

At a carefully staged event, also attended by Hillary Rodham Clinton, the president sent an in-your-face message to the American Medical Association.

The politically potent AMA is balking at Clinton's call for employer-paid premiums and charges his plan would come between doctors and patients.

"The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship," Clinton said.

AP

TODD: 'Significant disagreements'

The 296,000-member AMA could cause big trouble in Congress for the financial underpinning of Clinton's plan — its mandate that employers pay 80% of workers' premiums.

So Clinton aides were determined to gather enough doctor groups — like the American Academy of Pediatrics, National Medical Association and American Society of Internal Medicine — so that their collective memberships surpassed the AMA's.

Clinton seemed to trump the AMA by announcing he'd received a letter from AMA executive vice president James Todd.

Todd, Clinton said, was "reaffirming the support of the AMA for universal coverage" and clarifying that the AMA is "not opposed to an employer mandate" but thinks "other options ... should be considered."

But Clinton did not read the entire letter, which also defines "significant disagreements" with Clinton's plan: "excessive" government regulation, "the lack of protection of the physician's role in medical decision-making" and the absence of "meaningful liability reform."

Todd adds, "The profession is united in seeking substantial change in your proposal in these three areas."

Ira Magaziner, Clinton's top health adviser, said the president wants employer-paid insurance because "we don't see how you get to universal coverage without it." Also Thursday:

▶ Sen. Robert Dole, R-Kan., said he doesn't think there's a health-care crisis.

▶ A Congressional Budget Office look at "single-payer" legislation said up to $292 billion could be saved from 1996-2003 with passage of such a Canadian-style, government-funded plan.

A jumbled show of support for Clintons' health reform

By Lee Bowman
SCRIPPS HOWARD NEWS SERVICE

President and Mrs. Clinton and their health reform allies sought to boost public support for his plan yesterday at events that also served to underscore the seemingly haphazard marketing of the program.

The president and Hillary Rodham Clinton hosted representatives of 10 physicians' organizations with combined membership of more than 300,000 at a ceremony at which the groups affirmed support for Mr. Clinton's requirement that all employers help pay for insurance.

Mr. Clinton said the presence of doctors representing such organizations as the American Academy of Pediatrics and the American College of Physicians "debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship."

The House of Delegates of the 296,000-member American Medical Association, meeting in New Orleans last week, refused to reaffirm its support for such a mandate, saying that other options to ensure all Americans get health coverage should also be considered. Delegates also criticized other aspects of the Clinton plan.

Mr. Clinton said yesterday he "appreciates" the AMA's desire to consider other ways to pay for coverage for all "and I think we all should."

He also expressed hope "at this holiday season" that "we could do away with the destructive and counterproductive labels."

Not all the physicians groups at yesterday's White House session have fully endorsed Mr. Clinton's proposal, but they have called it an improvement over current health insurance coverage.

Most of the participants in yesterday's session had first attempted to counterweight the AMA's action during a Washington news conference Tuesday. It got little attention because a health benefits think tank had scheduled a briefing on new estimates of how many Americans are uninsured at the same time.

Undaunted, the White House scheduled a repeat performance.

But yesterday's get-together was held virtually at the same time another pro-Clinton health reform group, Families USA, released a report showing many Americans who already have insurance would get improved benefits under the president's proposal.

It was the latest evidence of disorganization in the White House "health care delivery room" — a task force of aides who are supposed to be coordinating a national campaign to explain the president's plan to the American public and win approval by Congress.

New York lawyer Harold Ickes has been asked to coordinate the effort, but has so far balked, according to some White House aides, because he fears his role would be too narrow and that he would remain subordinate to senior health adviser Ira Magaziner.

The lack of coordination on the health issue has been demonstrated several times in recent weeks:

- The White House declined to send Mr. Clinton or a surrogate to New Orleans to address the AMA delegates.
- White House officials were slow to react last week to a study issued by the health consulting firm Lewin-VHI, which essentially confirmed that Mr. Clinton's oft-attacked financing system for health care will work as promised.
- After weeks of being berated by Republican (and some Democratic) lawmakers for not providing details about the underlying assumptions of the health plan's financing, administration officials began distributing the information to some members late last week. But despite Mr. Clinton's insistance that he doesn't want to "partisanize" health reform, Republicans didn't get the material until Wednesday.

White House aides admit there have been "some dropped balls" since Mr. Clinton laid out his principles for health care reform to Congress and the nation Sept. 22.

Washington Times - 12/17/93

10 Doctors' Groups Rally for Clinton Health Plan

■ Medicine: President counters AMA dropping support for employer-mandated insurance. He gathers together other physician organizations.

By KAREN TUMULTY
TIMES STAFF WRITER

WASHINGTON—A week after the American Medical Assn. backed away from its support for a key element of the Administration's health care plan, President Clinton countered Thursday by gathering representatives of 10 doctors' organizations in support of the bill's basic goals.

The groups, with a combined membership of about 300,000, include various types of primary care doctors—those family doctors, pediatricians, gynecologists and other physicians to whom most people turn first when they need medical care. Under the Clinton proposal, the role of primary care in the health care system would be enhanced, while that of more specialized doctors would be de-emphasized.

The President commended the groups supporting his plan as doctors who "still know what it's like to deliver a baby in the middle of the night, or to get a call at daybreak from a mother whose child has a 102 fever, or to care for an asthmatic patient for whom every breath is a struggle."

"The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship," Clinton added.

Their endorsement also represented a badly needed boost for Clinton's reform plan, which suffered a setback last week when the AMA backed away from its support of a requirement that employers pay 80% of their workers' health insurance premiums.

Of the roughly half-dozen major health care reform proposals now before Congress, Clinton's is the only one that would put the burden of providing coverage on employers. Many business groups have said that it could be devastating for small firms.

Initially, the 296,000-member AMA endorsed an employer mandate. But after a rebellion by its conservative members at a meeting last week, the nation's largest doctors organization announced that it also might favor other means of achieving universal health coverage.

BERNIE BOSTON / Los Angeles Times

President addresses meeting of doctors' groups.

Another option, advanced by congressional Republicans, would make individuals responsible for having health insurance, just as states now require them to have automobile insurance.

The physicians groups assembled by Clinton Thursday did not give his plan their unqualified endorsement but praised its basic directions—including universal coverage, better reimbursement for preventive health care and its emphasis on primary care.

One who spoke in favor of the plan was Dr. Betty Lowe, the president of the American Academy of Pediatrics, who also had been Chelsea Clinton's doctor in Little Rock, Ark. She called it "the best vehicle proposed to date to achieve the kind of health care reform children need."

Other organizations represented were: the American Academy of Family Physicians, American College of Obstetricians and Gynecologists, American College of Physicians, American College of Preventive Medicine, American Medical Women's Assn., American Society of Internal Medicine, American Thoracic Society, National Medical Assn. and National Hispanic Medical Assn.

The Administration also released new details Thursday of how it would finance its health plan, including the fact that it would achieve $28 billion in savings by requiring older workers now covered by Medicare to get their primary health insurance from their employers.

Separately, a consumer group closely tied to the Clinton effort released a study indicating that the President's plan would by the year 2001 provide most insured Americans with health benefits in areas where they now lack them.

Among its findings: 53 million people would gain coverage for prescription drugs; 121 million for dental care; 139 million for vision care; 153 million for mental illness and substance abuse treatment.

It also estimated that 37 million people who now have private insurance would see their out-of-pocket medical costs reduced.

But there also were new signs of trouble for the Administration plan.

An analysis released Thursday by the House Ways and Means health subcommittee indicated that while about three-quarters of Americans expect health reform to mean higher taxes, slightly less than half are willing to pay those additional taxes.

Moreover, the support for additional taxes is on the decline, according to the polling data collected from various sources by Robert J. Blendon of the Harvard School of Public Health.

Lawmakers also say that their constituents are expressing strong doubts about the Clinton plan. Senate Minority Leader Bob Dole (R-Kan.) suggested Thursday that there is no overwhelming national demand for a complete overhaul of the system—particularly one that would make health care yet another government entitlement program.

"I think there's a feeling, maybe outside the Beltway, that there are too many of us in politics trying to make a crisis out of something that's not a crisis," Dole told reporters on Capitol Hill. "Health care is not a crisis; it's a problem. It ought to be dealt with."

LOS ANGELES TIMES WASHINGTON EDITION - 12/17/93

NEWSDAY NAT'L DESK
12/17/93

Clintons Mount Counterattack

Fight health-plan critics with MD allies

By Marilyn Milloy
WASHINGTON BUREAU

Washington — With the administration's health-care plan becoming a virtual dart board for critics these days, President Bill Clinton and first lady Hillary Rodham Clinton teamed up yesterday — this time with leaders of 10 national physician groups at their sides — to try to blunt the attacks.

It was a White House-orchestrated event that clearly was staged to deal with criticism that of late has become increasingly sharp.

Just this week House Minority Whip Newt Gingrich (R-Ga.) called the Clinton plan "socialism" and said the hand of big government was everywhere in it.

And last week the powerful American Medical Association issued a less-than-overwhelming endorsement of proposed employer mandates to finance the plan, saying alternatives must be pursued. It also complained that the proposal would cause unbearable oversight of doctors' work by insurance companies and in the end be disastrous for patients.

The friends who appeared with the Clintons were said to represent 500,000 doctors, including family practitioners, internists and pediatricians. With avid allies like these, administration officials said they are aiming to turn the public relations tide in their favor, or at least neutralize the messages of doom.

"The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship," Clinton said.

He added that these doctors, some from the American Academy of Family Physicians and from the American College of Physicians, among others, were in the "best position," with all their real-life experience, to know the importance of universal coverage now — hardly a goal of everyone in Congress. Even Senate Minority Leader Bob Dole (R-Kan.) yesterday seemed to back away from the idea of universal coverage, saying he'd rather see small changes in the insurance system first.

And noting that some of the doctors were from the South, Clinton quipped, chuckling, "Those people do not look like a bunch of socialists to me."

White House officials conceded that all the hoopla was for a purpose: They were in a race for the public's heart and soul on this issue. And while some say this effort has foundered a bit for lack of a manager — New York lawyer Harold Ickes still has not decided whether to take the job — others say they are pressing ahead.

"When you run a campaign — and this is a campaign — you can't take anything for granted," said White House spokesman Jeff Eller. Of the AMA, which once had offered firm support of employer mandates, he said, "You have to take seriously their voice . . . But people have to know they aren't the only doctors out there." Similar events, he said, are to come.

Meanwhile, the White House got help yesterday from Families USA, a liberal Washington-based group working for passage of the Clinton plan. It released a report charting the millions of already-insured Americans who it said would get better benefits and have lower costs if the Clinton plan became law.

Based on government statistics and calculations by a nonpartisan economics firm, the report concluded that by 1998, 53 million insured Americans — 19 million in New York — would get new drug benefits. By 2001, 121 million would gain dental coverage and 103 million would get new or expanded coverage for mental illness and treatment of substance abuse.

Also yesterday, the White House released documents indicating it expects 500,000 wealthy retirees to drop Medicare coverage in favor of purchasing insurance from a health alliance because the Clinton plan would raise Medicare premiums sharply.

The administration also revealed that Medicare will save $28 billion through the year 2000 by requiring elderly workers to use their private health insurance from their jobs — or their spouse's job — as their main coverage. About 5.4 million Medicare beneficiaries would be affected.

'Single-Payer' Health Care Plan Would Save U.S. $114 Billion a Year, CBO Says

By Dana Priest
Washington Post Staff Writer

The Congressional Budget Office, whose analysis of the financial impact of health reform bills will carry considerable weight in the upcoming Capitol Hill debate, has determined that a Canadian-style system would reduce annual medical spending by $114 billion by 2003.

Under the legislation, often called the "single-payer" bill, the government would set prices for medical services, limit annual price increases to the rate of overall economic growth and collect taxes to finance care for all Americans.

Drafted by Reps. Jim McDermott (D-Wash.) and John Conyers Jr. (D-Mich.), the American Health Security Act has 93 sponsors in the House. It would guarantee coverage of "virtually all spending for hospital care, physician and other professional services, nursing home care and home health services," the CBO said.

Of all the health reform bills the CBO plans to analyze in the coming months, the single-payer legislation is likely to be the one to show the greatest overall cost savings, as it did when the CBO last studied a similiar array of bills.

It is the only bill to rely entirely on government regulation of health industry prices, and it is the only one in which all Americans would have health coverage immediately upon implementation. It would eliminate the need for private health insurance and would not rely on health maintenance organization-style health plans to save money. Most competing bills, including President Clinton's, make heavy use of "managed care" to reduce costs.

