

September 29, 1993

TO: Senator Dole  
FROM: Vicki *Vicki*  
RE: Speech to AMA

You are scheduled to address the American Medical Association's National Political Education Conference tomorrow at the Hyatt Hotel tomorrow.

The audience will consist primarily of physicians, but will also include medical industry leaders. At least 500 individuals will be in attendance.

They are familiar with both the President's plan and the Dole/Chafee plan. What they would like to hear from you is how you envision the debate evolving and what the areas of disagreement and agreement are.

Thurs, Sept 30

## American Medical Association

Physicians dedicated to the health of America



September 20, 1993

The Honorable Robert Dole  
U. S. Senate  
141 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Dole:

We are very pleased that you will participate in our National Political Education Conference this year. Our members are very interested in hearing from you and your participation makes a significant contribution to the Conference.

To reconfirm our arrangements, you will speak at breakfast on Thursday, September 30. Your presentation will be at 9:00 a.m. and will follow Congressman Newt Gingrich. The location is the Hyatt Hotel on Capitol Hill. The Conference will focus on health system reform, the 1994 elections and grassroots activities. At this time we anticipate an overflow attendance of approximately 600.

I understand that you do not need a car and driver. Cindi Merifield will escort you from the hotel entrance to the meeting room. If you should need to reach Cindi on Thursday morning, she will be available through her pager, number 202-996-1101. We will be in contact with your office again before the Conference date.

Thank you again, we look forward to your taking part in this program.

Yours truly,

Nancy Warren  
Director, Division of Political Education



1993 AMA National Political Education Conference, September 29 & 30, Washington, D.C.

1101 Vermont Avenue, N.W., Washington, D.C. 20005, 202-789-7400

# American Medical Association

Physicians dedicated to the health of America



## AMA 1993 NATIONAL POLITICAL EDUCATION CONFERENCE Hyatt on Capitol Hill

Wednesday, September 29, 1993

- 8:00 a.m. AMA Leadership Breakfast  
Hosted by AMA Board of Trustees and  
AMPAC Board of Directors
- 9:30 a.m. Opening Session  
Armed Forces Color Guard  
U.S. Marine Band
- Welcome: **Joseph T. Painter, MD**  
President American Medical Association
- Opening: **C. L. (Larry) Montgomery, MD**  
Chairman, AMPAC Board of Directors
- Introduction: **Lonnie R. Bristow, MD**  
Chairman, AMA Board of Trustees
- 10:00 a.m. Keynote Address  
**Donna Shalala**  
Secretary, Health and Human Services
- 10:45 a.m. AMA Washington Update/Legislative Briefing  
**Lee J. Stillwell**      **Scott Wilber**  
**Kevin Walker**      **Rich Deem**
- 11:15 a.m. A Capitol Hill Perspective - Democratic  
Majority Leader, U. S. Senate  
**The Honorable George J. Mitchell**
- 12:15 p.m. Lunch -  
A Capitol Hill Perspective - Republican  
Minority Leader, U.S. House of Representatives  
**The Honorable Robert H. Michel**



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## American Medical Association

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- 1:30 p.m. Health System Reform: The View from the Clinton Administration  
**The Honorable Richard Celeste**  
Chairman, National Health Care Campaign
- 2:00 p.m. **James S. Todd, MD**  
Executive Vice President, American Medical Association  
Adjourn for Delegation Visits to Capitol Hill
- 6:30 p.m. Reception on Capitol Hill  
Longworth Cafeteria

### Thursday, September 30, 1993

- 8:00 a.m. Breakfast - The Republican Perspective
- 8:30 a.m. Minority Whip, U.S. House of Representatives  
**The Honorable Newt Gingrich**  
and
- 9:00 a.m. Minority Leader, U.S. Senate  
**The Honorable Robert Dole**
- 9:30 a.m. First Session Break Outs
1. Campaign Finance Reform Update  
Republican and Democratic Interpretations  
**Jan Barans and Bob Bauer**
  2. Grassroots Action Plan for Health System Reform  
**Al Parsons**
  3. Speaking For Medicine:  
Communicating the Message  
**Melinda Farris**
  4. Your Practice Under Health System Reform  
**Arthur Eberly, MD - Florida**  
**Richard Roberts, MD - Wisconsin**
- 12:00 p.m. Lunch with **Larry King**



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## American Medical Association

Physicians dedicated to the health of America



- |           |   |
|-----------|---|
| 1:30 p.m. | General Session<br>National Party Chairmen<br><b>The Honorable Haley Barbour</b><br>and<br><b>The Honorable David Wilhelm</b>     |
| 2:15 p.m. | Break   |
| 2:30 p.m. | The View From America<br>Republican and Democratic Poll Presentations<br><b>Linda DiVall and Stan Greenberg</b>                   |
| 3:30 p.m. | The Political Landscape for 1994:<br>The Majority Leader, U. S. House of Representatives<br><b>The Honorable Richard Gephardt</b> |
| 4:15 p.m. | Closing Address<br><b>The Honorable John D. Rockefeller, IV</b>   |



