

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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CONTACT: WALT RIKER
(202) 224-5358

THE TRUTH ABOUT HEALTH CARE

CLINTON "PAY OR PLAY" PLAN

◆ **Taxes and spending:** Pay-or-play will require at least \$80 billion in new taxes, and according to the Congressional Budget Office, will cost a total of \$197 billion over four years.

◆ **Jobs lost:** An Office of Management and Budget study concludes that the 7 percent payroll tax required to cover pay-or-play costs would cause as many as 700,000 jobs to be lost.

◆ The Democrat health proposal would require an estimated 14% in payroll taxes from small businesses all across the country, almost twice what small business already pays in FICA taxes. Isn't this a great way to build jobs?

◆ Pay-or-play would consume corporate profits that could be invested in new jobs or better products. If companies do not reduce wages, pay-or-play taxes and mandates would have to consume corporate profits. In short, pay-or-play would cost businesses \$49 billion a year, one-quarter of their 1991 profits.

◆ **More government bureaucracy:** Pay-or-play would result inevitably in a huge new bureaucracy to run a government health insurance system. It would also lead to rationing of care, letting bureaucrats in Washington decree the availability of different treatments and the overall quality of care.

REPUBLICAN PLAN

◆ **Provides secure coverage to all Americans.** "Preexisting condition" limits are eliminated when people change jobs. The fear of "job lock" -- where a worker can't move to another job without losing insurance -- is eliminated.

◆ **Makes insurance more affordable.** Over 95 million Americans will benefit from tax credits and deductions to offset health insurance costs.

◆ **Reduces red tape and administrative costs** through streamlining the current paperwork maze, and forcing all insurers, doctors and hospitals to use the same form.

◆ **Revolutionizes private insurance** by eliminating their ability to "cherry-pick" or cancel insurance when claims are filed. The President's plan helps small businesses and individuals afford coverage, giving them the buying power of large groups.

◆ **Reforms malpractice laws** to help those with legitimate malpractice claims recover damages while keeping lawyers out of the middle of medical care and reduces health costs due to "defensive" medicine. In addition it helps those with small malpractice claims, who lawyers have traditionally ignored, get a fair hearing.

◆ **Expands services in underserved areas.** Many areas in rural and urban America have a shortage of doctors and clinics. The President's budget expands funding to provide more care in these areas.

The Republican plan does not:

◆ Raise taxes or cost jobs by burdening small business with new mandates;

◆ Create a system of government health insurance or a huge new government bureaucracy to regulate prices and ration health care.