"We are very pleased because it now gives us confidence that we could develop the most generous benefit package and preserve the right to choose your own physician and still save $114 billion," McDermott said.

In a White House ceremony yesterday, Clinton announced the support of 10 doctors' groups for the basics of his health reform plan, in an attempt to counter recent criticism by the American Medical Association.

"The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship," Clinton said.

The groups, which included the American Academy of Family Physicians and the American Academy of Pediatrics, have a collective membership of more than 300,000 doctors, Clinton said. The AMA's membership is about 296,000.

At its annual convention in New Orleans last week, the AMA voted to back away from its previous support for requiring employers to provide insurance as the best way to finance universal coverage. Instead, the organization decided to consider all options, including a requirement that all uncovered individuals buy insurance for themselves, and many members urged the group to reject the employer requirement—a part of Clinton's plan.

The AMA has since attempted to reassure the White House that it still supports universal coverage, and Clinton read a letter yesterday from AMA Executive Vice President James S. Todd restating that point. "We believe that [the policy change]—which should not be construed as 'backing off' the employer-required insurance—is more flexible than our earlier position."

The White House has stepped up its courtship of physician groups recently, in part because presidential advisers believe doctors' opinion about the bill will be important in how consumers view health reform. The White House recently began a series of training sessions for physicians who have agreed to publicly advocate the Clinton plan. Top administration health care adviser Ira Magaziner has held numerous private meetings in the past months with physician groups.

Also yesterday, the American Nurses Association Board of Directors voted "to enthusiastically support" the White House health plan. "This bill addresses the fundamental problems of our current health care system and includes solutions that are comprehensive, consumer-focused and realistic," ANA President Virginia Trotter Betts said.

The nurses' group generally agreed with the direction of the White House bill, but its support recently became more vocal after the AMA criticized nurses for wanting to expand their responsibility over medical care.

Washington Wire

A Special Weekly Report From
The Wall Street Journal's
Capital Bureau A1

UNIVERSAL COVERAGE is a strong selling point for Clinton's health plan.

The Journal/NBC poll found that Americans favor his proposal over a less costly but nonuniversal plan such as Rep. Cooper's by 69% to 20%. Overall, Clinton's plan is favored by 47% and opposed by 32%. But 36% say lawmakers should make major changes before passing it, compared with 35% who say it needs little or no change and 15% who say it shouldn't be passed at all.

The AMA grows defensive amid mounting criticism about its retreat from supporting employer mandates, which are backed by 65% in the poll. The AMA says in a letter to Clinton that it merely wants to consider other financing approaches. Meanwhile, single-payer proponents gleefully tout a new CBO analysis concluding that a government-run system could save as much as $292 billion by 2003.

The Democratic National Committee considers showing an interactive video promoting the Clinton plan at 60 to 80 shopping malls around the country.

'ODE TO HARRY AND LOUISE'

HARRY AND LOUISE

Senate Minority Leader Robert J. Dole (R-Kan.), who has been critical of the Clinton administration's health care plan, has found a new voice through which to express his views. At an evening forum Dec. 1 with representatives of the Health Insurance Association of America, Dole shared his thoughts on how the president and First Lady were progressing on health care reform in the following limerick. Dole's poetry refers to "Harry and Louise," the couple who are featured in HIAA's television commercials criticizing the Clinton plan as ill-conceived and restrictive.

United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7020

"ODE TO HARRY AND LOUISE"

THERE ONCE WAS A PRESIDENT NAMED BILL
WHO THOUGHT HEALTH CARE WAS ILL
SO, FROM THE WHITE HOUSE
HE AND HIS SPOUSE
SENT A PLAN TO CAPITOL HILL

THE PLAN WAS A POLICY WONK'S DREAM
OVER A THOUSAND PAGES, IT SEEMED
IF YOU READ IT STRAIGHT THROUGH
YOU WILL SURELY TURN BLUE
WHEN YOU SEE THEIR FINANCING SCHEME

AT FIRST IT LOOKED LIKE A JOKE
THEIR NUMBERS WERE MIRRORS AND SMOKE
TAXES WOULD INCREASE
AND SMALL BUSINESS WOULD CEASE
UNDER PAPERWORK THAT WOULD MAKE THEM CHOKE

I'VE NOW REACHED THE END OF MY TALE
AS YOU'RE STARTING TO LOOK QUITE PALE
SO, I'LL END WITH A PRAYER
I KNOW WE ALL SHARE,
"LORD, LET HARRY AND LOUISE PREVAIL"

Bob Dole

SEN. ROBERT J. DOLE

THE WASHINGTON POST

Local Blue Cross Plan To Cut Up to 600 Jobs

By Thomas Heath
and David S. Hilzenrath
Washington Post Staff Writers

The Blue Cross-Blue Shield plan serving the District and its suburbs, weakened by the loss of 200,000 customers this year, plans to dismiss as many as 600 of its 1,900 workers here by the middle of next year, according to company officials.

The planned job cuts come as the difficulties at Blue Cross-Blue Shield of the National Capital Area have spread to the heart of its operation, the traditional business of selling health insurance policies, company officials said. Previously the company's troubles were concentrated in its peripheral businesses.

Regulators and industry experts said there is no danger that policyholders of the area plan will lose their benefits. The company has much more money in reserve than regulators require, and still has 920,000 customers.

But while the insurer began this year predicting it would turn a small profit, it said in a recent financial report to Virginia regulators that it expects to lose millions of dollars.

The need for deep job cuts follows years of mismanagement, ill-fated ventures, high executive salaries and lavish spending on perquisites, all documented in a U.S. Senate report earlier this year. Those problems drained the company's resources

See BLUE CROSS, A15, Col. 1

BLUE CROSS, From A1

and undercut its ability to offer competitive prices.

The job cuts are part of a reorganization that new management, installed over the past year, is developing to reduce expenses. The company expects to shift its emphasis from conventional health insurance to "managed care," such as that provided by health maintenance organizations, which is supposed to hold down medical expenses.

"We know there's going to be a lot of fallout from all this, but we don't know exactly what the fallout is going to be," said Ray Freson, a spokesman for the Washington company. "I would expect [the company] would be vastly different."

Freson said the company remains on a "watch list" of financially troubled Blue Cross-Blue Shield companies compiled by the national Blue Cross-Blue Shield Association, which licenses the use of the Blue Cross trademark and generally oversees operations of the dozens of individual Blue Cross plans around the country. The Blue Cross plans receive special tax treatment in return for being the insurer of last resort for people who can't get medical insurance elsewhere.

"I don't believe [the loss of customers] is a threat to their solvency," said Virginia Insurance Commissioner Steven Foster, whose agency is one of three that regulate the Washington area Blue Cross plan.

Blue Cross has not yet determined how many jobs will be eliminated but will have a clear idea in January, Freson said. "It will be several hundred. . . . Three to six [hundred] would probably be [in the] ballpark," a company source said.

The job cuts are likely to be spread out between January and June, although further work force reductions could follow, Freson said. The workers who will be affected are based in two Southwest Washington buildings.

Blue Cross employees have been briefed on the company's outlook but have not been told details of the anticipated job cuts, officials said. Layoffs and attrition over the past year had reduced the company's payroll from about 2,300 employees to its current 1,900.

A major reason for the cuts is to reduce the company's expenses, which are about 50 percent higher than the typical level at other Blue Cross plans, Freson said. Those expenses helped drive up premiums this year by 20 percent for some customers—and ultimately helped drive away business.

The number of people insured by the Washington area Blue Cross plan in the District, Northern Virginia and Maryland suburbs has declined to about 920,000 from 1.1 million about a year ago, the company said. Early this year, when the premiums were rising, a company spokesman warned that rising premiums could drive away healthier customers and leave it with a higher proportion of sicker customers requiring larger benefits.

The financial losses are significant because they involve what had been the company's most reliable source of income, the writing of health insurance policies for individuals and groups. That core business helped sustain the company while it engaged in far-flung enterprises, such as a Massachusetts-based travel agency for students, which have cost the company more than $70 million since the late 1980s.

During the first nine months of this year, the company's core business lost $3.8 million, which contributed to a total loss of $2.4 million from all its operations, according to a report Blue Cross filed with regulators in October. The loss in the core business comes at a time when other Blue Cross plans are making money on traditional health insurance, a company official said.

The company received a $60 million loan in July from other Blue Cross-Blue Shield plans that raised its cash reserves above the minimum level required by regulators.

As reported last year, while the company's finances were deteriorating, executives traveled on the Concorde, stayed in hotel suites that cost more than $500 per night, sponsored tents at international equestrian events for $5,000 per day and paid for golf trips by employees to Pebble Beach, Calif., and to Portugal.

The spending habits were later the subject of hearings by a Senate subcommittee, whose investigators wrote a report concluding, "A profligate lifestyle on behalf of its senior management and board have left it [the company] financially destitute."

The Des Moines Register
12/17/93
White House
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Page 4

'A Worthwhile Effort'

Panel wraps up wrangling, maps out health reform

After months of often contentious debate, the council presents a package stressing incentives rather than mandates.

By TOM CARNEY
Register Staff Writer

The process wasn't pretty, but the Iowa Health Reform Council finished nine months of work Thursday, casting government in the role of an "enabler" rather than a dictator of reform.

The 60-some council members were appointed by Gov. Terry Branstad last spring and charged with presenting a state health-reform plan to the next session of the Legislature. The members, drawn heavily from the ranks of hospital administrators, doctors, government officials and employers, wrangled over a dizzying array of complicated issues at more than a dozen meetings around the state.

Its last meeting was held Wednesday and Thursday at Hotel Fort Des Moines in the state capital.

The meetings were often stormy, and Thursday's was no exception. For instance, After shouting at the council's chairman, state Insurance Commissioner David Lyons, over a procedural matter, State Rep. Mark Haverland, D-Polk City, mumbled in frustration and resignation, "Go ahead and write the plan the way you want."

Anger, Conciliation

Other council members appeared equally upset. Said Nancy Turner, a consumer member from Corning: "We seem to be doing a better job of destroying our principles than accomplishing anything."

Toward the end of the day, however, members such as Mike Hammes, vice president of John Deere Health Care Inc., and State Sen. Elaine Szymoniak, D-Des Moines, were trying to be conciliatory.

"This council has done a number of important things," Szymoniak said. "It's been a worthwhile effort."

The general direction of the council's decisions was to shun government mandates, such as requiring employers to help pay for employees' health-care coverage or requiring all Iowans to be insured, in favor of spurring the health-care industry and its customers to reform themselves.

"Rather than prescribing the methods of reform," says an outline of what will be the council's final report, "the Iowa Plan changes the incentives and motivations to produce different results."

Accomplishments

Among the council's main accomplishments:

- Establishment of principles and goals designed to promote health-care coverage for everybody, control of health-care costs and quality health care.
- Recommendations that insurance companies be prevented from denying coverage to people who are sick or have conditions that put them at high risk for illness.

> **"This council has done a number of important things."**
> — Sen. Elaine Szymoniak

- Recommendations that the Legislature place a $250,000 cap on medical malpractice awards, which are often blamed for helping drive up health-care costs, establish guidelines for medical treatment that would protect doctors who follow them from lawsuits, and lower the length of time a doctor involved in delivering a baby can be held liable for medical problems that may develop later in life.
- Recommendations that all Iowans buy health-care coverage, and that a requirement to do so be considered by the Legislature if substantial numbers of Iowans still are not covered after five years.
- Proposals that a statewide health accounting system be established to determine how much money is being spent on health care and by whom; that "accountable health plans" — groups of doctors and hospitals selling health care on a pre-paid basis — be encouraged; that voluntary cooperatives for purchase of health care be created; and that annual health-care expenditure targets, but not a "global budget" or expenditure caps, be established.

It's the spending, stupid

San Diego Union Tribune

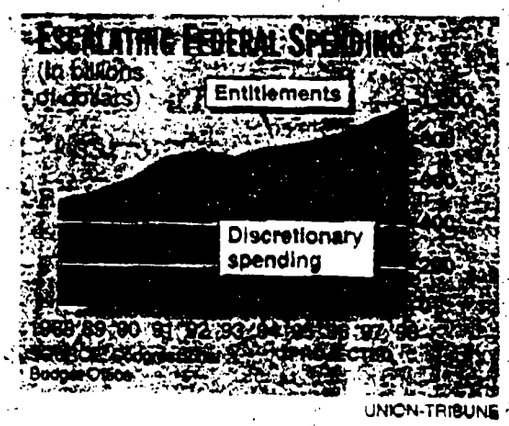
12/17/93

Entitlements are driving up the deficit

It is hard to take seriously the notion that Bill Clinton really wants to cut the federal budget deficit. In an appearance this week at Bryn Mawr College in Pennsylvania, the president stood four-square against cuts in entitlement spending to shrink the deficit.