1993 AMA National Political Education Conference, September 29 & 30, Washington, D.C.

1101 Vermont Avenue, N.W., Washington, D.C. 20005, 202-789-7400



AUG 31 '93 04:39PM AMERICAN MEDICAL ASSOCIATION WDC

## American Medical Association

Physicians dedicated to the health of America

James S. Todd, MD  
Executive Vice President

515 North State Street  
Chicago, Illinois 60610  
312 464-5000  
312 464-4184 Fax

August 30, 1993

The Honorable Robert Dole  
U.S. Senate  
141 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Dole:

It is my privilege to invite you to address the American Medical Association's (AMA) National Political Education Conference on September 30, 1993 at the Hyatt Hotel on Capitol Hill. We would like you to speak on Thursday, September 30 at 8:00 a.m. as part of our Congressional Leadership breakfast. Congressman Newt Gingrich will also be speaking at this morning session. If your time permits, we would also like to invite you to stay for breakfast.

With the expected September release of a legislative draft on health system reform from the Clinton Administration, this Conference promises to be an exciting meeting of the medical community. The Conference participants would greatly value hearing from you the most current information regarding health system reform from your vantage point as a key player in the debate. Without question, the timing of this Conference will provide the medical community an excellent opportunity to meet directly with their Congressional Representatives and Members of the Clinton Administration on this most critical issue.

This Conference will focus specifically on health system reform issues, the 1994 election cycle, and grassroots activities. We expect an attendance in excess of 500 people. Conference participants are physicians, medical community leaders, and political activists from every state. They will attend legislative briefings and break-out sessions before meeting with their Members of Congress. A draft agenda is enclosed for your review.

This is an important part of our political and legislative grassroots program. I hope that you can join me and our members for what should be a provocative and informative meeting.

SPEAK

OPTION:

SPEAK AFTER  
CONGRESSMAN  
GINGRICH

9:00 AM

8:00 a.m.

Hyatt on Capitol Hill

OR

~~Wed, Sept 29~~

~~11:30 am~~

~~BEFORE BOB MICHEL~~



Thurs, Sept 30  
P. 2/5

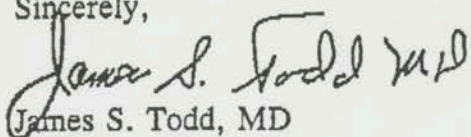
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P.3/5

The Honorable Robert Dole  
Page Two

Please respond to Cindi Merifield in our Washington office (202-789-7433). She will also be in contact with your office soon.

Sincerely,

A handwritten signature in dark ink, appearing to read "James S. Todd MD". The signature is fluid and cursive, with the "MD" part being more distinct.

James S. Todd, MD  
Executive Vice President

September 23, 1993

M E M O R A N D U M

TO: SENATOR DOLE  
FROM: SHEILA BURKE *SB*  
SUBJECT: ORIGINAL ESTIMATES FOR MEDICARE

I asked CRS to prepare the following chart displaying the original estimates alongside the actual expenditures -- they are pretty enlightening.

Also of note are the estimates that were prepared on the End-Stage Renal Disease Program.

When first estimated, the program was expected to cost \$75 million in the first year and \$250 million per year in the out years. In reality, the program cost was \$229 million in year one and is now up to about \$6.6 billion. The average cost per person on an annual basis is \$35,966.



## CRS-2

**TABLE 1. Hospital Insurance Expenditures Part A\***  
(in millions)

1965 estimates				Actual HI expenditures		
CY	Benefit payments	Admin. costs	Total	Benefit payments	Admin. costs	Total
1966	\$ 987	\$ 50	\$1,037	\$ 891	\$108	\$ 999
1967	2,210	66	2,276	3,353	77	3,430
1968	2,406	72	2,478	4,179	99	4,277
1969	2,623	79	2,702	4,789	118	4,857
1970	2,860	86	2,946	5,124	157	5,281
1971	3,077	92	3,169	5,751	150	5,900
1972	3,303	99	3,402	6,318	185	6,503
1973	3,540	106	3,646	7,057	232	7,289
1974	3,788	114	3,902	9,099	272	9,372
1975	4,047	121	4,168	11,315	266	11,581
1980	5,307	159	5,466	25,064	512	25,577
1985	6,860	206	7,066	47,580	834	48,414
1990	8,797	264	9,061	66,239	758	66,997

\*Columns may not total due to rounding.

Source: (1965 estimates) House Ways and Means Comm. Prt. 51-291, *Actuarial Cost Estimates and Summary of Provisions of the Old-Age, Survivors, and Disability Insurance System as Modified by the Social Security Amendments of 1965 and Actuarial Cost Estimates and Summary of Provisions of the Hospital Insurance and Supplementary Medical Insurance Systems as Established by Such Act, 89th Cong., 1st Sess.*, p. 33. (Actual expenditures) House Doc. 102-89, *1991 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund*, p. 27.

