

March 28, 1995

TO: Senator Dole

FROM: Vicki

RE: Speech to the Self-Insurance Industry Association

You are scheduled to deliver remarks to the Self-Insurance Industry Association on Wednesday, March 29 at 1:45. The audience of 250 will consist of administrators of self-insurance and employers who self-insure. Senators Grassley, Coats, and Nickles are also scheduled to speak.

They would like you to talk for about 15 to 20 minutes followed by Q and A. Their interests are health care for 1995 and the Congressional agenda.

#### BACKGROUND

Rather than seeking traditional indemnity coverage from insurance carriers, companies that self-insurance elect to fund risk directly from the employer's assets. By self-insuring, employers become liable for claims.

ERISA provides enormous benefits to the self-insurance industry. Under ERISA, states are not permitted to tax self-insured plans. ERISA also permits employers almost total flexibility in choosing whatever benefits they would like to offer their employees. If ERISA were waived, these companies would face an administrative nightmare in trying to comply with 50 state laws and regulations.

#### POINTS TO EMPHASIZE

The self-insurance association was very much opposed to the Clinton plan last year because of the prohibitions it placed on the industry. Under the Clinton plan, businesses with fewer than 5,000 employees would be prohibited from self-insuring. That means that only a fraction of 1% of businesses in the country could continue to self-insure. This represented a huge disruption in the market place.

Over 55 million private sector employees and their dependents have their insurance provided through self-insurance funds. The point that this industry continually emphasized was that with 37 million uninsured people in this country, all efforts should be targeted toward bringing these people into the system. These 55 million people who are insured through self-insurance should be left alone. Again, don't fix what's not broken.

There's nothing to indicate that the self-insurance market is not working.

In the Dole/Packwood plan there was no prohibition against self-insuring, regardless of the size of the business. The only requirements are that self-insured plans play by the same rules as the small market insurance reforms.



SPEAK

Wed, March 29  
Grand Hyatt, D.C.  
1:45 pm



# SELF-INSURANCE INSTITUTE OF AMERICA, INC.

## 1994 OFFICERS/DIRECTORS

### Chairman of the Board

Thomas D. Mather \*  
President  
CoreSource Michigan  
Mt. Clemens/Grand Rapids, MI

### President

Samuel P. Cannon \*  
Chief Executive Officer  
Management Services, Inc.  
Danville, IL

### Vice President Operations

William C. Goodrich \*  
President  
United Agribusiness League  
Irvine, CA

### Vice President Finance/CFO

Corporate Secretary  
Bryan B. Davenport \*  
Counsel  
Buschmann, Carr & Shanks, P.C.  
Greenwood, IN

### Vice President National Conference

Edmund W. Finley, Jr.  
Vice President  
Health Care Administrators, Inc.  
Indianapolis, IN

### Vice President Regions

Edward R. Ueack  
Managing Director  
PM Group Life Insurance Co.  
Fountain Valley, CA

### Vice President Promotion

Kurt J. Ridder  
Vice President  
Spectrum Underwriting Managers, Inc.  
Indianapolis, IN

### Vice President Publication

Linda B. Young  
Vice President  
North American Treaty Corp.  
Manhasset, NY

## DIRECTORS

Ernest A. Clevenger, III  
President/CEO  
American Progressive Benefits  
Brentwood, TN

John Hawkins  
Vice President/Treasurer  
Dillard Department Stores, Inc.  
Little Rock, AR

James W. Hippler  
Sr. Vice President, Administration  
Boyd Gaming Corporation  
Las Vegas, NV

Joseph J. McErlane  
President  
National Benefit Resources, Inc.  
Minneapolis, MN

Bradford R. Olson  
President  
Casualty Financial Inc.  
Des Moines, IA

William L. Walz  
President  
Christian Brothers Services  
Romeoville, IL

Ron Woods  
Chief Executive Officer  
HealthCare Administrators, Inc.  
Muskogee, OK

## EXECUTIVE VICE PRESIDENT

James A. Kinder

\* also serves as a Director

December 29, 1994

The Honorable Bob Dole  
United States Senate  
Washington, D.C. 20510

Dear Senator Dole:

I am delighted to again extend this cordial invitation to you to address the Ninth Annual Legislative Conference of the Self-Insurance Institute of America, Inc. (SIIA) which will be held on March 28-30, 1995 at the Grand Hyatt Washington, 1000 H Street N.W. in Washington, D.C. As you may recall, Sheila Burke spoke on health care reform at our conference last year and gave an outstanding speech.

SIIA is a national association with over 1500 members including employers, third party administrators, primary insurance companies, reinsurance companies and other interested parties dedicated to the improvement of the self-insurance industry. SIIA is the only association in the United States which represents firms, professionals and organizations which participate in the broad spectrum of self-insurance, including employer-sponsored group health plans.

With the dramatic change to Republican control in both Houses of the 104th Congress, your remarks on "The Passing of the Torch of Power: What Does it Mean for the Senate" would be most welcome.

If convenient, your thirty minute presentation would be scheduled at 1:45 p.m. on Wednesday, March 29, 1995.

If you or your staff have any questions concerning the meeting and your appearance, please do not hesitate to call me at SIIA headquarters, (714) 261-2553.

We hope your schedule will permit you the opportunity to participate in the SIIA Ninth Annual Legislative Conference. We look forward to your early reply.

