AARP

Bringing lifetimes of experience and leadership to serve all generations.

March 18, 1993

Mr. Ira Magaziner
Task Force on National Health Care Reform
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. ~~Magaziner~~ Ira,

I appreciate the opportunity we had to discuss the progress being made by the work groups of the Interagency Task Force on Health Care. This letter and its attachment elaborate on several of the areas of our discussion and present some additional thoughts and recommendations about concerns that we did not have time to discuss in depth, specifically Medicare and issues broadly affecting consumers.

Implications of reform for Medicare. Transition to a reformed health care system will necessitate adjustments on the part of many, including Medicare beneficiaries. Our public opinion work, particularly that conducted by DYG, Inc., however, underscores the fact that Medicare beneficiaries and those approaching age 65 are especially disturbed by the prospect of Medicare benefits being cut back or their out-of-pocket costs increasing. Current beneficiaries already believe, justifiably, that they are paying too much out-of-pocket for health care. Indeed, older Americans pay significantly more out-of-pocket for health care--both in dollar terms and as a percentage of their incomes--than do younger Americans. With this in mind, we urge caution as you consider changes which have either direct or indirect implications for Medicare. Moreover, the current consideration of Medicare reductions as part of the economic plan does not address the single largest contributor to the deficit--increases in system-wide health care costs--and in the absence of health care reform may prove unacceptable to older Americans.

Community rating and risk adjustment. AARP believes that all individuals should be charged the same premiums for the same benefits, regardless of demographic characteristics, such as age and sex. Therefore, all health plans and insurers should be required to use pure

community rating. Furthermore, to ensure all participating health plans and insurers a "level playing field," HIPCs and large employers should be required to adjust payments to participating health plans and insurers on the basis of the risk of their respective enrollees.

The vulnerability of individuals between ages 50 and 64. Many Americans in their 50s and early 60s, whose health status is often poorer than that of younger Americans find themselves without health insurance or at imminent risk of losing their insurance. Gaps in coverage may be due to early retirement, retirement or Medicare entitlement of an older spouse, divorce from or death of a working spouse, a decision to stop working due to increasing health problems, job lay-off or termination. We are concerned that attention to the 50 to 64 age group's health care coverage not be focused exclusively on questions related to the obligation of former employers (many were not employed by large companies), but rather on the insurance needs and financial circumstances of the diverse population of uninsured near-elderly individuals. Again, our public opinion work by DYG on this point is telling. Those between the ages of 50 and 64 are, compared to other age groups, most concerned about the health and long term care systems. This concern reaches even more acute levels for women in this age group. (See attached chart.)

Public governance and accountability in the new health care system. It will be important that the public--as the ultimate purchasers and consumers of health care--play a significant role in policy-making for the new health care system, both at the level of the National Board and in individual HIPCs. Ultimately, it will be essential that Americans have confidence that the system is responsive and accountable to them. This is more than an issue of consumer representation; it is, instead, the need for an assurance that these boards not be controlled by providers, insurers or employers, but rather by the individuals and families who have foregone wages and paid taxes.

Comprehensive benefits package. As we proposed in **Health Care America**, we believe that the benefit package should be comprehensive enough, including prescription drugs and long term care services, that it obviates the need for individuals to purchase supplemental insurance.

Long term care. As you know, we have previously submitted to the task force recommendations for a long term care program, both on our own behalf and in conjunction with the disabled community. Unfortunately, since we have not received any feedback on these recommendations, it is difficult to discern how to refine them to address your concerns. In the absence of specific guidance on the Task Force's direction with regard to long term care, we would point out that proposals that link Medicaid eligiblity and the purchase of

private insurance offer false security and poor value for the dollar. (See attached letter to the New York Times). Long term care remains a fundamental factor in AARP's evaluation of a health care reform package. We hope to have the opportunity to work with you more extensively on this critical aspect of the proposal.

Again, let me thank you for taking the time to meet with us and for your careful attention to the attached comments. Please let me know how we can be of further assistance.

Sincerely,

John

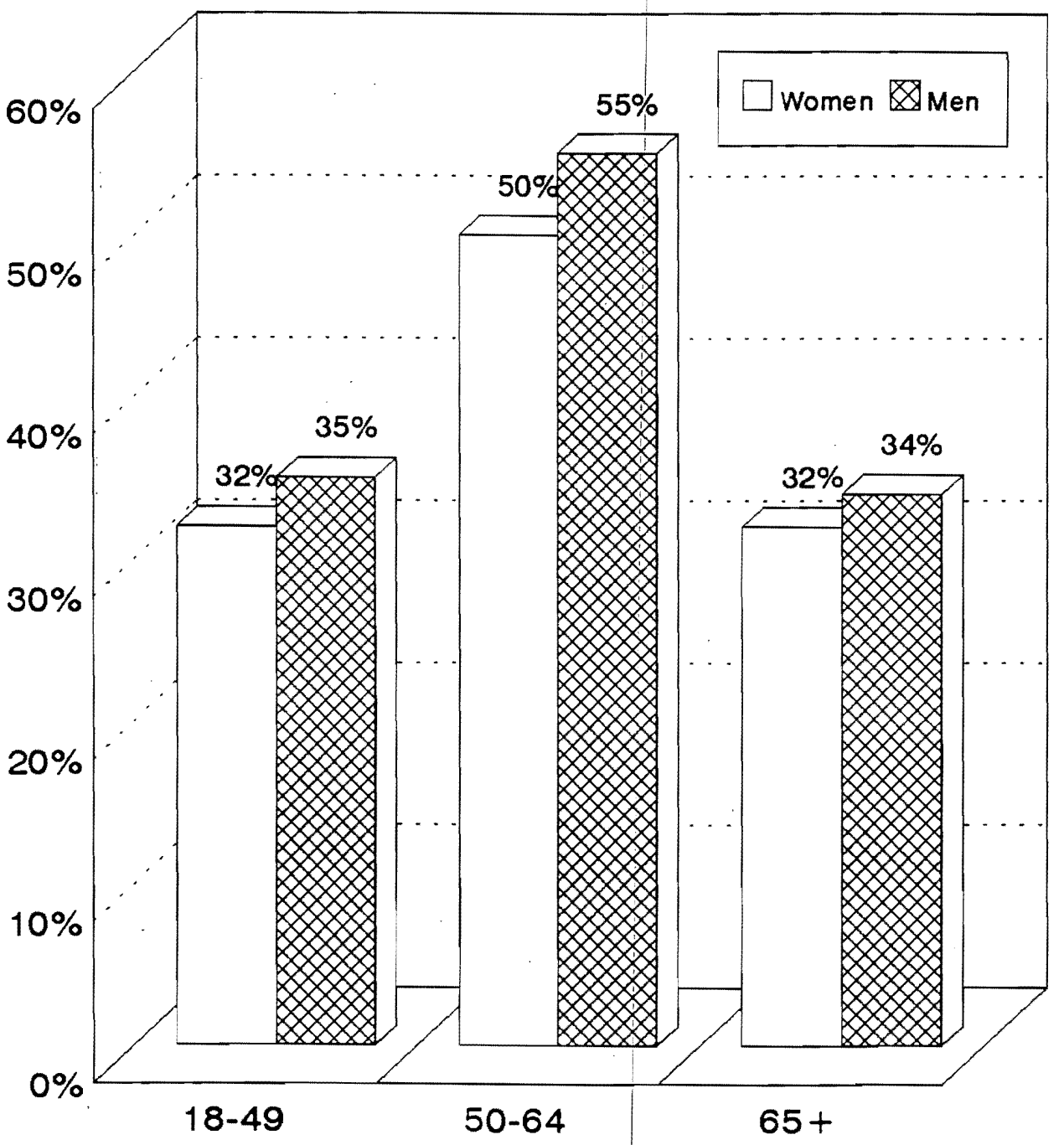
John Rother, Director
Legislation and Public Policy

Attachments

cc: Walter Zelman
Judy Feder
Atul Gawande
Tom Pyle
Steve Bandeian
Paul Starr
Marina Weiss
Robyn Stone

Rating of the Current U.S. Health Care System (POOR)

-By Age-



Poor: Ratings of 3, 2, or 1 on 10 point scale

M E M O R A N D U M

TO: Hillary Rodham Clinton March 19, 1993
FR: Chris Jennings
RE: Senator Chafee's statements on gun control
cc: Melanne, Kim Tilley, Steve R., Ira, Christine, Steve E.