**TABLE 2. Supplementary Medical Insurance Expenditures Part B**  
(in millions)

1965 estimates (95 percent enrollment)				Actual SMI expenditures			
CY	Benefit payments	Admin. costs	Total	CY	Benefit payments	Admin. costs	Total
1966 <sup>a</sup>							
Low-cost	\$260	\$ 80	\$340				
High-cost	410	100	510	1966	\$ 128	\$ 75	\$ 203
1967							
Low-cost	\$1,060	\$ 90	\$1,150				
High-cost	1,260	110	1,370	1967	\$1,197	\$110	\$1,307

<sup>a</sup>Administrative expenses shown include 1965 and 1966.

Source: (1965 estimates) Same as table 1, at p. 39. (Actual expenditures) *1993 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund*, p. 10.

SENATE  
BUDGET  
COMMITTEE  
MINORITY

Pete V. Domenici - Ranking Member, NM  
Charles E. Grassley, IA  
Don Nickles, OK  
Phil Gramm, TX  
Christopher S. Bond, MO  
Trent Lott, MS  
Hank Brown, CO  
Slade Gorton, WA  
Judd Gregg, NH

634 Dirksen Senate Office Building • Washington, D.C. 20510 • (202) 224-6988

FOR IMMEDIATE RELEASE:  
September 23, 1993

"WE NEED TO REMAIN FISCALLY FIT AS WELL"

WASHINGTON -- While agreeing with President Clinton's diagnosis of the problems plaguing America's ailing health care system, U.S. Senator Pete V. Domenici, R-N.M., today warned that the enormous cost of the Clinton plan coupled with its uncertain financing could result in soaring deficits.

He cautioned against "fast-track" approach to health care reform because time is needed to access the plan's economic impact. The text of Domenici's comments follow:

"Last night, the President presented us with an effective diagnosis of the broad problems plaguing our ailing system of health care. Reform is clearly needed to ensure all Americans access to quality health care.

But as we try to improve Americans' physical health, we shouldn't overlook their fiscal health as well.

While details of the plan are sketchy, one thing is clear - the President has outlined a very expensive, government-run program. It is a massive overhaul of our nation's health care system. Basically, he's permitting government to perform reconstructive surgery on one-seventh of the American economy. And the bill for this procedure will be enormous!

Initial estimates put the cost of this plan at as much as \$600 billion in new cost to the government! These are the Administration's own numbers. I ask unanimous consent that a table outlining the Administration's numbers in a draft report be included in the record. This will be funded, in part, by \$140 billion in new taxes.

How many times have we heard the President say -- and now I'm paraphrasing -- "We won't completely resolve our deficit crisis until we control health care spending." I have always agreed with the President on that point.

Last spring the Administration was touting health care reform as a means of reducing future deficits. They argued that we must control health care costs to ensure economic growth. I agreed then, as I do today. But this plan flies in the face of that common sense reality.

With deficits climbing to more than \$300 billion in 10 years, the President is proposing to spend \$600 billion in new Federal health care entitlements.

With all of this new spending, it appears that this plan is -- at best -- a wash in terms of the deficit, and that is only because of the new taxes.

So, while we are about to preform major surgery on our health care system, the malignant threat posed by our growing budget deficits is ignored and the economic health of our nation will deteriorate.

(MORE)



Moreover, even under this plan, health care costs continue to grow, increasing from the current level of 14-percent of our Gross Domestic Product to an estimated 17.3-percent of GDP by the turn of the century. Again, this is not my estimate, this is the Administration's estimate.

The White House proposes we pay for these new programs through Medicare/Medicaid cost containment, "tobacco" taxes, taxes from phantom increased incomes, and a new mandate that employers pay at least 80-percent of the cost of health insurance for their workers. Call it what you will but such a mandate really amounts to a new payroll tax and will have a negative impact on job creation in this country.

And what happens if the White House estimates on cost containment taxes are wrong? Even Finance Committee Chairman Pat Moynihan said the White House's containment figures are "fantasy". We'll have to find the revenue to cover it - that means we either raise taxes or borrow the money and increase the deficit.

Many believe that, while reforming our health care system is absolutely essential, the Clinton plan may go too far too fast - threatening job creation and quality of care. In fact, the extraordinary cost of this plan could imperil our future economic health by fueling deficit growth.

I believe a more sensible and careful approach has been offered by a number of Republican Senator's proposed last week. This plan is roughly one-third the cost but still meets the essential goals of providing affordable, effective health care for all Americans.

We Should approach this issue with all deliberation, but not without our eyes wide open to its potential impact upon our country's fiscal health. Because as we seek to expand health care for our people, we must remain fiscally fit as well.

Unlike the Clinton plan, the Senate Republican proposal limit's the government's role: there are no employer mandates, no National Health Board running the system from Washington, no huge new federal and state-run health bureaucracies, and no government set budget. This plan keeps the government out of the doctor's office. And, most importantly, it doesn't break the bank and or threaten to increase future deficits.

