

**Goldman, Sachs & Co.
Healthcare Reform Seminar
February 24, 1994
Grand Hyatt
Washington D.C.**

AGENDA

8:00 Continental Breakfast

8:45 Welcome

Stephen Friedman, *Chairman, Goldman, Sachs & Co.*

9:00 The Republican Perspective

Sen. Robert Dole (R-Kansas)

9:30 The Democratic Perspective

Rep. Mike Synar (D-Oklahoma)

10:00 Do the Numbers Add Up?

Leon Panetta

The Office of Management and Budget

Paul Van de Water

Congressional Budget Office

Susan Tanaka

Committee for a Responsible Budget

Moderator: Bill Dudley, *Goldman Sachs & Co.*

11:45 Lunch: The View from the Industry

James L. Vincent

Biogen

Thomas Frist, Jr., M.D.

Columbia/HCA

C. Raymond Larkin, Jr.

Nellcor

Leonard Abramson

U. S. Healthcare

Moderator: Stephen Friedman, *Goldman Sachs & Co.*

2:00 The Managed Competition Act

Rep. Jim Cooper (D-Tennessee)

2:30 The Trade Association Perspective

Raymond S. Scalettar

American Medical Association

Michael Bromberg

Federation of American Health Systems

Julie Goon

Group Health Association of America

Leslie Aubin

National Association of Wholesaler-Distributors

Gerald Mossinghoff

Pharmaceutical Manufacturers' Association

Moderator: Roberta L. Walter, *Goldman Sachs & Co.*

4:00 A Peek into the Political Crystal Ball

Deborah Steelman, Esq.

5:00 Farewell

*Due to the Congressional schedule, the timing of presentations is subject to change.
We apologize in advance for any inconvenience that this may cause.*

February 23, 1994

TO: Senator Dole

FROM: Vicki *Vicki*

RE: Speech to Goldman Sachs

You are scheduled to speak at the 1994 Goldman Sachs Health Care Reform Conference tomorrow at 9:00.

The audience will consist of approximately 200 executives and investors of pension plans, mutual funds, pharmaceutical and biotech companies. (tentative list attached).

The group is very much opposed to price controls and the regulatory nature of the Clinton bill. In general, the members of the audience are not very politically active or experts in the legislative process. For the most part, their information comes from the newspapers they read. They have not endorsed any health care reform bill.

They would like you to speak for about twenty minutes and then take Q and A. This should be a very friendly audience.

AREAS OF AGREEMENT

1. INDIVIDUAL RESPONSIBILITY THROUGH AN INDIVIDUAL MANDATE. LIKE THE ADMINISTRATION, THE CHAFEE AND NICKLES PROPOSALS REQUIRE ALL INDIVIDUALS TO OBTAIN COVERAGE. FRANKLY, IF WE ARE EVER TO REFORM OUR SYSTEM, INDIVIDUALS MUST BECOME AWARE OF THE ECONOMIC IMPLICATIONS OF THEIR OWN BEHAVIOR AND DECISIONS. THIS IS TRUE WITH REGARD TO THE KIND OF INSURANCE THEY BUY AS WELL AS THEIR OWN LIFE STYLE DECISIONS. FOR EXAMPLE, DO THEY SMOKE, OR DRINK OR EAT TOO MUCH.
2. SIMPLIFIED UNIFORM CLAIMS FORM
3. ELECTRONIC BILLING -- WITH PROTECTIONS FOR PRIVACY.
4. GREATER EMPHASIS ON PREVENTIVE CARE. WE KNOW IT COSTS A LOT LESS TO PREVENT A LOW BIRTH WEIGHT BABY THAN IT DOES TO CARE FOR ONE.
5. STEPPED UP ANTI-FRAUD ENFORCEMENT
6. ANTI-TRUST REFORM. WE WANT TO LET YOU DECIDE HOW CARE CAN BEST BE PROVIDED. IN MY OWN STATE OF KANSAS, URBAN AND RURAL HOSPITALS ARE WORKING TOGETHER TO BETTER ORGANIZE THEIR SERVICES AND WE ARE ALL BENEFITING.
7. MEDICAL MALPRACTICE REFORM
8. MEDICAL SAVINGS ACCOUNTS (MEDICAL IRA'S)
9. VOLUNTARY PURCHASING COOPERATIVES. WE KNOW GROUP PURCHASING MAKES SENSE, SO LETS LET SMALL BUSINESS GET TOGETHER -- WHY DO WE HAVE TO FORCE EVERYONE THROUGH THE SAME BUYER WHEN SOME MAY BE DOING JUST FINE NEGOTIATING A PLAN.
10. SOME OF US ALSO BELIEVE IN PLACING A LIMIT ON THE DEDUCTIBILITY OF HEALTH INSURANCE PREMIUMS.
11. WE ALSO SUPPORT FOLDING THE MEDICAID PROGRAM INTO THE PRIVATE HEALTH INSURANCE SYSTEM WHERE IT MAKES SENSE AND INCREASING THE USE OF MANAGED CARE.