"If you really want to solve this problem, you have to go back and have comprehensive health-care reform," Clinton said. But many of the lawmakers, corporate leaders and public policy experts who listened attentively to Clinton nodded their heads in disagreement.

None disagreed more strenuously than Sens. Bob Kerrey, D-Neb., and John Danforth, R-Mo., who are co-chairmen of a bipartisan commission that the president himself established to recommend reductions in entitlement spending.



Deficit reduction is "not going to happen without some serious cuts," said Kerrey, "and ... in every program."

"Entitlements cannot be controlled by health-care reform alone," said Danforth, adding that the president's proposed health plan would actually set aside 80 percent of prospective entitlement savings for new health spending, rather than for deficit reduction.

Clinton seems to think he has done all that is reasonably possible to close the widening gap between government revenues and outlays. He believes the five-year, $500 billion "deficit reduction" package that he pushed through Congress last August includes sufficient spending cuts and other savings.

But that effort simply was not good enough. Even if the optimistic projections contained in the budget deal prove to be correct, the federal government will continue to spend $200 billion a year more than it brings in. Another $1 trillion will be added to the national debt between now and 1998.

That's because, under terms of the budget package, domestic spending will grow by nearly $300 billion over the next five years, or roughly double the rate of inflation.

If President Clinton were an authentic fiscal conservative, he might have suggested at Bryn Mawr that domestic spending increases be held to the rate of inflation. That would save the federal treasury more than $100 billion over the next five years. It also would have signaled a resolve on the president's part to deal squarely with the problem of runaway entitlement programs, which after all are the biggest reason for the soaring national debt.

In fact, the Congressional Budget Office projects that, between now and 1998, Social Security spending will rise from $301 billion to $375 billion. Outlays for Medicare and Medicaid will skyrocket from $210 billion to $392 billion. Altogether, entitlements already consume more than half the federal budget.

As long as the White House and Congress sit idly by, as entitlement spending increases year by year by double the rate of inflation, the deficit will continue to threaten the nation's economic well-being.

BC-CLINTON-HEALTH-CANCER

CLINTON SIGNS BREAST CANCER BILL

WASHINGTON (Reuter) - President Clinton Friday signed a bill aimed at promoting early detection of breast cancer and prevention of other diseases that affect women.

``The legislation expands our efforts not only in breast and cervical cancer prevention, tuberculosis prevention and research, and trauma care,'' Clinton said in a written statement after signing the bill.

``It is an excellent example of how a bipartisan approach to improving the health care available to Americans can provide needed benefits to so many people,'' Clinton said.

The law will extend the early detection and disease prevention activities of the Centers for Disease Control and Prevention, Clinton said.

More than 2.5 million American women have breast cancer. Once every 12 minutes an American woman dies of the disease, Clinton said.

REUTER

**** filed by:RB--(--) on 12/17/93 at 18:06EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 18:07EST ****

bc-healthcare
ALTERNATIVE HEALTH PLAN AUTHOR
IS THE MAN CLINTON MUST BEAT
Eds: With sidebar, HEALTHCARE-BIO
Graphic: On GGN
Note: Originally budgeted sidebar HEALTHCARE-PLAN is now in graphic form only
By LACRISHA BUTLER=
Gannett News Service=

WASHINGTON Rep. Jim Cooper is smart, quiet even unassuming.

But what Bill Clinton is finding out is that this Democrat from Shelbyville, Tenn., the author of a rival health care plan to the president's own, is not easily swayed.

Cooper remains firm in his position that any plan to overhaul the nation's health care system should not put a limit on how much the government can spend each year on health care nor require employers to provide health insurance.

Yet the cooing sounds from the White House continue as the administration tries to win Cooper's support.

Earlier this month, Cooper went before the Democratic Leadership Council, the centrist Democratic group Clinton once headed, to convince members that his plan and the White House's plan are more similar than dissimilar and should be merged into the consensus legislation expected to pass next year.

``I'm more and more confident that we will be a major part of whatever health care bill passes Congress next year,'' Cooper said recently during an interview in his Washington, D.C., office.

But Cooper says there is no evidence to suggest employers must be made to provide health coverage in order to give all Americans access to health care.

In fact, Cooper says that his plan guarantees ``universal access'' and would give health coverage to all by 1998 just like the president's plan.

His plan is bipartisan and has minimal bureaucracy and cost, so Cooper's stump speech goes.

``That's why we sometimes call the plan `Clinton lite.' ''

The 39-year-old Cooper, who is running for the Senate seat vacated by Al Gore, has become one lawmaker the Clinton White House is concerned about as it looks at pushing for a compromise on health care reform next year.

Cooper, like Clinton, is a former Rhodes scholar. He, too, received his law degree from an Ivy League school, Harvard.

Clinton graduated from Yale Law School as did Hillary Rodham Clinton, who led the effort to formulate the Clinton health plan.

Cooper, the son of former Tennessee Gov. Prentice Cooper, came to Congress nearly 12 years ago. He beat Sissy Baker, daughter of former Republican Sen. Howard Baker, for the seat Al Gore vacated when he left the House for the Senate.

During his tenure here, Cooper has served on the House's Energy and Commerce, Banking and Budget committees.

In 1990, he helped forge a compromise on the Clean Air Act. He was also one of the chief backers of the 1992 cable bill.

Recently, he sponsored legislation to place restrictions on the entrance of the Baby Bells into the consumer electronic information services market.

Nearly two years ago, Cooper authored legislation advocating a ``managed competition'' approach to health care reform.

His political star began a meteoric ascent when both Clinton and President Bush backed managed competition during last year's campaign.

Cooper's health care bill is heavily influenced by the tenets of a group of business officials and academic scholars known as the Jackson Hole Group that met regularly in Wyoming.

Since he reintroduced the bill this year to, in his words, bring the Clinton administration more to the center, he has found himself on the national stage.

In recent months, he has been invited to golf with the president and join him on an early morning jog.

Cooper has even incurred the wrath of the first lady for aspects of his plan.

``I've made a lot of new friends, a lot of new friends, because health care is something everybody really cares about,'' Cooper said. ``It's not an abstract issue; it's a kitchen table issue.''

Health care has helped him as he has made his way across the state campaigning for the Senate.

``I think it has been a real door-opener in the state. I've had this bill and this approach long before I thought there would be a Senate vacancy. But it has been a real help in the race because of the tremendous interest.''

Yet Cooper has his critics.

Some charge his plan is supported by the health care industry precisely because it lacks price controls.

And Citizen Action, a Washington, D.C., public interest group, recently issued a report showing that Cooper leads the House with more than $150,000 in campaign contributions this year from health-related individual campaign donors.

That's despite Cooper's 2-year-old pledge not to accept campaign money from political action committees.

The campaign donations include $13,500 from individuals associated with Healthtrust including $12,000 given all in one day and $12,000 from donors associated with Hospital Corporation of America. Both companies are based in Nashville.

But spokeswoman Murfy Alexander said that if you compare Cooper's fund raising to senators, the congressman ranks No. 2, behind Texas Republican Sen. Kay Bailey Hutchison, who had $194,009, according to Citizen Action.

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BC-MN--Carlson Health Reform,270
Carlson Urges Go-Slow Approach On Clinton Health Care Plan
edlstfmrssmz

ST. PAUL (AP) Congress should delay action on President Clinton's health care plan so federal officials can evaluate health reform plans in several states, Gov. Arne Carlson said Friday.

Congress should wait three to five years so it can adopt the best features of health reform plans in Minnesota, Oregon, Washington and Vermont, he said.

Carlson said he's concerned that preliminary estimates by the state Department of Human Services indicate the Clinton plan would result in higher health care costs in Minnesota.

``We're 20 percent below the national average in cost because we're cost efficient,'' he said.

Minnesota would be punished financially for holding down health care costs while California and New York would be rewarded for being inefficient, according to Carlson.

The governor made the comments after chairing the organizational meeting of his 17-member state Task Force on National Health Policy formed to develop a state position on the Clinton plan.

State Rep. Lee Greenfield, DFL-Minneapolis, a task force member and one of the architects of Minnesota's 1992 health reform program, said he disagrees with the delay advocated by Carlson because it would slow momentum for change.

``I don't want to lose the chance to pass national health insurance,'' he said.

Greenfield said he doubts Congress will pass a health care plan in 1994, but he said passage in 1995 appears more likely. He said that timetable would give the state ample time to craft amendments to the Clinton plan.

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FYI - from Mack
cc. Steve Meagher Paul Kim Andy Sara

AM Health Care-Economy, Adv20,1171
$Adv20
For release Mon AMs, Dec. 20, and thereafter
Benefits of Clinton Plan Will Be Uneven, Pain Will Come First
Eds: Version also moved on general wires.
By DAVE SKIDMORE= Associated Press Writer=

WASHINGTON (AP) Economists studying President Clinton's plan to reform health care say that even if it works exactly as promised, the economic benefits will be spread unevenly across regions and industries and painful side effects will be felt first.

Though much is likely to change as the plan moves through Congress, there's little dispute that it will accomplish its main goal of providing health insurance to nearly 39 million uninsured, nearly a third of them children.

The president says the plan also will curb the alarming growth of health care expenditures, which consume 14 percent of the $6.4 trillion U.S. economy. That will unleash new job and productivity growth and curb both inflation and the federal budget deficit, he says.

But many economists are skeptical that the plan will truly contain health care costs. And even if it does work, they say, the path to the ultimate benefits will be anything but smooth.

Analysts stress that too little is known about the plan's final shape to forecast its impact with any accuracy. Nevertheless, they've been running data through their computer models.

Here is an early look at the plan's possible economic side effects, both pleasant and unpleasant:

ECONOMIC GROWTH: According to economist Kurt Karl of The WEFA Group of Bala Cynwyd, Pa., the plan initially would slow economic growth. Small businesses such as retail stores and restaurants that don't provide their employees insurance now would be hurt. Offsetting that, the previously uninsured would use more medical services, creating an initial burst of employment in health care. Also, costs may decline for companies that already pay for insurance, particularly smaller ones. That would free up money for wage increases or investments. Big businesses may not notice much difference in their costs. Tallying the probable pluses and minuses through 1998, Karl estimates economic output would be just 0.2 percent lower overall.

JOBS: Optimists, such as the Economic Policy Institute, a liberal think tank, predict a gain of 76,000 jobs by the fifth year of the plan, primarily through companies investing savings from reduced health care costs. A more pessimistic projection, from Joel Prakken of Laurence H. Meyer and Associates in St. Louis, shows job losses of around 245,000. This includes workers employed at near the minimum wage whose employers eliminate their jobs rather than pay for health insurance. And it includes some workers who have health insurance but would quit if they knew they were guaranteed coverage. The bottom line is even the most optimistic gains and pessimistic losses amount to only a tiny fraction of the 110 million people currently working.

WORKFORCE CHANGES: The administration says some people, emboldened by guaranteed health coverage, will quit their jobs to start new businesses that eventually create more jobs. Employees who now can't switch jobs and keep insurance because they or a family member has a chronic illness would be more willing to move to start-up firms. And thousands of welfare recipients would find it worthwhile to take low-wage jobs because they no longer would be required to give up Medicaid.

There could be fewer temporary and part-time jobs. Some employers hire part-time workers to avoid health insurance premiums. Under the Clinton plan, employers would have to pay a pro-rated share of premiums for part-timers. That would increase the incentive, for instance, to hire one full-time worker instead of two part-time workers. That's good for employees working part time who would rather work full time but bad for those who want to work part time.

RETIREES: Laura D. Tyson, chairwoman of the White House Council of

Economic Advisers, says about 350,000 to 600,000 people might decide to retire early as a result of guaranteed health coverage. She said that would open jobs for younger people. Prakken questions that reasoning.

``At the same time that you're trying to extend coverage, it doesn't make sense to spread the cost of insuring everybody among a smaller group of people who are actually productive,'' he said.

REGIONAL SHIFTS: According to economist Mark Zandi of Regional Financial Associates in West Chester, Pa., states in the Northeast and Midwest have the most to lose if the plan eventually succeeds in reigning in health care costs. North Dakota's economy is most reliant on the health industry, which provides 11 percent of its jobs, followed by Massachusetts, Pennsylvania, South Dakota and Rhode Island.