Following up on your request, attached is a copy of Senator Chafee's complete April 30, 1992 Senate floor statement regarding guns and their impact on children, education, and health care. Also attached is a June 9, 1992 Washington Post Op Ed piece by Senator Chafee that nicely summarizes the much longer statement and outlines his intention to introduce legislation to ban the sale, manufacture and possession of ALL handguns.

Both statements cite a 1991 Advisory Council on Social Security estimate that concludes that the overall health care cost of firearm injuries (from initial emergency room care and accompanying hospital stays, amubalance services, follow-up visits, and rehabilitation) is more than $4 BILLION a year. Significantly, 86 percent of this health care treatment tab is underwritten by government sources. The dollars spent on each gun shot injury averages out, according to Chafee, to be approximately $16,700 per patient.

The two Chafee statements were faxed today to Congressman Reynolds' office. Judging from how quickly he was to jump to publicly recount your (personal and I thought private) general support of the concept behind his legislation (in particular, the provision to tax guns and ammunition), I am sure he will follow-up with your suggestion to hold a conversation with Senator Chafee.

STATEMENT BY SENATOR JOHN CHAFEE IN THE U.S. SENATE REGARDING GUNS AND CHILDREN, EDUCATION, AND HEALTH
April 30, 1992

On Tuesday, the Senate spent 4 hours debating the matter of whether or not to approve the minting of new coins. Yet on that day, as is the case every day, an average of 27 adults and children across the country were killed by handguns, and 39 went to the hospital to be treated for handgun wounds. Of these 39 patients, some will be permanently and severely disabled; others will go back to their homes and family, wondering what type of society they live in where handguns are so commonplace.

We have many demands, challenges, and problems facing the Senate and our nation; and we need to spend far more of our valuable time and resources focusing not on parochial or political matters, but on those which are the most critical to our national well-being.

Two among the most pressing issues before us stand out: 1) the need to improve the quality of our education; and 2) the need to reduce the costs of our health care. But tied inextricably to progress on both of these matters is recognition of the costs placed on each by our national firearms policy; and that is what I wish to spend some length of time discussing this afternoon.

If we hope to achieve progress on education, it is imperative that educators be able to spend their time and their resources on their principal task: educating our young people. Likewise, if we are to move forward on health care, it is critical that we ensure that our population is as healthy and fit as possible, and thus reduce the demands for expensive health care services.

Yet today, educators are distracted from educating, and pupils are distracted from learning, by the ever-increasing and frightening presence of handguns within our schools. And our efforts to hold down health care costs literally are being shot down by the more than $4 billion required to be spent every year on the ghastly woundings and deaths from handguns.

How many handguns are there in this country? It is estimated that there are roughly 66 million of these deadly weapons in the U.S. today. In 1982, there were "only" 53 million. That's a 25 percent increase in ten years! According to the Bureau of Alcohol, Tobacco, and Firearms (BATF), we can expect to add 2 million handguns every year. That is hardly a comforting thought!

Handguns -- these guns so easily concealed under a jacket or in a shoulderbag -- cause untold damage and suffering in this nation. The statistics are staggering, frightening, and shameful.

Every year, handguns are estimated to be involved in at least 10,000 murders and 15,000 woundings -- that translates to about 27 persons killed and 41 persons injured every day! Every year, we set a new record in handgun deaths: since 1988, handgun murders -- which represent 75 percent of all firearms murders -- have gone up each year by nearly 1,000 deaths.

Handguns are involved in an average of 33 rapes, 575 robberies, and 1,116 assaults every day. Handguns are responsible for 70 percent of all firearms suicides, about 3,200 of which every year are teen suicides; and it is a disgusting, terrible fact that these guns constitute the most efficient, effective, and lethal suicide method.

I. GUNS AND EDUCATION

Yet access to handguns has become easier, not more difficult; and their owners, younger. Children not yet old enough to drive are matter-of-factly carrying guns on their person every day. Children take guns to school as if they were lunchboxes; they go to gun-sellers, not to their teacher, to settle a fight with another student; and they bring guns, not toys, to classroom Show-and-Tell.

Can children obtain handguns? The answer clearly is "yes." In 1989, in a national student survey, nearly half of all tenth-grade boys and about one-third of eighth-grade boys said "yes," they could obtain a handgun. Eighth-graders are 12 years old!

Not only do these youngsters carry guns, they take these guns to school. Five years ago, an estimated 270,000 students carried handguns to school at least once; and roughly 135,000 boys -- whom research reveals are far more likely than girls to choose guns as their weapon -- carried guns to school every day.

Since then, the problem has become worse. According to a 1990 national survey, one out of every 5 eighth-graders says that he or she has witnessed weapons at school. That should come as no surprise, considering the number of youngsters that "pack a gun" to go to school. In Illinois, 33 percent of high school students have carried guns to school. Texas reports that 40 percent of eighth- and tenth-grade boys who were surveyed had carried a gun to school at least once.

Nationwide, a full nineteen percent of some 11,000 students -- again, one in every 5 students -- surveyed by the Centers for Disease Control admitted that yes, they had carried a gun to school just in the past month.

I find these statistics to be absolutely stunning -- and incredibly depressing. We're talking about young children!

Given the number of gun-toting youngsters, it is no wonder that gun incidents at school are becoming far more frequent. California officials have reported a 200-percent increase in student gun possession incidents between 1986 and 1990; Florida, too, has reported a sharp jump in student gun incidents. Here in the Washington area, in nearby Prince George's County, 23 incidents -- more than twice the number of last year -- involving guns on school property have occurred since July, and this school year is not over yet.

In nearly every instance these guns were handguns.

Right now, there is so much violence, and so many guns, at schools that some students are scared to go to school. According to the Department of Justice, 37 percent of public school students nationwide fear they will be the subject of an attack at or on the way to school. So what do these children do?

One method of protection is simply to stay away from school, and some children do. An Illinois study reports that one in 12 students is so scared of someone hurting them at school that they are staying home to avoid facing that risk.

But students can't play hookey forever, and another, increasingly popular, way students conquer their fear is to carry a handgun for "protection." They take their new-found security blanket to school; and the presence of that gun in turn feeds the very fear it was meant to assuage. Other students are driven to take their own "protective" measures; and the horrible ripple effect goes on.

The end result? Our schools, designed as places of learning, now are becoming places of tension and violence. It has come to the point where many urban schools conduct random gun searches, and safety drills include dropping to the floor at the first sound of gunfire. Meager school budgets must find money for metal-detectors. That is the last thing on which our schools should have to spend limited resources -- those funds should be going toward textbooks, more teachers, or classroom and sports equipment!

But what choice do school administrators have? Children are learning to believe that guns are a way to resolve their problems. In earlier times, a student dispute might mean a fistfight after class. Now the quarrel often is settled -- quite openly -- with a gun. Just over a month ago, a 16-year-old boldly walked into a Potomac, Maryland, high school chemistry class and fired his handgun at point-blank range at his intended student victim, who somehow miraculously escaped the bullet.