WITH RESPECT TO UNIVERSAL ACCESS AND FAIRNESS WE SUPPORT:

1. INSURANCE REFORMS.
 - GUARANTEED RENEWAL
 - LIMITS ON PRE-EXISTING CONDITIONS
 - PORTABILITY
 - COMMUNITY RATING
2. DEDUCTIBILITY OF HEALTH INSURANCE PREMIUMS BY ALL.
3. SLIDING SCALE SUBSIDIES FOR THE LOW INCOME TO HELP THEM GAIN ACCESS TO THE SYSTEM.

WE BELIEVE ALL THESE CHANGES CAN BE ACCOMPLISHED WITHOUT CREATING ANY NEW MONSTROUS BUREAUCRACY AND WITHOUT PUTTING THE GOVERNMENT BETWEEN YOU AND THE PEOPLE YOU SERVE.

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<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>COMPANY</u>
Allen	Tom	The Principal Financial Group
Ameling	Scott	ASB Capital Management
Anastasio	Lance	Winter Haven Hospital
Andrews	Glenn	Burroughs Wellcome Co.
Angell	Wiley	General Dynamics Corp.
Banwell	Dr. Boyd	Illinois College of Optometry
Bigham	Michael	Gilead Sciences
Bloom	Steven	Self
Bond	Jonathan R.	Medical Care America
Broadhurst, Jr.	Austin	Russell Reynolds Associates, Inc.
Brown	Jaffrey P.	Capital Research & Management Co.
Bucsser	Gary	Cowen Asset Mgmt.
Burchell	Edward A.	Meridian Group
Burlock	Buzz	Boros Fund
Campion	Joseph	Financial Guaranty Insurance Co.
Capone, CPA	James V.	Soll Eye Associates
Capuano	Joyce	Dietchs & Field
Carr	Alan	Hambrecht & Quist Capital Mgt. Inc.
Carr	Julian	ARA Services, Inc.
Cavanaugh	Thomas G.	American Home Products Corporation
Cebon	Michele M.	Fitch Investors Service
Chambers	Terry	Columbia Management Company
Chanby	Dan	Merrill Lynch Asset Management
Channick	Dr. Michael	San Diego Dialysis
Child	John L.	Mid Atlantic Medical Services
Chisek	Michael	D.C. Capital Partners
Chyriwski	John	Financial Security Assurance
Cifolillo	Joseph A.	Boston Scientific Corporation
Cole	Kathleen	Continental Asset Management Corp.
Condron	Brian M.	Lederle Laboratories
Cowherd	J. Andrew	Atlantic Medical Capital
Craig	Alan	Hercules Incorporated
Crooke	Dr. Graham	Dillon Read Venture Capital
Crotty	John	CroBern, Inc.
Cunningham	David	Potomac Asset Management, Inc.
Curry	Kelly	Health Management Associates, Inc.
D'Urso	Angelo	United Fidelity Life Insurance Company
Damkoehler	Gary	JSA Healthcare Corporation
Darby	Ann	Self
De Clapiers	Luc	CDC North America Inc.
Dean	Dr. Michael	
Deming	George	Delaware Investment Advisers
Dennin	Nancy	Legg Mason Fund Adviser, Inc.
Dethy	Douglas	D.C. Capital Partners
DeYulia	Thomas R.	CNA Insurance Companies
Diekman, Ph.D.	John	Affymax
Ebel	Bruce	Kemper Asset Management
Elmore	Buddy	Medical Center of Delaware
Emberley	Joan	Baring America
Falk	Sigo	Self
Feranbach	Colin	Haven Capital Management
Fisher	Todd	Kohlberg Kravis Roberts
Flynn	Daniel	Resources Management Corp.
Foley	Steven	
Forsyth	Kimberly	Legg Mason Capital Management
Foster	Harriet	ASB Capital Management
French	Christopher	Midland Bank plc
Gallagher	John	North Shore University Hospital