The health care industry in states where the percentage of uninsured is high Texas, New Mexico, Louisiana, Mississippi and Nevada will benefit as the once-uninsured start using medical services. However, these same states sell themselves as low-cost places to do business, in part because fewer companies offer health insurance. Guaranteed health coverage means fewer businesses will relocate and expand in the South and West at the expense of the Northeast and Midwest, Zandi said.

States with lower percentages of smokers, such as Utah, Colorado and California, will benefit. Their regional health alliances will have to pay for fewer smoking-related illnesses. States where the tobacco industry is important Virginia, the Carolinas, Kentucky and Georgia will be hurt by the $65 billion in new tobacco taxes in the plan.

Depending upon how Clinton's proposed regional alliances are set up, health care could be more expensive in urban areas, which have higher concentrations of the elderly and more drug addiction, violent crime and AIDS.

BUDGET DEFICIT: Tyson told Congress the health plan would reduce the budget deficit by $58 billion between 1995 and 2000. That's based largely on the assumption that restraining medical inflation overall will reduce the cost of Medicare and Medicaid. However, other economists don't believe the capping mechanisms in the Clinton plan will work, so they don't believe the budget savings will occur. Meanwhile, the government is adding spending. It will allow self-employed people to deduct all of their health insurance expenditures. It will provide assistance to small firms to pay for insurance. And it will pay for prescription drugs and home health care for the elderly.

Economist Martin Feldstein of Harvard University, who held Tyson's job during the Reagan administration, predicted the plan would add $120 billion to the budget deficit in 1997 alone.

INFLATION: While the plan's long-term effect on inflation is in dispute, economists say the threat of it already has helped. Medical care inflation his year has been running at a 5.5 percent annual rate, compared with 6.6 percent in 1992. The overall inflation rate for the two periods is virtually unchanged.

``People are scared of it and as a result hospitals and drug companies are trying harder to control wages and costs this year,'' said economist David Wyss of DRI-McGraw Hill in Lexington, Mass.

-END-OF-AUTOTAKE(1)-

-AUTOTAKE(2)-FOLLOWS

**** filed by:APE-() on 12/16/93 at 15:57EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 10:06EST ****

BC-CT--Health PACs, ADV20,1100
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For release Monday PMs, Dec. 20, and thereafter
WASHINGTON ASSIGNMENT: CONNECTICUT
Conn. Lawmakers Among Biggest Health PAC Contribution Recipients
By JOHN DIAMOND= Associated Press Writer=

WASHINGTON (AP) Connecticut lawmakers reaped tens of thousands of dollars this year in campaign contributions from executives, businesses, and professional groups worried about the course of health care reform.

A study by the non-profit research group Citizens Fund, entitled ``Unhealthy Money,'' found Connecticut lawmakers near the top in several fund-raising categories. Major recipients included Sens. Christopher Dodd and Joseph Lieberman, D-Conn., and Reps. Nancy Johnson and Gary Franks, R-Conn., and Barbara Kennelly, D-Conn.

The report linked donations to lawmakers to their policy positions on the health-care debate and their influence in Congress. The more power a member has, the more money he or she receives. And the contributions are even more generous to powerful members who oppose a major health care overhaul.

``With the possible overhaul of the health industry at stake, campaign contributions by the political action committees and large donors of the health and insurance industries have increased substantially during the first 10 months of this year,'' Citizens Fund reported.

Lieberman ranked fifth in the Senate with $13,000 raised from January to October in donations from hospitals, health maintenance organizations, nursing home political action committees and executives from these health care sectors. He ranked eighth in the Senate with $16,500 from drug company PACs during the same period.

For donations from all health delivery and insurance PACs this year, Lieberman ranked third in the Senate with $139,600 raised. In the sub-category of insurance PACs and large donors from the insurance sector, Lieberman also ranked third with $42,800 raised.

Lieberman is a cosponsor of the Managed Competition Act of 1993, a centrist alternative to President Clinton's health-care reform proposal. The bipartisan plan backed by Lieberman is a less expensive and less drastic overhaul of the existing system.

``The Managed Competition Act achieves health care reform in a way that's affordable, that does not put a huge burden on small businesses, that does not threaten our economy or people's jobs, and that involves less in the way of bureaucracy and government management of health care,'' Lieberman said when the bill was introduced.

Not surprisingly, businesses with a major stake in the health care status quo are rallying to support those lawmakers such as Lieberman who favor less radical proposals. It's no accident that the leading recipient of contributions this year from hospitals, HMOs and nursing home PACs was Sen. John Chafee, R-R.I., author of one of the leading moderate alternatives to the Clinton plan.

The key difference between the more moderate plans and the administration proposal is that the president wants to guarantee health-care coverage for all by requiring employers to provide the benefit or subsidizing coverage for the indigent.

Clinton also would create a new health-care bureaucracy to oversee coverage for all but the largest businesses. Most of the moderate alternatives would not provide universal coverage and would impose less restructuring in the insurance and health-care provider fields.

One factor unrelated to health care automatically puts Lieberman among the leaders in PAC donations: He is up for re-election next year and is in the process of aggressively enlarging his campaign fund.

Committee assignments also are a major ingredient in generating health industry donations.

Dodd, who won't be up for re-election until 1998, was the leading

recipient of insurance PAC contributions from 1979 through October of this year. Dodd collected $291,477 from insurance PACs during that period, according to the report.

Although Dodd is a cosponsor of the Clinton health plan, he, along with Lieberman, also is considered a key ally of the insurance industry owing to the political and economic power of insurance in Connecticut. Hartford is the insurance capital of the nation, and the pharmaceutical industry has a major presence in the state.

``Joe and I will be more sensitive to the insurance industry and the pharmaceutical industry that are major economic factors in our state,'' Dodd said in a news conference earlier this month.

Dodd is a particularly good investment for health industry donors because he holds a senior position on the Senate Labor and Human Resources Committee, which will play a major role in crafting the health-reform bill.

There appears to be no slackening of health industry contributions. At the beginning of this year, health and insurance industry PACs reported $85.5 million in cash on hand available for donation to political campaigns. By this fall, the same PACs reported $106.9 million in cash a 28 percent increase.

Among all House members, Kennelly was a key beneficiary of health industry largesse. Going back more than a decade, her campaign fund has received $537,872 from health insurance PACs and ``large donors'' defined as contributions of $200 or more from individuals employed in the health or insurance field, or their immediate family members. Only seven House members received more over the same period.

Kennelly, a cosponsor of the Clinton health-reform plan, is a member of the powerful, tax-writing House Ways and Means Committee, a magnet for special interest PAC donations. She also is a deputy House whip who will presumably play a key role next year in rounding up votes for health-care reform. And, perhaps most important, her district includes Hartford.

In the first 10 months of this year, Kennelly ranked fifth among all House members with $24,750 in contributions from health insurance PACs and large donors. And from all health and insurance interests, she received $35,550, ninth among all Ways and Means members.

Johnson, also a Ways and Means member, received $20,500 this year from various health and insurance interests. Johnson has allied herself with the health-care moderates of her party, including Reps. Jim Cooper, D-Tenn., and Fred Grandy, R-Iowa, the co-authors of a leading moderate alternative to the Clinton proposal.

Franks received $19,850 from all health and insurance interests. Franks, a member of the House Energy and Commerce Committee, supports the plan proposed by House Minority Leader Bob Michael, R-Ill. Michel's plan is considered one of the most conservative alternatives; it would encourage, rather than require, expansion of health-care coverage and would leave the Medicare and Medicaid systems intact. Energy and Commerce is considered one of the more centrist committees on the House side and could play a key role in blocking some of the more dramatic elements of the Clinton plan.

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**** printed by:WHPR(MMIL) on 12/17/93 at 15:28EST ****

BC-AK-CLINTON-HEALTH
Think Tank Says Clinton Health Plan A Big Improvement for Ohio
By Glenn Gamboa, Akron Beacon Journal, Ohio Knight-Ridder/Tribune Business News

Dec. 17--Ohio residents will be big winners if President Clinton's health-care reform plan is passed, according to a study released Thursday by the Families USA Foundation.

But critics claim the liberal think tank's findings are inflated and designed to garner support for the president's plan.

``Insured Americans are big winners under the Clinton reform,'' said Ron Pollack, executive director of Families USA. ``Most Americans with private insurance will get better benefits and more security under President Clinton's plan.''

According to the study: - More than 2.1 million Ohioans will see their health insurance improve. - About 1.3 million residents will pay less for insurance than they currently do.

- More than 2.3 million will get improved prescription coverage. -1.4 million with pre-existing medical conditions will either gain coverage or see their premiums significantly reduced.

``Under the president's reform, our grandparents will no longer have to choose between buying groceries and buying their medicine,'' Pollack said.

According to the Families USA survey, Clinton's reform would guarantee health insurance to 54 million Americans that either have no coverage or would lose their coverage by 1998.

The group said its data came from several government sources -including the National Medical Expenditure Survey - and was calculated with assistance from Lewin-VHI, a technical health-care consulting firm.

However, Richard Coorsh, spokesman for the Health Insurance Association of America, said he has his doubts about the study.

``It is somewhat less than objective,'' he said. ``Keep in mind that Mr. Pollack knows where his bread is buttered. Mr. Pollack has been an ardent supporter of the Clintons even before their inauguration.''

Coorsh said surveys from his organization, which stands to lose a great deal of business under the Clinton plan and has publicly stated its opposition, show that most Americans are pleased with their health insurance.

``We support the notion of comprehensive reform,'' he said. ``But we are not about to move in lockstep with any one proposal at this point.''

Even less controversial groups, like the Ohio Hospital Association, expressed doubts about the group's figures.

``This is a little premature,'' said Mary Yost, senior director of public affairs for the Ohio Hospital Association. ``These are the kinds of things people would be trying to look at. But I think with so many other plans in the running, in addition to what the president has proposed, it would be better for Ohioans to try to be open-minded.'' END!A7?AK-CLINTON-HEALTH

**** filed by:KR-F(--) on 12/16/93 at 21:14EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 09:59EST ****

AM-NY-BRF--Preventive Care,0175
Legislature Passes Child Well-Care Bill

ALBANY, N.Y. (AP) A bill that would require most health insurance policies to cover preventive care for children until they reach age 19 won legislative approval Thursday.

The Senate and Assembly both passed the measure, which would extend coverage to well-child visits and immunizations.

``We know that every dollar spent on immunization saves $10 in health care costs down the road, and every dollar spent on early prevention can save $4.75 in health and other costs in the future,'' said Sen. Michael Tully, who sponsored the bill in that house.

Less than 30 percent of the health insurance sold in New York state currently covers well-baby visits and immunizations, lawmakers said.

The Legislature approved a similar bill earlier this year which Gov. Mario Cuomo vetoed, citing technical flaws and concerns that it did not include co-payments by patients. Cuomo eventually backed off that position and struck a deal with lawmakers last month.

If signed by Cuomo, the bill would take effect on April 1.

**** filed by:APE-(NY) on 12/16/93 at 20:16EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 10:00EST ****

BC-HEALTH-CLINTON 1STLD

CLINTON REJECTS SOCIALIST LABEL FOR HEALTH PLAN

(Eds: updates with AMA letter and Magaziner response, paras 11-12, clarifies 5th and 10th paras to make clear AMA had weakened support for employer mandate but not rejected it altogether)

By Steve Holland

WASHINGTON (Reuter) - President Clinton Thursday rejected Republican charges that his health care reform plan was socialist and said the support of groups representing 300,000 doctors was evidence he was on the right track.

``At this holiday season I would hope that we could do away with the destructive and counterproductive labels,'' Clinton said.

The president and his wife, Hillary, who led the effort to develop the health care plan, appeared in the Old Executive Office Building with leaders of 10 groups representing 300,000 physicians in a show of solidarity.

The event was an effort by the Clintons to counter lukewarm support from the country's most powerful doctors' lobby, the American Medical Association.

Last week in New Orleans, the AMA house of delegates had qualified its support of the key funding mechanism of the Clinton health care plan -- requiring employers to pay 80 percent of their workers' premiums.

This so-called employer mandate has prompted Republican critics like Newt Gingrich of Georgia, second-ranking Republican in the House of Representatives, to condemn the Clinton plan as socialist.

Clinton used testimonials to his health plan from two southerners to reject the label. They were Bill Coleman of Scottsboro, Alabama, head of the American Academy of Family Physicians, and Betty Lowe of Little Rock, Arkansas, head of the American Academy of Pediatrics.

``When I heard that Alabama accent and that Arkansas accent ... I thought, 'These people do not look like a bunch of socialists to me,''' Clinton said.

