

January 23, 1989

M E M O R A N D U M

TO: SENATOR DOLE
FROM: SHEILA BURKE
SUBJECT: REMARKS TO HEALTH INDUSTRY ROUNDTABLE

You are scheduled to meet with 25 - 30 members of the newly formed Health Roundtable on Tuesday morning.

The group, which is the brainchild of Mike Bromberg, is in the midst of their organizing effort and are meeting Tuesday to formalize their efforts. It is their hope to provide a unified health care industry prospective on key health issues and work with the Congress and the Administration to develop a national health care strategy.

Like the Business Roundtable they will be made up of a wide array of industry groups -- not just one sector like the hospitals; in fact, trade groups will not be included. As a result they know it will be difficult to reach consensus on many issues. Initially, they are going to target three or four key policy concerns which could include such issues as uncompensated care, long-term care, and incentives for continued medical technological innovation.

They are scheduled to have three speakers in addition to you: Senator Sasser, Joe Wright and Bob Teeter. You and Senator Sasser have been asked to talk about the outlook for national health policy and the potential role the group might play in helping to shape that policy. You are expected to speak about 15 minutes and then take questions.

In talking with the staff it is clear they want you to give them some idea of how they can be most successful in forging a relationship with the Congress.

There will be 30 - 40 people in attendance (list attached). You will have been preceded by Senator Sasser -- everyone else is scheduled to follow you.

I've prepared some brief talking points which simply note some of the key health issues which are likely to arise.

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We have little in the way of information on President Bush's health care priorities although Dick Darman noted in his testimony that health care costs continued to be out of control and will have to be addressed.

The two specific areas noted by Bush during the campaign that may receive attention should they be able to free up any money are: increased access to health care for children and coverage under public and private insurance for the uninsured. Both of these issues will likely be addressed through the medicaid program.

The Democrats have the same two issues on their agenda along with the broad area of mandated benefits and long-term care. Given Senator Mitchell's particular interest in health care, I imagine he will respond positively to initiatives to increase coverage.

value of interest in being yes no
Jan
peak
new group
11:30
SPEAK
Jan. 24
Duffy
8B
CK OTO
DETAILS

Federation of American Health Systems

December 22, 1988

Honorable Robert Dole
141 Hart Senate Office Building
Washington, D. C. 20510

Dear Senator Dole:

I am writing to invite you to meet briefly with a select group of 40 to 50 health industry leaders in Washington on January 24, 1989, at 11:00 or 11:30 a.m., at the Washington Court Hotel, Ballroom West, on Capital Hill (formerly the Sheraton Grand Hotel). This will be an historic meeting because the group will be organizing a Health Industry Roundtable. The mission of the new organization will be to focus industry leadership input to Congress and the Administration on macro health policy issues such as budget priorities, Medicaid and Medicare reform, long term care, and technology.

The list of the organizing committee of the Health Industry Roundtable and invitees to the January 24th meeting is attached. The group would like to hear your views on how these chief executives of health care organizations can be effective in helping Congress and the Administration shape health policy.

Respectfully,
Mike
Sincerely,

Michael D. Bromberg

MDB:rt
Attachment

1/12
Advised Mike Sen. would do -- at 11:30
Someone (may be Sasser) will speak at 11:00

Health Industry Roundtable
Organizing Committee

Robert Campbell, Vice Chairman
Johnson & Johnson

Robert Cathcart, President
Pennsylvania Hospital

David Jones, Chief Executive Officer
Humana Inc.

Bernard Lachner, Chief Executive Officer
Evanston Illinois Hospital

Vernon Louckes, Chief Executive Officer
Baxter, Inc.

Ronald E. Compton, President
Aetna Insurance

Robert McCaffrey, Chief Executive Officer
C.R. Bard

Robert O'Brien, President, Employee Benefits Group
CIGNA Insurance

Boone Powell, Jr., Chief Executive Officer
Baylor Medical Center

David Reed, Chief Executive Officer
Samaritan Health Corporation

Robert Schoellhorn, Chief Executive Officer
Abbott Corporation

James Cavanaugh, Chairman
National Committee for Quality Health Care

Pamela Bailey, Executive Director
National Committee for Quality Health Care

Michael D. Bromberg, Executive Director
Federation of American Health Systems

George Atkins, Vice President
Humana Inc.

INVITEES

PRUDENTIAL INSURANCE COMPANY

METROPOLITAN INSURANCE COMPANY

ABBOTT LABORATORIES

AMERICAN CYANAMID

BRISTOL-MYERS COMPANY

ELI LILLY AND COMPANY

MERCK & CO., INC.

SMITHKLINE BECKMAN CORPORATION

SYNTEX CORPROATION

WARNER-LAMBERT COMPANY

BAXTER HEALTHCARE CORPORATION

Vernon R. Loucks, Jr., Chairman and CEO

JOHNSON & JOHNSON

James E. Burke, Chairman

MEDTRONIC, INC.

Winston R. Wallin, Chairman

HILLENBRAND INDUSTRIES, INC.

