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U.S. House of Representatives
Committee on Energy and Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

November 2, 1993

MEMORANDUM

ALAN J. ROTH, STAFF DIRECTOR AND CHIEF COUNSEL
 DENNIS S. FITZGERALD, DEPUTY STAFF DIRECTOR

TO: Chairman Dingell
FROM: Staff
SUBJECT: Health Care Reform

1. The White House needs to meet with House leadership and primary committee chairmen to convey strongly the following messages.

A. Vastly different legislation from all committees of jurisdiction will ensure chaos.

B. Thus, all committees must work together up front (and with the Administration) to produce a unified legislative product.

C. The Speaker must create a referral process that does not lead to chaos.

D. The White House needs to obtain the explicit approval of procedural ground rules from all committee chairmen.

E. The White House needs to obtain the explicit agreement of the leadership and the chairmen that they only will support a bill that has fully-financed universal coverage.

2. The White House must move to correct its serious internal deficiencies.

A. Despite repeated assurances, virtually none of our substantive suggestions has been included in the President's bill.

B. The White House has lost credibility on Capitol Hill by indicating a willingness to negotiate against itself (for nothing in return), while dropping provisions Members thought were agreed to.

Chairman Dingell

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C. The White House needs to have a clear, articulated, and centralized hierarchy to deal with substantive and political concerns in the upcoming legislative debate. While it is unclear what Ira Magaziner's role will be, the White House needs to appoint someone (such as Ricchetti) who will be empowered publicly as the point person to communicate and resolve substantive and political concerns of Members.

3. The White House (and particularly Mrs. Clinton) needs to work closely with us to lobby Members of our Committee who are wavering and to activate and focus interest groups that support the President's bill, especially during the period from now until legislative action commences.

MEMORANDUM

June 3rd, 1993

TO: Chris Jennings *5-27541*
FROM: Jill Adleberg, Rep. John Dingell
DATE: May 12, 1993
RE: Important Health Care Anniversary

Per your conversation with Don Shriber earlier today, June 3 marks the fiftieth anniversary of the introduction of the first national health insurance bill in the U.S. Congress. The legislation, known as the Dingell-Murray-Wagner bill, was introduced by Chairman Dingell's father, Rep. John D. Dingell, in the House, and Senators James E. Murray (D-MT) and Robert F. Wagner (D-NY).

Dingell-Murray-Wagner was introduced in the aftermath of World War II to provide a safety net of services to all Americans. Many of the provisions of the bill were subsequently enacted into law in the form of changes to the Social Security program and the establishment of Medicare and Medicaid.

Senator Wagner commented on the bill's introduction: "The plan provides for a practical program within our ability to pay. The program is a practical one in a much higher sense. Our democracy could provide no better bulwark against communism, no better safeguard against fascism and rabble-rousers in the troubled times ahead, than to develop this dignified, all-embracing plan for social security upon which the individual family could build its own future by its own efforts."

As the President and the Task Force prepares to unveil the details of the Administration's health care reform proposal, this anniversary takes on great significance. In fifty years, we have come a long way in providing health care to the elderly, the poor, and the disabled. Finally, though, the President and the Congress are collectively ready to demonstrate a commitment to providing basic health benefits to all Americans.

Doing so will fulfill the full scope of the ideas represented in the Dingell-Murray-Wagner bill.

Mr. Dingell has reintroduced a similar version of this bill every session since he has served in the House. The bill serves primarily as a reminder of the direction in which we should be heading.

The Chairman would be delighted if the President and the Task Force would make appropriate reference to this important anniversary. Please let me know if you would like any more information, or if we can be helpful.

78th CONGRESS
1st Session

H. R. 2861

JUN 5 1943
U.S. HOUSE OF REPRESENTATIVES

IN THE HOUSE OF REPRESENTATIVES

June 3, 1943

Mr. DINGELL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for the general welfare; to alleviate the economic hazards of old age, premature death, disability, sickness, unemployment, and dependency; to amend and extend the provisions of the Social Security Act; to establish a Unified National Social Insurance System; to extend the coverage, and to protect and extend the social-security rights of individuals in the military service; to provide insurance benefits for workers permanently disabled; to establish a Federal system of unemployment compensation, temporary disability, and maternity benefits; to establish a national system of public employment offices; to establish a Federal system of medical and hospitalization benefits; to encourage and aid the advancement of knowledge and skill in the provision of health services and in the prevention of sickness, disability, and premature death; to enable the several States to make more

