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Wellstone File

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United States Senate

WASHINGTON, DC 20510-2303

June 14, 1994

President Bill Clinton
The White House
Washington, D.C. 20500

Dear Mr. President: *Bill*

We have always agreed that universal coverage must be the cornerstone of health care reform. That stand cannot waver as we continue our progress in Congress to enact comprehensive health care reform legislation.

Just as the Senate Committee on Labor and Human Resources reinforced that commitment last week, troubling signals have appeared from the press and some Members indicating that universal coverage is not a realistic goal.

As you well know, the building blocks of meaningful reform are inextricably linked. Universal coverage is not only a humane goal, one which most industrialized countries have attained. Because it would end wasteful and inflationary cost-shifting, it is also key to making health care affordable.

Affordable, universal coverage is impossible without meaningful, employer-based financing. We have been debating this issue long enough to be clear on this point. Suggestions that we waste more years and more lives tinkering around the edges of almost covering everyone, trying to make health care almost affordable, are a diversion from the fair and workable framework you have presented. Unworkable proposals that would put the burden on individuals to pay most of the costs of their care, or project employer contributions into some distant future, cannot achieve the health care reform that Americans are counting on us to deliver.

The legislative process involves compromise. There will certainly be major compromises on matters of importance as different views shape the final health care legislation. But there must be a firm foundation on which those compromises are built. Universal coverage, affordable for all and fairly financed, must remain the basis of that foundation.

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I look forward to assisting your efforts toward that goal in any way that we can.

Sincerely,

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

Paul David Wellstone
United States Senator

United States Senate

WASHINGTON, DC 20510-2303

July 29, 1993

Chris Jennings
Special Assistant to the First Lady
Old Executive Office Building, Room 210
Washington, D.C. 20500

Dear Chris:

Thanks for your letter last week regarding Mrs. Clinton's visit to Minnesota. Senator Wellstone was happy to learn that Mrs. Clinton has accepted the invitation of Representative Martin Sabo to visit the state on September 17, 1993. As we have discussed, Minnesota offers model programs in many elements of the health care system including successful examples of school based clinics and community and home based care.

Senator Wellstone would like to invite the First Lady to accompany him on visits to see these success stories first hand during her visit to Minnesota. He would like to have the opportunity to introduce Mrs. Clinton to the people who work in these systems, and hear their views on health care reform.

We propose an agenda that would include visits to:

Health Start, the first school-based clinic in the nation, now housed in St. Paul Central High School, a city school with a diverse student body and an innovative staff and administration;

United Family Health Center in St. Paul, a community clinic that supports a family practice residency, and includes residents working with homeless peoples well as long-time neighborhood residents;

Living at Home/Block Nurse Program, a unique community-based home care program for the elderly, combining neighbors helping neighbors as volunteers with professional nursing services.

Thanks for your assistance on this effort, Chris. Let's talk soon.

Sincerely,



Ellen R. Shaffer
Legislative Assistant

September 1, 1993

To: Ellen Shaffer
From: Mark Anderson
Re: Hillary Rodham Clinton visit

The Twin Cities of Minneapolis and St. Paul have a well developed community clinic community that consists of nearly 20 independent community clinics with community boards and a Community Clinic Consortium with a board made up of directors of the clinics and a small number of outside members.

These clinics have a twenty plus year history of serving the primary and preventive health care needs of their communities and want to continue to play a strong role in a reformed health care system.

Senator Wellstone would like to have the opportunity to spotlight the work of these community clinics by visiting the Central Avenue Clinic, with the First Lady.

Central Avenue Clinic -- 2610 Central Avenue NE, Minneapolis, MN 55418, (612)781-6816 -- is a community clinic near Northrup Auditorium where Ms. Clinton will be speaking. Deanna Mills is the clinic director and Scott Dyer, MD is the medical director.

During the visit we would have the opportunity to meet and greet ob/gyn patients for 5 mins, tour the clinic led and accompanied by Deanna Mills and Scott Dyer.

Meet for 10-15 minutes with members of the community board, who will discuss the clinic's history in the community, what the clinic does -- stressing the primary and preventive care services they offer and thanking the First Lady for her efforts to make the health care system work for all Americans.

Meet for 10-15 minutes with board members of the Community Clinic Consortium and community health advocates who will discuss the importance of community based care, primary care delivery, and their concerns about the future of health care reform.

Senator Wellstone will accompany Ms. Clinton and serve as host for the visit.

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton May 5, 1993
FROM: Chris Jennings, Steve Edelstein
RE: Meeting with Senator Wellstone and Single Payer Groups
cc: Melanne, Steve, Ira, Judy, Mike

Background:

Following up on your telephone conversation with Senator Wellstone last week, you are scheduled to meet with him and representatives of organizations which support the single payer approach to health care reform. Senator Wellstone has tried to keep the meeting size manageable by allowing each group to send only one representative. There will probably be about 15 groups represented at the meeting.