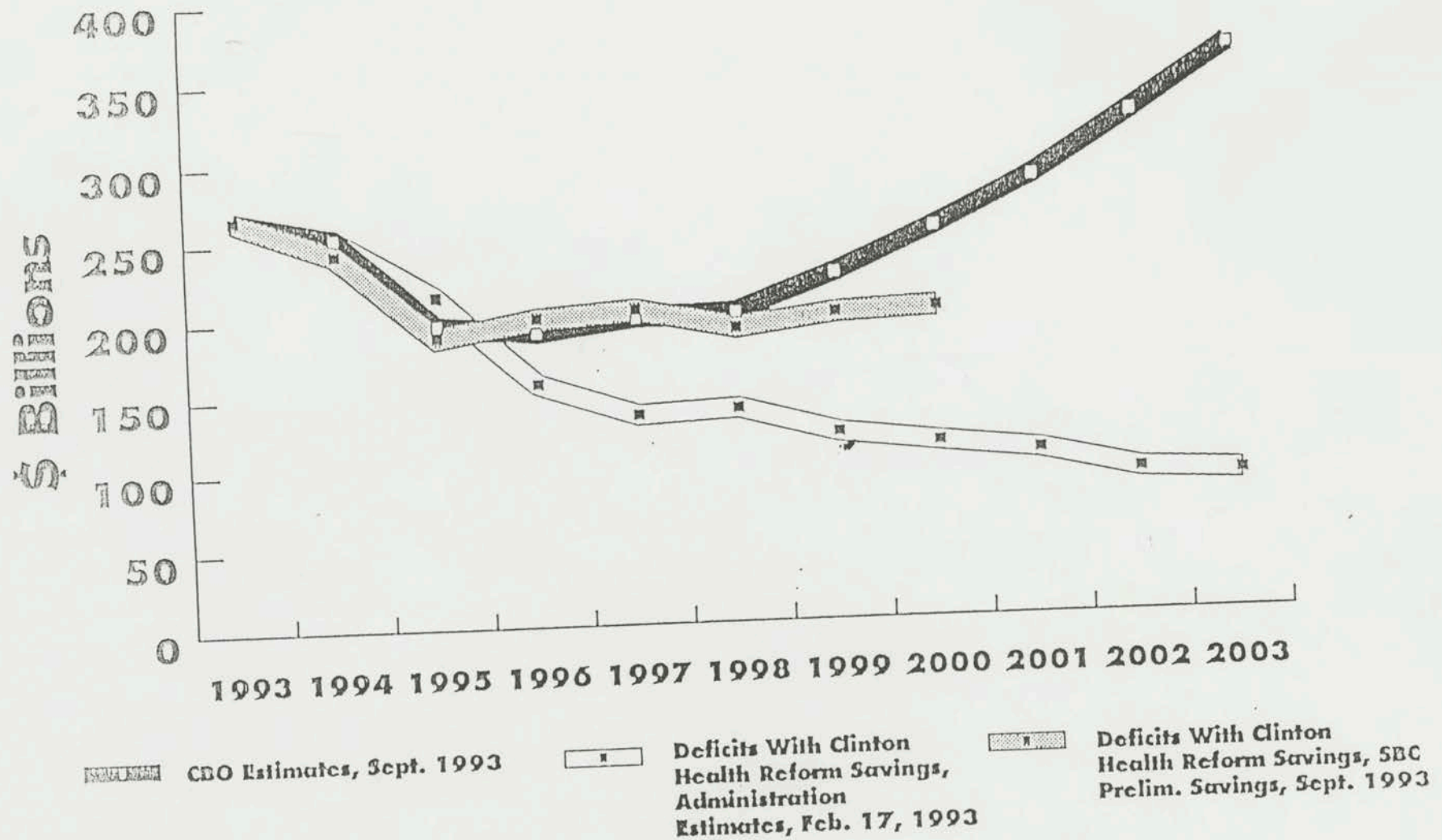
So as we proceed with reform, we should be careful and consider not only its effect on our health care system, but also the prognosis for our nation's economic growth as well.

Because I believe so strongly that one of the principles of health care reform left out of the President's speech last evening should include economic security, I have asked the Chairman of the Budget Committee today to convene a series of important hearings this fall on the economic and fiscal impact of health care reform proposals."