79TH CONGRESS
1ST SESSION

S. 1161

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, MAY 24), 1943

MR. WAGNER (for himself and Mr. MURRAY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide for the general welfare; to alleviate the economic hazards of old age, premature death, disability, sickness, unemployment, and dependency; to amend and extend the provisions of the Social Security Act; to establish a Unified National Social Insurance System; to extend the coverage, and to protect and extend the social-security rights of individuals in the military service; to provide insurance benefits for workers permanently disabled; to establish a Federal system of unemployment compensation, temporary disability, and maternity benefits; to establish a national system of public employment offices; to establish a Federal system of medical and hospitalization benefits; to encourage and aid the advancement of knowledge and skill in the provision of health services and in the prevention of sickness, disability, and premature death; to enable the several States to make more

YU Ude

A HEALTHY HISTORY OF DEBATE

At the start of the century, a diverse group of advocates including the American Medical Association, the Socialist Party and President Theodore Roosevelt, began calling for government-paid health insurance for all Americans. A long, often fierce series of battles ensued, swinging between populist calls for a strong government role in health care and calls for a private, free market approach.

Here are some milestones in the debate:

1910-1919: Bills were introduced in several state legislatures to cover workers and dependents in state-administered plans financed by employers, employees and taxes. The idea was originally backed by the American Medical Association, then doctors and medical societies around the country forced the AMA to reverse its stand, and the idea died.

1933: The American Hospital Association endorsed a new plan, Blue Cross hospital insurance. The AMA attacked the plan as "half-baked," but private health insurance, the kind most Americans now have, was born.

1938: President Franklin D. Roosevelt endorsed the principle of compulsory national health insurance but did not ask Congress to adopt it.

1943: A Democratic trio—New York Sen. Robert F. Wagner, Montana Sen. James E. Murray and Michigan Rep. John D. Dingell Sr.—introduced the first Wagner-Murray-Dingell national health insurance bill. It called for a payroll tax on employers and employees, and government-paid doctors. The bill was introduced in some form every session for 14 years without ever making it to the floor of either house, yet keeping the issue alive. (Dingell's son and successor, Democratic Rep. John D. Dingell Jr. (D-Mich.) introduces a similar bill each session.)

1945: FDR, elected to a fourth term, promised to deliver a strong health message to Congress, but died. President Harry S. Truman adopted the idea, and backed a plan similar to the Wagner-Murray-Dingell bill. A hot national debate ensued. The American Medical Association launched an expensive public relations campaign and labeled the Truman plan "socialized medicine." The AMA then warmly embraced private, voluntary health insurance programs like Blue Cross. The Truman effort got lost amid the Korean War effort.

1964: President Lyndon B. Johnson and Rep. Mills reached a compromise. The aged would be taken care of by Medicare and a new federal-state Medicaid plan would cover more of the poor. Poorer states, like Mills's Arkansas, benefited from a disproportionate share of the federal dollars.

1965: Congress enacted both Medicare government coverage for the elderly and Medicaid, despite AMA opposition. They went into effect in 1966.

FIRST TO INTRODUCE A HEALTH CARE BILL



Sen. Robert F. Wagner (D-N.Y.)



Sen. James E. Murray (D-Mont.)



Rep. John D. Dingell Sr. (D-Mich.)

1974: With millions of Americans still uncovered, President Richard M. Nixon proposed a Comprehensive Health Insurance Program (CHIP) to mandate or order most employers to cover their workers. Under the system, patients would pay both a modest deductible before

1950: Lacking support for a federal health plan, advocates of government health insurance began to think of covering the elderly as politically salable, and a foot in the door for later universal plans. Truman's Federal Security Agency head, Oscar Ewing, talked of making 60 days' hospital care a year part of Social Security.

1953: President Dwight D. Eisenhower killed all efforts at a government plan, unsuccessfully proposing measures that would strengthen private health insurance.

1958: Sen. Robert S. Kerr (D-Okla.) and Rep. Wilbur D. Mills (D-Ark.), chairman of the House Ways and Means Committee, sponsored the Kerr-Mills plan giving states modest matching federal funds to care for the aged poor. With backing from the AMA and Republicans, the measure passed.