This is an ever-more common pattern. Look at Jefferson High School in Brooklyn, where in the course of a dispute, a student killed one teen and another young "innocent bystander," bringing the death toll -- a death toll for schools?? -- for this school year to 56. Look at the Crosby, Texas, high school, where a 15-year-old girl shot a 17-year-old boy in the lunchroom for insulting her. Look at the third-grader in Chicago who pulled a handgun from his bookbag and shot a student in the spine. Look at the 11-year-old in Clinton, Maryland, who brought a fully loaded .38 caliber revolver to school to "impress his friends." And look at my own State of Rhode Island, where three weeks ago police confiscated a handgun from a 15-year-old junior high school boy who was waving it in front of other students in the school hallway.

"We've never seen a year like 1991-92," says the head of the National School Safety Center, referring to new highs in school gun violence.

No wonder 10 percent of parents at every income level worry about their children's physical safety. No wonder a recent "Dear Ann Landers" column on guns in schools provoked more than 12,000 responses from angry and worried parents, and resulted in a second day's column devoted solely to the printing some of these responses.

Children who are not yet 18 years old are becoming inured to the violence that is not only on the streets, but in their schools. They are becoming accustomed to the notion that guns help you get what you want -- be it an added measure of safety, new respect, or some quick cash. It's just business as usual.

That acceptance is dangerous. We cannot afford to bring up future generations who are hardened and deadened to a culture of violence.

Let me share with my colleagues a story so bizarre, so horrifying, that it seems more like a fiction than fact. In my State of Rhode Island, just a few weeks ago, a teenage boy was given a class assignment to "write an interesting story." The three-paragraph essay he turned in was entitled "Man Killer." It consisted of an interview with his 14-year-old friend about what it felt like to kill a local shopkeeper. Let me read (verbatim) the first few lines:

> "WHAT IT FEEL LIKE THINKING HOW A KILLER FEEL LIKE. WELL, IT FEEL NORMAL, SAID THE 'KILLER.' ITS JUST LIKE STEPPING ON A COCKROACH... I FEEL BAD FOR THE GUY SAID THE KILLER. BUT I HAD TO DO IT."

The boy's teacher, uneasy, and not sure that the story was

actually fiction, turned the paper over to the police. With it, they were able to arrest the 14-year-old suspect.

I warn my colleagues: increasingly in our schools children are exposed to guns, children are becoming used to guns, and children are using guns. And these are children -- gun use can start as early as at eight years old.

This is appalling. We are desperately trying to improve our educational system. Schools, already burdened with many responsibilities, have more than enough problems to deal with right now. We have youngsters with learning difficulties, youngsters who don't get enough to eat, youngsters with drug problems, youngsters from totally shattered families. And now it appears that we can't even guarantee children a safe place to work and learn. This is outrageous! And it is simply intolerable.

How exactly are children to learn anything if they live in fear of walking down the hall and walking into some fatal, senseless dispute? They can't. If we can't even guarantee children, parents, and teachers that they will be safe in school, any new and innovative ways of improving our education system will be useless.

Is this the way our nation becomes competitive? Is this the way we prepare for the next century? No.

II. GUNS AND HEALTH CARE

Let me turn to the cost exacted by guns to our health care system.

Gun-related violence is choking city emergency departments, hospital resources, and indeed our entire health care system. We pay dearly -- not only in terms of monies, but in terms of precious time and resources -- to patch up those who have been shot by a gun. Often, the more serious the wound, the higher the costs -- and the higher the likelihood that the person won't make it. Bone-shattering, nerve-cutting gunshot wounds and gunshot deaths place incredible stress on our health care system and are major contributors to its escalating costs.

What are the health care burdens and costs associated with gunshot wounds? Let's take a look at the number of firearms deaths and firearms injuries.

How many firearms-related DEATHS do we suffer each year? Thousands: about 60 percent of the 23,000 annual homocides are firearms-related, and 75 percent (or around 10,000) of these involve handguns. And these account only for those deaths that are willful and intentional; adding in the accidental firearms

deaths boosts the annual number by another 7 percent (or 1,500).

Now let's turn to firearms INJURIES. According to a 1991 General Accounting Office estimate, every year more than 65,000 persons -- 180 per day -- are injured seriously enough to be hospitalized for firearms injuries. About 12,250 of these are estimated to be victims of accidental injury; the remaining 53,000 or so are thought to have received intentional injury.

(I want to again emphasize here that handguns play a particularly prominent role in firearms deaths and injuries. In 1990, handguns were the weapon used in at least 10,000 murders, which is about 43 percent of ALL murders. As for handgun injuries, an estimated 15,000 persons are shot and injured by handguns during the course of a crime; virtually all -- 95.5 percent -- of those wounded required medical attention and care.)

These injuries place a huge burden on health care providers. "We used to see one or two major trauma victims a day... usually car accidents or falls," says the chairman of the emergency medicine department at a major California hospital. "Now, we see probably four to eight every day, and of those, 30-40 percent are gunshot wounds or stabbings... The other evening, we had five gunshot wounds in three hours, and the ages were 12, 15, 16, 19, and 22." An emergency room doctor in New York adds: "Knives are passe. Today, everybody has a gun... As proud as I am of the advances of trauma technology, I must tell you that the weapons technology has outstripped our therapeutic skills."

Emergency rooms and hospitals providing trauma care are reeling from the added demands of gunshot victims to the overwhelming caseload they already carry. One-third of community hospitals now are reporting "emergency department gridlock" at least weekly. Gun wounds increasingly contribute to this turmoil.

No wonder the American Medical Association, the American College of Emergency Physicians, and the Emergency Nurses Association all endorse handgun control provisions. Their members have the grisly job of cleaning up the bloody mess of gunshot wounds.

The financial drain caused by this carnage is staggering. A 1990 Bureau of Justice Statistics report concluded that 68 percent of victims of handgun injuries incurred during a crime required overnight hospital care; 32 percent remained in the hospital for 8 days or more. Hospitals are among the most expensive venues for health care services in our system!

Hence, the costs associated with gunshot wounds are tremendous. Eight years ago, data compiled by three researchers at San Francisco General Hospital calculated that the hospital

bill for patching up gunshot victims -- 80 percent of whom had handgun wounds -- ranged from $559 to $64,470 per patient. The average cost was $6,915; and the average stay, 6.2 days.

Recent data, compiled in the past few years, reveals even greater costs: the American College of Emergency Physicians reports that based on data collected at a major hospital during the 1989-91 period, the cost per gunshot victim ranged from $402 to $274,189. The average cost? $9,646. The average stay? About 7 days. Another study, conducted during 1988-90 at the University of Arizona Emergency Medical Research Center, concluded that gunshot costs ranged from $9,800 to $125,300 per victim. Again, the average cost per gunshot victim was high: $16,704.

Think of that: if the average cost is $16,704, and the estimated number of total gunshot injuries is 65,000, the annual cost of hospitalization for firearms injury is at least $1.1 billion. And this amount does not include additional charges, such as those for physician services, ambulance services, follow-up care, and rehabilitation.

This is an important point: health care for gunshot victims does not stop when they are discharged from the hospital. For some, it is just the beginning. In too many cases, the bullet or bullets cause permanent damage for which intensive rehabilitation is necessary.