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Garrity	Thomas	Eli Lilly and Company
George	Lloyd F.	MetLife
Geshel	Peter J.	Benedictine Health System
Gilbuly	Edward	Kohlberg Kravis Roberts & Co.
Gill	Dan	Continental Equity
Gilsey	Peter	Potomac Asset Management, Inc.
Girvin	Gordon	Block Drug Company, Inc.
Glass	Richard	Wood, Struthers & Winthrop
Goetz	John	Moody's Investor Service
Goetz	John	Moody's Investors Service
Goggins	Barry	Concert Capital Management, Inc.
Goldfeld	Mitchell	Wellington Management Company
Gomoll	Ted	G.T. Capital Mgmt.
Green	Lanh	FDA
Grimes	Karen	Wilmington Trust Company
Gunn	John	Memorial Sloan-Kettering Cancer Center
Gutnick	Michael	Memorial Sloan-Kettering Cancer Center
Handschu	Jerold	Continental Asset Management Corp.
Hargett	Donna	Frederick Memorial Hospital
Hawkins	John T.W.	Russell Reynolds Associates, Inc.
Hayes	Thomas	Beth Israel Medical Center
Haynes	John	Fleming Capital Management
Hedison	Amy	Biogen, Inc.
Hess	John	Baylor Health Care System
Havner	Patricia	The Acacia Group
Hill	Richard	Sentara Health Systems
Hills	Jim	Employees Retirement System of Texas
Hoffman	Janet	Fresh Fields
Hoover	James	Welsh, Carson, Anderson & Stowe
Hummers	Karen	Martin Marietta Corporation
Hunt	Michael	Eli Lilly and Company
Hussain	Ali	Conrac Technology
Idriss	Reed	AmeriCares Foundation
Jaffe	Marshall	H.A. Schupf Co., Inc.
Jochum	George T.	Mid Atlantic Medical Services
Johnson	Roderick	Continental Equity
Kahn, M.D.	Hyman	U.S. Healthcare
Kastriner	Eric	Starling Winthrop Inc.
Keith	Robert	Abbott Laboratories
Key	William G.	Chubb Life Insurance Co.
Kinney	Richard	Schering Plough Corporation
Kirk	Tara	G.E. Investment Corp.
Klein	Skip	T. Rowe Price Associates, Inc.
Kuca	Irvin	John Hopkins Health System
Kusko	Andrea	Federal Reserve
Kwok	Kimberley	Physicians Buying Alliance, Inc.
Lal	Ranjan	O'Connor & Assoc.
Landsette	David	Abbott Laboratories
Lane	Larry	NovaCare, Inc.
Lanter	Christoph	Union Bank of Switzerland
Laver	Robert	Laver & Georgatos
Lavetz	Robert	Laver & Georgatos
Lee	E. Monty	General Dynamics Corp.
Leo	Joseph	The Sanwa Bank Limited
Leonard	Robert J.	Endocon, Inc.
Lieber	Seth	GEO Capital
Lindenstadt	Glen	The Lindenstadt Company
Lister	Thomas	Forstmann Little & Co.
Loughlin	James	KPMG Peat Marwick
Mace, Jr.	Vincent G.	Chubb Life Insurance Co.