He added: ``The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship ...''

He also noted the AMA was not giving up on his plan, that the powerful organization supports his desire for universal health coverage, but that it simply wants other options considered in addition to the employer mandate.

Lonnie Bristow, chairman of the AMA's board of trustees, told Clinton in a letter Thursday that universal coverage can best be achieved through a mix of the employer mandate and requiring individuals to buy health insurance.

Clinton health care adviser Ira Magaziner responded in a letter to the AMA saying the White House was heartened the lobby group was not retreating ``from its historical commitment of supporting the employer mandate as a viable financing means to guarantee health security to all Americans.''

New figures raising the number of Americans without health insurance has furthered the cause of advocates for universal coverage. A private firm, the Employee Benefit Research Institute, reported Wednesday a 2.2-million increase in the uninsured to 38.5 million in 1992 compared to 1991.

Moderate Republicans led by Senator John Chafee of Rhode Island would extend universal coverage by requiring individuals to buy health insurance and provide subsidies to the poor.

Gingrich's plan is the least intrusive of all. It would change insurance laws to give everyone access to health insurance by preventing insurance companies from denying coverage. But it would not require people to buy insurance.

The battle will be fought in earnest when Congress resumes its session in January. The Clintons would like Senate committees to produce a proposed bill by the end of February, but a final vote in both chambers is not expected until late 1994.

REUTER

**** filed by:RB--(--) on 12/16/93 at 18:32EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 10:04EST ****

Clinton administration heartened by AMA support for employer mandate

WASHINGTON (UPI) In a letter to the American Medical Association, the Clinton administration said Thursday it is ``heartened to hear'' the group is not retreating from supporting the employer mandate as part of health care reform.

The AMA sent President Clinton a letter indicating support for the employer mandate, which would help finance universal health care by requiring all employers to pay for health insurance for their workers.

Clinton received the AMA letter earlier Thursday, which was meant to clarify the physician group's position on the employer mandate.

The White House letter written by Ira Magaziner, senior adviser to the president for policy development stated that the administration looks forward to working with the AMA, whose members at times have been critical of Clinton's health care proposals.

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**** printed by:WHPR(MMIL) on 12/17/93 at 10:05EST ****

BC-HEALTH-COSTS

CBO REPORT SEES SAVINGS IN NATIONAL HEALTH INSURANCE

WASHINGTON, Dec 16 (Reuter) - The Congressional Budget Office Thursday estimated that conversion to a tax-financed national health insurance system would save taxpayers $292 billion from 1996 to 2003.

Representative John Conyers, a Michigan Democrat who is a leading sponsor of legislation to set up a single-payer, Canadian-style health system, released the report.

It shows that the single-payer plan ``provides cradle-to-grave protection and saves money,'' Conyers said in a statement.

The plan would eliminate most public and private health insurance programmes, including Medicare and Medicaid, and replace it with national health insurance administered by the states under federal supervision.

The CBO savings estimate assumed all Americans would have health care coverage with no out-of-pocket extra payments for acute or preventive care.

At first, U.S. health expenditures would rise as the 38.5 million uninsured are covered but would fall by 6 percent when fully in effect in the year 2003, CBO said.

Administrative costs under the single-payer plan would fall from the current 7 percent of the nearly $1 trillion in annual health care spending to about 3.5 percent and could drop to 2.0 percent, CBO said. The agency is the official budget analysis arm of Congress.

Dealing with only one payer and eliminating other billing could save 6 percent of revenues for hospitals and doctors, CBO said.

But the $292 billion savings would occur as co-payments and deductibles are eliminated from individuals' health care bills and benefits are expanded, the agency said.

The single-payer plan has 93 co-sponsors in the House, many of whom have also signed onto Clinton's proposal.

Clinton's plan would require employers to pay 80 percent of their workers' health insurance premiums and would require consumers to choose from health plans offered in their region.

REUTER

**** filed by:RB--(--) on 12/16/93 at 16:31EST ****
**** printed by:WHPR(MMIL) on 12/17/93 at 10:05EST ****

AM-Clinton Health Care,850
Clinton Showcases Doctor Groups That Support Health Plan
By NANCY BENAC= Associated Press Writer=

WASHINGTON (AP) President Clinton showcased 10 doctor groups that back the basics of his health-care plan Thursday, seeking to bolster support for the plan and its requirement that employers pay for their workers' insurance.

``The presence of these physicians here debunks the notion that the plan we have presented is some sort of big government bureaucratic plan that erodes the doctor-patient relationship,'' Clinton declared.

Noticeably absent was the American Medical Association, which has differences with Clinton over health-care reform and last week distanced itself from his proposal that employers pay at least 80 percent of average health-care premiums.

Clinton said it was ``very, very important to emphasize'' that his plan would guarantee health coverage to all through employer-financed insurance while providing government subsidies for small businesses and those with low-wage workers.

Clinton's health-care plan has come under increasing criticism as rival proposals have been presented on Capitol Hill. Among the chief complaints are that it would erect a huge new government bureaucracy and that small businesses would be hurt if they had to buy insurance for their workers.

Senate Minority Leader Bob Dole, R-Kan., said Thursday he didn't believe there was a health-care crisis.

``There's a feeling maybe outside the Beltway that there are too many of us in politics trying to make a crisis out of something that's not a crisis,'' Dole said. ``Health care is not a crisis. It's a problem it ought to be dealt with. We have the best health-care delivery system in the world.''

Clinton took note of recent criticisms by House Republican Whip Newt Gingrich of Georgia, who derided the plan as bureaucratic to the point of being socialist.

Clinton, surveying leaders of the doctor groups lined up behind him in the Old Executive Office Building, said with a smile, ``These people do not look like a bunch of socialists to me.''

Dr. William Coleman of Scottsboro, Ala., president of the 74,000-member American Academy of Family Physicians, said his organization views the Clinton plan as ``a starting point for health system reform'' and clearly better than the status quo.

Ira Magaziner, a top health-care adviser to Clinton, said the president was pushing his proposal for employer-paid insurance because ``we don't see how you get to universal coverage without it.''

He said all the groups that appeared with Clinton on Thursday support the overall Clinton health package and support employer-mandated insurance. He the AMA was not invited because ``they're not full supporters of our plan.''

The AMA in 1989 endorsed a mandate on employers to help pay for health insurance. Last week, conservatives at the AMA meeting in New Orleans pushed to repeal that position, which was one of the main things the doctors and the White House agreed on.

Embarrassed AMA leaders fashioned a compromise that put the organization on record in favor of exploring other options to universal coverage as well, including a mandate on individuals to buy insurance and tax-free savings accounts to pay medical bills.

Clinton noted that the groups surrounding him Thursday represent more than 300,000 physicians and added laughingly that the AMA ``represents fewer than 300,000 doctors but still a substantial number.'' In fact, it represents 296,000 doctors.

The president released a letter from AMA Executive Vice President James S. Todd stating: ``Although our House of Delegates voted last week to explore new avenues toward achieving universal coverage, it also voted not to rescind AMA policy supporting a requirement that employers provide and contribute to the cost of health insurance coverage.''

Todd said the action ``should not be construed as backing off employer-required insurance.'' But he added that the AMA has ``significant disagreements with other aspects of the Health Security Act,'' including its ``excessive governmental regulation'' and inadequate malpractice reforms.

The groups that joined Clinton on Thursday were the American Academy of Family Physicians, American Academy of Pediatrics, American College of Obstetricians and Gynecologists; American College of Physicians; American College of Preventive Medicine; American Medical Women's Association; American Society of Internal Medicine; American Thoracic Society; National Hispanic Medical Association and the National Medical Association.

Meanwhile, a Congressional Budget Office study said that a rival ``single-payer'' plan that would have the government finance everyone's health care bills would save the government as much as $292 billion in total health care spending from 1996 to 2003.

Rep. John Conyers, D-Mich., one of about 90 House sponsors of the single-payer approach, announced the study. Clinton does not favor the plan, viewed as too radical by many since it would basically take insurance companies out of the system.

Also, the House Ways and Means health subcommittee released a compilation of public opinion polls that showed a declining percentage of Americans willing to pay additional taxes for health-care reform.

The survey, compiled by Robert Blendon of the Harvard School of Public Health, showed that many Americans 56 percent in one recent poll were willing to pay higher taxes if it meant guaranteeing coverage for everyone. But most Americans would oppose
a tax increase if it exceeded $250 a year, according to the compilation of various polls.

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OFFICE OF NEWS ANALYSIS

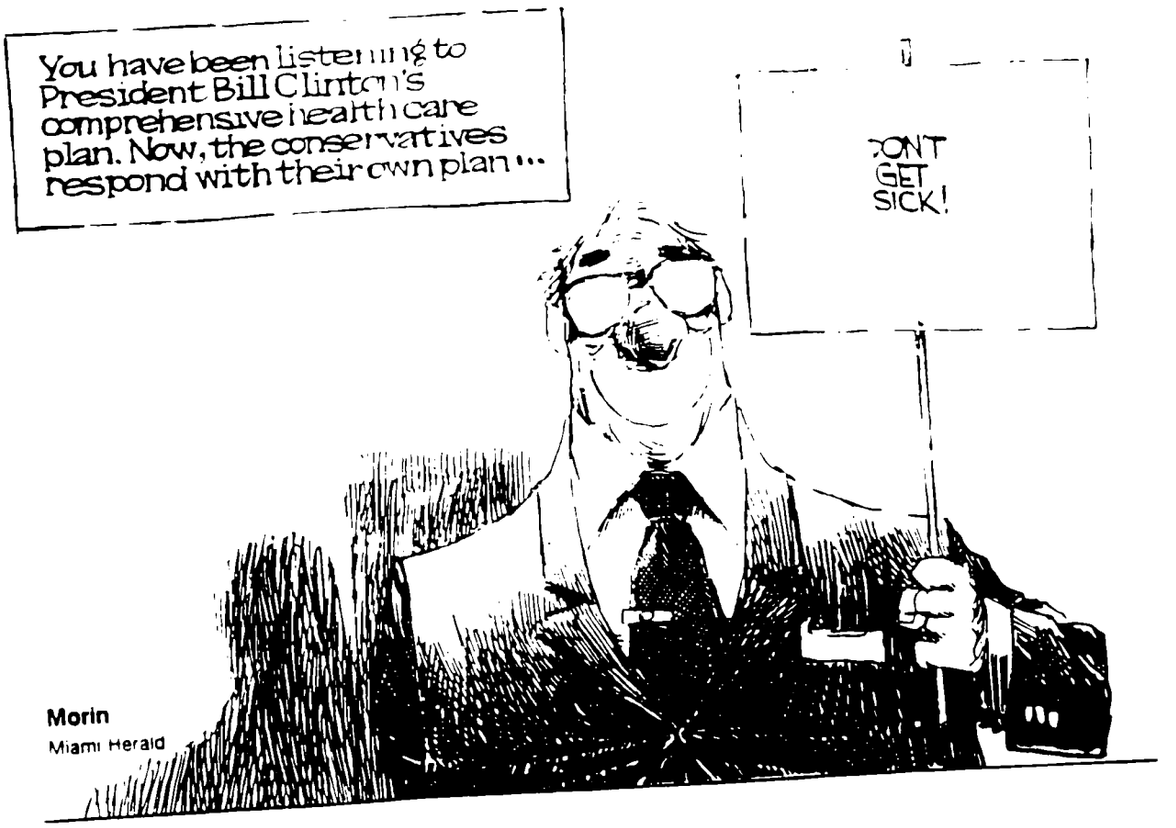
MORNING NEWS SUMMARY

Room 160 OEOB, Ext 7151

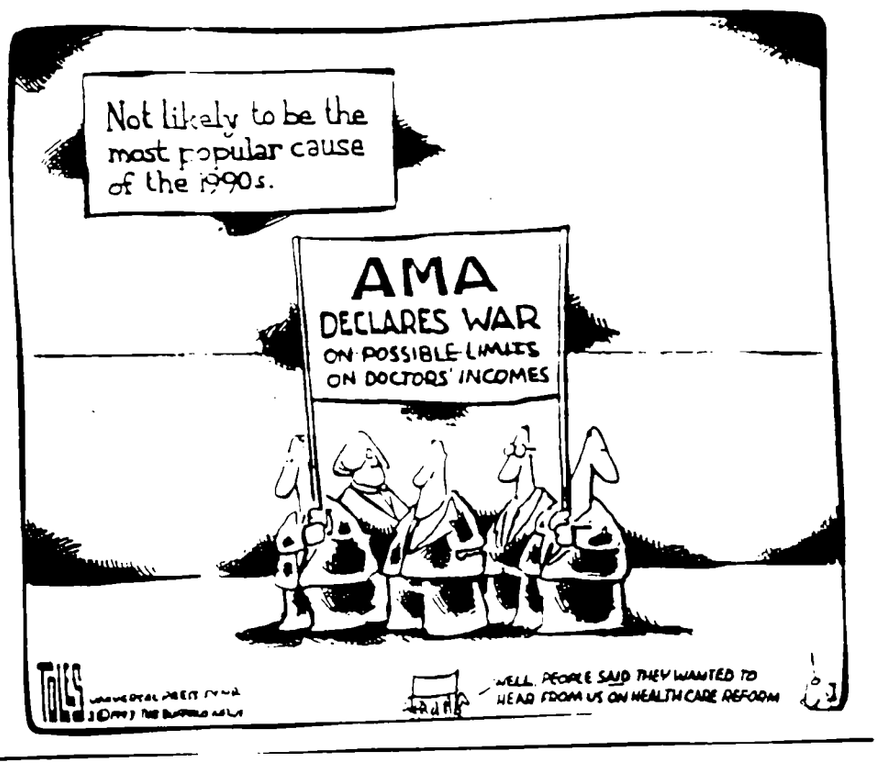
HEALTH CARE NEWS REPORT

SATURDAY, DECEMBER 18, 1993

SUNDAY, DECEMBER 19, 1993


You have been listening to President Bill Clinton's comprehensive health care plan. Now, the conservatives respond with their own plan...
DON'T GET SICK!
Morin
Miami Herald


"EXCUSE ME, SIR... HE SAYS HE'S A LOBBYIST FROM A SPECIAL INTEREST GROUP OPPOSED TO FUNDING YOUR HEALTHCARE PACKAGE WITH SIN TAXES..."


