

*Bob Dole*



**NEWS**

**U.S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

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## **HEALTH CARE UPDATE DOLE/PACKWOOD PLAN HELPS MIDDLE CLASS & MIDDLE AMERICA**

WASHINGTON -- Kansas Senator Bob Dole made the following statement this week on the floor of the U.S. Senate:

Health care is a big problem, no question about it. It is going to be a big issue. I understand the Majority Leader indicated earlier today that we are going to take it up in late July in the Senate. That may be or may not be, because I am not certain what will be coming up.

There is a piece by Robert J. Samuelson, who is a Democrat economist, in this week's Newsweek. It is entitled: "Our Health Care. Start Over." He gives you good reasons why we ought to start over. He just says at the start, "A bad bill would be worse than no bill at all."

### Do The Job Right

I think he is exactly right, and I would certainly recommend this for the reading of all my colleagues on both sides of the aisle. Mr. Samuelson does not always agree with me; he has been a critic of some of the things I have done. But in this case, whether it is the Finance Committee or whether it is the so-called Kennedy bill, the Labor Committee bill, or the two or three the House passed out of Committees, I think he is right. What he suggests is we ought to do it right. The American people want us to do it right. They are not interested in deadlines. They are not interested in who gains and who loses in politics in November 1994. They want to get it right. And they want us to take care of preexisting conditions that affect millions of people. They want us to take care of portability so they can move from one job to the other without losing their benefits.

There are a lot of things, probably 20 things that we could have a voice vote on here today and pass, where everybody agrees. And if we do not do that, then we are denying literally millions of people opportunities they should have. Let small businesses go together, small businessmen, business women, pool their resources, get better deals from insurance companies, better coverage for their workers. Do not tell the American people you can only have one standard benefit package, as the Administration does and as the Finance Committee bill does. One size fits all. You cannot buy any less. If you are a 22-year-old and do not have a family and want to buy a catastrophic plan, you cannot do that because that is less than the standard plan. The government is going to tell you what you can buy. You cannot buy any less. You can buy more, but you cannot buy any less. And all that is discussed in this article by Mr. Samuelson.

### Opposition to President's Plan Growing

Now, I have had an opportunity to travel some here lately, and there is no doubt about it: the opposition to the President's plan is growing in all parts of the America, whether you are a Democrat or an Independent or a Republican, or whether you really do not care about politics at all. I guess when the President first announced his plan, he probably had 74 percent support. That is what a poll showed. The same poll shows 32, 33 percent now; some maybe 38, 39. So the President is now saying, well - he does not say it, but he says, well my plan is not any good, but the other plans are not any good either.

### The Dole/Packwood Plan

Last week, or 10 days ago, 40 Republican Senators out of 44 said OK, let us put a plan out there so the American people know where we stand. We are not doing it in any partisan way because we are trying to attack Democrats. In fact, we were in touch with 14 of our Democrat colleagues and in touch with Democrats and Republicans in the House.

So I introduced, with Senator Packwood, a bill that we think does the very things that Mr. Samuelson and other people talk about.

Preexisting condition. If somebody has cancer in the family, should you be denied coverage for the family? The answer is no. Take care of it.

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If you do not have the money, should somebody subsidize coverage?

The answer is yes, and we take care of it. But we do not have employer mandates. We are not trying to put people out of work. The employer mandate is an employer tax. It is a tax on business. And in the state of Kansas, where 90 percent of your employers have 10 or fewer employees, small businessmen, and small business women are the backbone of our economy; they are doing all they can for their employees, but there are limits.

So in the Dole-Packwood plan, there are no mandates, no new taxes, and no price controls. We think that is important. I have not had anybody write in and say to me, "We want more taxes," after the \$265 billion tax increase imposed on the American public last year. And some say that is why the dollar is falling apart, because of the big tax increase.

#### Helping Middle Class Americans

The President said the Dole-Packwood plan does not do anything for the middle class. Well, I guess what I should say is the President is wrong. I want to take just a few minutes to set the record straight and list some of the ways that our proposal helps average, hard-working Americans whose primary interests are keeping a job and providing for their families.

#### No Taxes

First of all, as I said, taxes. If there is one thing middle-class America is tired of, it is taxes. The Dole-Packwood plan does not contain 1 cent of new taxes, nor does it raise any existing tax. The same cannot be said about the President's plan or the plan passed by the Senate Finance Committee 10 days ago. No one knows for certain what actually passed in the Finance Committee, but some estimates on the new taxes are as high as \$500 billion over the next 5 years.

#### Preserving Quality

Quality is very important to the American people. Polls show that 85 percent of Americans are satisfied with the health care they receive. And the American health care system, while certainly not perfect, is the best in the world. The Dole-Packwood plan would maintain that quality by leaving control in the hands of the American people and their doctors. The President's plan would compromise that quality through more Government, more regulations, and more mandates.

#### No Deficit Spending

We do not increase the deficit, which also affects the middle-class and everybody else in America. Americans are concerned about the future of their children, and if there is one thing that endangers that future, it is the Federal budget deficit. The Dole-Packwood plan provides a fiscal "fail-safe" mechanism to assure that reforms are implemented on a pay-as-you-go basis. If you do not have the money, you do not increase the benefits. And you do not raise taxes.

The Clinton plan, on the other hand, promises everything to everyone. Even the nonpartisan Congressional Budget Office has estimated the Clinton plan will add at least \$70 billion to the deficit by the year 2000. And we always underestimate things around here, so who knows what the real figure is?