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MacKay	Calvin	Baptist Hospital
Magnus	Terry	T. Rowe Price
Maher	Michael	Greenwich Street Advisors
Mao	Ava Y.	TIAA-CREF
Mariger	Randy	Federal Reserve
Martin	Terence	American Cyanamid Company
Mates, Ph.D.	Sharon	North American Vaccine, Inc.
Mayer, M.D., M.P.H.	William J.	Kellogg's
McCormack	James	Hollister Incorporated
McCormick, M.D.	J.B.	Swedish Covenant Hospital
Meglan	Miriam	M. Kimmelman & Co.
Miles	Richard	ARA Services, Inc.
Miller	Lisa	Dietche & Field Advisers
Miller	H. Scott	Pulsar Equity Partners
Mongiello	Cosmo	Hackensack Medical Center
Montgomery	Karen	Train Smith Counsel
Moore	Jeffrey A.	Merrill Lynch Asset Mgmt.
Morales	Lori	Acacia
Moran	Pat	Massachusetts HEFA
Moraly	Karen	Merrill Lynch Asset Management
Moriarty	Karen	Sansair Corporation
Morin	Robert	Self
Morris	Brian	R.H. Bluestein & Co.
Mulvancy	Brian	ARA Services, Inc.
Mundinger	Mary	Columbia University School of Nursing
Murphy	Edward	MASS HEFA
Naini	Nader J.	Frazier & Co.
Neill	Tom	Quorum Health Group
O'Boyle	Michael	Washington Hospital Center
O'Connor	Terry	HPB Associates, L.P.
O'Connor	H. Tomkins	Atlantic Medical Capital
Oettinger	Doug	ZS Associates
Ordan	Mark	Fresh Fields
Orr	Stephen	Orr Associates, Inc.
Oshiro	Daniel	Cedars-Sinai Medical Center
Paine III	W. Dexter	Robertson Stephens Investment Management
Payton	Sam	Summit Bank
Peckham	Dr. George	Global Health Partners
Phillips	Robert	ASB Capital Management, Inc.
Pickett	Joan F.	Standard & Poor's Ratings Group
Pittman	Edward	State of New Jersey
Powell	John	Integral Capital Partners
Read, M.D.	J. Leighton	Aviron
Reichenbach	Erich	Sutro & Co. Incorporated
Reid	Charles	Brown Asset Management
Richman	Arnold I.	Meridian Group
Rieger	Richard	Kingdom Capital
Roan	John A.	The University of Texas System
Roberts	Bruce	Roberts Mitani, Incorporated
Roberts-Malamis	Rebecca	The Chubb Corporation
Robin	Robert	Sanwa Bank
Robinson	Don	ASB Capital Management Inc.
Rocha-Sinha	Emmolina	MBIA
Rogers	Paul	Orr Associates, Inc.
Rolfc	Gerald	Smith Barney Shearson
Rose	Charles	Omega Advisors, Inc.
Rosenbauer	R. Bruce	C.R. Bard, Inc.
Rosondala	Craig	Frederick Memorial Hospital
Rothrock	Kirk	Employers Health Insurance
Roventini	Laura	TIAA-CREF