# Deficit Estimate

## With and Without Health Care Reform



# THE PRESIDENT'S HEALTH REFORM PROPOSAL

## FEDERAL BUDGETARY EFFECTS

(Administration Preliminary Estimates, \$ Billions)

1994–  
2000

### NEW SPENDING

Subsidies	419
Early Retirees	?
Medicare Prescription Drugs	72
Long-Term Care	73
New Public Health Initiative	18
Administrative Costs	<u>11</u>
Subtotal, New Spending	593

### SPENDING CUTS

<i>Employed Medicare/Medicaid in Alliances</i>	–186
<i>State Medicaid Maintenance of Effort</i>	–73
Medicare/Medicaid Caps	–238
Other Federal Programs	–47
Subtotal, Spending Cuts	–544

### TAXES

Self-Employed Deduction/Long-Term Care	–16
Sin Taxes/Corp. Assessment	105
Effects of Mandate on Taxes	<u>51</u>
Subtotal, Tax Increase	140

### DEFICIT

–91

**SENATOR DOLE'S SPEECH TO  
AMERICAN MEDICAL ASSOC.  
SEPTEMBER 30, 1993**

**THANK YOU FOR INVITING  
ME TODAY.**

**AS A PERSON WHO HAS  
BEEN IN NEED OF A GREAT DEAL  
OF HEALTH CARE IN MY LIFE --  
AND AT ONE TIME HAD A VERY  
DIFFICULT TIME PAYING FOR IT --**



**I KNOW THE ANXIETY OF BEING  
IN NEED AND NOT HAVING THE  
MONEY FOR CARE. IT'S A VERY  
BIG PROBLEM. AND,  
UNFORTUNATELY, ONE THAT  
TOO MANY AMERICANS HAVE  
HAD TO FACE.**

**WELL, NOW THAT  
PRESIDENT CLINTON'S ADDRESS**

**TO CONGRESS ON HIS HEALTH  
CARE PLAN IS STORED SAFELY  
IN THE ARCHIVES, THE REAL  
DEBATE ON HEALTH CARE  
REFORM CAN BEGIN. FOR  
MONTHS, THOSE OF US OUTSIDE  
THE WHITE HOUSE HAVE HAD  
ONLY THE SKETCHIEST OF  
DETAILS ON THE WORK OF  
FIRST LADY, HILLARY RODHAM**

**CLINTON, AND THE MEMBERS OF  
HER TASK FORCE. I THINK THAT  
WAS A MISTAKE AND A BAD  
SIGNAL TO ALL THOSE  
AMERICANS WHO ARE  
EXPECTING ACTION.**

**BUT, NOW THAT THE PLAN  
HAS BEEN UNVEILED, I THINK A  
TRUE DIALOGUE CAN BEGIN. I**



**WILL SAY AT THE OUTSET, THAT  
IT IS GOING TO BE A LONG,  
TOUGH PATH BEFORE HEALTH  
CARE REFORM IS FINALLY  
PASSED. IT IS AN ISSUE THAT  
WILL AFFECT ALL AMERICANS --  
AND WILL AFFECT DIFFERENT  
PEOPLE DIFFERENTLY. BUT,  
REPUBLICANS AND DEMOCRATS  
ARE AT LEAST STARTING ALONG**

**THIS PATH TOGETHER.**

**HEALTH CARE IS AN ISSUE  
THAT CRIES OUT FOR  
BIPARTISAN COOPERATION.  
AND I HAVE BEEN SAYING FOR A  
LONG TIME, THAT IT WILL BE  
NEARLY IMPOSSIBLE TO PASS  
HEALTH REFORM LEGISLATION  
WITHOUT IT.**

**AS MANY OF YOU MAY  
KNOW, SENATE REPUBLICANS  
HAVE BEEN HARD AT WORK ON  
THIS ISSUE FOR THREE YEARS  
NOW, SINCE THE START OF OUR  
TASK FORCE ON HEALTH,  
CHAired BY SENATOR CHAFEE  
OF RHODE ISLAND. AND, I SAY  
WITH PRIDE, THAT SOME OF MY  
REPUBLICAN COLLEAGUES TAKE**



**A BACK SEAT TO NO ONE WHEN  
IT COMES TO HEALTH CARE  
EXPERTISE AND COMPASSION.  
WE ARE, AND HAVE BEEN, FULLY  
COMMITTED TO REAL,  
MEASURABLE, PERMANENT  
REFORM OF OUR HEALTH CARE  
SYSTEM.**

**YOU DON'T HAVE TO BE AN**

**EXPERT IN HEALTH CARE TO  
KNOW THAT IT IS AN ISSUE THAT  
AFFECTS EVERYBODY IN  
AMERICA. WHETHER IT IS THE  
FARMER IN KANSAS WHOSE SON  
HAS A COSTLY ILLNESS HE  
CAN'T GET AN INSURANCE  
COMPANY TO COVER, THE  
UNEMPLOYED AIRCRAFT  
WORKER WHO LOST HIS**

**COVERAGE WITH HIS JOB, OR  
THE SINGLE WORKING MOTHER  
WHO LOST HER INSURANCE  
WHEN SHE LOST HER SPOUSE.**

**YES, ALL AMERICANS WANT  
THE PEACE OF MIND OF  
KNOWING THEY'RE COVERED,  
THAT THEY WILL STAY COVERED  
AND THAT COSTS WILL BE**