1960: Sen. John F. Kennedy hit the presidential campaign trail promising care for the elderly financed with an increase in the Social Security payroll tax.

any coverage and 25 percent of all bills, limited to a maximum annual liability. Mills and a new player, Sen. Edward M. Kennedy (D-Mass.) endorsed a similar but more generous plan. Democratic and Republican support was weak or split for either plan. Mills lost credibility when he became involved with a dancer named Fanne Fox; Watergate distracted Nixon's and the nation's attention, and nothing happened.

1981-1982: With ever more millions uninsured, health care returns to the front burner. More than 30 bills are introduced in Congress. Most take one of four approaches: Tax credits and vouchers, with encouragement for managed care such as health maintenance organizations; pay or play, under which employers must either provide health insurance or pay into a government fund for the uninsured; stronger private health insurance; or universal, government-administered health care as practiced in Canada.

337-0-89

ONE HUNDRED THIRTY MEMBERS

MEMBERS

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

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U.S. House of Representatives
Committee on Energy and Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515-0115

October 5, 1993

ALAN J. BETH, STAFF DIRECTOR AND CHIEF CLERK
 DENNIS S. FITZGERALD, DEPUTY STAFF DIRECTOR

Mrs. Hillary Rodham Clinton
 First Lady of the United States
 The White House
 Washington, D.C. 20500

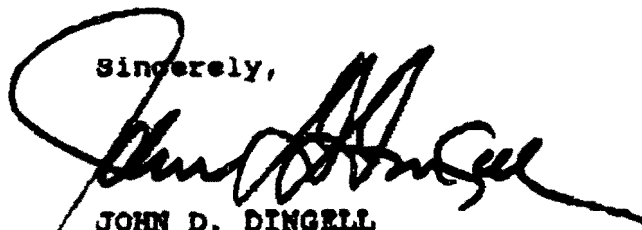
Dear Mrs. Clinton:

In connection with your appearance last week at the opening hearing of our Committee on the President's health care reform proposal, Congressman Ed Towns has submitted in writing several questions to which he requests your response. A copy of his request is enclosed.

Pursuant to your agreement at the conclusion of the hearing to respond to such questions for the record, I would appreciate if you would provide your answers to the Committee and to Mr. Towns at your earliest possible convenience. Thank you for your assistance and cooperation.

With best wishes.

Sincerely,



JOHN D. DINGELL
 CHAIRMAN

Enclosure

cc: The Honorable Edolphus Towns

EDOLPHUS "ED" TOWNS
MEMBER OF CONGRESS
10TH DISTRICT, NEW YORK

**ENERGY AND COMMERCE
HEALTH AND THE ENVIRONMENT
COMMERCE, CONSUMER PROTECTION,
AND COMPETITIVENESS**

**GOVERNMENT OPERATIONS
ENVIRONMENT, ENERGY AND
NATURAL RESOURCES
CHAIRMAN:
HUMAN RESOURCES AND
INTERGOVERNMENTAL RELATIONS**

**Congress of the United States
House of Representatives
Washington, DC 20515-3210**

September 29, 1993

**WASHINGTON OFFICE:
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WASHINGTON, DC 20515-3210
(202) 226-6939**

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The Honorable John D. Dingell
Chairman
House Energy & Commerce Committee
2125 Rayburn HOB
Washington, D.C. 20515

Dear John:

I would like to submit the following questions on the President's health care reform proposal to the First Lady, Hillary Rodham Clinton, for her consideration and for the September 28th full Committee hearing record.

1) The President's plan proposes to restructure and reduce graduate medical education and indirect medical education payments. Inner city hospitals currently use GME and IME payments to provide both primary health care and to address numerous social problems. Under the Administration's proposal, on these payments, in the Budget Reconciliation bill, New York hospitals would have lost \$90 million a year.

While I support the idea that we must increase the numbers of primary care providers, wouldn't a market-based approach which restructured reimbursements to physicians so that primary care providers were paid substantially the same as specialists achieve the results we all desire without penalizing inner city hospitals?

2) 4,500 women die from cervical cancer each year. Over 300 of these deaths are in New York State. According to the New York State Department of Health, cervical cancer is responsible for over 5,200 hospital admissions and 44,000 hospital days. Yet, statistics indicate that there is almost a 100% survival rate if this cancer is detected early. In view of the importance of prevention in the Administration's proposal, I am troubled by the Administration's proposal that pap tests for cervical cancer will be covered once every three years after three negative annual exams and that for women over 65, no coverage will be available at all for the test. In addition, this restriction is particularly troubling given that Black women are 2.5 times more likely to die from cervical cancer than other women.