Thus, up the costs go again. Since firearms are responsible for a substantial number of all traumatic spinal cord injuries, let's take as an example spinal cord injury rehabilitation. At one typical rehabilitation center specializing in spinal-injury treatment, a full 35 percent of the spinal patients are gunshot victims, second only to the 40 percent of auto victims. The center's daily -- DAILY -- per patient rate for care is $1,500.

How many days do these patients stay? Depending on how fully or cleanly the bullet has severed the spinal cord, the spinal injury patients suffer partial or complete paralysis. Paraplegic, or partially paralyzed, patients usually receive around 75 days of care, during which time they receive intensive occupational and physical therapy. Cost: $112,500. Quadriplegic patients, those paralyzed in all four limbs, usually stay for 5 months. Cost: $225,000. This cost is incurred in addition to the $100,000 that is commonly required for acute care of such serious injuries.

Amazingly, and sadly, fully half of the gunshot spinal injury patients are under age 25.

When you add up the costs, from the initial emergency room care and accompanying hospital stay, to the ambulance services, follow-up visits, and rehabiliation treatment, the overall cost of

firearms to our health care system is colossal: an estimated $4 billion, according to the Chair of the 1991 Advisory Council on Social Security.

Who pays this monumental bill? Who else? -- the taxpayers. An estimated 86 percent of the staggering costs associated with firearm injury are paid by government sources.

What people just don't seem to realize, or to think much about, is that guns are as significant a cause of harm, and expense, to individuals as are motor vehicles. We hear quite often that injuries are a leading cause of death in the U.S., and that motor vehicle injuries account for a significant portion of these injuries. Yet most don't realize that guns rank right up there with motor vehicles.

According to data compiled by the Injury Prevention Network, 32 percent of all fatal injuries are caused by motor vehicles; firearms follow in second place with 22 percent. Combined, the two account for over half of all injury-related fatalities in the United States.

In fact, in 1990, firearms overtook motor vehicles to claim the dubious honor of being the leading cause of injury-related death in Louisiana and (for the first time) in Texas. In other words, gunshot wounds in those two states cause more deaths than automobile accidents. And while the incidence of motor vehicle deaths is going down, that of firearms deaths is going up.

Let's face the facts: guns cause great physical damage. That damage, in turn, is forcing the ever-rising costs of health care up, up, up.

III. SUMMARY: WHAT CAN WE DO?

In sum, we have scared children, we have scared parents, we have terrible, bloody violence, and we have terrible gun-related health and societal costs.

It's time to wake up. This is a matter that affects all of us. There are many who think: "Well, that gun problem is limited to thuggish drug dealers killing other drug dealers, and anyway, it only happens in those low-income neighborhoods."

To those who comfort themselves that this is someone else's problem -- a low-income neighborhood's problem, an urban problem, a minority problem -- to them I say, "Wake up!" We all need to care, and not just because the problem is spreading, but because we're talking about children to whom we as a society have a responsibility.

Other industrialized nations do not tolerate handgun slaughter. Canada, which like the U.S. has a Wild West, pioneer heritage, has stronger gun control laws and an annual firearm-related death rate of around 1,400 -- only about 180 of which are gun homicides. Those statistics are much higher than those in European nations, but they are negligible in comparison to our 23,000 firearms murders. As for handguns, less than 300,000 Canadians own one. We Americans own 66 million, and if handgun manufacturers like the Jennings family have their way, we can look forward to being flooded with thousands more cheap $35 models in the near future.

Guns cause terrible damage in this country, yet we do little to prevent it. Have we simply become accustomed to the killings? Are we compliant witnesses to the "terrible stillness of death" -- as one witness to a violent shooting called it -- now being heard around the country?

I think -- I know -- that this country must not be. We are a caring nation; a nation of people who are appalled at these acts of devastation. We must not become inoculated to such violence.

I am going on record today to say that more must be done -- and I'm talking about measures to restrict the incredibly, insanely easy access to guns in this country. I am working on a proposal that I consider to be the best solution, and intend to present it to my colleagues shortly, in the coming weeks. It is time to act. We cannot go on this way.

John H. Chafee

Ban Handguns!

Recently, the Senate spent an entire day debating whether or not to mint new coins. By the end of that day, as on every day of the year, a total of 27 children and adults nationwide were murdered by handguns; and another 33 used a handgun to take their own lives. Dozens of others were grievously wounded by handguns.

What are we going to do about this slaughter? One suggestion—a good one—is a national waiting period before the purchase of a handgun. However, the situation we face demands much more than the screening of felons. We need to shut off the spigot that is pouring more than 2 million handguns each year into our society.

Few of us—including myself, until I had the opportunity to study it—realize the extraordinary extent to which handguns play havoc with our best policy efforts. We have a whopping 66 million handguns in the United States, more than twice the 31 million of 20 years ago; and 2 million more of these deadly guns are added to the arsenal each year. Handguns, so easily available and so easily concealed, are pushing our violent death rate to levels unheard of in this nation, let alone overseas; and each year they are involved in hundreds of thousands of rapes, robberies and assaults.

There isn't a citizen in this nation who isn't worried about two critical national needs: improving our education system and reducing the costs of our health care system. But it is well-nigh impossible to make progress on either matter without recognizing the costs placed on each by our current handgun policy. It is truly shocking—and intolerable. Today, educators and children are distracted by the frightening presence of handguns in our schools. And efforts to hold down health care costs are being shot down by the billions of dollars' worth of damage caused by handgun wounds.

Five years ago, an estimated 270,000 students carried handguns to school at least once; today, it is worse. There are so many handguns in school that some students are afraid to go to school. What do they do? Many turn to a handgun of their own, which feeds the very fear it was meant to assuage. This horrible ripple effect carries on up to school administrators, who must find monies in meager school budgets to purchase $4,000 metal detectors instead of textbooks.

But what choice do schools have? Earlier, a student dispute might mean a fistfight; now, the quarrel often is settled with a handgun on school grounds. No wonder a recent "Dear Ann Landers" column on guns in schools provoked more than 12,000 responses from angry, worried parents.

How ironic: We are desperately trying to improve our educational system, yet how can children learn if they are afraid of walking into some fatal dispute? If we can't guarantee safety in school, innovative ways of improving our education system will be useless. Is this the way our nation wants to prepare for the next century?

Health care, another national priority, suffers equally heavy costs. The tens of thousands of bone-shattering, nerve-cutting gunshot wounds place incredible stress on our health care system and are major contributors to its escalating costs. Urban emergency rooms are flooded with gunshot injuries. And despite emergency teams' hard work, weapons technology is outstripping advances in therapeutic skills, as one physicians noted.

The financial drain caused by this carnage is staggering: The cost of a gunshot injury averages $16,700 per patient. And costs don't stop upon discharge from the hospital; there are bills for follow-up care, medication and rehabilitation treatment (initial rehabilitation costs for spinal cord trauma, a common gunshot injury, range up to $271,000 per patient). When added up, the overall health care cost of firearms is colossal: more than $4 billion annually. Who pays? An estimated 86 percent of this bill is paid by government—i.e., the taxpayers.

I shortly will introduce legislation banning the sale, manufacture or possession of handguns (with exceptions for law enforcement and licensed target clubs). A radical proposal? Hardly. What I would call radical is allowing the terrible status quo to continue.

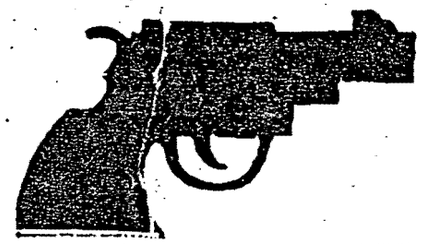
There will be those who will argue that there exists a fundamental constitutional right to bear arms. But if there is one argument that is utter nonsense, this is it. Not only have its proponents not read their Constitution lately, but they haven't followed more than 50 years of remarkably unanimous court holdings against that erroneous supposition.

