REMARKS OF SENATOR BOB DOLE

FLORIDA MEDICAL ASSOCIATION PAC

HOLLYWOOD, FLORIDA

FRIDAY, MAY 25, 1979

GOVERNMENT, SO IT SEEMS, IS GETTING TO BE LIKE MARK TWAIN'S DEFINITION OF THE WEATHER: EVERYBODY TALKS ABOUT IT, AND NO ONE DOES ANYTHING ABOUT IT. I'D LIKE TO CHANGE ALL THAT, AND THAT'S ONE REASON I'M SO PLEASED TO BE WITH YOU THIS MORNING. TO BE SURE, I WANT TO TALK WITH YOU ABOUT THE EXCESSES OF MODERN GOVERNMENT AS THEY AFFECT YOUR INDUSTRY.

BUT I DON'T WANT TO STOP THERE. I'D LIKE TO MOVE BEYOND MERE SLOGANS. I'D LIKE, TOGETHER, FOR US TO FIND SOLUTIONS. IT'S NOT ENOUGH FOR YOU AND ME TO DENOUNCE SOCIALIZED MEDICINE. THE TIME HAS COME FOR US TO OFFER A POSITIVE ALTERNATIVE--ANSWERS TO THE PRESSING PROBLEMS OF HEALTH CARE, BUT ANSWERS WHICH MAXIMIZE INVOLVEMENT OF THE PRIVATE, NOT THE PUBLIC, SECTOR.

REDUCING REGULATION OF THE HEALTH INDUSTRY

THE HEALTH CARE INDUSTRY KNOWS ALL ABOUT GOVERNMENT EXCESS. SINGLED OUT BY PRESIDENT CARTER FOR ATTACK AS A MAJOR CAUSE OF INFLATION, YOU MIGHT BE FORGIVEN A CERTAIN DISTRUST OF ADMINISTRATION POLICY TOWARD THE HEALTH SECTOR. I SHARE YOUR DISTRUST.

MORE SPECIFICALLY, YOUR INDUSTRY HAS COME UNDER THE SAME INCESSANT RUSH TO REGULATE THAT HAS MARKED THE GROWTH OF MODERN GOVERNMENT SINCE THE NEW DEAL.

I THINK THE TIME HAS COME FOR THE CONGRESS TO RECOGNIZE ITS RESPONSIBILITY IN THE REGULATORY FIELD. I'VE SUGGESTED A NEW HOOVER COMMISSION, IDEALLY CHAIRED BY MY FORMER RUNNING MATE AND GOOD FRIEND, GERALD FORD, TO EXAMINE THE TOP-HEAVY REGULATORY STRUCTURE WITH AN IDEA TOWARD ITS REDUCTION AND POSSIBLE REPLACEMENT. IN YOUR OWN FIELD, I ANTICIPATE THE RELEASE THIS SUMMER OF A STUDY OF HOSPITAL REGULATION BY THE GENERAL ACCOUNTING OFFICE, AND I AM HOPEFUL THAT THE HEARINGS WHICH FOLLOW CAN LEAD TO SOME RATIONAL REVISIONS. WE ALSO INTEND TO REVIEW THE PROPOSED SYSTEM FOR HOSPITAL UNIFORM REPORTING. SERIOUS COMPLAINTS HAVE COME FROM MANY HOSPITALS THAT THE SYSTEM, AS PROPOSED, WILL REQUIRE UNREASONABLE AMOUNTS OF ADDITIONAL DATA.

COST CONTAINMENT: PROSPECTS AND PRESCRIPTIONS

YOUR INDUSTRY IS UNLIKE ANY OTHER; CONVENTIONAL ECONOMIC RULES RARELY APPLY. YOU DISPENSE A PRODUCT USED INFREQUENTLY BY MOST OF US. WHEN WE NEED THAT PRODUCT, HOWEVER, WE NEED IT IMMEDIATELY, AND WE WANT IT TO BE PERFECT.

MOREOVER, SUPPLY AND DEMAND CAN HARDLY APPLY TO THE SAVING OF HUMAN LIVES. FINALLY, ANY ATTEMPT BY GOVERNMENT TO MANDATE EITHER COST CONTAINMENT OR NATIONAL HEALTH INSURANCE IGNORES THE UNIQUE CHARACTER AND RICH DIVERSITY OF AMERICAN HOSPITALS AND HEALTH PROFESSIONALS.

THE CARTER ADMINISTRATION HAS ONCE MORE SUBMITTED A COST CONTAINMENT PROPOSAL, WHICH THOUGH AN IMPROVEMENT OVER LAST YEARS' BILL, STILL CONTAINS WHAT I BELIEVE TO BE AN ARBITRARY, AND UNREASONABLE APPROACH.