**CONTAINED. BUT, THEY ALSO  
WANT TO KNOW THAT THE  
QUALITY, CHOICE, AND  
INNOVATION THAT  
CHARACTERIZES AMERICAN  
HEALTH CARE WILL CONTINUE  
TO BE A REALITY. AND, THEY  
DO NOT WANT THE PRICE OF  
THAT ASSURANCE TO BE THEIR  
JOBS.**

**CLEARLY, WE NEED A  
SYSTEM THAT MEETS THE VERY  
DIVERSE NEEDS OF OUR  
CITIZENS. THE POINT IS TO  
MAKE IT AVAILABLE TO ALL AND  
TO LEAVE THE DECISIONS  
ABOUT HEALTH CARE IN THE  
HANDS OF THE INDIVIDUAL AND  
HIS DOCTOR. I HAVE  
CONGRATULATED THE**

**PRESIDENT AND THE FIRST  
LADY, BOTH PUBLICALLY AND  
PRIVATELY, ON THE ENORMOUS  
TASK THEY HAVE UNDERTAKEN  
TO REFORM HEALTH CARE IN  
OUR COUNTRY.**

**IT SEEMS TO ME THAT WE  
HAVE AN OPPORTUNITY, AN  
OBLIGATION, AND A**



**RESPONSIBILITY TO START OFF  
GOING IN THE SAME DIRECTION.  
IF WE ARE GOING TO BE  
PLAYERS IN THIS GAME, WE  
HAVE TO GET ON THE FIELD. I  
THINK REPUBLICANS  
UNDERSTAND THAT IF  
SOMETHING IS PASSED, THE  
PRESIDENT -- WHOEVER HE OR  
SHE MAY BE AT THE TIME -- WILL**

**GET MOST OF THE CREDIT. BUT,  
MY VIEW IS THAT WE HAVE A  
LOT OF GOOD IDEAS ON THE  
REPUBLICAN SIDE. THERE'S  
ACTUALLY MORE THAN ONE  
REPUBLICAN PROPOSAL. EACH  
OF THESE EFFORTS IS A  
SERIOUS ATTEMPT TO RESERVE  
A SEAT AT THE TABLE WHEN  
REAL NEGOTIATIONS BEGIN.**

**BUT, AT THIS EARLY DATE, I  
TRULY BELIEVE THAT WE ARE  
STARTING THIS DEBATE IN  
GOOD FAITH.**

**LAST WEEK IN HIS ADDRESS  
TO CONGRESS, THE PRESIDENT  
OUTLINED HIS SIX PRINCIPLES  
FOR HEALTH CARE REFORM:  
SECURITY, SIMPLICITY, SAVINGS,**



**CHOICE, QUALITY, AND  
RESPONSIBILITY.**

**I CAN SAY WITH ABSOLUTE  
CERTAINTY THAT NO ONE  
AMONG US -- REPUBLICAN OR  
DEMOCRATIC, PROVIDER OR  
CONSUMER, DISAGREES WITH  
ANY OF THESE PRINCIPLES. IN  
FACT, WE ALL**

**WHOLEHEARTEDLY, AGREE, AND  
I WAS HAPPY TO HEAR THE  
PRESIDENT SPEAK TO THESE  
PRINCIPLES. AND, WHILE  
UNIVERSALITY IS OUR COMMON  
GOAL, WE MUST ENSURE THAT  
QUALITY WILL BE OUR CHECK.**

**AND LET'S FACE IT, HEALTH  
CARE IS AN EXTREMELY**

**COMPLEX ISSUE.**

**I AM NOT HERE TO  
CRITICIZE THE ADMINISTRATION  
OR THE DETAILS OF THE  
CLINTON PLAN. ACTUALLY,  
THERE ARE MANY AREAS OF  
AGREEMENT BETWEEN THE  
PRESIDENT'S PLAN AND THE  
PLAN PUT FORWARD BY A**



**NUMBER OF SENATE  
REPUBLICANS, MYSELF  
INCLUDED. NO DOUBT, SOME  
ELEMENTS OF THE CLINTON  
PLAN WILL WORK AND SHOULD  
BE ENACTED -- FOR EXAMPLE,  
THE INSURANCE MARKET  
REFORMS, ADMINISTRATIVE  
SIMPLIFICATION, REFORM OF  
ANTI-TRUST LAWS, AND**

## **MALPRACTICE REFORM.**

**BUT, NO DOUBT, THERE ARE  
SOME ELEMENTS OF THE  
CLINTON PLAN THAT WE NEED  
TO KNOW MORE ABOUT AND  
WEIGH THE TRADE-OFFS -- FOR  
EXAMPLE, THE CREATION OF  
MANDATORY PURCHASING  
COOPERATIVES, THAT REALLY**