As for those who will argue that handguns in the home are needed for protection, they haven't reviewed the horrific statistics detailing that handguns are far, far more likely to kill a loved one than an intruder.

Sooner or later (and I believe sooner rather than later), handgun violence will touch the life of someone in every American family. Handguns, when introduced into the already volatile mix of conditions that lead to violence, act as a match to dry powder.

It is time to act. We cannot go on like this. Ban them!

The writer is a Republican senator from Rhode Island.



House Leadership

** TOTAL PAGE.002 **

DATE: March 22, 1993
TO: Chris Jennings
FROM: Andie King
RE: per our conversation

Laws likely to be amended:

ERISA
tax code
Medicare (Social Security Act)
Medicaid
(the Public Health Service Act is a possibility)

Possible House committees of jurisdiction:

Armed Services
Education and Labor
Energy and Commerce
Gov Ops
Interior
Judiciary
Post Office and Civil Service
VA
Ways and Means
Banking

PAGE.002

MAR 22 '93 9:26

M E M O R A N D U M

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Possible Meetings for Week of March 28th
cc: Melanne, Patti, Marge, Howard, Susan, Steve, Lorraine

March 24, 1993

Although this is probably one of the last things you should have to think about, there is a great demand and need for meetings with some key Members of Congress BEFORE the recess begins at the end of next week. Although I could come up with a much longer "wish list," I have tried to prioritize and narrow the following meeting request list as much as possible:

	Meeting and Purpose	Likely Time
1.	House Leadership Meeting w/ Foley, Gephardt, Bonier, Rostenkowski, Dingell, Ford (To give final Leadership briefing BEFORE recess and set up a process for continuing consultation in April).	Friday, April 2 9:00 am or some other early start Contact: Andrea King 225-0100, Chief of Staff.
2.	Senate Leadership Meeting w/ Mitchell, Ford, Pryor, Daschle, Kennedy, Moynihan, Rockefeller & Riegle. (Same purpose as House meeting).	Wednesday, March 31 or Thursday, April 1 at HRC convenience. Contact: John Hilley 224-5556, Chief of Staff.
3.	Senate Finance Committee w/ Members and Staff. This meeting will have both Democrats and Republicans). The purpose of this meeting is to have direct interaction with the primary Senate Committee of jurisdiction BEFORE recess -- much like we have already done for the House Ways and Means and Energy and Commerce Committee.	The morning of Wednesday, March 31st. (Should be BEFORE the Senate leadership meeting) Contact: Lawrence O'Donnell, 224-4515, Staff Director.
4.	House Education and Labor Committee with Democratic Members. (This is the only one of the three primary House Committees that did not get an individual meeting with you). Having said this, Pat Rissler just told me it does not have to be next week, but it needs to be scheduled right away.	Tuesday, Wednesday, or Thursday Contact: Pat Rissler 225-4527, Staff Director

	Meeting and Purpose	Time
5.	Ways and Means Subcommittee on Health. (Ira, Judy and Chris went to the Thursday meeting, but House votes precluded holding the meeting). They urged us to reschedule. IF you have no time, perhaps we could send the Ira/Judy team?	Tuesday morning? Contact: David Abernathy, Staff Director, 225-7787.
6.	Veterans Event. This has been on hold pending a meeting between Sec Brown and you and/or Ira. Since Ira just held meeting, we advise going ahead and doing the event; Rockefeller's staff advises as soon as possible, so that it is held early enough to make groups feel invested. This could wait until recess, however, unless you want Congressional Members there.	Sometime in very near future. Contact: Vic Raymond 523-1802 April 9th
7.	The House Mainstream Forum. Although you met with Cooper and his gang, the Mainstream forum represents 50 plus moderate to conservative Democrats who will be critical to passing the President's proposal this year. (It would be good to meet BEFORE these guys return home for recess to say they have NOT been consulted). This meeting may be able to be combined with the Budget Study Group, another moderate/conservative House group with membership overlap with the Forum.	TUESDAY AFTERNOON: 5:30 pm. Contact: Jenny Estes, 225-6165 (Cong. Dave McCurdy, Chair).
8.	Congressional Republicans. They are still complaining about how they are not being treated fairly. Not that this proposed meeting will change this much, but it will give us an answer to their criticism. Suggested attendees: Dole, Michel and anyone else we can get them to invite.	Whenever, but before the recess. Contact: Shiela Burke at 224-2105 and David Kehl at 225-0600.
9.	Kassebaum, Danforth, Burns, McCurdy and Glickman on their BIPARTISAN health reform bill with premium caps. These three Senate Republicans are on our target list and we are finding it hard to meet outside the cover of Dole. A meeting hosted by McCurdy gives us this cover.	Would be nice to hold this meeting before recess OR at least schedule it so they know it is coming. Contact: Jenny Estes, 225-6165.

	Meeting and Purpose	Time
10.	House Leadership Invitational to Democratic Members on Key Committees in the House. This is to attempt to keep the Rank and File of the Committees Informed. (Ira and Judy did one of these today). You don't have to do this unless you wish, but I wanted you to know it is occurring.	To be determined and and arranged by Majority Leader Gephardt. Contact: Andie King 225-0100
11.	Weekly Senate Democratic Policy Meeting with Members. Ira and Judy have been going for weeks now and the meetings have been very successful. You need not attend this one.	Thursday, at 1:00? Contact: Greg Billings, 224-3232
12.	Entire Congressional Caucus. Dick Gephardt's office just called to request a meeting with the entire Democratic Caucus BECAUSE he felt today's meeting with the Members of the 3 primary Committees went so well.	Wednesday, from 8:00 to 9:00 am Contact: Andie King, 225-0100
13.	Meeting with Congressional Staff in prepartation for House and Senate Leadership meeting late in week.	Wednesday evening as late as necessary. Perhaps from 8:00 to 10:00.

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
CHARLES S. ROBB, VIRGINIA
DANIEL AKAKA, HAWAII
BYRON L. DORGAN, NORTH DAKOTA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
RUSSELL D. FEINGOLD, WISCONSIN
WENDELL H. FORD, KENTUCKY, EX OFFICIO (AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO (AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-5551

Stat Call
Greg B.

March 24, 1993

Mrs. Hillary Rodham Clinton
Office of the First Lady
The White House
Room 185-OEOB
Washington, D.C. 20500

Dear Mrs. Clinton:

We are writing to invite you to speak at the annual Senate Democratic conference planned from April 23 - 25, 1993.

The purpose of this conference is to discuss with you and other members of the Clinton administration our legislative and promotional strategies on the economic program, health care reform, and other important Democratic initiatives. On Saturday, April 24, 1993 from 9:00-11:45 a.m., a panel discussion has been scheduled on the Administration's health care policy. We also have invited Secretary Shalala, Ira Magaziner and Judy Feder to participate with you in this discussion. We hope your schedule will permit you to participate.

The conference will be held at the Kingsmill Conference Center in Jamestown, Virginia. Please have your staff contact Christina Ritch at 224-8975 if you have questions about logistics. For information about the program, please contact Greg Billings at the Democratic Policy Committee at 224-3232.

With your active participation, we know this will be a productive and successful event. We hope you will be able to join us.