THEIR PROPOSAL IS NO MERE REIMBURSEMENT REFORM BILL. IT IS A PRICE CONTROL SYSTEM, IN WHICH ONLY ONE SECTOR OF THE ECONOMY IS CONTROLLED, AND IN WHICH THE SECRETARY IS GIVEN FAR TOO MUCH DISCRETION.

THE MANDATORY CONTROLS IN THE PROGRAM WOULD NOT NECESSARILY BE LIMITED TO INEFFICIENT HOSPITALS, AND MIGHT WELL WIND UP PUNISHING ALL.

I AM FAR MORE ATTUNED TO VOLUNTARY RESTRAINT. I NOTE THE SUCCESSES OF THE AMERICAN HOSPITAL ASSOCIATION IN MEETING COST CONTROL TARGETS OF 13 PERCENT, AS WELL AS YOUR OWN EFFORT TO REDUCE THE GROWTH IN PHYSICIAN FEES.

THE FINANCE COMMITTEE, ON WHICH I SERVE AS RANKING REPUBLICAN, HAS SCHEDULED EXECUTIVE SESSIONS FOR JUNE. THE HOUSE WAYS AND MEANS COMMITTEE HAS BEGUN MARK-UP ON THE ADMINISTRATION'S BILL, BUT PASSAGE SEEMS A VERY CHANCY THING. YOUR CONTINUED EFFORTS TO VOLUNTARILY CONTROL COSTS ARE VITAL. OTHERWISE SUPPORT FOR THE PRESIDENT'S DRACONIAN APPROACH WILL GROW RAPIDLY.

THE OUTLOOK FOR HEALTH INSURANCE

IT SEEMS LIKELY THAT THE CONGRESS WILL CONSIDER A CATASTROPHIC HEALTH INSURANCE PROGRAM THIS YEAR.

UP TO NOW, PASSAGE OF A HEALTH INSURANCE BILL HAS BEEN FRUSTRATED BY A LACK OF CONGRESSIONAL CONSENSUS AND A LACK OF PUBLIC SUPPORT BEHIND ANY ONE HEALTH INSURANCE PROPOSAL.

I BELIEVE THAT IS CHANGING AND A BIPARTISAN CONSENSUS APPEARS TO BE RAPIDLY DEVELOPING IN CONGRESS FOR PASSAGE OF A CATASTROPHIC HEALTH INSURANCE MEASURE.

BUT AGAIN, THE DEBATE WILL BE DIVERSE.

ON ONE SIDE HAS BEEN THE CARTER ADMINISTRATION, WHICH ANNOUNCED THAT IT WOULD APPROACH THE NATIONAL HEALTH ISSUE INCREMENTALLY. THE ADMINISTRATION'S PLAN HAS BEEN TO SEEK COVERAGE FOR CATASTROPHIC CASES, TO PROVIDE MORE ADEQUATE AND STANDARDIZED COVERAGE FOR THE POOR, AND TO ESTABLISH GOALS IN SUCH OTHER AREAS AS COST CONTAINMENT, HEALTH DELIVERY SYSTEMS AND HEALTH MANPOWER. THEY PLAN, AT A LATER DATE, TO DETERMINE IF AND TO WHAT EXTENT FURTHER STEPS TOWARD A "COMPREHENSIVE" PROGRAM MIGHT BE JUSTIFIED AND ECONOMICALLY FEASIBLE.

ON THE OTHER SIDE OF THE CONTROVERSY WERE THOSE WHO FAVORED THE COMPREHENSIVE CRADLE-TO-GRAVE APPROACH TO NATIONAL HEALTH CARE. UNDER THIS APPROACH, THERE WOULD BE NATIONAL AND REGIONAL CONTROLS ON SPENDING, AND VERY LIKELY A RATIONING OF HEALTH CARE BY GOVERNMENT.

SENATOR KENNEDY AND HIS ALLIES INSISTED THEN, AND STILL DO, THAT THE INCREMENTAL APPROACH IS UNACCEPTABLE. IT WOULD ALMOST SEEM THAT FOR THE PRESENT THEY WOULD RATHER HAVE NO CATASTROPHIC INSURANCE COVERAGE THAN TO PERMIT ENACTMENT OF LEGISLATION WHICH DOES NOT PROVIDE FOR FURTHER BROAD EXPANSION OF COVERAGE IN YEARS TO COME.

THEY FEEL THAT, ONCE ENACTED, A CATASTROPHIC HEALTH INSURANCE PROGRAM MIGHT SOLVE SO MUCH OF THE REAL PROBLEM AS TO ELIMINATE THE APPEAL OF THEIR VERY EXPENSIVE AND BUREAUCRATIC PROGRAM. THEY WANT ENACTMENT OF A "PACKAGE" DEAL NOW WHICH WILL AUTOMATICALLY EXPAND HEALTH CARE BUREAUCRACY AND EXPENDITURES IN YEARS TO COME, WHETHER OR NOT THE INTERVENING EXPERIENCE INDICATES THIS TO BE NECESSARY, DESIRABLE OR AFFORDABLE.