Not likely to be the most popular cause of the 1990s.
AMA
DECLARES WAR
ON POSSIBLE LIMITS
ON DOCTORS' INCOMES
TOLES
WELL, PEOPLE SAID THEY WANTED TO HEAR FROM US ON HEALTH CARE REFORM

Cops and Doctors

It May Take a National Police Force to Monitor the Clinton Health Plan

By Grace-Marie Arnett

ONE OF the more arcane gripes about President Clinton's health care plan is that prisoners might not be adequately covered. They needn't worry: The Clinton plan creates plenty of opportunities for doctors to go to jail.

In fact, not just doctors. The 1,342-page Health Security Act text provides a cornucopia of fines and prison sentences for everyone involved in health care—physicians, health alliance and health plan employees, lawyers, drug manufacturers, medical suppliers and even patients.

These draconian punishments have been largely overlooked in the debate over other hot-button questions about the Clinton plan such as its financing, de facto rationing, price controls and creation of powerful new government bureaucracies.

But the enforcement provisions deserve scrutiny as well. Not only would they subject virtually every citizen to civil and criminal penalties, but they could make it financially and legally risky for physicians to open or maintain independent practices, significantly limiting physician choice.

The White House certainly did not set out to create a punitive system. The president directed his health care task force to design a system built around the concept of "managed competition," under which health plans compete to provide a basic package of health services to subscribers. But the president also said his plan must guarantee universal coverage—a government mandate at odds with the managed competition concept. While any bill must have enforcement provisions, the result of this marriage is a bureaucratic compliance maze and a system that could be hostile to both physicians and patients.

Grace-Marie Arnett is president of Arnett & Co., a Washington firm that specializes in health policy consulting to innovative medical companies. Cliff R. Balkam assisted in the preparation of this article.

Here are a few of the powers, penalties and enforcement authorities proposed in the Health Security Act that the president sent to Congress:

- All American citizens not specifically exempted will be required to register with a health alliance. Individuals, families or employers must pay their required premiums. Failure to pay can result in a fine of $5,000 or three times the amount owed, whichever is greater. Health alliances will have government help in collecting from deadbeat subscribers: "Each State shall assure that the amounts owed to regional alliances in the State are collected and paid to such alliances."
- The bill creates a new "All-Payer Health Care Fraud and Abuse Control Program." It will be run by federal authorities but will receive no federal appropriation. Instead, all of its revenues will come from penalties and property forfeitures collected from doctors, individuals and health plans that commit "health care offenses," creating a clear incentive for the feds to aggressively seek out offenders.
- "Whoever, in any matter involving a health alliance or health plan . . . " knowingly creates or uses any documents that contain false statements can be fined, imprisoned for five years, or both.
- Anyone who acquires services or property from a health alliance, plan or provider under false pretenses shall be fined or imprisoned for up to 10 years, or both. If the incident were to result in "serious bodily injury," the offender can be jailed for life.
- What might today be considered normal patient advocacy can become a federal criminal offense under the Clinton plan. For example, if a doctor working for a health plan wants to get her patient an earlier date for surgery and takes "anything of value" from the patient, both the physician who takes the payment and the patient who offers it are subject to fines and prison terms of up to 15 years.
- Doctors and health plans that fail to provide proper data on "clinical encounters" or who fail to submit data in the form required by the Quality Management Council can be fined up to $10,000 for each violation.
- Drug companies that do not provide cost information to the government quickly enough risk $10,000-a-day fines, and if the government finds an error, the fines increase to $100,000 per violation.

While the president insists that patients will be able to choose their doctors, a special set of rules will make it perilous for doctors in independent practice to continue going it alone and even more difficult for new physicians to establish their own practices. Most doctors likely will feel compelled to join a health plan that provides bureaucratic cover. Among those rules:

- Although physicians and other fee-for-service providers "may collectively negotiate the fee schedule with the regional alliance," the state may at its option "establish its own statewide fee schedule" that overrides the negotiated rates.
- Physicians and other providers who are part of a fee-for-service plan may not withhold their services, even if they object to the state-imposed rates, because the bill prohibits them from "engaging in or threatening to engage in a boycott."
- Regardless of the negotiated fees, an alliance that exceeds its budget can withhold or delay payments to providers "in such a manner and by such amounts as necessary to assure that expenditures will not exceed the budget."
- Physicians practicing in a state that opts to create its own single-payer system face "automatic, mandatory, non-discretionary reductions in payments" to allow the state to stay within its budget.

Once an individual is enrolled in a health plan, the plan may not drop the subscriber no matter what—that is, it may not "terminate, restrict or limit coverage . . . for any reason including nonpayment of premiums." Without the ability to withhold service, it will be very hard for plans to collect premiums in a timely fashion—notwithstanding the various fines and enforcement mechanisms described earlier.

As a result, some health plans may find themselves insolvent. To protect against another savings and loan-type taxpayer bailout, the administration plan forces successful health plans to bailout the losers. If one plan in an alliance fails, the other plans may be required to pay an assessment of up to 2 percent of their premiums "for so long as necessary to generate sufficient revenue to cover any outstanding claims against the failed plan."

But physicians and health plans aren't the only ones at financial risk; employers and individuals are, too. If the National Health Board determines that any state's system fails to provide the prescribed benefits package, the federal government will move in, take over the state system and collect premiums from alliance members, plus a 15 percent surcharge "for any administrative or other expenses incurred as a result of establishing and operating the system."

The primary authority the bill grants to patients is the right to select, once a year, a health plan from among those pre-selected by their alliance. But those choices are circumscribed: If a plan is oversubscribed, those already enrolled get preference to stay, and remaining slots will be filled by the alliance through a "random selection method." Those who fail to choose a plan will have one selected for them by the alliance, also "on a random basis." Anticipating dissatisfied consumers, the bill clearly defines individuals' rights to sue and to file complaints.

Other powers are directed toward ensuring that 55 percent of all medical school graduates are trained in primary care. Training slots for specialists will be rationed, using $6 billion in federal funding for graduate medical education as the stick. The new National Council on Graduate Medical Education will decide how many specialists will be trained in which fields based upon "the incidence and prevalence . . . of the diseases, disorders, or other health conditions with which the specialty is concerned." Because it can take up to a decade to train a specialist, the council's first investment should be in a good crystal ball.

Perhaps all these proposed sanctions and penalties would serve to direct patients, physicians and health plans into a more equitable health care system. But some skepticism is warranted. "No matter how clever these legislative drafters may be," said John S. Hoff, a leading health care lawyer and reform analyst, "the bill reflects real hubris in trying to close all of the escape routes for 257 million people."

More Will Than Wallet

THIS IS A president who really does have more will than wallet. Bill Clinton plans to ask Congress to enact next year not just health care reform but also welfare reform and a major new worker retraining program. The latter two each are expected to cost several billion dollars a year when fully effective. The planners are struggling to come up less with program designs than with the necessary funds. So far they haven't done it.

A threshold question with regard to each program is: What kind of spending should this be? The administration would like as little as possible to be in the so-called discretionary category subject to the annual appropriations process. The budget on which the president and Congress agreed last summer already includes tight appropriations caps through the late 1990s. Two large new programs would make the caps tighter still, the more so because the funding would likely have to be wedged into the Labor-Health and Human Services appropriations bill. That bill is already brimming over with programs—Head Start, aid to education, children's health—whose funding the administration would like to increase. The last thing the administration wants is to set up a competition between welfare reform and Head Start when it favors both and both are aimed at aiding similar populations. The poor ought not be financing aid to the poor.

But the alternative is not a great deal better. The only way to keep the programs out of the appropriations category is to make them entitlements. That's a dirty word these days—and under the budget rules, new entitlement spending also has to be paid for, which means that there has to be either a tax increase—talk about dirty words—or offsetting cuts in other entitlements. The Labor Department has floated the possibility of financing part of its retraining program through an increase in the business tax that supports unemployment insurance. But that doesn't seem to be a likely starter in a year when the president will also be asking reluctant employers to shoulder the cost of health insurance premiums. If Congress approves a retraining program, a lot of it is likely to be in the form of an authorization only, with funding to come as appropriators find room.

Welfare reform may be more complicated. The cost consists in providing more support to welfare mothers while also putting more pressure on them to move from welfare to work. House Republicans have proposed raising part of the money by cutting off all welfare and related benefits to immigrants. These are people not yet citizens but legally here. The cost of supporting such new arrivals is now in excess of $5 billion a year. Most of the beneficiaries, accounting for more than three-fourths of the aid, are elderly.

Before Congress adjourned in October, some Democrats also voted to limit benefits to elderly immigrants—by requiring their sponsors to support them longer—in order to finance other domestic spending. That limited step, after a debate that more than once turned nativist and nasty, had tacit administration support. Some people now think the administration may go back to the same well. We'll see, of course. But the budget rules now are such that the government can create winners only by also creating explicit losers. Part of the meaning of that is that there may be less to worker retraining and welfare reform next year than meets the ear.

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Ickes Declines Health Plan Coordinator Job

By Dana Priest
Washington Post Staff Writer

New York lawyer-lobbyist Harold Ickes has turned down the offer to coordinate the administration's health care campaign, and officials are now scrambling to find another candidate to fill the post, administration sources said yesterday.

Ickes, who could not be reached for comment, rejected the job for personal reasons, according to officials close to the two-months-long negotiations. The decision leaves the White House's biggest and toughest domestic policy campaign without a coordinator to deal with Congress.

There is considerable concern among members of Congress that White House delays in introducing the bill could harm President Clinton's chances of winning passage for comprehensive legislation next year.

White House sources said they hope to have an alternative coordinator in place early next week. The person would work side-by-side with senior White House adviser Ira Magaziner, the chief architect of the plan and, until now, the main liaison with Congress and interest groups.

In other health reform related matters, the AFL-CIO and its affiliates have pledged to contribute $2 million to sell comprehensive health care reform to the American people. They agreed to put another $1 million "in reserve," sources said.

While organized labor is still angry with the administration over the North American Free Trade Agreement, it has a long-standing interest in health reform.

THE WASHINGTON POST SATURDAY, DECEMBER 18, 1993

New York Lawyer Declines Clinton's Offer of Health Post

By GWEN IFILL
Special to The New York Times

WASHINGTON, Dec. 17 — Harold M. Ickes, a New York lawyer with close ties to the Clinton Administration, has decided against taking over the job of selling President Clinton's health care plan, and White House officials said today that he would be offered no other job.

Mr. Ickes, 53, who was a member of Mr. Clinton's transition team and had been close to accepting a position as deputy chief of staff last year, was offered the health post after he was cleared of accusations that his law firm represented a mob-influenced union.

But after hesitating for weeks, Mr. Ickes apparently turned the job down this week, at about the same time that senior officials lost patience with his indecision about accepting a White House post that both Mr. Clinton and Hillary Rodham Clinton wanted him to take.