Sincerely,

George Mitchell

Tom Daschle

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE CHAIRMAN
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
CHARLES S. ROBB, VIRGINIA
DANIEL AKAKA, HAWAII
BYRON L. DORGAN, NORTH DAKOTA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
RUSSELL D. FEINGOLD, WISCONSIN
WENDELL H. FORD, KENTUCKY, EX OFFICIO
(AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO
(AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050

(202) 224-5551

March 24, 1993

Mr. Ira Magaziner
Senior Advisor to the President for Policy Development
The White House
Room 216 - OEOB
Washington, D.C. 20500

Dear Ira:

We are writing to invite you to speak at the annual Senate Democratic conference planned from April 23 - 25, 1993.

The purpose of this conference is to discuss with you and other members of the Clinton administration our legislative and promotional strategies on the economic program, health care reform, and other important Democratic initiatives. On Saturday, April 24, 1993 from 9:00-11:45 a.m., a panel discussion has been scheduled on the Administration's health care policy. We also have invited Mrs. Clinton, Secretary Shalala and Judy Feder to participate with you in this discussion. We hope your schedule will permit you to participate.

The conference will be held at the Kingsmill Conference Center in Jamestown, Virginia. Democratic Senators will be departing Friday morning by bus. If you choose not to leave at this time, we will assist you in making other travel arrangements, if necessary.

With your active participation, we know this will be a productive and successful event. We hope you will plan to be there.

Please have your staff contact Christina Ritch at 224-8975 if you have questions about logistics. For information about the program, please contact Greg Billings at the Democratic Policy Committee at 224-3232.

Sincerely,

George Mitchell

Tom Daschle

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
CHARLES S. ROBB, VIRGINIA
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER, IV, WEST VIRGINIA
HERBERT H. KOHL, WISCONSIN
BYRON L. DORGAN, NORTH DAKOTA
RUSSELL D. FEINGOLD, WISCONSIN
CAROL MOSELEY-BRAUN, ILLINOIS
DANIEL AKAKA, HAWAII
BEN NIGHTHORSE CAMPBELL, COLORADO
WENDELL H. FORD, KENTUCKY, EX OFFICIO
(AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO
(AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-3232

FAX TRANSMISSION SHEET

TO: Chris Jennings

FROM: Greg Billings

FAX #: 456 2604

NOTES:

OF PAGES INCLUDING COVER SHEET 4

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
CHARLES S. ROBB, VIRGINIA
DANIEL AKAKA, HAWAII
BYRON L. DORGAN, NORTH DAKOTA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
RUSSELL D. FEINGOLD, WISCONSIN
WENDELL H. FORD, KENTUCKY, EX OFFICIO (AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO (AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-0001

March 24, 1993

Mrs. Hillary Rodham Clinton
Office of the First Lady
The White House
Room 185-OEOB
Washington, D.C. 20500

Dear Mrs. Clinton:

We are writing to invite you to speak at the annual Senate Democratic conference planned from April 23 - 25, 1993.

The purpose of this conference is to discuss with you and other members of the Clinton administration our legislative and promotional strategies on the economic program, health care reform, and other important Democratic initiatives. On Saturday, April 24, 1993 from 9:00-11:45 a.m., a panel discussion has been scheduled on the Administration's health care policy. We also have invited Secretary Shalala, Ira Magaziner and Judy Feder to participate with you in this discussion. We hope your schedule will permit you to participate.

The conference will be held at the Kingsmill Conference Center in Jamestown, Virginia. Please have your staff contact Christina Ritch at 224-8975 if you have questions about logistics. For information about the program, please contact Greg Billings at the Democratic Policy Committee at 224-3232.

With your active participation, we know this will be a productive and successful event. We hope you will be able to join us.

Sincerely,

George Mitchell

Tom Daschle

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
CHARLES S. ROBB, VIRGINIA
DANIEL AKAKA, HAWAII
BYRON L. DORGAN, NORTH DAKOTA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
RUSSELL D. FEINGOLD, WISCONSIN
WENDELL H. FORD, KENTUCKY, EX OFFICIO (AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO (AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-6551

March 24, 1993

Mr. Ira Magaziner
Senior Advisor to the President for Policy Development
The White House
Room 216 - OEOB
Washington, D.C. 20500

Dear Ira:

We are writing to invite you to speak at the annual Senate Democratic conference planned from April 23 - 25, 1993.

The purpose of this conference is to discuss with you and other members of the Clinton administration our legislative and promotional strategies on the economic program, health care reform, and other important Democratic initiatives. On Saturday, April 24, 1993 from 9:00-11:45 a.m., a panel discussion has been scheduled on the Administration's health care policy. We also have invited Mrs. Clinton, Secretary Shalala and Judy Feder to participate with you in this discussion. We hope your schedule will permit you to participate.

The conference will be held at the Kingsmill Conference Center in Jamestown, Virginia. Democratic Senators will be departing Friday morning by bus. If you choose not to leave at this time, we will assist you in making other travel arrangements, if necessary.

With your active participation, we know this will be a productive and successful event. We hope you will plan to be there.

Please have your staff contact Christina Ritch at 224-8975 if you have questions about logistics. For information about the program, please contact Greg Billings at the Democratic Policy Committee at 224-3232.

Sincerely,

George Mitchell

Tom Daschle

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
CHARLES S. ROBB, VIRGINIA
DANIEL AKAKA, HAWAII
BYRON L. DORGAN, NORTH DAKOTA
BEN NIGHTHORSE CAMPBELL, COLORADO
CAROL MOSELEY-BRAUN, ILLINOIS
RUSSELL D. FEINGOLD, WISCONSIN
WENDELL H. FORD, KENTUCKY, EX OFFICIO (AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO (AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-5551

March 24, 1993

The Honorable Judy Feder
Principal Deputy Assistant Secretary for Planning and Evaluation
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20500

Dear Judy:

We are writing to invite you to speak at the annual Senate Democratic conference planned from April 23 - 25, 1993.

The purpose of this conference is to discuss with you and other members of the Clinton administration our legislative and promotional strategies on the economic program, health care reform, and other important Democratic initiatives. On Saturday, April 24, 1993 from 9:00-11:45 a.m., a panel discussion has been scheduled on the Administration's health care policy. We also have invited Mrs. Clinton, Secretary Shalala and Ira Magaziner to participate in this discussion with you. We hope your schedule will permit you to participate.

The conference will be held at the Kingsmill Conference Center in Jamestown, Virginia. Democratic Senators will be departing Friday morning by bus. If you choose not to leave at this time, we will assist you in making other travel arrangements, if necessary.

With your active participation, we know this will be a productive and successful event. We hope you will plan to be there.

Please have your staff contact Christina Ritch at 224-8975 if you have questions about logistics. For information about the program, please contact Greg Billings at the Democratic Policy Committee at 224-3232.

Sincerely,

George Mitchell

Tom Daschle
Tom Daschle

GEORGE J. MITCHELL, MAINE, CHAIRMAN
THOMAS A. DASCHLE, SOUTH DAKOTA, CO-CHAIRMAN
PAUL S. SARBANES, MARYLAND, VICE-CHAIRMAN
CHARLES S. ROBB, VIRGINIA
JEFF BINGAMAN, NEW MEXICO, VICE-CHAIRMAN
JOHN GLENN, OHIO, VICE-CHAIRMAN
ERNEST F. HOLLINGS, SOUTH CAROLINA
CLAIBORNE PELL, RHODE ISLAND
DALE BUMPERS, ARKANSAS
HOWELL HEFLIN, ALABAMA
FRANK R. LAUTENBERG, NEW JERSEY
DON RIEGLE, MICHIGAN
DANIEL PATRICK MOYNIHAN, NEW YORK

