

CNN Newsmaker Saturday Program

DATE: April 10, 1993

TIME: Arrive at 1:00 for live taping at 1:30

PLACE: 820 1st Street, NE
11th Floor
Washington, DC

CONTACT: Kelly Wallace
(202)898-7619

FORMAT: 1st half of show - CHR
2nd half of show - Governor Childs (Florida)
- Jack Lewin (Hawaiian Health
Care Commissioner)

QUESTIONS: Where is the Task Force going?
Main issues?
Time line on legislation to Congress?

EXECUTIVE OFFICE OF THE PRESIDENT

30-Mar-1993 04:54pm

TO: (See Below)
FROM: S. Collier Andress
Office of Communications
SUBJECT: Health care talking points

3/30/93.bb

HEALTH CARE TALKING POINTS

THE STATUS QUO

- ? American families do not have the security they deserve. 100,000 people a month are losing their coverage, and those who switch jobs or have a pre-existing condition are not guaranteed coverage.
- ? Americans are getting killed by skyrocketing health costs. Without immediate reform, the annual cost of health care for American families will more than double by the end of the decade -- to a whopping \$14,000 per family.
- ? The current system is broken -- and it threatens your family's future and the future of every American business.
- ? We must take action now.

THE CLINTON PLAN

President Clinton will present a proposal for comprehensive health reform to the Congress in May. His plan will fundamentally overhaul the system while maintaining your high quality of care and choice of doctor.

The powerful lobbies of the special interests are already lining up to block the President's plan. But with your support, the President will break the gridlock.

The proposal will be based on the following principles:

- 1) Security: The Clinton plan will provide Americans with the security of knowing that they will have health coverage even if they switch jobs or have a preexisting condition.
- 2) Choice: The Clinton plan will allow you to choose your doctor. And most Americans will have more choice of health plans. Under the Clinton proposal, your employer or insurance company won't pick the kind of coverage you get -- you will.
- 3) Continuity: The Clinton plan will maintain the best of the current system: your ability to get the highest quality care in the world and go to a family doctor.

- 4) Affordability: The Clinton plan will make health care affordable again. And it will control the spiralling costs that are strangling American businesses.
- 5) Comprehensiveness: The Clinton plan will guarantee all Americans a comprehensive benefits package.
- 6) Simplicity: The Clinton plan will reduce paperwork for both doctors and patients, and it will eliminate fraud and abuse. The health care bureaucracy will shrink under the Clinton plan.

AMERICA'S HEALTH CARE CRISIS: THE FACTS

THE GROWING RANKS OF THE MIDDLE-CLASS UNINSURED:

- ? One hundred thousand Americans move into the ranks of the uninsured each month. More than half of the uninsured in 1990 were full-time workers and their families. [Washington Post, 1/26/93; CBO]
- ? More than one million of those who lost health insurance in 1991 were Americans earning between \$25,000 and \$49,000. [Himmelstein and Woolhandler, "The Growing Epidemic of Uninsurance", 12/92]

AMERICANS WORRY ABOUT LOSING INSURANCE:

- ? One out of every three Americans who earns between \$30,000 and \$50,000 report that they or someone in their household stayed in jobs they wanted to leave because they were afraid of losing their health care coverage. [New York Times, 9/26/91]
- ? 61 percent of Americans worry a great deal that health insurance will become too expensive for them to afford. [Kaiser/Commonwealth/Harris, 4/92]

AMERICAN FAMILIES HURT BY SKYROCKETING COSTS:

- ? Health care spending per person has almost **quadrupled** -- from just over \$1,000 in 1980 to more than \$3,100 last year. [HCFA, Bureau of Economic Analysis]
- ? If we do nothing, experts estimate that the annual cost of health care for an American family will **more than double** by the end of the decade -- to a whopping \$14,000 per family. **Workers will lose \$655 in income each year if health care costs are allowed to continue to eat up wage increases.** [Families USA; OMB]

SMALL BUSINESSES HIT HARDEST:

- ? **Two thirds of small businesses provide their employees with health insurance; the rest would like to but can't afford the 20 to 50 percent premium increases that only small businesses face.** [Washington Post, 1/26/93; National Small Business United]
- ? Small companies pay premiums that are one third higher on average than large employers and these premiums have continued to increase 50% faster than premiums for larger employers. [National Small Business United]

U.S. COMPETITIVENESS AND U.S. WORKERS SUFFER:

- ? In 1990, GM spent \$3.2 billion in medical coverage for its 1.9 million employees and retirees. **This was more than the company spent on steel.** Health care costs add \$1,100 to the price of every car made in America -- double the cost added to Japanese imports. [University of Michigan, 1990; TIME, 11/25/92]
- ? In 1992, American businesses paid almost \$4,000 for health care for each employee -- more than twice as much as they paid eight years before. If the current pace continues, some estimate that this amount could rise to **\$20,000 a year** for each employee by the year 2000. [Robert Wood Johnson; Christian Science Monitor, 11/21/91]

**AMERICA'S HEALTH CARE CRISIS: THE FACTS (Page
Two)**

U.S. DEFICIT INCREASES WHILE OUR INVESTMENT FALLS:

- ? If we do nothing, health care spending will rise from 14% of GDP today to an astonishing 18% of GDP in the year 2000 -- meaning that **seven years from today, almost \$1 out of every \$5 earned by Americans will go to health spending.** More than half of the expected \$738 billion increase in federal revenue in the next four years will be absorbed by health care cost increases. [OMB; Lewin-ICF]
- ? The potential "health dividend" is far larger than the "peace dividend". If America spent the same share of our national resources on health as our main international competitors -- who insure all their citizens -- \$230 billion (or 4 percent of GDP) in 1992 could have been used for additional investment or to **almost completely eliminate our \$290 billion deficit.** [OMB]

FLORIDA HEALTH CARE REFORM: TALKING POINTS

- * We commend Florida's leadership in addressing the crucial issue of health care reform. Floridians realize that we can wait no longer to reform our health care system; we must have health care reform this year.
- * Florida's plan is rooted in the private sector and builds on their employer-based system to make it easier for all businesses -- large and small -- to provide health care to their employees. We applaud Florida and Governor Chiles for bringing affordable health insurance within the reach of small businesses -- who are hit hardest by our current health care system.
- * Our national health care reform proposal will pick up where states like Florida left off -- to give American families the peace of mind they need and bring spiralling health care costs under control.
- * Within the broad guidelines of our national reform strategy, we are committed to giving states the flexibility to design a program that best meets the needs of their citizens.

Summary of Florida's Proposal

- * On April 3, 1993, the Florida legislature approved an innovative health care reform plan, which aims to increase security for all citizens and control health costs.
- * The Florida plan will create a community health purchasing alliance [CHPA] in each region throughout the state. These alliances will pool large groups of individuals and businesses, using this purchasing power to negotiate an affordable comprehensive health care package for its members.
- * Ninety-five percent of all Florida businesses employ 25 or fewer employees; insurance reforms to prevent these small companies from being discriminated against are an essential component of Florida's proposal. This plan will also create a partnership between insurers and providers, encouraging them to work together to provide a comprehensive package of benefits to all citizens and ensure them the highest quality care available.