Yesterday, Chris spoke with Senator Wellstone and suggested that he call Congressman McDermott to advise him about this meeting and invite him to attend. Senator Wellstone assured him that he would, but as of this writing it is unclear whether the Congressman will be attending. In addition, this morning, Chris informed Barbara Smith of Congressman McDermott's staff of the meeting. She thought it would be no problem if McDermott did not attend.

Format:

Senator Wellstone will open the meeting and introduce you. It is then expected that you give brief remarks (5-10 minutes). After your remarks, Senator Wellstone will then turn it over to representatives of the organizations attending to give presentations on issues they care about.

Points to Hit in Your Remarks:

- (1) **Shared Principles.** There is a lot of common ground between our approach and the single payer approach. We share a commitment to providing coverage to all Americans to a comprehensive set of benefits. We agree on the need to fundamentally overhaul our health care system to better control costs, reduce paperwork and streamline administration. We are also committed to maintaining quality and consumer choice.
- (2) **State Flexibility.** State flexibility will be central to our plan. This will allow states to implement single payer models if they feel it best meets the needs of the people of that state.

- (3) Health Care This Year. We share your sense of the urgency of the problem and the need to act sooner rather than later on health care reform. We have a great opportunity to pass health care reform this year.
- (4) Praise Senator Wellstone. You may wish to thank Senator Wellstone for arranging this meeting and for his leadership and deep commitment to this issue.

Issues of Concern:

The groups will likely raise the following issues in their presentations:

- (1) No Opt Outs. They advocate a single-tier system and feel letting groups opt-out will undermine this and may leave those left in the plan with inferior coverage and service.
- (2) Fair Financing. They favor progressive tax-based financing rather than a premium.
- (3) Comprehensive Benefits. They want the benefit package to be as comprehensive as possible including coverage for long-term care, mental health, and rehabilitation services.
- (4) Public Accountability. They back consumer participation on all oversight and governing boards.
- (5) Freedom of Choice. They believe consumers should remain free to pick their own doctors.
- (6) Affordability. They oppose co-pays and deductibles for covered services.
- (7) Universality. They want everyone covered with a fairly rapid phase-in.

Background Materials:

Attached for your information, is a background profile of Senator Wellstone and a memo by Mike Lux of Public Liaison on the groups who will be attending.

SENATOR PAUL WELLSTONE (D-MN)

Senator Wellstone is very interested in health care reform. In March, he reintroduced his single payer bill, the Senate counterpart of the McDermott bill. Despite his strong bias toward single payer and his suspicions of managed competition, he has expressed a willingness to work with you. His strong desire for reform and his belief that we must act now make him likely to support the Administration plan.

Senator Wellstone has a strong interest in mental health and substance abuse benefits. He modified his previous bill to strengthen its mental health provisions. Last week (4/29), he attended a briefing by Mrs. Gore on mental health issues for Members of Congress and staff. Wellstone expressed his strong support for including mental health services in the benefits package. He also raised the possibility of forming a Senate Mental Health Working Group along the lines of the group lead by Congressman Kopetski in the House. Other concerns include rural health, consumer choice and state flexibility (so that Minnesota might pursue a single payer option).

Recent Developments: Senator Wellstone indicated concern regarding talking points distributed by the Task Force to the members of Congress, particularly how single payer was characterized. At the retreat, he stated that he doesn't want anyone to be able to opt out of the Purchasing Cooperative because he fears that healthy people will opt out.

THE WHITE HOUSE
WASHINGTON

May 5, 1993

MEMORANDUM FOR CHRIS JENNINGS

SUBJECT: HRC Meeting With Senator Wellstone

FROM: Mike Lux

I have divided the single payer groups attending the Wellstone meeting into three different categories:

1. Groups that are realistic and are working very constructively with us to get a package they can support:

AFSCME
Communications Workers of America
National Farmers Union
ILGWU

2. Groups that have been very tough negotiators, and are a little more purist than those in the first category. We can probably get these groups on board in the end.

Consumers Union
Citizen Action
National Council of Senior Citizens
Church Women United
National Association of Social Workers
American Public Health Association

3. Groups that are more pure, and are totally committed to a single payer approach. Whether we ever get them on board is a real question.

Public Citizen
Neighbor to Neighbor
NETWORK
Gray Panthers

M E M O R A N D U M

To: Ira Magaziner and Judy Feder

From: Senate Co-Sponsors of S. 491

Re: Concerns re: Administration plan for health care reform

Date: August 6, 1993

1. Financing:

A. The Administration has always said it was leaning toward a payroll-based premium (e.g. a percent of payroll), but that a flat premium of the sort that we now pay was still possible (e.g. \$400 a month). The current thinking is to use the flat premium, or some combination of flat and percent.

Generally a flat premium would not be progressive, and would present the greatest difficulties for small businesses, for middle-income people who are currently receiving virtually free benefits from their employer, early retirees, part-time workers, and also for low-income individuals. These low-income individuals will have difficulty even if the employer is paying 80% of the premium. Some low-income people will receive subsidies to help pay for the premium, but many working poor will remain over that boundary.

Questions: What is the formula the Administration is projecting to use at this point? What can we do to make sure it's affordable?

