

Jan. 30

January 26, 1995

TO: Senator Dole
FROM: Vicki *Vicki*
RE: Speech to American Hospital Association

You are scheduled to deliver a 20 minute speech to the American Hospital Association on Monday, January 30. You may recall that you address this group every January. There will be about 3,000 people in the audience -- mostly administrators from hospitals across the country. Don Wilson, President of the Kansas Hospital Association will introduce you.

They would like to hear you speak about your plans, as Majority Leader, for health care this year. They are prepared for Medicare cuts, but would like some assurance from you that these cuts will not be made arbitrarily and without the input from people working on these issues on a daily basis. They know, however, that Medicare cannot be sustained at its current rate of growth into the 21st century.

Secretary Bentsen will receive a lifetime achievement award earlier in the day. Other speakers include Senator Rudman, Speaker Gingrich, a panel consisting of Senator Kassebaum, Senator Breaux, and Congressman Thomas. Afternoon speakers are Bob Woodward, Alice Rivlan, and Congressman Gephardt.

If time permits, they would like to audience to have a few minutes for Q and A.

**SENATOR BOB DOLE
AMERICAN HOSPITAL
ASSOCIATION
JANUARY 30, 1995**

**I HAD THE PLEASURE OF
SPEAKING TO THE GATHERING
THIS GROUP HAD EXACTLY ONE
YEAR AGO TOMORROW.**

**WHAT A DIFFERENCE A
YEAR MAKES!**

**LAST YEAR, I JOINED YOU
AS SENATE MINORITY LEADER.
THIS YEAR, I JOIN YOU AS
SENATE MAJORITY LEADER.**

**LAST YEAR--AND FOR THE
PAST 40 YEARS--THE**

**DEMOCRATS CONTROLLED THE
HOUSE OF REPRESENTATIVES.
THIS YEAR, THE REPUBLICANS
CONTROL BOTH THE HOUSE AND
THE SENATE.**

**LAST YEAR, TERMS LIKE
"GLOBAL BUDGETS," "PRICE
CONTROLS" "EMPLOYER
MANDATES," AND**

**"GOVERNMENT MONOPOLIES"
WERE FRONT AND CENTER IN THE
HEALTH CARE DEBATE. THIS
YEAR, YOU CAN FIND THOSE
TERMS IN THE SAME PILE AS
TICKETS TO THE 1994 WORLD
SERIES.**

**LAST YEAR THE LIBERALS IN
THE MEDIA WOULD HAVE HAD**

**YOU BELIEVE THAT THE ONLY
SERIOUS LEGISLATION WAS THE
ADMINISTRATION'S BILL. THEY
ALSO TRIED TO CONVINCING US
THAT ANYTHING SHORT OF AN
ABSOLUTE REVOLUTION WAS
JUST NOT WORTH DOING.
INCREMENTAL WAS A DIRTY
WORD.**

**WELL, THREE FACTS HAVE
NOT CHANGED IN THE PAST
YEAR. THE FIRST IS THAT
AMERICA STILL HAS THE BEST
HEALTH CARE DELIVERY SYSTEM
IN THE WORLD. SECOND IS THAT
THERE ARE STILL AMERICANS
WHO NEED OUR HELP IN GAINING
ACCESS TO THIS SYSTEM. AND
THE THIRD, ESCALATING COSTS**

**CONTINUE TO PLAGUE STATE
AND FEDERAL GOVERNMENTS.**

**SO, WHAT WILL HEALTH
CARE REFORM LOOK LIKE IN
1995?**

**YOU WILL NOT SEE ONE
LARGE BILL EMERGING. EVEN
THE PRESIDENT HAS OFFERED A**

**NEW VERSION OF REFORM
WHICH CAN ONLY BE DESCRIBED
AS LIMITED. AND FRANKLY, IT
LOOKS A LOT LIKE MAJOR
PORTIONS OF LAST YEAR'S
DOLE/PACKWOOD BILL. LAST
YEAR I SAID OVER AND OVER
AGAIN THAT THERE WERE
PROVISIONS WE COULD PASS IN
A DAY WITH WIDE SUPPORT IF**

**WE COULD SEPARATE THEM
FROM THE POLITICAL QUAGMIRE.**

**THERE IS NO EXCUSE FOR
LETTING ANOTHER YEAR GO BY
WITHOUT PASSING SOME OF THE
INSURANCE REFORMS WE HAVE
TALKED ABOUT FOR SO LONG. I
SEE NO REASON TO HOLD THESE
REFORMS HOSTAGE TO OTHER**

**AREAS THAT MAY BE MUCH
MORE CONTENTIOUS. LET'S
ELIMINATE PRE-EXISTING
CONDITION PROBLEMS. LET'S
MAKE INSURANCE PORTABLE.
LET'S FREE PEOPLE WHO ARE IN
A JOB LOCK SITUATION SIMPLY
DUE TO A FEAR OF LOSING THEIR
INSURANCE. LET'S MAKE
INSURANCE DEDUCTIBLE FOR THE**