I, TOO, BELIEVE THAT NOW IS THE TIME FOR US TO PRESENT TO THE AMERICAN PUBLIC A SOLUTION TO HEALTH INSURANCE PROBLEMS WHICH FILL THE GAPS RATHER THAN RECREATE THE SYSTEM. ON MARCH 26, 1979, I INTRODUCED S. 748, THE CATASTROPHIC HEALTH INSURANCE AND MEDICARE AMENDMENTS OF 1979. THE BILL CONTAINS THREE KEY PARTS: FIRST, IT WOULD EXPAND THE RANGE OF BENEFITS FOR THOSE NOW COVERED BY MEDICARE AND PROVIDE THEM WITH BROADER COVERAGE. SECOND, THE LARGE MAJORITY OF THOSE EMPLOYED WILL BE ASSURED OF THE AVAILABILITY OF ADEQUATE PRIVATE INSURANCE PROTECTION AGAINST CATASTROPHIC COSTS. AND THIRD, THOSE WHO ARE PART OF THE RESIDUAL MARKETPLACE AND NOT ALREADY COVERED, MAY CHOOSE TO HAVE THE FEDERAL GOVERNMENT SERVE AS A FACILITATOR AND IN SOME INSTANCES A FINANCIAL BACKUP IN CONTRACTING WITH THE PRIVATE INSURANCE COMPANIES FOR CATASTROPHIC COVERAGE.

UNLIKE SOME OF MY COLLEAGUES, I DO NOT BELIEVE THAT WE SHOULD FORCE INDIVIDUALS TO PARTICIPATE IN A PLAN. RATHER, INDIVIDUALS TO THE EXTENT POSSIBLE, SHOULD BE GIVEN THE OPPORTUNITY TO CHOOSE WHERE AND HOW THEY OBTAIN CATASTROPHIC HEALTH INSURANCE. UNLIKE SOME OF MY COLLEAGUES, I DO NOT BELIEVE THAT THE MEASURE OF CATASTROPHIC SHOULD BE LIMITED TO A FIXED DOLLAR AMOUNT OR NUMBER OF DAYS IN THE HOSPITAL. IN SOME INSTANCES, IT SHOULD ALSO BE DIRECTLY RELATED TO THE PERCENTAGE OF INCOME EXTENDED FOR HEALTH CARE SERVICES. I ALSO, UNLIKE SOME OF MY COLLEAGUES, BELIEVE THAT FIXING A SET DOLLAR AMOUNT IN 1979 TO MEASURE CATASTROPHIC MAY NOT BE TRULY REPRESENTATIVE OF THE SITUATION IN 1980 OR 1981 OR 1982 OR IN THE FUTURE.

A FEW DAYS AGO, MY COLLEAGUE SENATOR KENNEDY INTRODUCED HIS OWN HEALTH INSURANCE PLAN. HIS LEGISLATION CREATES ANOTHER NEW, HIGHLY COMPLEX FEDERAL AND STATE BUREAUCRACY--ONE THAT IS NEEDLESS FOR THE INDUSTRY TODAY. HIS LEGISLATION GIVES THE ILLUSION OF MAINTAINING THE PRIVATE INSURANCE INDUSTRY--BUT IN REALITY GUTS THEIR CURRENT RESPONSIBILITIES, MAKING THEM MERE INTERMEDIARIES. QUITE FRANKLY, THE KENNEDY PLAN SEEMS TO BE ADDRESSED LARGELY TO POTENTIAL CONSTITUENCIES WITHIN THE DEMOCRATIC PARTY. I DON'T BELIEVE IT HAS A REALISTIC CHANCE OF PASSAGE. MY PLAN IS MORE IN TUNE WITH THE TIMES.

COOPERATION AND CONSENSUS

THE PROSPECTS FOR PASSAGE OF A CATASTROPHIC BILL HAVE NEVER BEEN BETTER. EVEN ORGANIZED LABOR, WHOSE TOP LEADERS HAVE CONSISTENTLY OPPOSED A CATASTROPHIC HEALTH INSURANCE PROPOSAL ON THE GROUNDS THAT IT WOULD REDUCE SUPPORT FOR A COMPREHENSIVE NATIONAL HEALTH INSURANCE BILL, IS DIVIDED IN ITS OPPOSITION. I HAVE FOUND, IN TALKING TO UNION GROUPS, STRONG RANK AND FILE SUPPORT FOR OUR CATASTROPHIC HEALTH INSURANCE PROPOSAL. THERE IS A SIMPLE EXPLANATION FOR THIS. MANY UNION MEMBERS HAVE EXCELLENT PRIVATE HEALTH INSURANCE NOW. THEY ARE NOT ENTHUSIASTIC ABOUT THE INCREASES IN TAXES NECESSARY TO DO EVERYTHING FOR EVERYONE.