B. Subsidies.

Who will get subsidies? At what income level?

We are concerned that there will not be adequate financing for the proposed subsidies. How will the subsidies be financed?

2. Benefits:

Outpatient mental health services will require a 50% copay, locking out many people at the front end, where care could do the most good. There are some alternative services but not enough of the kind of community-based services that keep people out of inpatient care and off the streets.

Long term care will be phased in, as community-based alternatives are developed.

Questions: What is the dollar value of the plan benefits?

What preventive services will be covered?

3. Cost containment.

A. The Administration relies heavily on managed care plans such as HMO's to control costs. How would the proposal prevent undertreatment by HMO's, which has been identified by recent studies as a problem for both medical and mental health treatment?

B. We are concerned with reliance on voluntary cost controls, with federal enforcement as a back-up.

4. Medicaid will be maintained as a separate program for some time. Plans would receive the current low Medicaid rates as premiums for these people, though individual providers would have to be paid the same rate of reimbursement for them as for other plan members. This gives plans an incentive to discriminate and keep out Medicaid beneficiaries.

5. Employer opt-out. Employers of 5,000 or more nationally can opt out. This is an enormous number of businesses (over 2,500), with 47,246,600 employees, and is probably worse than the earlier formulation of 1,000 employees in an area. It opens the door for charge-shifting and discrimination.

6. As single payer supporters we believe health insurance companies should not continue to exist.

The Administration's plan calls for insurance companies to play a role in designing health plans.

This will lead to administrative costs, and many possible problems for consumers.

There needs to be resolution on the following issues:

A. Defining consumer participation in the health alliance and other decision-making bodies.

B. Consumer protection if antitrust regulations are relaxed.

C. Governance of the health alliances. It is not clear if state or health alliance assures consumer satisfaction, quality, equity.

D. Ability of providers as well as insurance companies to establish health plans and plan networks.

7. Taxation of the cost of benefits beyond the weighted average plan, and of co-payments and deductibles. Particularly if the plan benefits are limited, this feature is discriminatory.

8. While the co-payments and out-of-pocket limits for the fee-for-service plan reflect current standard benefit plans, people in rural and underserved areas may only have a choice of a fee for service plan, and not have access to an HMO with much lower out-of-pocket costs. In this case they might have to pay the employee share of the premium (20%), but not be able to afford to pay the \$400 family deductible and the 20% co-payments up to a maximum of \$3,000 a year.

9. Areas that reflect single-payer concerns, and which may be vulnerable to change during the legislative process; we will have to be ready to preserve these features.

- A. No balance billing in the fee-for-service plan.
- B. No co-payments for preventive services.
- C. Greater development of primary care professionals.

THE WELLSTONE HEALTH CARE SCORECARD

How to Know If You're Being Fooled by Health Care Reform Claims

Health care reform should provide secure and comprehensive coverage to all Americans at a cost that they can afford. All the reform bills before Congress claim they would provide universal, comprehensive, affordable coverage, and guarantee access to full choice of doctors and other caregivers. We can tell if we are being fooled by looking at the details. Use this scorecard to hold your Member of Congress accountable.

1. Universal Coverage

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
Ensures that everyone has health care coverage—not just "access" to buy insurance—by a date specified in the bill.	Yes	Yes	No	No	

2. Choice of Caregiver

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
Guarantees all Americans the right to choose their doctor and other caregivers—without paying extra charges that many middle- and low-income families can't afford.	Yes	Limited	No	No	

3. Affordable

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
All employers are required to contribute their fair share to the costs of coverage.	Yes	Yes	No	No	
Guarantees that subsidies needed by low-income families and small business don't depend on future hoped-for savings or action by Congress.	Yes	Yes	No	No	
Uses proven methods to control costs.	Yes	Limited	No	No	
Simplifies administration and reduces administrative costs.	Yes	Limited	No	No	

4. Accountable

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
Gives more control to people and public agencies, less control to insurance companies.	Yes	Limited	No	No	

5. Comprehensive Benefits

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
All ordinary or necessary health services are specified in the bill.	Yes	Yes	No	No	
COVERED BENEFITS INCLUDE:					
Preventive Care	Yes	Yes	No	No	
Prescription Drugs	Yes	Limited	No	No	
Long Term Care	Yes	Limited	No	No	
Mental Health and Substance Abuse	Yes	Limited	No	No	
Reproductive Health Care	Yes	Yes	No	No	
Maintenance for People With Disabilities	Yes	No	No	No	
Public Health Services	Yes	Limited	No	No	

6. Accessible

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
Medical care is accessible regardless of ability to pay.	Yes	Limited	No	No	
Essential public health services are fully funded, including care for underserved rural and inner city areas.	Yes	Limited	No	No	

7. State Single-Payer Option

	Wellstone-McDermott-Conyer	Clinton	Cooper	Chafee	Rep/Sen
Gives states an even chance to implement a single-payer system	Yes	Yes	No	No	

8. Pledge by Members of Congress

I pledge that I will not vote for any plan that lets my

family get better health care than the

___ Yes

___ No