**SELF-EMPLOYED. I THINK EVERY
SINGLE BILL LAST YEAR HAD
THESE PROVISIONS IN THEM.
BUT, THEY NEVER PASSED
BECAUSE WE COULDN'T GET
AGREEMENT ON OTHER AREAS
THAT WERE LESS POPULAR.**

**I SEE NO REASON TO ASK
SMALL BUSINESSES TO WAIT**

**FOR INSURANCE MARKET
REFORMS UNTIL WE CAN AGREE
ON HOW TO REFORM
MALPRACTICE LAWS. BOTH ARE
IMPORTANT. BUT THEY DON'T
HAVE TO BE PASSED TOGETHER.
OUR PRIORITIES WILL INCLUDE
INSURANCE REFORM,
MALPRACTICE REFORM,
PAPERWORK SIMPLIFICATION,**

AND TAX EQUITY.

**SO, WE'LL PASS ONE BILL AT
A TIME. AND IN THE PROCESS
HELP A LOT OF PEOPLE ALONG
THE WAY.**

**IT IS MY HOPE THAT HEALTH
CARE IN 1995 WILL LOOK
DIFFERENT FROM LAST YEAR**

**BECAUSE IT WILL BE TRULY
BIPARTISAN. THE PRESIDENT
HAS ALREADY ADMITTED HE
MADE A MISTAKE LAST YEAR.
HE DIDN'T HOLD UP ANY VETO
PENS IN THIS YEAR'S STATE-OF-
THE-UNION ADDRESS. I HOPE
THAT IS A SIGN THAT
DEMOCRATS WILL WORK WITH
REPUBLICANS THIS YEAR TO**

**PASS RESPONSIBLE HEALTH
CARE MEASURES. I KNOW
REPUBLICANS WILL BE REACHING
OUT TO DEMOCRATS AT EVERY
STEP ALONG THE WAY. DOING
THE RIGHT THING MAKES SENSE
FOR BOTH SIDES.**

**PERHAPS THE TOUGHEST
ISSUE WE WILL ALL FACE IN 1995**

**WILL BE HOW TO CONTROL
COSTS. THE ADMINISTRATION
BEGAN THE DISCUSSION ON
HEALTH CARE LAST YEAR BY
WARNING THAT CONTROLLING
HEALTH CARE COSTS WAS AN
ESSENTIAL PRECONDITION FOR
BALANCING THE BUDGET. BUT,
SOMEWHERE BETWEEN THE TIME
THE DIAGNOSIS WAS MADE AND**

**THE CURE PROPOSED, THE
FOCUS ON HEALTH CARE COSTS
VANISHED.**

**WE CAN'T AFFORD TO
IGNORE THIS ISSUE ONCE AGAIN.
OF COURSE, HEADING THE LIST
WILL BE CONCERNS ABOUT BOTH
MEDICARE AND MEDICAID.**

**I SPENT THIS MORNING
WITH A NUMBER OF REPUBLICAN
GOVERNORS. THEY, LIKE THE
FEDERAL GOVERNMENT, ARE
FACING SERIOUS FISCAL
PROBLEMS AT A TIME WHEN THE
DEMAND FOR SERVICES IS
GREATER THAN IT HAS EVER
BEEN. WE OWE IT TO THEM TO
LOOK AT NEW ANSWERS TO OLD**

PROBLEMS.

**WHAT THIS ALL BOILS
DOWN TO IS THAT THE HEALTH
CARE DEBATE NEEDS TO BE
REFRAMED. TRADITIONALLY,
PEOPLE TALKED ABOUT WHAT
GOVERNMENT COULD DO TO
MAKE HEALTH CARE BETTER.
BUT NOW THE GOVERNMENT IS**

**BROKE. WHAT WE NEED TO DO
IS FOCUS ON HOW TO DO MORE
WITH LESS -- THINKING SMALLER
AND THINKING SMARTER.**

**THAT ALSO MEANS A
REVAMPING OF MEDICARE.
HISTORY HAS TAUGHT US THAT
NEW BENEFITS ALWAYS CREATE
NEW DEMAND. THAT IS**

**PRECISELY WHY MEDICARE IS IN
THE CONDITION IT IS TODAY.**

**JUST ABOUT EVERYONE
AGREES: THE NOVEMBER
ELECTIONS WERE A MANDATE
FOR SMALLER GOVERNMENT AND
A SECURE TOMORROW FOR
AMERICA'S CHILDREN. THAT
MEANS WE HAVE TO STOP**

**MORTGAGING THEIR FUTURE
WITH ENTITLEMENT PROGRAMS
THAT CONSISTENTLY TAKE A
BIGGER CHUNK OUT OF THE
BUDGET EVERY YEAR.**