#### Promoting Consumer Choice

Choice is another thing that I think affects the middle class, and everybody else. In today's market, people buy the insurance they think best fits their needs, as it should be in a free country. The President's plan makes it illegal for Americans to buy anything less than the standard plan the Government approves.

Can you imagine that? In a free country like America, you have to buy their plan. You cannot buy anything less in America. Nothing less. You have to take it. That is it. Now, to me, that is not the American people may have voted for in 1992. If you took a survey now and asked the American people: Do you want a choice of plans; do you want the same choice that members of Congress have - where we have 20 different options, you only get one. You can only have one. If you do not like it, that is tough. Oh, you can buy more, but you cannot buy any less.

Some of these standard benefit packages are very rich, and some of the benefits in those packages are never going to be used by some people in America. But you cannot say, well, I do not want this or I do not want that, because that is in the benefit package. You have to buy it. That is one size fits all.

As I said, you may be single; you may be 22 years of age; you may have a job; you may not have a lot of money; you may want catastrophic coverage; you may want a medical savings account where, if you put more money in a medical savings account, your employer does, and you do not spend it all, you get it back at the end of the year. It is yours. You do not have to pay tax on it. You put it in. If it is \$2000 and you only spend \$1000 - it is first dollar coverage - you get the other \$1000 back at the end of the year.

#### No Job-Killing Employer Mandates

Not bad. You cannot do that in the administration's plan. We do not have any job-killing employer mandates. Americans want health care. But they do not want to pay for it with their jobs. My colleagues keep saying,

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"Oh, 73 percent of the American people say they want employer mandates." How many? They did not take the poll just with employers. If anybody said, "Do you want somebody else to pay for your insurance?" you probably would say "Sure, why not?". So 73 percent of the American people said let somebody else pay for it. I guess the other 27 percent must be the employers. It must be that small businessman and that small businesswoman in Kansas, California, or South Carolina, or somewhere else. "You pay for it." So I am not surprised at that poll.

But the Clinton plan and many of the other plans contain employer mandates. Now they have a new thing they call trigger. It is a trigger. It says if we do not have employer mandates, if we do not reach a certain percentage of coverage by 2002, then we just automatically trigger a mandate. A mandate is an employer tax. It is a tax on your business.

In fact, I spoke this morning by phone with the National Restaurant Association. They are having town meetings all across America. They create a lot of jobs, lot of part time jobs for a lot of young people who work after school and who are not out on the streets. They are worried about employer mandates. They want to provide all the coverage they can. But they do not want to have people have to leave their job because they cannot afford to pay. So mandates whether they are triggered or untriggered are bad. They are taxes. They ought to be called taxes.

#### Ending Job Lock

Portability: Many Americans find it impossible or expensive to obtain health insurance if they have a family member who is already sick or who has health care problems. This is called a preexisting condition. And it is one of the reasons people get locked into a job and is because they do not want to leave. If somebody has a preexisting condition, you are covered in your present job. You dare not leave because you cannot get coverage again. We are going to guarantee in the Dole-Packwood bill that you be able to get insurance at an affordable price and not risk losing that insurance if you change jobs which is very important.

A lot of people call it a job lock. "I cannot leave my job because of the insurance." If you watch some of these programs, some of the anecdotes, these terrible stories about tragedies, about people who have preexisting conditions, or do not have portability, it ought to be fixed.

#### Promoting Fairness

Fairness: The Clinton plan says that everyone should pay the same amount for health insurance, the process known as community rating. The Dole-Packwood plan sees this practice as unfair to younger people who most often use less health care. That is why Dole-Packwood allows variations in the price of insurance based on age.

Let me give you an example. New York, a great state, the Empire State. They tried this community rating. They tried what we call pure community rating. They tried it not long ago. The increased costs led about 25,000 young New Yorkers to drop their insurance in the first nine months of enactment because they are paying 4,5,6 times what they ought to be paying. Somebody has to defend the young people in America. They are the ones out there who are going to be the leaders of tomorrow and the workers of tomorrow. Why should a young American just starting out making \$15,000 a year subsidize the health care of middle aged professionals making 50,000 a year? It does not make any sense. That is what happens under the President's plan.

#### Helping Small Businesses

Small Businesses. Small businessmen and women are the backbone of America's economy. The Dole-Packwood plan helps small business in many ways and here are three.

First, small businesses can join together in pools to provide more coverage at better rates with their employers.

Second, small business and those who are self-employed can enroll in the Federal Employees Health Benefits Program. We give those people the same choice that Members of Congress and the President now enjoy. If it is good enough for us, it ought to be good enough for them. Why can't they have that right? To ensure that they should have that right, it is in our bill.

Third, if you are a self employed small business person or individual who buys his own insurance, you cannot deduct health insurance costs. You can deduct up to 25 percent. Under our provision, the bill phases in tax deductibility up to 100 percent. If you are a rancher, if you are a small farmer, if you are a self employed business man or woman, you will be able to deduct 100 percent of your insurance costs like everybody else. We are going to give you the same treatment as that received by anyone whose employer contributes to their health care insurance costs.

So does the Dole-Packwood proposal help the middle class? You bet it does. That is one of the reasons I am proud to cosponsor the legislation, and why it has earned the support of 40 Republican Senators and many outstanding organizations across America.