W. August Hillenbrand, President and CEO

SCHERING-PLOUGH CORPORATION

Robert P. Luciano, Chairman

BECTON DICKINSON AND COMPANY

Wesley J. Howe, Chairman

STRYKER CORPORATION

John W. Brown, Chairman

PURITAN-BENNETT CORPORATION

Burton A. Dole, Jr., Chairman

BAUSCH & LOMB

Daniel E. Gill, Chairman

MILLIPORE CORPORATION

John A. Gilmartin

AMERICAN HOME PRODUCTS CORPORATION
John R. Stafford, Chairman

YALE-NEW HAVEN HOSPITAL
C. Tom Smith, President

METHODIST HEALTH SYSTEMS, INC.
John Casey, President

INTERMOUNTAIN HEALTH CARE, INC.
Scott S. Parker, President

EVANGELICAL HEALTH SYSTEMS
John King, President and CEO

MERCY HEALTH SYSTEMS
Ed Connors

ST. JOSEPH HEALTH SYSTEM
Robert W. O'Leary, President

STANFORD UNIVERSITY HOSPITAL
Sheldon S. King, President

GOOD SAMARITAN (Phoenix)
David Reed, President

MASSACHUSETTS GENERAL HOSPITAL
J. Robert Buchanan, M.D., General Director

HEALTH ONE CORPORATION
Donal C. Wegmiller, President

HOSPITAL CORPORATION OF AMERICA
Thomas E. Frist, Jr., M.D., Chairman, CEO, and President

NATIONAL MEDICAL ENTERPRISES
Richard K. Eamer, Chairman and CEO

CLEVELAND CLINIC

MAYO CLINIC

KAISER PERMANENTE

Jayce

Federation of American Health Systems

M E M O R A N D U M

1111 19th Street N.W.
Suite 402
Washington, D.C. 20036
202-833-3090

Michael D. Bromberg, Esq.
Executive Director

TO: Betty Meyer
FROM: Michael Bromberg
DATE: January 18, 1989
RE: 1/24/89 Health Industry Roundtable Meeting
11:30 a.m.
Washington Court Hotel (formerly Sheraton Grand)
525 New Jersey Avenue NW (Ballroom West)

The purpose of this meeting of CEOs of major health care companies is to decide whether to organize a health industry roundtable similar to the Business Roundtable.

CEOs from large insurance companies, drug companies, suppliers, and providers will be present.

I hope that Senator Dole will speak for 10 to 15 minutes about the budget deficit and the need for the health care industry to speak with some unity about major policy issues such as Medicare and Medicaid reform, coverage for the uninsured, long term care, and technology. CEO involvement is one unique aspect of this Roundtable effort -- the other is the formal structure which brings together all companies and health care leaders rather than just one segment.

I hope Senator Dole will encourage this effort so Congress can receive input from a total industry rather than fragmented pieces of the industry.

MDB:ciw

TALKING POINTS

HEALTH INDUSTRY ROUNDTABLE

HEALTH CARE AGENDA: 101ST CONGRESS

- THERE IS NO QUESTION THAT HEALTH CARE WILL BE
NEAR THE TOP OF THE DOMESTIC AGENDA FOR
BOTH THE CONGRESS AND THE NEW
ADMINISTRATION.

-2-

PRESIDENT BUSH HAS CLEARLY INDICATED HIS
PARTICULAR INTEREST IN CHILDREN AND THE NEW
MAJORITY LEADER HAVING SERVED AS CHAIRMAN OF
THE FINANCE HEALTH SUBCOMMITTEE, HAS A
LONGSTANDING COMMITMENT TO ASSURING
ACCESS TO CARE FOR BOTH THE YOUNG AND THE
ELDERLY.

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- THERE IS EVEN GENERAL AGREEMENT ON WHAT

SOME OF THE KEY PROBLEMS ARE --

- ACCESS TO CARE BY THE UNINSURED

- ESCALATING HEALTH CARE COSTS

- ALARMING RATES OF INFANT MORTALITY

-4-

- THE CONTINUING CRISIS OF AIDS
- THE FINANCING NEEDS OF THOSE WHO REQUIRE
LONG-TERM CARE.
- WHAT WE LACK IS A CONSENSUS ON HOW BEST TO
RESOLVE THE PROBLEMS AND WHAT TO DO ABOUT
AN EVEN BIGGER PROBLEM, THE DEFICIT.

-5-

- PRESIDENT BUSH HAS MADE IT CLEAR THAT
RESOLVING THE DEFICIT CRISIS IS HIS TOP PRIORITY.
OUR INABILITY TO DO SO WILL CLEARLY RESTRICT
WHAT WE CAN DO FOR HEALTH, EDUCATION,
HOUSING -- ALL THE MYRIAD OF PROBLEMS THAT
DESERVE OUR ATTENTION.

