

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Jay Rockefeller to Hillary Clinton RE: Health Care Reform Communications (24 pages)	5/26/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Rockefeller, Dashle Meeting (1 page)	5/27/93	P5

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**COLLECTION:**

Clinton Presidential Records  
 Domestic Policy Council  
 Chris Jennings (Health Security Act)  
 OA/Box Number: 23754

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**FOLDER TITLE:**

May 1993 HSA [5]

gf85

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### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- b(1) National security classified information [(b)(1) of the FOIA]
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# Withdrawal/Redaction Marker

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For a complete list of items withdrawn from this folder, see the  
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## Medicare Drug Benefit Package Descriptions

**Current:** \$50 deductible in 1996 with 40% coinsurance and uncapped copayment liability.

**Assumptions:** No Medicare drug rebates and drug prices grow at current rates.

**Package 1:** \$55 deductible in 1996 with 40% coinsurance and uncapped copayment liability.

**Package 2:** \$265 deductible in 1993 with 20% coinsurance and uncapped copayment liability.

**Package 3:** \$55 deductible in 1996 with 40% coinsurance and \$1,000 copayment cap.

**Package 4:** \$265 deductible in 1996 with 20% coinsurance and \$1,000 copayment cap.

**Package 5:** \$265 deductible in 1996 with 40% coinsurance; once copayments reach \$800, the coinsurance rate falls to 20%.

**Assumptions:** Includes Medicare drug rebate program. Drug prices grow at 3% per year. Deductibles in all packages change to maintain a constant rate of beneficiaries over the deductible amount.

## Long Term Care Program Description

Package 3 includes:

- State flexibility in designing benefits and program administration.
- Close-ended financing with a guaranteed annual growth rate based on inflation and growth in the population in need.
- Individuals with severe disabilities of all ages entitled to a minimum benefits level. Additional services available to the extent permitted by the close-ended financing.
- No separate program for persons with MR/DD.
- A residual Medicaid program remains for persons not meeting the disability requirements.
- A monthly premium of \$20 for the elderly with the low-income population exempted.
- Liberalization of institutional Medicaid eligibility rules.
- Measures to enhance the private insurance market.
- Tax credit for PAS expenses for persons with disabilities.
- Medicare beneficiaries with incomes above 150 percent of the poverty level would be required to pay additional Part B premiums of:
  - \$4 per month in 1996;
  - \$8 per month in 1997;
  - \$12 per month in 1998;
  - \$16 per month in 1999; and
  - \$20 per month in 2000.
- Phase-in schedule for Package 3 is 20% phased-in in 1996; 40% in 1997; 60% in 1998; 80% in 1999; and 100% in 2000. Phase-in schedule for current LTC package is 60% phase-in in 1996; 80% in 1997; and 100% in 1998.

**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Wage Based Premiums**

	1994	1995	1996	1997	1998	1999	2000
<b>Current Baseline:</b>							
Federal cost for LTC	0	0	11	16	20	20	21
Cost of Medicare Drug Benefit	0	0	16	17	19	21	23
<b>Deficit:</b>							
without Short Term Cost Controls	5	1	18	19	14	7	0
with Short Term Cost Controls	0	-6	7	7	0	-8	-16
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8
<b>Cost of:</b>							
LTC Package 3	0	0	5	9	14	18	23
Medicare Drug Package 1	0	0	10	10	11	12	12
Medicare Drug Package 2	0	0	11	11	12	13	14
Medicare Drug Package 3	0	0	10	11	12	13	14
Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	5	1	6	6	-0	-4	-9
LTC Package 3/Medicare Drug Package 2	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 3	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 4	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 5	5	1	2	2	-4	-8	-13
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	-6	-5	-6	-14	-19	-25
LTC Package 3/Medicare Drug Package 2	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 3	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 4	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 5	0	-6	-9	-10	-18	-23	-29
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8

**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Per Person Premiums**

	1994	1995	1996	1997	1998	1999	2000
<b>Current Baseline:</b>							
Federal cost for LTC	0	0	11	16	20	20	21
Cost of Medicare Drug Benefit	0	0	16	17	19	21	23
<b>Deficit:</b>							
without Short Term Cost Controls	5	14	54	54	48	42	35
with Short Term Cost Controls	0	6	44	43	35	28	21
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8
<b>Cost of:</b>							
LTC Package 3	0	0	5	9	14	18	23
Medicare Drug Package 1	0	0	10	10	11	12	12
Medicare Drug Package 2	0	0	11	11	12	13	14
Medicare Drug Package 3	0	0	10	11	12	13	14
Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	5	14	42	41	34	31	26
LTC Package 3/Medicare Drug Package 2	5	14	43	42	35	32	28
LTC Package 3/Medicare Drug Package 3	5	14	43	42	35	32	28
LTC Package 3/Medicare Drug Package 4	5	14	43	42	35	32	28
LTC Package 3/Medicare Drug Package 5	5	14	38	37	30	27	22
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	6	32	30	21	17	12
LTC Package 3/Medicare Drug Package 2	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 3	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 4	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 5	0	6	28	26	17	13	8
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8