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Rubenstein	Marc	Palmer & Dodge
Salzinger	Fred H.	Crcighton University
Sancilio, Ph.D.	Frederick	AAI
Sandelin	Jay	Osteopathic Health System of Texas
Savage	Michael	Mid Atlantic Medical Services
Scherer	Rachael	Dain Bosworth
Schoen	William	Health Managment Associates, Inc.
Scholz	Karen	Univ. of Massachusetts Medical Center
Schreiber	Jordan	Merrill Lynch Asset Management
Selles	Ruben	AMBAC
Shaughnessy	John	Advest, Inc.
Shainer	Louise	Federal Reserve Board of Governors
Sheldon	Eric	Capitoline Investment Services, Inc.
Sher	Nathaniel	Stifel, Nicolaus & Co.
Sherman	Stanley	Ciba-Geigy Corporation
Shipp	George	Scott & Stringfellow
Sibley	Charlotte	Bristol-Myers Squibb Company
Smith	Margaret	State Street Research
Smith	Kennoth	Stifel, Nicolaus & Co.
Sobo	William	PAREXEL International Corporation
Sogin	Stephen	Montgomery Medical Ventures
Spaeh	Winfried	Dresdner Bank AG
Spartin	Peter	ASB Capital Management, Inc.
Stechert	Judith H.	Ohmeda
Stern	Eric	Capital Guardian Research Co.
Stewart	Joseph	Johnson & Johnson
Stutz	Rolf	ZOLL Medical Corporation
Sullivan	Joseph	American Health Properties, Inc.
Suydam	Walter	LDJ
Takeda	Saburo	Yamanouchi U.S.A.
Tanner Wilson	Marsha	Vanderbilt University Medical Center
Tish	Steve	Lazard Freres & Co.
Tisono	Carl	Personal Performance Consultant
Tomczak	Mike	Integrated Surgical Systems
Treco	Brian	BASF Corp.
Tumolo	Richard	The Adams Express Company
Ukrainskyj	Mark T.	AMAS Securities
Underwood	William	AAI
Urvater	Ronald	Capital Partners
Vang Rasmussen	Mogens	Novo Nordisk
Vile	Robert	Dai-Ichi Kangyo Bank
Vinton	Shella	Neuberger & Berman
Volla	Steven	American Healthcare Mgt., Inc.
Walbrandt	Charles	General Dynamics Corp.
Walker	David	Equinox Capital Management, Inc.
Wang	Ho	New York Life Insurance Company
Webb, Ph.D.	Nigel	Neuromedica, Inc.
Weber, M.D.	Harbert	Mount Sinai Medical Center
Weiss	Jan	Financial Security Assurance
Widner	Patricia	Warburg Pincus
Wieland II	R. Richard	Option Care, Inc.
Wilkes, Ph.D	Mahlon	Hygeia Associates
Williams	Jim	Frederick Memorial Hospital
Wilson	Jeanette M.	Block Drug Co., Inc.
Wood	Warren	Cabot Medical Corporation
Woods	Timothy	Bankers Trust Company
Wright	Paul	State Street Bank

Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-902-5401

Stephen Friedman
Senior Partner
Management Committee

Thurs, Feb 24
9:00 am
~~8:30 - 10:30 am~~
Grand Hyatt
Goldman
Sachs

\$2,000.00

December 22, 1993

The Honorable Bob Dole
Republican Leader
United States Senate
S-230 Capitol Building
Washington, D.C. 20510

Dear Mr. Leader:

On behalf of Goldman, Sachs & Co., I have the honor to invite you to speak at the 1994 Goldman Sachs Health Care Reform Conference on February 24, 1994 at the Grand Hyatt Hotel in Washington, D.C. Realizing the demands placed on your time, we would like to accommodate your schedule and have you speak sometime between 8:30 a.m. and 10:30 a.m. at your convenience.

The audience would consist of approximately 100 executives of the country's major drug, hospital, biotechnology, and other health care companies, as well as 150 major institutional investors. These health care companies represent almost all of the private sector affected by health care reform; the institutional investors manage hundreds of billions of dollars and constitute the most accurate barometer of the market's reaction to the Administration's and others' health care proposals. Given the proposed timing of the health care reform debate next year, this will be a very important constituent audience.

I appreciate your attention to this request and hope to see you next year. I have asked Peter Rose in our Washington office, at (202) 637-3759, to follow-up with your appointments staff.