JOHN D. ROCKEFELLER, IV, WEST VIRGINIA
HERBERT H. KOHL, WISCONSIN
BYRON L. DORGAN, NORTH DAKOTA
RUSSELL D. FEINGOLD, WISCONSIN
CAROL MOSELEY-BRAUN, ILLINOIS
DANIEL AKAKA, HAWAII
BEN NIGHTHORSE CAMPBELL, COLORADO
WENDELL H. FORD, KENTUCKY, EX OFFICIO
(AS WHIP)
DAVID PRYOR, ARKANSAS, EX OFFICIO
(AS SECRETARY OF CONFERENCE)

United States Senate
Democratic Policy Committee

Washington, DC 20510-7050
(202) 224-3232

- Should Shalala come (by invites? — Melanne

FAX TRANSMISSION SHEET

TO: Chris Jennings

FROM: Grey Billings

FAX #: 456 2604

NOTES:

OF PAGES INCLUDING COVER SHEET 4

THE WHITE HOUSE

WASHINGTON

March 26, 1993

MEMORANDUM FOR IRA MAGAZINER

SUBJECT: Notes on the Last Five Weeks of the Process

FROM: Mike Lux

As we head into the last five weeks of the task force process, I thought it important to make a couple of recommendations:

1. Up until now, we've basically been in the input gathering stage. As we shift into the endgame, where we really need to do serious intelligence gathering and negotiating with groups on the policy details, I will need to move more into a policy mode. If you think it crucial that I do so, I will make the time to start sitting through the tollgates and cluster leader meetings. However, that seriously impairs my ability to do the other things I need to do. I would therefore recommend that you and I, perhaps with others like Chris Jennings to save you time, start meeting regularly to go over policy options in (at least some) detail.

It also may make sense for me to start sitting in on some of the issue discussions with the President, especially the ones that most concern (a) the base and (b) the business community. For example, the low income meeting coming up may be a good one. I will defer to your judgement on these meetings.

2. As you probably remember, in a recent memo I laid out three fundamental interest group strategies: (a) split the health industry, (b) attract significant business support, and (c) unite what should be our base behind us. Although this could shift, at this juncture I find myself fairly comfortable with where we are at on the first two goals, but still very worried about the third. I am especially concerned about single payer groups, both the unions and consumer groups, because they have by far the best organized grassroots network on the health issue, and they are a disturbingly long way from being on board.

In order to keep them with us process wise, I would recommend the following:

a. Let's start bringing in a small groups of single payer technicians from the most trusted groups for weekly meetings on policy options with key task force staff. I'm thinking of people like Cathy Hurwit (Citizen Action), Rob McGarrah (AFSCME), Louise Novotny (CWA), Sandy Herding (Social Workers), Susan Cowell (ILGWU), Gail Shearer (Consumers Union).

b. Even though it's late, I'd really like to add a couple of senior level people to the working groups who are single payer. We have a marked imbalance right now on the managed competition side, and now that we've released the names everyone knows it. If you support this idea, I can help identify the people.

c. Let's make sure the economic modeling we're doing allows real analysis of the more single payer style options we are considering in some issue areas. Ken Thorpe is a very good guy, but my sense is that he is very classical managed competition oriented.

Thanks for your consideration.

cc: Alexis Herman
Steve Hilton
Melanne Verveer
Chris Jennings ✓
Bob Boorstin

M E M O R A N D U M

TO: Howard Paster, Steve R., Lorraine M. March 29, 1993
FR: Chris Jennings
RE: Health Care Meetings with Hill During Recess
cc: Melanne

On Friday and again today, Andie King made a strong push for inviting House Committee Chairmen for meetings on the health care reform proposal during recess. **Howard, a heads up: She feels so strongly about this that I believe that she may have Majority Leader Gephardt call you up.**

Andie has grave reservations about having the recess period go by with no Member-level face-to-face discussions and then having them confronted with a very brief two to three week substantive consultation period BEFORE the health care proposal is sent to Congress. She fears that if we do not have such discussions, the Chairmen, Subcommittee Chairmen, and significant others (e.g., McDermott) may come back with an impossible to privately contain belief (more than they do already) that this complex and controversial initiative has no chance of getting done in the timeframe we have been discussing. Added to their disbelief may well be a perception that we were never really that serious about consulting with them and that all we are going to do is attempt to force down our legislation on them.

I believe that we have two options to address Andie's concerns:

1. Advise Leadership and Chairmen that we are going to significantly narrow options that are being prepared for the President and invite them to participate during the recess.

<u>Pros</u>

* Gives Members a sense of importance and priority of the legislation and gets them invested.

* Gets work done outside the confines of voting and in session scheduling conflicts.

* Gets a sense of influential Members' concerns and desires early enough in process to be more easily responsive.

* Keeps a few key Members busy, addresses their perception that they are not being adequately consulted, and (hopefully) keeps them from talking about their reservations about this reform ever getting done to the press.

Cons

* Most Members have already completely scheduled their recess and, if they are to come back, there is a risk that their time spent with us may not be viewed as substantive enough to have justified a late change in their plans.

* If all the Chairmen do not come, there is a risk that those not participating feel either left out or insulted that such meetings are taking place without them.

* Rank and file Democrats and Republicans who hear or read about any such meetings may well make us conclude that meetings for a few, albeit important, Members was not worth the alienation of so many others.

2. Arrange for multiple meetings with appropriate staff of Leadership and Committees, give a set schedule for meetings with Members as soon as they return from recess, and hold recess meetings with Members only in response to their request.

Pros

* By providing a pre-arranged plan for significant consultation immediately after recess, this option addresses most of the Members' concerns that they will be adequately consulted.

* Significant staff consultation will better prep us and the Members for more constructive Committee Member-level discussions post recess.

* This approach does not require last minute rescheduling of Members that has potential to alienate Members.

* We can respond to those Members who desperately want to be briefed on a REQUEST BY THEM basis, without risk of alienating others who are not briefed.

Cons

* If the Majority Leader does make the request for Member-level meetings, it is not fully responsive.

* A long recess without direct meetings with Members may well not appease some influential Members of Congress.

* Staff meetings have the potential to force issues to be addressed that may be more staff-driven than Member-driven. As a result, more time may be required (and we don't have extra time) to address issues that are not even important to those who will be voting on the President's proposal.

RECOMMENDATION

Consistent with your conversation with Jerry Klepner, and keeping in mind all the risks of changing Members' schedules so late in the game, it seems advisable to give serious consideration to option 2. Steve R. agrees with this approach as well. If you approve, we will proceed with locking in timetables for Committee/Members' meetings to occur as soon as they return from recess. We will also set up meetings with staff during recess, (although some will be traveling with Members).

Lastly, attached for your review, is a tentative schedule of meetings we are trying to schedule for this week. None are yet completely finalized because we thought Mrs. Clinton might be able to attend many of them. Obviously, as time goes by, this looks more and more dubious. The meetings are important, however, and we are going to try to schedule Ira and you (and Steve) to most of them.

Hope this heads up list is somewhat useful. I know this week is a terrible time for both you and Steve, but everyone on the Hill and here (including me) think most of these are essential to take place before recess. Thanks.

Congressional File

MEMORANDUM

TO: Pat Griffin, Harold Ickes
FR: Chris J. and Steve Edelstein
RE: Targeting memo inquiry by National Journal
cc: Steve, Jack, Janice

March 30, 1994

We have located the memo that the National Journal has obtained. Julie Kosterlitz read the first paragraph over the phone to me at 1:30 today. It became clear to me that she was referring to an April 23, 1993 (see attached) targeting memo that we did for the First Lady. Besides being extremely old news, Roll Call already had obtained a copy of the memo (or some version of it) and reported on it on April 29th (see attached copy of article).

Janice talked with the political editor of the journal on this and I talked with Julie. It became clear that both have concluded that this memo is now a non-story and are highly unlikely to run with it.