Medicare Drug Benefit Premiums and Deductibles

	1994	1995	1996	1997	1998	1999	2000
<b>Monthly Premiums</b>							
Medicare Drug Package 1			\$7.17	\$7.51	\$7.87	\$8.18	\$8.57
Medicare Drug Package 2			\$7.88	\$8.27	\$8.68	\$9.12	\$9.51
Medicare Drug Package 3			\$7.67	\$8.15	\$8.65	\$9.15	\$9.74
Medicare Drug Package 4			\$7.90	\$8.31	\$8.75	\$9.24	\$9.68
Medicare Drug Package 5			\$4.48	\$4.74	\$5.08	\$5.46	\$5.83
<b>Deductibles:</b>							
Medicare Drug Package 1			\$55	\$60	\$65	\$75	\$80
Medicare Drug Package 2			\$265	\$280	\$295	\$310	\$330
Medicare Drug Package 3			\$55	\$60	\$65	\$75	\$80
Medicare Drug Package 4			\$265	\$280	\$295	\$310	\$330
Medicare Drug Package 5			\$265	\$280	\$295	\$310	\$330

**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Per Person Premiums**

	1994	1995	1996	1997	1998	1999	2000
<b>Current Baseline:</b>							
Federal cost for LTC	0	0	11	16	20	20	21
Cost of Medicare Drug Benefit	0	0	16	17	19	21	23
<b>Deficit:</b>							
without Short Term Cost Controls	5	14	54	54	48	42	35
with Short Term Cost Controls	0	6	44	43	35	28	21
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8
<b>Cost of:</b>							
LTC Package 3	0	0	5	9	14	18	23
Medicare Drug Package 1	0	0	10	10	11	12	12
Medicare Drug Package 2	0	0	11	11	12	13	14
Medicare Drug Package 3	0	0	10	11	12	13	14
Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	5	14	42	41	34	31	26
LTC Package 3/Medicare Drug Package 2	5	14	43	42	35	32	28
LTC Package 3/Medicare Drug Package 3	5	14	43	42	35	32	26
LTC Package 3/Medicare Drug Package 4	5	14	43	42	35	32	28
LTC Package 3/Medicare Drug Package 5	5	14	38	37	30	27	22
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	6	32	30	21	17	12
LTC Package 3/Medicare Drug Package 2	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 3	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 4	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 5	0	6	28	26	17	13	8
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8



**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Wage Based Premiums**

	1994	1995	1996	1997	1998	1999	2000
<b>Current Baseline:</b>							
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Cost of Medicare Drug Benefit	0	0	16	17	19	21	23
<b>Deficit:</b>							
without Short Term Cost Controls	5	1	18	19	14	7	0
with Short Term Cost Controls	0	-6	7	7	0	-8	-16
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	8
<b>Cost of:</b>							
LTC Package 3	0	0	5	9	14	18	23
Medicare Drug Package 1	0	0	10	10	11	12	12
Medicare Drug Package 2	0	0	11	11	12	13	14
Medicare Drug Package 3	0	0	10	11	12	13	14
Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	5	1	6	6	0	-4	-9
LTC Package 3/Medicare Drug Package 2	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 3	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 4	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 5	5	1	2	2	-4	-8	-13
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	-6	-5	-6	-14	-19	-25
LTC Package 3/Medicare Drug Package 2	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 3	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 4	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 5	0	-6	-9	-10	-18	-23	-29
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	8

## Medicare Savings and New Program Costs, Billions of Dollars

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost-containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost-containment**	-3	-2	-4	-6	-8	0	0
Medicare Drug Package 3	0	0	10	11	12	13	14
LTC Package 3	0	0	5	9	14	18	23
<b>Net Medicare Spending</b>	<b>-3</b>	<b>-8</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>11</b>	<b>11</b>

\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

MEDSVNGS.WQ

Clear Karen Thross

22th

~~28th~~

~~30th~~

Late July / Early August

Week of July 12th  
House

Heel Orembanin Kide of speaker  
Address the negative  
- Physician choice

(6 ~~2~~<sup>9</sup> fear group)

IRC / Judy

W- Message meeting

R- Senate focus meeting

- motivating
- Jitter / General overview
- ~~QA~~
- ~~Vicki Fazio show~~
- Melissa show

Heel meets w/ Committee

How Haster write + IRC

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- No separate program for persons with MR/DD.
- A residual Medicaid program remains for persons not meeting the disability requirements.
- A monthly premium of \$20 for the elderly with the low-income population exempted.
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- Tax credit for PAS expenses for persons with disabilities.
- Medicare beneficiaries with incomes above 150 percent of the poverty level would be required to pay additional Part B premiums of:
  - \$4 per month in 1996;
  - \$8 per month in 1997;
  - \$12 per month in 1998;
  - \$16 per month in 1999; and
  - \$20 per month in 2000.
- Phase-in schedule for Package 3 is 20% phased-in in 1996; 40% in 1997; 60% in 1998; 80% in 1999; and 100% in 2000. Phase-in schedule for current LTC package is 60% phase-in in 1996; 80% in 1997; and 100% in 1998.