Sincerely,

SF

Stephen Friedman

SF:mmt

**SENATOR DOLE SPEECH TO
GOLDMAN SACHS & CO
FEBRUARY 24, 1994**

**THANK YOU FOR INVITING
ME TO TALK ABOUT AN ISSUE
THAT WILL CONTINUE TO
CONSUME MUCH OF OUR
ATTENTION IN THE COMING
MONTHS -- HEALTH CARE
REFORM.**

**THIS IS AN ISSUE THAT HAS
DOMINATED MANY OF OUR
DISCUSSIONS IN WASHINGTON
DURING THE PAST YEAR -- AND
HAS DOMINATED MUCH OF THE
MEDIA ATTENTION.**

**THE CURRENT HEALTH
CARE DEBATE HAS FINALLY
BECOME A LEGISLATIVE**

**DEBATE. AFTER MORE THAN A
YEAR OF CAMPAIGN RHETORIC
AND SECRET MEETINGS, ACTUAL
BILLS HAVE BEEN INTRODUCED
IN CONGRESS. THE MOST WELL
TOUTED, NO DOUBT, BEING THE
1,350 PAGES OF DETAILS IN
PRESIDENT CLINTON'S PLAN.**

FOR SOME TIME THE

**CLINTON ADMINISTRATION HAS
BEEN FUZZY ABOUT THE
SPECIFICS OF ITS PLAN. BUT,
NOW THE DETAILS ARE ON
RECORD. POLITICAL ADVISORS,
POLLSTERS, AND OTHERS KNOW
THAT THE PUBLIC WILL
PROBABLY NEVER FULLY
UNDERSTAND ALL THE DETAILS
IN THOSE 1,350 PAGES. BUT, MY**

**VIEW IS THAT UNLESS THE
PUBLIC -- AND GROUPS SUCH AS
YOURS -- IS ENGAGED IN THIS
DEBATE, MEMBERS OF
CONGRESS WILL BE MAKING
SOME VERY FAR-REACHING
DECISIONS IN A VACUUM.**

**NOW, THE LIBERALS IN THE
MEDIA WOULD HAVE YOU**

**BELIEVE THAT THE ONLY
SERIOUS LEGISLATION OUT
THERE IS THE CLINTON BILL.
THEY CAN'T IMAGINE THAT
MODERATES OR
CONSERVATIVES OF EITHER
PARTY COULD BE SERIOUS
ABOUT THIS ISSUE. THIS SIMPLY
IS NOT TRUE.**

**REPUBLICANS HAVE
INTRODUCED SEVERAL BILLS ON
THE SENATE SIDE FOR
COMPREHENSIVE REFORM, AND
SENATOR BREAUX, A
DEMOCRAT, HAS INTRODUCED
ANOTHER COMPETING PLAN.**

**THE DIFFERENCES IN THIS
DEBATE LIE OVER THE**

**PRESCRIPTION FOR REFORM.
THERE ISN'T MUCH
DISAGREEMENT OVER THE
DIAGNOSIS. WE ALL AGREE
THAT THE U.S. HEALTH CARE
SYSTEM PROVIDES MOST
AMERICANS WITH READY
ACCESS TO HIGH QUALITY,
STATE-OF-THE-ART HEALTH
CARE. THROUGH RESEARCH**

**AND INNOVATION, WE HAVE
DEVELOPED THE BEST MEDICAL
CARE IN THE WORLD.**

**SUCCESS, HOWEVER, HAS
COME AT A STEEP PRICE. FOR
ALL ITS MERITS, THERE ARE
MANY PROBLEMS. COSTS ARE
HIGH. THE SYSTEM IS
INEQUITABLE. IT IS WASTEFUL.**

**MANY PEOPLE ARE LOCKED
INTO JOBS THEY DON'T LIKE
BECAUSE THEY ARE AFRAID OF
LOSING THEIR HEALTH
INSURANCE. AND, MILLIONS
MORE DO NOT HAVE COVERAGE,
FORCING THEM TO CHOOSE
BETWEEN GOING UNTREATED
OR RECEIVING CARE IN
CROWDED, EXPENSIVE**

EMERGENCY ROOMS.