Although we escaped a bad bullet, I think we should use this opportunity as a lesson of the sensitivity about targeting lists. We (i.e., Pat's legislative affairs shop) have always been nervous about widespread circulation of these lists. There is no question that we must maintain and update congressional targeting lists for an effective principal traveling strategy. I cannot overstate the potential for problems these lists have. When Roll Call published their article last year, we were fried on Capitol Hill. Understanding the need for these lists, however, I might recommend that you periodically orally sensitize White House communications and scheduling staff about this matter.

4TH STORY of Focus printed in FULL format.

Copyright 1993 Roll Call Associates
Roll Call

April 29, 1993

SECTION: Heard On The Hill

LENGTH: 574 words

BYLINE: By Craig Winneker

BODY:

Coming Soon to Your Hometown. The Democratic National Committee is working on a plan to send field operatives to the districts of several moderate House Democrats and Republicans in an effort to generate grassroots support for whatever health care plan the Clinton Administration eventually proffers.

In meetings over the last two weeks, DNC operatives and key Administration officials have compiled a preliminary target list of 15 Members in swing districts, and another 75 Members on a "watch list," according to a source familiar with the discussions.

Among the Members whose districts would be targeted, according to the source, are: Reps. Dave McCurdy (D-Okla), Jim Cooper (D-Tenn), Roy Rowland (D-Ga), Tim Valentine (D-NC), Harold Volkmer (D-Mo), Cal Dooley (D-Calif), Nancy Johnson (R-Conn), Sherwood Boehlert (R-NY), Porter Goss (R-Fla), and Christopher Shays (R-Conn).

DNC spokeswoman Kiki Moore said plans for such an effort have not been finalized, and declined to confirm the existence of any list of targeted Members.

"No decisions have been made about how we're going to proceed with efforts to sell the (health care plan)," Moore said.

How to Win Friends in High Places. Members haven't exactly been signing up in droves to co-sponsor Rep. Dana Rohrabacher's (R-Calif) legislation to eliminate the Appropriations Committee and give spending powers to the various authorizing committees. But today, Rohrabacher will hold a press conference with two prominent House Democrats, Reps. George Brown (Calif) and Dave McCurdy (Okla), who are joining his jihad against the powerful spending committee.

Brown, who chairs the Science, Space, and Technology Committee, already endorsed the idea in principle when he testified before the Joint Committee on the Organization of Congress earlier this month. And McCurdy, who was removed this year as chairman of the Select Intelligence Committee, has already made waves with his proposal to limit the terms of committee chairmen.

America's Least Wanted. Spring brings out all kinds of weirdos on Capitol Hill, but the Caped Exhibitionist, who made his first appearance Sunday afternoon, may top them all. And he's still at large.

The story you are about to read is true; none of the names have been changed to protect the innocent.

"We had a citizen complaint about a man wearing nothing but a black and gold cape in the area of 2nd and C, SE," said Capitol Police spokesman Dan Nichols on Tuesday. "Officers responded to the scene and canvassed the area. Nothing was found. The units cleared."

If you have information regarding the whereabouts of the Caped Exhibitionist, perhaps you should keep it to yourself.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: April 29, 1993

DISCRIMINATORY PRICING

Suggested Legislative Language

(1) DEFINITIONS. In this section:

(a) "Drug" means any substance subject to section 201(g) of the Federal Food, Drug and Cosmetic Act.

(b) "Purchaser" means any person who engages in selling or dispensing drugs directly to consumers.

(c) "Seller" means any person who sells drugs to purchasers.

(d) "Manufacturer" means any person who sells drugs to sellers and/or purchasers.

(2) PRICE DISCRIMINATION PROHIBITED.

(a) Every manufacturer shall offer drugs to every seller with all rights and privileges offered or accorded by the manufacturer to the most favored seller, including purchase prices for similar volume purchases. Every manufacturer shall offer rebates, free merchandise, samples and similar trade concessions on proportionally equal terms to every seller. Nothing in this subsection prohibits the giving of a discount for volume purchases, so long as such discount is justified by the economies or efficiencies resulting from such volume purchases and such discount is made available to all sellers on proportionally equal terms.

(b) Every manufacturer or seller shall offer drugs to every purchaser, with all rights and privileges offered or accorded by the manufacturer or seller to the most favored purchaser, including purchase prices for similar volume purchases. A manufacturer or seller shall offer rebates, free merchandise, samples and similar

trade concessions on proportionally equal terms to every purchaser. Nothing in this subsection prohibits the giving of a discount for volume purchases, so long as such discount is justified by the economies or efficiencies resulting from such volume purchases and such discount is made available to all purchasers on proportionally equal terms.

(3) GOVERNMENT PURCHASES PROHIBITED. No entity of the federal government shall purchase any drugs from a manufacturer or seller that engages in any price discrimination prohibited by this section. A manufacturer shall covenant in any agreement with the Secretary of Health and Human Service under Section 1927(a) of the Social Security Act or Section 340B of the Public Health Service Act, relating to prescription drugs procured for federal programs, that the manufacturer shall not engaged in discriminatory pricing.

(4) TREBLE DAMAGES. Any purchaser damaged by violation of this section may bring an action against the seller to recover treble damages sustained by reason of such violation. Proof of price discrimination shall constitute prima facie evidence of damage to a disfavored purchaser.

(5) CIVIL PENALTY. Any person who violates this section or any rule promulgated under this section or any order or injunction to cease and desist from such violations shall be required to pay a civil penalty of not less than $1,000 nor more than $100,000 per violation. The Department of Justice or the Federal Trade Commission may commence an action to enforce this section.

Explanatory Comment

The proposed legislation would prohibit discriminatory pricing of drugs, as defined in Section 201(g) of the Federal Food, Drug and Cosmetic Act, by manufacturers, distributors and

wholesalers. This prohibition would ensure a level playing field for retailers and others (including non-profit institutions) selling or dispensing to consumers (defined as purchasers in the proposed statute). The prohibition would allow quantity discounts to wholesalers or purchasers provided that volume discounts are cost-justified by any efficiencies or economies and are made available to all such customers on proportionally equal terms.

The proposed legislation would apply only to drugs and, therefore, would not implicate the broader coverage of the Robinson-Patman Act. On the other hand, the restrictions of the proposed statute eliminate existing "loopholes" created by the Robinson-Patman Act and the Nonprofit Institutions Act, which allegedly permits price discriminations based on so-called "class of trade" alleged cost justification. Lower prices to nonprofit entities would no longer be necessary because universal coverage would ensure reimbursement to such entities regardless of the beneficiary's ability to pay. Rather than having certain groups of consumers subsidize the lower prices given to purchasers dispensing to other consumers, the proposal would provide all consumers with access to a truly competitive marketplace based on price and service to consumers, rather than artificial distinctions that benefit certain purchasers and consumers.

Compliance with the price discrimination prohibition should be assured by the "disqualification" from sales to the government of any manufacturer violating this provision. Under existing law, pharmaceutical manufacturers are required to enter into agreements with the Secretary of Health and Human Services that bind manufacturers to conform pricing to government agencies based on prices to the private sector. Manufacturers should be required to add a covenant to their existing agreements with HHS that the manufacturers will not engage in prohibited price discrimination.

The proposal also includes an effective mechanism for enforcement through private, treble damage actions wherein proof of a price discrimination would constitute prima facie evidence of damages. The Robinson-Patman Act's requirement of proof of "competitive injury," which has thrown an unnecessary obstacle in the path of disfavored purchasers seeking relief, is not included. Finally, the provision could also be enforced by the Department of Justice and/or the Federal Trade Commission.