**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Per Person Premiums**

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<b>Cost of:</b>							
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Medicare Drug Package 1	0	0	10	10	11	12	12
Medicare Drug Package 2	0	0	11	11	12	13	14
Medicare Drug Package 3	0	0	10	11	12	13	14
Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
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LTC Package 3/Medicare Drug Package 5	5	14	38	37	30	27	22
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	6	32	30	21	17	12
LTC Package 3/Medicare Drug Package 2	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 3	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 4	0	6	33	31	22	18	14
LTC Package 3/Medicare Drug Package 5	0	6	28	26	17	13	8
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8



**Budgetary Effects of Long-Term Care & Medicare Drug Benefit Packages  
Plan B - Wage Based Premiums**

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with Short Term Cost Controls	0	-6	7	7	0	-8	-16
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8
<b>Cost of:</b>							
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Medicare Drug Package 1	0	0	10	10	11	12	12
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Medicare Drug Package 4	0	0	11	11	12	13	14
Medicare Drug Package 5	0	0	6	7	7	8	8
<b>Deficit without Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	5	1	6	6	-0	-4	-9
LTC Package 3/Medicare Drug Package 2	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 3	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 4	5	1	7	7	1	-3	-7
LTC Package 3/Medicare Drug Package 5	5	1	2	2	-4	-8	-13
<b>Deficit with Short Term Cost Controls</b>							
LTC Package 3/Medicare Drug Package 1	0	-6	-5	-6	-14	-19	-25
LTC Package 3/Medicare Drug Package 2	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 3	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 4	0	-6	-4	-5	-13	-18	-23
LTC Package 3/Medicare Drug Package 5	0	-6	-9	-10	-18	-23	-29
Negotiated State Maintenance of Effort	0	-2	-5	-6	-7	-7	-8

## Medicare Savings and New Program Costs, Billions of Dollars

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost-containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost-containment**	-3	-2	-4	-6	0	0	0
Medicare Drug Package 3	0	0	10	11	12	13	14
LTC Package 3	0	0	5	9	14	18	23
<b>Net Medicare Spending</b>	<b>-3</b>	<b>-8</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>11</b>	<b>14</b>

\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

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**Medicare Savings and New Program Costs, Billions of Dollars  
Original Medicare Drug and LTC Benefit**

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost containment**	-3	-2	-4	-6	0	0	0
Medicare Drug Package	0	0	16	17	19	21	23
LTC Package 3	0	0	11	16	20	20	21
<b>Net Medicare Spending</b>							
without cost containment	0	-6	17	21	25	21	18
with cost containment	-3	-8	13	15	25	21	18

\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

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### Medicare Savings and New Program Costs, Billions of Dollars Slower Long Term Care Phase-in

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost containment**	-3	-2	-4	-6	0	0	0
Medicare Drug Package 5	0	0	10	11	12	13	14
LTC Package 3	0	0	5	9	14	18	23
<b>Net Medicare Spending</b>							
without cost containment	0	-6	5	8	12	11	11
with cost containment	-3	-6	1	2	12	11	11

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\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

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### Medicare Savings and New Program Costs, Billions of Dollars Alternative 2, Medicare Drug Benefit, Slower LTC Phase-in

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost containment**	-3	-2	-4	-6	0	0	0
Medicare Drug Package 4	0	0	11	12	12	13	14
LTC Package 3	0	0	5	9	14	18	23
<b>Net Medicare Spending</b>							
without cost containment	0	-5	6	9	12	11	11
with cost containment	-3	-5	2	3	12	11	11

\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

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### Medicare Savings and New Program Costs, Billions of Dollars Alternative 3, Medicare Drug Benefit, Slower LTC Phase-in

	1994	1995	1996	1997	1998	1999	2000
Medicare Savings without short-term private cost containment*	0	-6	-10	-12	-14	-20	-26
with short-term private cost containment**	-3	-2	-4	-6	0	0	0
Medicare Drug Package 5	0	0	6	7	7	8	8
LTC Package 3	0	0	5	9	14	18	23
<b>Net Medicare Spending</b>							
without cost containment	0	-6	1	4	7	6	15
with cost containment	-3	-2	-3	-2	7	8	5

\*Options provided by HHS.

\*\*Assumes 6% growth in costs per enrollee through 1997. These savings are in addition to the ones without short-term cost containment.

\*\*\*Net Medicare spending would be zero, or contribute to deficit reduction if accompanied by a cigarette tax in 1996.

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