**THE CLINTON
ADMINISTRATION IS
ATTEMPTING TO SELL PRICE
CONTROLS, GLOBAL BUDGETS
AND GOVERNMENT
MONOPOLIES AS THE ANSWERS
TO THESE VERY REAL
PROBLEMS. THEY CALL**

**REPUBLICANS NAYSAYERS
BECAUSE WE OPPOSE TURNING
OVER ONE-SEVENTH OF THE
ECONOMY TO THE
GOVERNMENT.**

**WHAT MY COLLEAGUES AND
I REFUSE TO ACCEPT IS A
DESTRUCTION OF THE FINEST
HEALTH CARE SYSTEM IN THE**

**WORLD UNDER THE GUISE OF
EFFORTS TO MAKING CARE
AVAILABLE TO ALL.**

**IT IS NOT THE GOAL WE
DISAGREE WITH. IT IS THE
ELEMENTS THAT MAKE UP THE
PRESCRIPTION FOR CHANGE.**

LIKE MANY AMERICANS, I

**AM HERE TODAY IN LARGE PART
BECAUSE OF THE REMARKABLE
HOSPITALS, PHYSICIANS,
NURSES, AND OTHER
PROVIDERS THIS NATION HAS
PRODUCED. I, LIKE MANY
OTHERS, HAVE BENEFITTED
FROM THE ENORMOUS
INVESTMENTS IN RESEARCH
AND DEVELOPMENT MADE BY**

**THE HEALTH CARE
MANUFACTURERS AND
PHARMACEUTICAL COMPANIES
IN THIS COUNTRY.**

**WE CANNOT PUT SUCH
INNOVATION AT RISK.**

**I HAVE BEEN TOLD AS
RECENTLY AS A COUPLE OF**

**WEEKS AGO BY TWO OF THE
LARGEST HEALTH CARE
COMPANIES IN THIS COUNTRY
THAT THE THREATS OF PRICE
CONTROLS AND THE
SUGGESTION THAT THE
SECRETARY OF H.H.S. CAN
CONTROL THE ENTRY OF NEW
DRUGS AND TECHNOLOGIES
WILL BE THE DEATH KNELL FOR**

RESEARCH AS WE KNOW IT.

AND I BELIEVE THEM.

**A RECENT ARTICLE IN THE
NATIONAL REVIEW CHRONICLED
SOME OF THE MORE DRAMATIC
ADVANCES OF RECENT YEARS.
SMALLPOX HAS BEEN
ERADICATED, CASES OF POLIO
AND WHOOPING COUGH ARE**

**VIRTUALLY UNKNOWN. LIFE
EXPECTANCY HAS INCREASED
FROM 54 IN 1920 TO MORE THAN
75 YEARS TODAY.**

**THE PRESIDENT OF
JOHNSON & JOHNSON TOLD ME
THAT 35 PERCENT OF THEIR
SALES TODAY ARE FOR
PRODUCTS THAT WERE NOT**

**EVEN ON THE MARKET AS LITTLE
AS FIVE YEARS AGO. WE CAN,
WITH GOOD REASON, CLAIM TO
HAVE THE FINEST SYSTEM IN
THE WORLD. AS I HAVE SAID
BEFORE, PEOPLE COME HERE
FROM ENGLAND, FROM
GERMANY, FROM CANADA. AND
FOR GOOD REASON.**

**BUT, MAKE NO MISTAKE
ABOUT IT. WE ARE NOT
PERFECT. AS GOOD AS OUR
CARE IS, TOO MANY AMERICANS
DO NOT HAVE COVERAGE -- AND
EVEN MORE LIVE IN FEAR OF
LOSING THE COVERAGE THEY
HAVE. BUT, IN OUR DESIRE TO
ACHIEVE UNIVERSAL COVERAGE,
WE CANNOT ACCEPT REFORM**

THAT WILL CRIPPLE OUR
SYSTEM AND COMPROMISE
QUALITY. IF YOU ACCEPT PRICE
CONTROLS, MANDATES, AND
MONOPOLIES, AMERICA WILL
LOSE ITS ABILITY TO DO WHAT
IT DOES BEST.

