

Bob Dole

U.S. SENATOR FOR KANSAS

NEWS

FROM:

SENATE REPUBLICAN LEADER



FOR IMMEDIATE RELEASE
Wednesday, August 10, 1994

Contact: Clarkson Hine
(202) 224-5358

HEALTH CARE UPDATE

RECOMMENDED READING ON HEALTH CARE

I would like to call the attention of my colleagues to four articles in today's Washington Post.

First, I would recommend the story on page A6, entitled "CBO is Lukewarm on Senate Health Plan." This story summarizes some of the problems that the nonpartisan Congressional Budget Office has with Senator Mitchell's proposal. And let me share a few quotes from that story:

"The CBO also found the (Mitchell Plan) would be difficult if not impossible for individual states to implement, and that a proposed tax on health care plans whose benefits costs exceed certain levels could increase the cost of insurance for many people and cause some to drop coverage.

Furthermore, the bill's proposal that there be an employer mandate only in states that do not reach 95% coverage by 2000 would cause businesses to move across state borders to avoid the payment....

The agency...also found an aspect of the Mitchell bill--establishing three additional medical subsidy programs--would be difficult to accomplish in a sensible and administrable fashion."

It is obvious from this story, that the CBO preliminary analysis of the Mitchell bill should be read by every member of this Chamber before we begin the amendment process.

The second article worth reading is on the front page and it's entitled "A Second Opinion as Debate Begins." And this article reports that Mrs. Clinton believes the Mitchell bill is an "untested approach," and she expresses her skepticism that "it would work as advertised." Mrs. Clinton also expressed her preference for the legislation sponsored by Congressman Gephardt.

Mrs. Clinton's influence on this issue is well known. And no doubt about it, she has been a very eloquent voice in this debate. But if she believes the Gephardt bill is better, it should lead us to wonder what will happen in a House/Senate Conference Committee. Will the White House be exerting its influence to set aside whatever bill the Senate passes, and to adopt the Gephardt approach? If that's to be the case, why don't we just bring the Gephardt bill up for a vote right now.

Also on the front page is a headline that reads "Businesses Desert Key Health Bills."

And the article reports that "a wide range of small and very large businesses have come to the same conclusion that the bad news (in the Mitchell and Gephardt bills) far outweighs the good."

The article also contains a very compelling quote from James Klein, the Executive Director of the Association of Private Pension and Welfare Plans.

Mr. Klein points out correctly that the folks who are saying that the Mitchell bill isn't as bad as the Clinton or Gephardt bill are asking the wrong question. And he says the right question about the Mitchell bill is "Is it better or worse than the current system with all its flaws?"

And Mr. Klein concludes, "Business, both large and small, is increasingly of the view that it is worse than the current system and shouldn't be allowed to go through."

(MORE)

That's also the conclusion shared by the highly respected economist Robert J. Samuelson, in the fourth article in today's Post that I recommend to my colleagues.

Let me just share a few quotes from Mr. Samuelson's op/ed which can be found on page A-19.

"Among other things, the Democratic health care plans contain a large--and unjustified--multi-billion dollar tax on younger workers. You wonder whether most members of Congress know this or even care. The whole health care debate is now completely out of control. The desperate effort to craft something that can be advertised as 'universal coverage' means that Congress literally no longer knows what it's doing. Anything resembling the Democrats' bills, if enacted, would produce massive unintended side effects..."

"Chaos is now the most important and largely unreported reality about the health care debate. Dozens of provisions in (the Democrats' bills) would have huge unappreciated consequences. John Sheils of Lewin-VHI, a health consulting firm, says premiums for small businesses in the Mitchell bill could be 25% higher than for big companies. The CBO agrees a gap exists but puts it lower. Who's right? Do most members of Congress understand the gap? Probably not."

And Mr. Samuelson--who, to be fair, also criticizes Republicans in his article, concludes by writing:

"In May, Robert Reischauer, head of the CBO, warned that trying to find a compromise by combining provisions from different bills might make the health system worse. He compared it to building an auto engine with incompatible parts. 'You can't say I want a piston from Ford, a fuel pump from Toyota..and expect the engine to run.' Well, that's precisely what's happened. The contraption is no longer even a car made from incompatible parts. It's now part car, part tractor and part rollerblades. It's a clunker. Most Americans seem to understand this. Will Congress?"

Will Rogers once said that "All I know is what I read in the paper."

And no doubt about it, after reading the Washington Post this morning, one thing I know is that it would be foolhardy for Americans to trade in the best health care system in the world for a plan that raises as many questions and as many concerns as the plans by Senator Mitchell and Congressman Gephardt.

###