NEARLY EVERY MEETING I HAVE ATTENDED WITH PHYSICIANS, AND NEARLY EVERY POLL I HAVE SEEN AS TO THEIR VIEWS, INDICATES STRONG CURRENT SUPPORT AMONG PHYSICIANS FOR PASSAGE OF A CATASTROPHIC BILL.

CERTAINLY, FLORIDA MEDICAL IS RECOGNIZED AMONG THE LEADING STATE ASSOCIATIONS FOR ITS ROLE IN DIRECTING THE POLICIES OF ORGANIZED MEDICINE. FOR THAT LEADERSHIP, YOU ARE TO BE COMMENDED--ESPECIALLY IN THE AREA OF NATIONAL HEALTH INSURANCE AND THE DEVELOPMENT OF RESOLUTION 62 AT THE LAST MEETING OF THE AMA HOUSE OF DELEGATES.

IN SHAPING A POSITION GENERALLY AGAINST MORE GOVERNMENT MEDICINE AND THE TYPE OF GRAND DESIGN ENVISIONED BY SENATOR KENNEDY AND OTHERS, HOWEVER, IT IS IMPERATIVE THAT PHYSICIANS DEMONSTRATE AN UNDERSTANDING AND ACCEPTANCE OF THE FACT THAT SOMETHING MAY HAPPEN ON THIS ISSUE BEFORE THE NEXT ELECTION ... WHETHER WE LIKE IT OR NOT.

IN THAT REGARD, I FIND IT VERY GRATIFYING THAT FMA HAS EMBRACED THE CONCEPT OF LIMITED CATASTROPHIC HEALTH INSURANCE AS A WAY OF ADDRESSING THE UNMET NEEDS OF OUR PRESENT SYSTEM. AS A MATTER OF FACT, I THINK YOUR POLICIES AND ATTITUDES ON THIS COME VERY CLOSE TO IDENTIFYING WITH THE SUBSTANCE OF MY BILL, S. 748, THAT I HAVE DESCRIBED TO YOU.

I AND MY STAFF HAVE BEEN WORKING VERY CLOSELY WITH PHYSICIANS ON THIS IN ANTICIPATION OF SENATE FINANCE COMMITTEE ACTION NEXT MONTH--AND IN FACT MET IN MY OFFICE JUST YESTERDAY WITH BOB HUNTER AND TOM NESBITT, CHAIRMAN OF THE BOARD AND PRESIDENT OF THE AMA.

WE DISCUSSED A VARIETY OF CHANGES THAT MIGHT BE NECESSARY IN ORDER FOR MEDICINE TO BE ABLE TO SUPPORT SOME COMBINATION OF THE PROPOSALS SPONSORED BY SENATOR LONG AND MYSELF, AND QUITE FRANKLY, I AM OPTIMISTIC THAT SUCH A POSSIBILITY IS WITHIN REACH. ONE KEY POINT THAT I WOULD LIKE TO JUST MENTION TO YOU IN FLORIDA IN PARTICULAR, HOWEVER, IS THE ABSOLUTE NECESSITY OF ADMINISTERING ANY CATASTROPHIC PROTECTION PLAN THROUGH ESTABLISHED EMPLOYER UNITS.

NOW I UNDERSTAND AND APPRECIATE THE RELUCTANCE OF MANY DOCTORS TO ACCEPT THE IDEA OF ANY SO-CALLED "EMPLOYER MANDATE." BUT LET'S FACE IT: YOU CAN'T HAVE IT BOTH WAYS IN WANTING A PRIVATE SECTOR APPROACH WITHOUT FEDERAL INVOLVEMENT ON THE ONE HAND, BUT NO REQUIREMENTS ON EMPLOYERS ON THE OTHER.

IN ORDER TO BE REALISTIC, THAT IS, YOU ARE GOING TO HAVE TO DEAL WITH THE FACT THAT IF THE EMPLOYERS DON'T DO IT, THEN THE FEDERAL GOVERNMENT MAY STEP IN. SO I WOULD JUST SOLICIT YOUR RECOGNITION AND INDULGENCE ON THAT AND HOPE THAT THE FINAL PRODUCT WE COME UP WITH IN THE SENATE IS SOMETHING WITH WHICH YOU CAN IDENTIFY AS CONSISTENT WITH YOUR OWN INITIATIVES.