AT THE MOMENT, THE
ADMINISTRATION SEEMS TO BE

**MORE INTERESTED IN FINDING
VILLAINS THAN SOLUTIONS. IT'S
TIME TO PUT FINGER-POINTING
ASIDE AND FOCUS ON REAL
SOLUTIONS TO REAL PROBLEMS.
IT'S TIME TO MOVE OUT OF THE
WAR ROOM AND ON TO MAIN
STREET. THIS ISSUE IS NOT
ABOUT WHO WINS OR LOSES
THE POLITICAL GAME. IT'S**

**ABOUT THE HIGH QUALITY CARE
THAT WE PROVIDE TO EVERY
MAN, WOMAN, AND CHILD IN
THIS COUNTRY.**

**NOTWITHSTANDING ALL THE
RHETORIC OF LATE, INCLUDING
THREATS OF A VETO, I STILL
BELIEVE THAT REPUBLICANS
AND DEMOCRATS CAN COME TO**

**AN AGREEMENT ON A BILL THIS
YEAR. IT WON'T LOOK LIKE ANY
ONE BILL OUT THERE NOW, BUT
IT WILL HOPEFULLY HAVE THE
STRONGEST ELEMENTS OF ALL.**

**I CONTINUE TO BELIEVE
THAT THE BASIS FOR
COMPROMISE EXISTS. THERE IS
A GREAT DEAL IN COMMON**

**AMONG ALL OUR PROPOSALS
BOTH DEMOCRAT AND
REPUBLICAN. AND THE
REFORMS WE CAN AGREE ON
ARE NOT INSIGNIFICANT. THEY
MAY NOT TURN THE SYSTEM
UPSIDE DOWN AS ENVISIONED
BY SOME AT THE WHITE HOUSE,
BUT THEY WILL MAKE A
DIFFERENCE.**

**THERE ARE MANY
DECISIONS YET TO BE MADE --
AND THEY WON'T BE MADE
TODAY OR TOMORROW. WE
HAVE A LONG ROAD AHEAD OF
US. THE FINANCE COMMITTEE
HEARINGS, AND THOSE OF
OTHER COMMITTEES, WILL GIVE
US ALL AN OPPORTUNITY TO
EXAMINE EACH OF THESE**

**DIFFICULT ISSUES. I URGE YOU
TO ENTER THESE DISCUSSIONS.**

**IT HAS BEEN SAID, "FOR
EVERY COMPLEX AND DIFFICULT
PROBLEM, THERE IS A SIMPLE
SOLUTION -- AND IT IS WRONG."**

**NO DOUBT ABOUT IT, THERE
IS NO SIMPLE SOLUTION TO THE**

**PROBLEMS FACING OUR HEALTH
CARE SYSTEM. AMERICANS
HAVE BECOME ALMOST
UNANIMOUS IN BELIEVING THAT
MAJOR REFORM IS NEEDED TO
ACHIEVE UNIVERSAL COVERAGE
AND BETTER VALUE FOR THE
MONEY. BUT, THE GENERAL
PUBLIC, LIKE THE EXPERTS, IS
MUCH LESS CERTAIN WHAT**

SHAPE REFORM SHOULD TAKE.

**THE PROBLEMS ARE
OBVIOUS. THE SOLUTIONS ARE
NOT.**

**I WILL CONCLUDE BY
SAYING WE WELCOME YOUR
IDEAS -- WE NEED THEM. AS A
MEMBER OF CONGRESS, I KNOW**

**WE OWE IT TO THE AMERICAN
PUBLIC TO GET IT RIGHT. THE
MORE IDEAS, THE MORE
DISCUSSION, THE MORE
DEBATE, THE BETTER.**

**THANK YOU FOR YOUR
INTEREST. I LOOK FORWARD TO
YOUR CONTINUED
PARTICIPATION IN THE COMING
MONTHS.**