**TRANSLATE INTO MONOPOLIES.**

**AND STILL OTHER  
ELEMENTS WE KNOW FROM  
EXPERIENCE SIMPLY DO NOT  
WORK AND SHOULD BE AVOIDED  
AT ALL COSTS: PRICE  
CONTROLS AND GLOBAL  
BUDGETS, FOR EXAMPLE, HAVE  
PROVEN OVER TIME TO BE**



**INEFFECTIVE IN KEEPING COSTS  
DOWN. I HAVE NEVER SEEN ANY  
EVIDENCE TO THE CONTRARY.  
YET, THE PRESIDENT WANTS TO  
TRY THEM OUT AGAIN.**

**WE MUST ALSO BE  
CAUTIOUS AND HONEST WITH  
OURSELVES ABOUT WHERE THE  
MONEY WILL COME FROM TO**

**PAY FOR THESE PLANS. THE  
PRESIDENT HAS PROMISED HIGH  
TICKET ITEMS SUCH AS  
PRESCRIPTION DRUGS, LONG-  
TERM CARE, AND COVERING  
EARLY RETIREES FROM BIG  
BUSINESSES. WHEN YOU ADD  
UP ALL THESE NEW  
ENTITLEMENTS, THE SUM IS BIG  
SPENDING. CERTAINLY, THE**

**LAST THING OUR CHILDREN  
NEED IS A NEW TAXPAYER  
FINANCED, UNDERFUNDED  
ENTITLEMENT PROGRAM ON  
THEIR BACKS.**

**I DO NOT VIEW OUR  
REPUBLICAN PROPOSAL AS A  
THREAT OF GRIDLOCK. RATHER,  
IT IS A CONSTRUCTIVE EFFORT**



**TO REFLECT HONEST  
DIFFERENCES OF OPINION AS  
TO HOW TO ACHIEVE OUR  
COMMON GOAL OF PROVIDING  
ACCESS TO CARE TO ALL  
AMERICANS. FUNDAMENTALLY,  
WE BELIEVE THAT IF YOU GIVE  
BUSINESSMEN AND WOMEN AND  
INDIVIDUALS THE TOOLS THEY  
NEED TO GAIN ACCESS TO**

**REASONABLY PRICED HEALTH  
CARE COVERAGE, THEY WILL  
TAKE THAT OPPORTUNITY,  
WITHOUT GOVERNMENT  
INTERVENTION OR MANDATES.**

**NOW, I AM AWARE THAT  
MANY OF YOU, AS PHYSICIANS,  
ARE SUPPORTIVE OF MANDATES.  
BUT, BESIDES BEING PROVIDERS**

**OF HEALTH CARE, I SUSPECT  
THAT MANY OF YOU ARE ALSO  
SMALL BUSINESS PEOPLE. I  
DON'T HAVE TO TELL YOU THAT  
A BIG INCREASE IN THE  
PAYROLL TAX OR INCREASE FOR  
ANY REASON, IS IN EFFECT A  
TAX. IT MEANS HIGHER  
OPERATING COSTS AND FEWER  
JOBS AND FEWER BUSINESS**



**OPPORTUNITIES.**

**WHEN THE ASSOCIATION OF  
SMALL BUSINESSES, NFIB, WAS  
ASKED HOW A MANDATE ON  
EMPLOYERS TO PAY AT LEAST  
EIGHTY PERCENT OF THE  
AVERAGE COST OF A BENEFIT  
PACKAGE WOULD AFFECT  
THESE BUSINESSES, SEVENTY-**

**THREE PERCENT OF THE  
MEMBERS SAID A MANDATE  
WOULD FORCE THEM TO CUT OR  
FREEZE WAGES. TWENTY-SIX  
PERCENT SAID THEY WOULD  
HAVE TO GO OUT OF BUSINESS.**

**MY HOME STATE OF  
KANSAS, FOR EXAMPLE, HAS  
APPROXIMATELY 66,000 FIRMS.**

**NINETY-NINE PERCENT OF  
THESE FIRMS HAVE FEWER  
THAN 250 EMPLOYEES. THERE  
ARE ONLY ABOUT 60 FIRMS  
WITH MORE THAN 1,000  
EMPLOYEES. SO, WHEN I HEAR  
PLANS TO MANDATE ALL  
EMPLOYERS TO PAY EIGHTY  
PERCENT OF THE COST OF  
HEALTH INSURANCE FOR ALL**



**THEIR EMPLOYEES, I SEE REAL  
PAYROLL COST INCREASES AND  
REAL JOB LOSSES. BY SOME  
ESTIMATES, AN EMPLOYER  
MANDATE IN KANSAS COULD  
COST UP TO 190,000 JOBS.**

**THIS IS A MAJOR STICKING  
POINT BETWEEN REPUBLICANS  
AND THE ADMINISTRATION. I DO**

**NOT SEE EMPLOYER MANDATES  
AS THE SOLUTION TO HEALTH  
CARE COVERAGE,  
PARTICULARLY DURING THIS  
PERIOD OF SLOW ECONOMIC  
RECOVERY.**