-6-

- IT SHOULD COME AS NO SURPRISE THAT IN OUR BATTLE AGAINST THE DEFICIT THE LARGE HEALTH CARE PROGRAMS WILL NO DOUBT RECEIVE OUR ATTENTION. THE REAGAN BUDGET PROPOSED REDUCTIONS OF APPROXIMATELY \$5.7 BILLION IN MEDICARE AND \$1.7 BILLION IN MEDICAID. WHAT PRESIDENT BUSH WILL DO REMAINS UNCLEAR BUT MY GUESS IS THAT HE'LL ALSO PROPOSE REDUCTIONS OF SOME MAGNITUDE.

-7-

- AS BUSINESS EXECUTIVES YOU KNOW THAT WHEN YOU CONFRONT A BUDGET PROBLEM YOU LOOK AT THE BIGGEST EXPENDITURES FIRST -- WE ARE NO DIFFERENT. MY QUESTION IS HOW DO WE PREVENT DOING HARM. WHILE THE BUDGET DEFICITS LOOM LARGE -- SO DOES THE NEED FOR ACCESS AND QUALITY OF CARE.

-8-

- AS EMPLOYERS, I'M SURE YOU FACE THE SAME
DILEMMA -- HEALTH CARE COSTS ARE NO DOUBT AN
INCREASING PIECE OF YOUR BUDGET -- BUT THE
ANSWER ISN'T SIMPLY TO DROP THE COVERAGE --
YOU FIND BETTER WAYS OF DOING THINGS.

- THAT'S WHERE YOU CAN HELP US -- THIS NEW
HEALTH ROUNDTABLE HAS AT ITS DISPOSAL SOME
OF THE FINEST MINDS AVAILABLE IN THE INDUSTRY.

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YOUR ABILITY TO PROVIDE US WITH INPUT THAT
REFLECTS A BROAD ARRAY OF INTERESTS AND NOT
SIMPLY ONE GROUP'S SPECIFIC CONCERNS, WILL BE
TREMENDOUSLY HELPFUL.

-10-

CHOICES NOT MANDATES

- PRESIDENT BUSH HAS BEGUN HIS ADMINISTRATION WITH A RENEWED SENSE OF COMMITMENT TO BIPARTISANSHIP. THIS HOLDS TRUE FOR OUR NEGOTIATIONS ON THE BUDGET AS WELL AS ON ISSUES SUCH AS HEALTH CARE. BUT IT IS CLEAR THERE ARE SOME BIG DIFFERENCES OF OPINION ON HOW BEST TO MEET OUR HEALTH CARE NEEDS.

-11-

- THE DEMOCRATS OPT FOR MANDATES WHILE THE
REPUBLICANS PROPOSE CHOICE.

- WHETHER ITS PARENTAL LEAVE, HEALTH BENEFITS
OR CHILD CARE, THE DEMOCRATS BELIEVE THE ONLY
WAY TO ACCOMPLISH THEIR GOALS IS THROUGH
MANDATING EMPLOYERS. IN DOING SO, THEY OF
COURSE LIMIT THE OPTIONS GIVEN TO EMPLOYEES.
AN EMPLOYEE MAY WANT THEIR RESOURCES SPENT
ON CHILD CARE

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-- BUT THEN AGAIN LONG-TERM HEALTH CARE
INSURANCE MAY MAKE MORE SENSE. NONE OF
THESE CHOICES ARE FREE, AND IF A MANDATE IS IN
PLACE SOMEONE IS GOING TO LOSE.

- I BELIEVE THERE IS A ROLE FOR GOVERNMENT,
ALONG WITH THE PRIVATE SECTOR, IN HELPING TO
MAKE THESE BENEFITS AVAILABLE. IT IS NOT AN
EITHER/OR PROPOSITION. HERE AGAIN, YOU CAN
HELP US SORT OUT THE ANSWERS.

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- IN AREAS LIKE LONG-TERM CARE AND COVERAGE OF THE UNINSURED, THE PROBLEMS ARE JUST TOO LARGE FOR JUST THE GOVERNMENT OR THE PRIVATE SECTOR ALONE. COOPERATION IS THE ONLY REALISTIC ANSWER.

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CONCLUSION

- IN MY VIEW, WHILE THERE IS NO SHORTAGE OF
SPECIAL INTEREST GROUPS HERE IN WASHINGTON,
THERE IS A VACUUM WHEN IT COMES TO A
BROAD-BASED, SENIOR LEVEL HEALTH INDUSTRY
GROUP ADVISING US ON HEALTH CARE MATTERS.

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- WE ALL HAVE A STAKE IN MAKING SURE THAT THE HEALTH CARE SYSTEM WE BELIEVE IN SURVIVES THESE DIFFICULT BUDGET TIMES. I THINK THE ROUNDTABLE COULD MAKE A DIFFERENCE. BUT, I CAUTION YOU TO BE REALISTIC. A PHILOSOPHY CALLING FOR CUTS IN EVERY AREA EXCEPT HEALTH WON'T HELP -- ANYMORE THAN A CALL FOR UNREASONABLE REDUCTIONS IN ANY ONE PROGRAM.

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- I LOOK FORWARD TO WORKING WITH YOU IN THE
WEEKS AND MONTHS AHEAD. WE HAVE A GREAT
DEAL TO DO.