Sincerely,

Libbie A. Ensworth  
Director Legislative Affairs

Kerry

1-10 later in letter

Corporate Office - 17300 Redhill Avenue, Suite 100, Irvine, California 92714, Phone (714) 261-2553, FAX (714) 261-2594  
Legislative Office - 1600 M Street, N.W., Seventh Floor, Washington, D.C. 20036, Phone (202) 828-5021, FAX (202) 828-5022  
Direct All Correspondence To: P.O. Box 15466, Santa Ana, California 92705

noted 1:5

SPEAK

Thurs, March 28-30

GRAND HYATT



14 E. First St. • Suite 600  
P.O. Box 1231  
Fort Scott, Kansas 66701

316-223-8200  
800-826-2898  
FAX 316-223-8292

January 9, 1995

The Honorable Bob Dole  
United States Senate  
Washington, D.C. 20510

Dear Senator Dole,

I read this morning in the KC Star that you were home last evening attending Governor Graves' inauguration festivities. What an exciting time for Kansas!

I am writing to extend my invitation to you to address the Ninth Annual Legislative Conference of the Self-Insurance Institute of America, Inc. (SIIA) which is to be held on March 28-30, 1995 at the Grand Hyatt Washington, 1000 H Street N.W. in Washington, D.C.

SIIA is a national organization with over 1500 members representative of administration, providers and participants of self-insurance.

Senator Dole, hopefully a 30 minute presentation containing your remarks on "The Passing of the Torch of Power: What Does it Mean for the Senate" would be possible.

Please honor this request with your utmost consideration and thank you in advance for that consideration.

Sincerely,

A handwritten signature in cursive script that reads "Nancy".

Nancy Maze  
MedPlans 2000, Inc.

1-26 Interim letter

list 1-19



**SENATOR DOLE SPEECH TO  
THE SELF-INSURANCE INDUSTRY ASSOC.  
MARCH 29, 1995**

**Thank you. It's a pleasure to be here  
this afternoon.**

**I remember that I was supposed to  
speak with this group last year, but at the  
last minute was pulled into another health  
care meeting. My Chief of Staff, Sheila  
Burke, filled in for me. And, she reported**

**back to me that you were very skeptical about many of the elements -- like alliances, government controls, and mandates -- that the President contained in his plan.**

**A lot of others were skeptical as well. I truly believe we all began the debate last year with nothing but good intentions for crafting a responsible bi-partisan health care bill that would rein in health care costs.**

**But, we eventually all came to see  
that as the debate continued, the size and  
the scope of the legislation grew and grew.  
And, the focus on health care costs  
diminished.**

**People started to really question if a  
major overhaul of the best health care  
system in the world was really the best  
treatment for its problems.**

**And, more and more people began telling us to fix only the parts that needed fixing and to leave the parts that work alone.**

**And, when we looked at it from that perspective it became very obvious that you were one group we should leave alone, because you're working.**

**That's why in the bill that I sponsored**

**last year, the Dole/Packwood bill, we made the decision to place no prohibitions against self-insurance -- no matter how small the company. I think you all agreed that was a good idea.**

**But, that bill didn't pass. In fact, it didn't even come up for a vote because of the politics that were very much in play at that time.**



**Now, it's a year later. And, what a difference a year makes. Republicans are in control of Congress and the agenda. And, we know that if we wish to remain in control -- plus win control of the White House next year -- we have some very tough decisions to make.**

**And, no doubt, balancing the budget may be one of the toughest.**

**I've been traveling around the country some, and there seems to be more and more concern about the federal deficit. And, I'm finding that more and more people are saying they're willing to deal with it.**

**That's a big change from just a few years ago when people feared a program being cut or a reduction of just about any kind. Now, there's a real fear of not making**

**spending reductions. People want us to do something. The American public knows that a \$4 trillion debt is a big burden, particularly on our children and grandchildren. And, it's a drag on the economy. It devours the resources we need to spur growth.**

**But, if we are going to raise the standard of living for future generations, we**



**will have to deal with it.**

**The hard part about balancing the budget is not making the speeches about the deficit, or making suggestions about the deficit. It's how you actually reduce it.**

**And, it's tough being responsible. But, I happen to believe, coming from the Republican school, that in order to bring the**

**deficit under control, you can't have all gain  
and no pain -- and it has to be evenly  
spread.**

**With that in mind, let me suggest  
what the health care debate will look like in  
this Congress.**

**First--and this is sometimes a novel  
idea in Washington--we'll start by listening.**

**That's something the Clinton Administration didn't do last year. Instead, they locked up all their so-called "experts" and drafted a plan in a locked room.**

**Republicans were like self-insurers. We were locked out of the room and locked out of the drafting process.**

**And what we saw was that a plan**



**drafted in secrecy has a steep, steep, hill to climb to gain public support. And the Clinton plan didn't come close to making it up that hill.**

**This Congress will do things much, much differently. We want your input. We want your ideas. We want to know what works and what doesn't. We know that America does have the best health care**

**The bottom line is that this year, we will have a much more rational approach to health care reform. We're not going to throw the entire system out. We're not going to have one huge omnibus 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.**

**system in the world. But we know it can  
be improved.**

**And, above all, we know that any  
changes we propose must be paid for. That  
may not be pleasant news for the liberals  
who found it much easier to treat the  
federal treasury like it was a huge shopping  
mall with no credit limit and no concern on  
who has to pay the bill.**



**And, last Friday, in fact, we already passed one of those -- the deductibility of insurance for the self-employed.**

**That's a start. But, we also need to make changes in insurance market laws to make it easier for people to buy insurance.**

**We need to eliminate pre-existing condition problems.**

**We need to make insurance portable.**

**We need to free people who are in a  
job lock situation simply due to a fear of  
losing their insurance.**

**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.**

**So, we'll pass one area at a time. And in the process help a lot of people along the way.**



**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 what the market place can do and what the states can do and what role the federal government will play.**

**Let me conclude by looking ahead to next year, when the self-insurance industry 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.**