**I DO NOT MEAN TO  
SUGGEST THAT I AM OPPOSED  
TO EMPLOYER BASED HEALTH**

**INSURANCE. IN FACT, I  
STRONGLY BELIEVE WE SHOULD  
DO ANYTHING WE CAN TO  
ASSIST BOTH EMPLOYERS AND  
EMPLOYEES TO GAIN ACCESS  
TO INSURANCE COVERAGE.**

**ADMITTEDLY, THERE IS  
MUCH THE GOVERNMENT CAN  
DO TO CREATE REAL**



**COMPETITION AND PRICE  
SENSITIVITY. THERE ARE ALSO  
SITUATIONS WHERE  
INDIVIDUALS WILL NEED THE  
DIRECT FINANCIAL ASSISTANCE  
OF THE GOVERNMENT. OUR  
REPUBLICAN PLAN DOES THIS.**

**REPUBLICANS ALSO DO  
NOT PROMISE THAT WE CAN**

**SOLVE ALL THE PROBLEMS  
RIGHT AWAY. BUT, WE BELIEVE  
WE ARE CLEARLY HEADED IN  
THE RIGHT DIRECTION.**

**WE ALL AGREE THAT  
UNIVERSAL ACCESS AND  
CONTAINMENT OF COSTS ARE  
OUR GOALS. THE CHALLENGE  
NOW IS TO DEVELOP A FAIR AND**

**EQUITABLE HEALTH CARE  
STRATEGY TO MAKE HEALTH  
CARE AVAILABLE THROUGH A  
COMPETITIVE PRIVATE SECTOR  
HEALTH CARE SYSTEM.**

**PERHAPS THE REAL  
CHALLENGE IS TO ACCOMPLISH  
THIS WITHOUT RAVAGING THE  
ECONOMY -- WITHOUT HURTING**



**BUSINESS -- AND WITHOUT  
FURTHER STRAINING OUR  
BANKRUPT BUDGET.**

**BUT, WE'RE GOING TO HAVE  
TO WORK TOGETHER --  
WHETHER WE'RE PROVIDERS OR  
WHETHER WE'RE IN THE  
BUSINESS OF POLITICS -- OR  
WHETHER WE'RE DRUG OR**

**INSURANCE COMPANIES,  
CONSUMERS, OR THE  
GOVERNMENT.**

**AND DURING THIS  
PROCESS, WE CANNOT FORGET  
THAT AMERICA IS THE WORLD  
LEADER IN HEALTH CARE. OUR  
TECHNOLOGIES AND  
INNOVATIONS -- OUR PROVIDERS**

**-- AND OUR INDUSTRY EXPERTS  
ARE SECOND TO NONE. I DO  
NOT MEAN IT LIGHTLY WHEN I  
SAY THAT WHEN REFORMING  
OUR HEALTH CARE SYSTEM, WE  
MUST BE EXTREMELY CAREFUL  
TO PRESERVE THESE MANY  
GOOD QUALITIES. THE BOTTOM  
LINE IS TO GIVE THE AMERICAN  
PEOPLE THE BEST CARE**



**AVAILABLE.**

**I AM CONFIDENT THAT  
WHAT WILL ULTIMATELY  
EMERGE FROM THIS  
DISCUSSION IS A BIPARTISAN  
PLAN THAT WILL ADDRESS THE  
NEEDS OF THE AMERICAN  
PEOPLE. BUT, TO GET IT RIGHT  
WILL TAKE TIME.**

**THE LAST THING WE NEED  
IS FOR THE DEBATE TO  
DISINTEGRATE INTO A POLITICAL  
CONTEST. IF IT DOES, THE  
AMERICAN PEOPLE WILL BE THE  
LOSERS. THE AMERICAN  
PEOPLE WANT ANSWERS AND  
SOLUTIONS, AND THEY DON'T  
CARE WHICH PARTY TAKES  
CREDIT. NO DOUBT, THAT**

**MEANS WE ALL HAVE TO WORK  
TOGETHER.**

**LET ME CLOSE BY SAYING I  
AM CONVINCED THAT REFORM  
CAN TAKE PLACE -- AND I AM  
CONVINCED THAT IT CAN BE  
DONE WITHOUT CREATING  
MORE REGULATIONS OR  
ANOTHER GOVERNMENT**



**PROGRAM.**

**AGAIN, I APPLAUD THE  
PRESIDENT AND THE FIRST LADY  
FOR THEIR WORK IN THIS AREA  
AND LOOK FORWARD TO WORK  
TOGETHER ON WHAT WILL  
PROBABLY BE THE MOST  
IMPORTANT LEGISLATIVE ISSUE  
THIS DECADE.**

**AND FOR ALL THOSE HERE  
WHO ARE OUT DAILY SAVING  
LIVES OR TRYING TO SAVE  
LIVES, I CONGRATULATE YOU  
AND THANK YOU FOR YOUR  
EFFORTS AND LOOK FORWARD  
TO WORKING WITH YOU.**