

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
Tuesday, February 8, 1994

Contact: Clarkson Hine
(202) 224-5358

CBO HEALTH CARE REPORT

ANALYSIS OF CLINTON PLAN REVEALS DEFICIT SPENDING, GOVERNMENT CONTROL, TAX ON EMPLOYERS

WASHINGTON -- Senate Republican Leader Bob Dole today made the following statement regarding the Congressional Budget Office's analysis of the Clinton health care plan:

The Congressional Budget Office unveiled its analysis of the Clinton health care plan today, and first of all, I want to congratulate the CBO Director, Dr. Robert Reischauer, for putting together an objective and comprehensive analysis under very difficult circumstances.

This report confirms what many of us have suspected for a long time: the Clinton plan calls for a multibillion dollar dose of deficit spending and government control.

Furthermore, the CBO report underscores the fact that we must proceed carefully down the road of health care reform -- we must make certain that we do the job right. I hope that all plans under serious consideration will undergo the same kind of careful scrutiny that the Clinton plan has received.

And let's remember, this report comes from the office that the President has made his official budget scorekeeper.

Plan is Tax on Employers, Belongs On-Budget

In my view, the CBO analysis is important to the health care debate for the following reasons.

First, the President has tried to gloss over the fact that the central component of his health care reform financing plan -- \$1.4 trillion in mandated health care premiums paid by employers to government-controlled alliances -- is essentially a tax on employers. The President tried to hide this part of his plan by moving it off-budget.

Now, CBO says that the President has to put the whole plan on-budget, that the new benefits in his budget plan constitute a massive new \$1.4 trillion entitlement program, and that the mandated premiums are, and I quote, "receipts to the federal government".

Clinton Plan Increases Deficit

Finally, the main reason President Clinton gives for adopting his health care plan is that the cost of doing nothing is too high. The President's budget claims that adoption of the Clinton plan would reduce the deficit by roughly \$60 billion over 6 years.

One day later, CBO tells us that adoption of the Clinton plan would actually increase the deficit by more than \$70 billion over the same period -- a swing of more than \$130 billion. In other words, the current system would cost \$70 billion less than adopting the Clinton health plan. Now, don't get me wrong -- I'm not advocating doing nothing or preserving the status quo. Republicans look forward to helping enact reform that helps fix the real problems that exist in our health care system. However, this report makes it clear that we must look before we leap.

###