"It came to an end this week," one official said. "It's over."

Officials said they were continuing a search for someone who would oversee the health care sales campaign in much the same way that William M. Daley, a Chicago lawyer, headed the White House effort to win passage for the North American Free Trade Agreement.

But officials close to the negotiations with Mr. Ickes said that he had hoped for a larger role that had more to do with the substance of the health care debate rather than the politics of getting it passed in Congress. Mr. Ickes, they said, was unable to reach an accommodation with Ira C. Magaziner, the President's senior health care adviser, to share some of those duties.

Mr. Ickes had also hoped to assume some responsibilities of the deputy chief of staff, in essence sharing the job with Philip Lader, who became deputy to Thomas F. McLarty 3d earlier this month.

Several of the President's political advisers had lobbied on Mr. Ickes's behalf, hoping to get someone in the chain of command with a tough demeanor who could force action in the often disorganized West Wing.

Mr. Ickes did not return telephone calls seeking comment today.

Accord on Health Care Is Reached in Albany

By KEVIN SACK
Special to The New York Times

ALBANY, Dec. 17 — After eight months of tortuous negotiation over health care financing, the State Legislature and Gov. Mario M. Cuomo struck a tentative agreement today to grant hospitals a modest increase in revenues and provide new incentives for improving preventive and family care.

Because the bill would leave New York's health care financing system largely intact, critics said it would fall far short of the blueprint for change once envisioned by Mr. Cuomo. The Governor abandoned proposals to grant no increase in financing to hospitals, to place caps on doctors' fees and to tighten the state's control over the proliferation of expensive medical equipment.

With President Clinton and Congress considering a radical overhaul of the country's health care system, Mr. Cuomo and the Legislature left the most difficult decisions about New York's health system for another day. They did not consider creating a universal health care system or debate other large changes in the insurance system.

"There's a lot of good in this package," said Assemblyman Richard N. Gottfried, a Manhattan Democrat who is chairman of the Health Committee. "But it's hard to do major system reform when the Federal Government is on the verge of changing all the rules of the game."

More Aid to Hospitals

Leading legislators and Cuomo administration aides said the bill would increase revenues at the state's hospitals by about 5.6 percent a year for the next two years. They said it would also funnel new money to struggling hospitals, to training for emergency medical technicians, to hospital tuberculosis units and to programs aimed at caring for infants with AIDS.

Legislative leaders and Cuomo agree on modest changes in health finances.

Assembly Democrats failed in the final round of talks to win agreement from Senate Republicans to expand eligibility for a popular program that provides state-subsidized health insurance for the children of the working poor.

Lawmakers and aides said early this evening that the bill had been agreed to at the negotiating table. But it was still being discussed in party caucuses, and major objections by lawmakers could kill the deal.

With the state's hospital reimbursement system scheduled to expire on Dec. 31, the bill's sponsors said they were relieved to have an agreement at last that would allow the state's hospitals to budget for the next year. Hospital executives had predicted fiscal chaos if the deadline lapsed without a bill.

Through an intricate formula, the state controls the rates that Medicaid and private insurers use to reimburse hospitals for various procedures. It can also use the formula to direct money to hospitals in particular regions or to those with fiscal problems caused by heavy caseloads of poor or chronically ill patients.

The formula expires every two or three years, and the ensuing battle to revise it is driven by the competing interests of doctors, hospitals, insurance companies and citizens' groups.

The Senate sponsor of the bill, Michael J. Tully of Roslyn Heights, L.I., said he hoped the agreement would not lead to increases in health insurance fees. But leaders of health care patient groups predicted that it would.

hospitals and only a fraction of that on primary care," said Richard Kirsch, director of Citizen Action, a consumer group. "The Governor and Legislature have utterly failed at health care reform."

Cuomo Agrees to a Change

Mr. Cuomo originally proposed to limit health care costs by not increasing hospital reimbursement rates, which currently generate about $10 billion in revenues, according to the State Health Department. But with hospitals facing deep new cuts in Federal Medicare payments, he eventually agreed to a Senate plan that would funnel an additional $181 million a year to hospitals.

That amounts to an increase of about 1.8 percent on top of an increase of 3.8 percent that is already built into the hospital financing formula to keep pace with inflation, said Peter Slocum, a Health Department spokesman.

Daniel Sisto, president of the Hospital Association of New York State, said the higher payments to hospitals would barely offset the losses inflicted this year by Congress through cuts in Medicare, the Federal health insurance program for the elderly.

"Next year we're looking at a $170 million loss from Medicare," Mr. Sisto said. "This should help stabilize hospitals in 1994 and give them time to prepare for the initiatives in Clinton's health security act."

Help for Poorly Served Areas

The bill would provide an additional $13 million a year on top of an existing $22 million for grants to doctors, hospitals and clinics that set up preventive and family care practices in underserved areas. It would also spend about $15 million to forgive medical school loans for family doctors, give grants to medical schools that emphasize family and preventive medicine, increase aid to schools that recruit minority doctors, and give scholarships to aspiring midwives, nurse practitioners and physician's assistants.

The Democrats who control the Assembly fought to expand the eligibility for the state's Child Health Plus program. Created in 1990, the program provides health coverage for children under 13 from families that cannot afford insurance but are not poor enough to qualify for Medicaid.

The Assembly majority proposed expanding the program to cover 13-year-olds next year and 14-year-olds in 1995, at a cost of $5 million the first year and $12 million the second.

The state Catholic Conference opposed the expansion on the ground that it might make state-financed abortions available to young teenagers. Senate leaders said they were not persuaded by that argument but were opposing the proposal because it was not affordable.

Instead, all sides agreed to increase money for the program so that the state can afford to cover more of the children who are now eligible. There are currently 64,000 children enrolled out of an estimated 170,000 who are eligible. With the new money, about 80,000 children should be covered by the program, legislative aides said.

THE NEW YORK TIMES, SATURDAY, DECEMBER 18, 1993

HEALTH CARE WIRE REPORT

SUNDAY, DECEMBER 19, 1993

WEEKEND EDITION

Inside:

AM-Health Czar-Ickes, 1st Ld-Writethru, a0655,250
White House Discounts Reports That Ickes Won't Take Health Job
Eds: SUBS 6th graf, `Ickes, 54,' to fix typo in messages.

WASHINGTON (AP) Despite reports to the contrary, White House officials said Sunday that New York lawyer-lobbyist Harold Ickes is still in the running to coordinate President Clinton's health care campaign.

``There's been no final decision,'' one aide said on condition of anonymity. ``We're still hopeful, although we're looking elsewhere.''

The Washington Post and Newsweek quoted sources saying Ickes had turned down an offer to coordinate the White House's effort to get health care reforms approved by Congress in 1994.

Two Clinton aides, including a senior White House official, said Sunday the reports were premature.

A likely backup candidate would be former Ohio Gov. Richard Celeste.

Ickes, 54, did not return telephone messages left at his New York home during the weekend. Newsweek reports in its Dec. 27 issue that Ickes has told friends he does not want to uproot his family and move to Washington.

The veteran Democratic labor lawyer and Clinton confidant was considered for deputy White House chief of staff in January.

But he withdrew as a candidate after reports that federal prosecutors were investigating his Mineola, N.Y., law firm's representation of a labor union suspected of having ties to organized crime. The firm represented Local 100 of the Hotel and Restaurant Employees International from 1982 to 1992, primarily before the National Labor Relations Board.

A law partner of Ickes' said recently that a court-appointed agent overseeing the union's affairs had concluded that there was no evidence of misconduct by Ickes or the firm.

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**** printed by:WHPR(MMIL) on 12/19/93 at 16:41EST ****

AM-Bentsen-Social Security,450
Bentsen Sees No More Curbs On Social Security Benefits
By H. JOSEF HEBERT= Associated Press Writer=

WASHINGTON (AP) Treasury Secretary Lloyd Bentsen said Sunday the administration has no plans to seek additional curbs on Social Security benefits for wealthy Americans or eliminate cost-of-living increases.

Linking Social Security benefits to income, so-called ``means testing,'' and curbing automatic increases because of inflation have been cited as possible ways to help reduce the federal deficit.

While Bentsen said that government ``entitlements'' such as Social Security, Medicaid and Medicare benefits must be brought under control, he maintained that Social Security already has been ``tilted'' adequately to the benefit of low income Americans.

``We think we have done ... what should have been done'' by requiring high-income Social Security recipients to pay taxes on up to 85 percent of their benefits, Bentsen said on NBC's ``Meet the Press.''

The provision boosting taxes for wealthy Social Security recipients was included in the deficit-reduction package enacted by Congress earlier this year.

``I believe in the principle that if you pay into Social Security, you get something back, that we don't get it into a welfare mode,'' Bentsen said when asked about ``means'' testing.

The treasury secretary also said the administration has abandoned thoughts of tinkering with the Social Security cost-of-living provisions, saying the issue no longer is on the table as an option for lowering government entitlement spending.

Bentsen said $180 billion in federal entitlement payments will be saved as a result of overhauls in Medicare and Medicaid accompanying the administration's proposed universal health care plan.

Bentsen also said:

The age of eligibility for Social Security benefits may eventually have to be increased, possibly to age 68 by the year 2006. ``Those things ... are certainly worth looking at as people live longer, are productive longer,'' he said.

He opposes a suggestion by Labor Secretary Bob Reich that a special payroll tax be imposed to pay for worker retraining. ``I don't see that happening next year,'' he said, adding he was personally against it.

He expects economic growth next year at about 3 percent and an inflation rate close to that. ``Those are good numbers,'' he said.

There are more jobs being created in the economy than are being lost by layoffs. Despite some highly publicized layoffs at major corporations, ``we're seeing a very substantial net increase in jobs,'' he said.

``We're creating about 160,000 jobs a month, whereas last year it was about 80,000,'' Bentsen added. ``...I think we're headed for long-term sustainable growth.''

**** filed by:APE-(--) on 12/19/93 at 14:42EST ****
**** printed by:WHPR(MMIL) on 12/19/93 at 16:44EST ****

AM-Doctors Congress, 1st-Writethru, a0476,730
Doctors Hoping To Bring Health Care Expertise to Congress
EDS: SUBS grafs 9-10 bgng: ``The other'' to DELETE references to Rep. Vic Fazio and to CORRECT that Rep. J. Roy Rowland is other doctor in the House, picks up 11th graf pvs bgng: ``Clinton, Democratic''
By KAREN BALL= Associated Press Writer=

WASHINGTON (AP) Some two dozen physicians, spurred in part by Washington's move to overhaul health care, are mapping plans to run for Congress next year.

Most are Republicans, and say doctors didn't have enough input as President Clinton and the first lady drafted a reform plan.

``There's nobody like me behind Hillary's secret door,'' said Dr. John Steel, a San Diego urologist who's given up his practice to make a run. Like the other GOP candidate-physicians, he thinks Clinton's plan is too bureaucratic and takes control out of patients' hands.

So far, 19 surgeons, dentists and other medical practitioners have told the National Republican Congressional Committee they're planning GOP campaigns for the House. At least two other GOP physicians plan Senate bids. And a handful of Democratic doctors are running for the House.

Republican National Committee Chairman Haley Barbour said there's been a jump in doctors' activism at party functions around the country over the past year, too.

``They are threatened, and concerned that Clinton's government-run health care system will not only adversely affect them, but reduce the quality of health care received by their patients,'' Barbour said.

But it's questionable whether they could get elected in time to make a difference.

``They're sort of late, but at least they're making a move,'' said Rep. Jim McDermott, D-Wash., one of two medical doctors who now hold seats in the 535-member Congress.

The other House member who is a doctor is Rep. J. Roy Rowland, D-Ga.

Clinton, Democratic congressional leaders and even many moderate Republicans hope to press through a health care reform bill by next August, before the 1994 elections. If they succeed, anyone who wins a seat next November wouldn't arrive until January 1995 too late to vote on the legislation.

Still, many of the doctor-candidates and the Republicans who'd like to see them elected predict that whatever health care legislation Congress passes next year will just be a first step. Even 1995 newcomers would have time to make an impact, they say.

``I would hope for the sake of all our patients we would be the driving force'' to stop Clinton's plan, said psychiatrist Irwin Savodnik, who practices in Torrance, Calif., and is making a run as a Republican.

Some of the doctors planning races said health care isn't their only worry; they also listed the federal deficit, education and crime as concerns.