**WITH THIS IN MIND, WE
NEED TO EXAMINE LINE BY LINE
HOW THE GOVERNMENT IS
SPENDING YOUR MONEY -- JUST**

**LIKE ANY FAMILY OR BUSINESS
WOULD DO IF IT WERE
EXPERIENCING A FINANCIAL
CRISIS. THEN WE NEED TO
DECIDE WHERE WE CAN TIGHTEN
OUR BELTS. IT'S NOT EASY.
AND IT'S NOT FUN. BUT, WE
DON'T HAVE A CHOICE. THE
AMERICAN PUBLIC HAS
DEMANDED IT, AND OUR**

**CHILDREN AND GRANDCHILDREN
DESERVE IT.**

**SO, WE'LL TAKE A HARD
LOOK AT THE MEDICARE
PROGRAM, JUST LIKE
EVERYTHING ELSE. AND, WE'LL
LOOK AT IT NOT ONLY IN TERMS
OF ITS FINANCIAL CRISIS, BUT
ALSO IN TERMS OF ITS IDENTITY**

CRISIS.

**THE WORLD HAS CHANGED
QUITE A BIT SINCE PRESIDENT
JOHNSON SIGNED MEDICARE
INTO LAW IN 1965. BACK THEN
ALMOST HALF OF AMERICA'S
SENIORS LIVED IN POVERTY. BY
1975 THE PROGRAM WAS
ALREADY SERVICING 25 MILLION**

**ELDERLY AT A COST OF ALMOST
\$15 BILLION. LAST YEAR,
MEDICARE PROVIDED ABOUT
\$161 BILLION WORTH OF CARE
TO 36 MILLION BENEFICIARIES.
MOST DO NOT LIVE IN POVERTY.**

**SO MEDICARE IS AT A
CROSSROADS. I'M NOT
INTERESTED IN TALKING ABOUT**

**ARBITRARY CUTS TO MEDICARE.
THERE IS NO MAGICAL NUMBER.
INSTEAD, I AM MORE
INTERESTED IN KNOWING HOW
WE CAN MOVE MEDICARE INTO
THE 21ST CENTURY. WHAT ROLE
SHOULD THE GOVERNMENT PLAY
IN ENSURING THAT OUR SENIORS
AND THE DISABLED HAVE
ADEQUATE HEALTH CARE?**

WHAT ROLE CAN YOU PLAY?

**NO DOUBT ABOUT IT --
THESE QUESTIONS CANNOT BE
ANSWERED BY CONGRESS
ALONE. WE NEED TO HEAR YOUR
IDEAS AND YOUR CONCERNS.**

**FINALLY THE OTHER
CHANGE YOU WILL SEE THIS**

**YEAR IS A REACHING OUT
BEYOND CAPITOL HILL. AND
THAT'S WHERE YOU COME IN.**

**THE HEALTH CARE DEBATE
LAST YEAR HAD REALLY HIT A
NERVE WITH MOST AMERICANS.
AND, THAT IS REALLY SAYING A
LOT, BECAUSE I THINK
WASHINGTON GETS ON PEOPLE'S**

**NERVES ALL THE TIME. BUT,
HEALTH CARE IS A PERSONAL
ISSUE AND ONE THAT AFFECTS
EVERYONE'S LIFE.**

**THE SOLUTIONS TO OUR
HEALTH CARE PROBLEMS AREN'T
GOING TO COME FROM A WHITE
HOUSE WAR ROOM. THEY'RE
GOING TO COME FROM PEOPLE**

**LIKE YOU WHO ARE OUT THERE
DAILY WORKING THROUGH
THESE ISSUES.**

**LET ME CONCLUDE BY
LOOKING AHEAD TO NEXT
JANUARY, WHEN THE AHA
RETURNS TO WASHINGTON.
WITH THE INVALUABLE
EXPERTISE THAT YOU FOLKS I**

**HOPE WILL PASS ALONG -- AND
WITH ALL THAT WE LEARNED IN
1994, I TRULY BELIEVE WE CAN
HAVE A HEALTH CARE BILL THIS
YEAR THAT IS MUCH MORE
RATIONAL AND ONE THAT WILL
HAVE THE SUPPORT OF THE
AMERICAN PUBLIC. BUT LET ME
SAY, AS I DID LAST YEAR, WE
ALL HAVE THE SAME GOALS IN**

**MIND, PROVIDING CARE TO
THOSE WHO NEED IT IN A TIMELY
AND COST EFFECTIVE MANNER.
BUT IN OUR ZEAL FOR REFORM
LETS NOT LOSE SIGHT OF WHAT
MADE US GREAT, A
COMMITMENT TO QUALITY AND
INNOVATION -- LETS NOT TRADE
THAT AWAY.**