Dr. David Doman, a Democrat from Maryland, said he will work to maintain ``economic competitiveness in the international arena.'' On health care, he calls himself a supporter of Clinton's plan, but is opposed to forcing all employers to pay for a big chunk of their workers' coverage.

Another GOP hopeful, Dr. Greg Ganske, a plastic surgeon in Des Moines, said stopping wasteful government spending will be one of his top priorities.

``The time has passed when we can keep adding to that big black hole called the national debt,'' Ganske said.

Dr. Brenda Fitzgerald, a GOP gynecologist from Georgia who first ran in 1992, said even her presence in the '94 race might keep the Democratic incumbent from voting for Clinton's plan. But she said small business' concerns on a range of issues, such as regulation and taxes, would also be at the top of her agenda.

McDermott, one of the current doctors in Congress, backs a ``single-payer'' plan that would have the government finance all health care. He wouldn't benefit personally from having lots of fellow physicians elected, if they were Republicans, because they would almost universally oppose his plan.

Still, he said, he would welcome their arrival.

``I would rather have somebody familiar with the medical system than (someone) who had some ideological view but didn't have a clue as to how the system worked,'' McDermott said.

Even if a record number of physicians are elected, they will face the same problem all newcomers have in an institution ruled largely by tenure, McDermott said.

``They're not going to come in and be that effective,'' McDermott said. ``When you start in medical school, they don't take you in the operating room right away and hand you a scalpel. It takes a little while to figure out things.''

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BC-HEALTH-WELLNESS-NNS
How Much Is an Ounce of Prevention Worth?
Two optional trims to 1,100 words
By MILES BENSON

WASHINGTON There is something important missing in the national debate over health care reform.

The absent element: a focus on what can be done to make Americans more healthy, not just guaranteeing that their illnesses will be treated when they get sick.

President Clinton does advocate preventive care but thus far the political dialogue over health reform has been more about ways to finance the treatment of illness than about ways to prevent it.

Prevention, early detection and incentives to promote wellness are an important part of the administration's reform plan, but they are rarely discussed.

Not that everyone agrees on the president's approach. On the contrary, some of the alternative plans that have been proposed on Capitol Hill contain far less prevention than Clinton advocates.

But if the fast-rising cost of health care is creating a crisis, one way to dramatically reduce the rate of growth would be to improve public health. Potential savings are enormous.

Doctors say more than half of all illness is preventable. Much of it is self-inflicted, the result of smoking, drinking, drug abuse, suicidal eating habits and sedentary lifestyles that helped push the national cost of health care to $900 billion in 1993, and will likely boost it over the $1 trillion mark in 1994.

Clinton's plan would cover periodic physical checkups, which many health insurance plans currently do not pay for. It also covers immunization, pre-natal care, cancer and diabetes screenings, mammograms and pap smears, with no co-payments required from patients. Raising taxes on cigarettes 75 cents a pack will improve health if, as expected, it reduces smoking. And Clinton would increase funding for research in children's health and disease prevention and wellness promotion.

Perhaps the most important preventive element of the Clinton plan is little understood and rarely discussed. It is Clinton's attempt to reverse the financial incentives for most doctors who now operate under a system that provides them no economic benefit for keeping patients healthy.

In most cases under the present system, the more medical services doctors provide, the more money they make. Clinton seeks to change that.

Under his reform plan, doctors would be part of a health plan that is paid a fixed amount of money for taking care of a group of patients over time. The healthier the patients, the less money consumed treating sickness and the greater the financial reward for the health plan and its doctors.

Clinton advisers believe this pocketbook motive will cause doctors to more intensely monitor patient behavior and devote more time and attention to counseling about good health habits.

``When it comes right down to it, physicians and people working in medical treatment centers have not been closely involved,'' said Dr. J. Michael McGinnis, deputy assistant secretary for health promotion and disease prevention in the Department of Health and Human Services. ``Their incentive is primarily to treat illnesses that walk in the door. Now there will be a different set of incentives at play. Not only is there the obligation to treat illness, but also because of the structure of the entire system there would be a real incentive for plans to keep their patients healthy,'' McGinnis said.

``At least under this system you will be in a health plan which has every reason to encourage you and educate you about how to take better care of yourself,'' said Walter Zelman, a White House health adviser. ``The conscientious physician today may try to tell you about nutrition and

exercise. Now there will be an additional issue involved. Now the plan has more incentive to make sure you learn about nutrition, about alcohol and drug abuse, to make sure you understand the dangers of smoking and how to reduce the intake of things not healthy for you. They have every reason to get you to eat better.''

The impact could be most dramatic among lower-income families where death rates now are almost twice as high as as they are among those among upper-income Americans, said Jeff Jacobs of the American Public Health Association.

``The wealthy get the information they need to make lifestyle changes,'' Jacobs said. ``Lower income people don't get that advice, they don't get the tests.''

The universal health care coverage proposed by Clinton would fill that gap.

(FIRST OPTIONAL TRIM BEGINS)

Not everyone believes that promoting wellness would reduce health costs.

Uwe Reinhardt, a health care economist at Princeton University, scoffs at the idea, saying people would live longer and ultimately heap new cost burdens on society.

``Over their life-cycle, people consume a certain amount of health care,'' Reinhardt said. ``If they don't consume it sooner they consume it later. Smokers are probably lowering health care costs because on average they die so much earlier that they consume less health care per life-cycle.''

But many doctors and other experts disagree.

(FIRST OPTIONAL TRIM ENDS)

A recent report by the Robert Wood Johnson Foundation in Princeton, N.J., said smoking adds $28 billion a year to the nation's health care costs, while alcohol abuse adds $10.7 billion and drug abuse another $4.7 billion.

The Center on Addiction and Substance Abuse at Columbia University in New York said that patients with substance abuse problems tend to recover more slowly from a variety of ailments, running up bigger hospital bills. On average, Medicaid patients with substance abuse as
a secondary diagnosis are hospitalized twice as long as patients with the same primary diagnosis and no substance abuse problem.

Joseph A. Califano Jr., former secretary of Health Education and Welfare who heads the center, puts the medical costs of substance abuse at $140 billion a year.

A study by the Medical College of Wisconsin said more elderly Medicare patients are hospitalized for alcohol abuse than for heart attacks. More broadly, between 25 and 40 per cent of people in general hospital beds across the country are being treated for the complications of alcoholism.

More than 70 conditions commonly requiring hospitalizations are the result, in whole or in part, to substance abuse, including tumors, spontaneous abortion, respiratory diseases including asthma, bronchitis, emphysema, pneumonia and influenza, coronary heart disease, hypertension, ulcers, dementia, epilepsy, diabetes, leukemia, arthritis and seizures.

People who smoke and drink are 135 times more likely to get throat cancer than those who abstain from both. Those who smoke and drink are 24 times more likely to get oral cavity cancer than those who do not drink or smoke.

``Much of the impetus behind the growth in health care expenditures can be traced to lifestyle factors and social problems,'' said a report by the American Medical Association.

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**** printed by:WHPR(MMIL) on 12/19/93 at 16:55EST ****

BC-HEALTHCOST medical, national editors:JC
Doctor spreads message of cost-effective care
(HAS TRIMS)
By Ira Breskin
Journal of Commerce

PHILADELPHIA Dr. David B. Nash, a Thomas Jefferson University Hospital expert on the effectiveness of medical treatments, is a politician at heart.

Making his way across Jefferson's downtown campus, Nash works the crowd, cajoling professional and support staff alike, encouraging them to learn about his four-year effort to rein in health care costs while continuing to improve the quality of service.

No opportunity is too small to try and win friends.

Nash, one of the nation's most outspoken health care cost containment gurus, hopes to apply lessons learned at Jefferson, which runs the nation's largest private medical school, to hospitals across the country.

The goal, simply put, is to meet a patient's needs at the lowest possible cost and to document that cost effectiveness.

Using outcomes management, Nash measures the benefits of one drug against another or against an alternative therapy or treatment. Total costs, meaning direct and indirect hospital outlays as well as comparative therapeutic value of each treatment, are measured. Ideally, buyers can factor in the relative costs to the patient such as income lost because of hospitalization vs. retention of that income because a malady was treated using pharmaceuticals or outpatient care.

The urgency induced by President Clinton's health care reform campaign may provide just the impetus Nash needs to win attention and ultimately support first of his Thomas Jefferson colleagues, and then of the nation's medical establishment.

``The time frame has been compressed by external events,'' said Nash, whose title at Jefferson is director of health policy and clinical outcomes. ``The president of the United States has done me a great personal favor.''

Outcomes management objectives play directly into the Clinton initiative: to ensure that savvy consumers are getting maximum bang for their health care buck.

Convincing doctors to embrace outcomes management has been difficult, Nash said. Doctors don't like outsiders, even other doctors, meddling in their efforts.

``Cost-analysis studies did not build the 15-story research tower across the street,'' Nash said.

Drug makers, however, generally have been receptive.

Major producers are scrambling to provide information on economic justification, information they realize will be key to winning and maintaining sales to large-volume customers, such as health maintenance organizations.

(EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

The comparisons of cost effectiveness can be used to gain a competitive advantage, said Laura Antell, manager of cost benefit studies at SmithKline Beecham. By studying outcomes data, pharmaceutical companies can better understand the comparative value of their products. Properly using this data, drug makers can more accurately identify prime users of the specific formulations, allowing them to maximize their marketing dollars.

``Outcomes data is the Number 1 thing that people in health care want,'' said a pharmaceutical executive. ``They like it more than anything else. It's business information that the pharmaceutical industry realizes it needs to provide.''

``It's a comprehensive approach to determine what does it cost to achieve a particular result,'' said Jerry Johnson, director of industry affairs, Lederle Laboratories, a division of American Cyanamid Co. of Wayne, N.J.

(END OPTIONAL TRIM)

Drug makers and other suppliers embracing outcomes management are doing so

at the urging of their largest customers: third-party HMOs and insurance companies that are paying a large chunk of the nation's health care bill.

(EDITORS: NEXT 3 GRAFS OPTIONAL TRIM)

HMO enrollment increased about 10 percent in 1993 to 45.3 million as more Americans deserted fee-for-service medicine for one-price, prepaid care, according to Group Health Association of America, a trade group.

In order to satisfy those large, sophisticated buyers, pharmaceutical makers are looking beyond the safety and efficacy of drugs, assuring that they produce the intended results. These are the traditional criteria investigated by the Food and Drug Administration, which oversees the industry.

In addition, drug makers now are focusing on effectiveness, measuring how products perform under real-world conditions, rather than isolated clinical trials. Drug makers also must address related efficiency, meaning how much ``healing'' does payment for a specific drug buy, relative to a similar outlay for a competing drug or therapy.

(END OPTIONAL TRIM)

Much work, however, still must be done.

``We know very little about the organization of care and the impact on outcomes,'' Nash said. The problem remains the collection and analysis of data.

(EDITORS: NEXT GRAF OPTIONAL TRIM)

``There is no uniform methodology,'' said one producer. Lederle's Johnson said: ``Generation of outcomes data is in its embryonic stages. There are pockets of experience.''

(END OPTIONAL TRIM)

Nash leans on experience data to identify, and ultimately reduce, ``unexplained variation'' in medical procedures and drug performance, and related variation in cost. Hospital administrators must track clinical practices and related patient satisfaction against a standard, a benchmark, to better identify this unwanted variation, then eliminate it.

Stated another way, gall bladder surgery is gall bladder surgery, and surgeons must follow similar procedures and use preferred medication to get similar, desired results, Nash said.

(EDITORS: STORY CAN TRIM HERE)

Nash, 38, a respected internist and trained business strategist, is a study in consensus-building when addressing the anxiety the Clinton health care initiative has created.

None of the hospital's staff of 7,000, 2,000 medical professionals and 5,000 support personnel is immune. Spreading the word takes the form of formal meetings with maintenance workers, members of most of the hospital's 16 medical departments and busy interns, for whom he provides free pizza. Seminars featuring outside speakers are frequent. Nash, in turn, makes the rounds.

Dr. Frank Nasso, vice chairman of the rehabilitation medicine department and a recent convert to Nash's crusade, explained: ``This is a Quaker, consensus-driven culture. Physicians have not been interested in (health care reform). I think we are now.''

Nash has spent the better part of his career fighting the old thinking. That fight has been quite difficult. ``I still have the scars,'' he said.

His interest in optimizing health care delivery dates back to 1973, his senior year at a Long Island high school. At the time, he recalled, he discussed medical economic issues with Dr. Samuel P. Martin III, who had just come to the University of Pennsylvania's Graduate Hospital to run the Robert Wood Johnson Foundation Clinical Scholar program. Martin remains a mentor.

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