Given the important role pap tests play in preventing cervical cancer, shouldn't we allow a woman's health provider the discretion to determine whether a pap test should be administered annually?

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JOHN D. DINGELL
U.S. HOUSE OF REP.

The Honorable John D. Dingell
September 29, 1993
Page 2

3) The President's proposal will give management boards within each Health Alliance the power to decide issues of the cost and the type of health care options available within each Alliance. Unfortunately, African Americans and other racial minorities, have generally been excluded from participating on corporate boards.

How will you ensure adequate representation of African Americans and other minorities on each management board, when decisions about who sits on these boards are made at the State level?

4) Many States and cities, particularly large urban areas, are complaining that they do not have the money to implement the sweeping array of new duties for which they would be responsible under the President's proposal. How do you propose to help those States who cannot afford to implement this plan?

Thank you for your assistance in this matter.

ly,

Ed Towns
Member of Congress

PERSONAL AND CONFIDENTIAL MEMORANDUM

TO: Hillary Rodham Clinton April 25, 1993
FR: Chris Jennings
RE: Meeting with Chairman John Dingell
cc: Melanne, Howard, Steve, Lorraine, Jerry, Karen

Tomorrow at 11:00, House Energy and Commerce Committee Chairman John Dingell will come to the White House to meet with you. Escorting him will be his two health care staff: Donald Shriber and Michael (Mike) Woo. (You have met with them before).

BACKGROUND

In recent days, we have learned that Chairman Dingell is becoming more and more pessimistic about the prospects of health reform this year. There are a number of reasons for his outlook, including: (1) He still feels that the White House has not visibly illustrated its strong commitment to, and developed a realistic strategy for, passing health reform this year; (2) He is hearing too many Members (specifically at last week's House Caucus) telling the Leadership that they are pushing too many initiatives, making the analogy that it is like trying to push too much meat through a meat grinder; and (3) He is still apparently hearing from White House representatives that the health policy process is in disarray.

MEETING AGENDA

In short, Chairman Dingell, according to his wife and his staff, apparently wants to make sure the White House understands the perception problem in the Congress. He "needs" to hear you say, not only that the President and you want this bill to pass this year, but that you have a credible legislative strategy to do so. Specifically, he probably would like to hear:

- (1) A realistic time frame in which you envision getting the bill done;
- (2) A strategy for dealing with what he views as a reluctant Speaker and Ways and Means Chairman. (He also wants to make certain that the strategic response is not just greasing the squeaky wheel; he feels he has been very loyal and not said anything negative and does not want his Committee to be punished for doing so. In other words, he does not want to see the bill drafted in such a way to award his jurisdiction away to Rostenkowski);

- (3) A summary of how you envision attracting a sufficient number of Senate Republicans to pass a bill WITHOUT excessively watering down the legislation; and
- (4) A description of whether and how the President will involve himself in consulting with, and pushing on, the Congress to move the initiative forward.

SUGGESTED RESPONSE

The best way to get Chairman Dingell back on board the "yes, health care can and will pass this year wagon" is to make him feel that we need him (as we do) to get the health reform initiative back on track. As you always do, solicit his advice. Focus your questions not so much on the policy as the legislative strategy. That is what he is most comfortable with and best able to discuss.

During your conversation, you should probably mention that the upcoming meetings between the Congressional leadership, the President and you have been designed to address his (likely) stated concerns. You may want to acknowledge the doubts in the Congress, but advise him that the meetings are being called to eliminate those perceptions and to illustrate the President's commitment. Assure him that the meetings have not been scheduled to determine IF health care should get done this year; rather they are being held to outline the President's desired time frame and strategy for achieving this goal.

Consider telling the Chairman the meetings will be used to improve the strategy and invest the Members in it. You may also want to illustrate how you have already thought about the timing and strategy part of this by discussing a (acknowledgeably optimistic, but doable) time frame of a June and July hearing and mark-up schedule in the House. If you do this, ask him about whether this is possible and, if not, what would he suggest.

If he raises the jurisdiction issue, you may wish to tell him -- as far as you are concerned -- that no decision on drafting should have anything to deal with "greasing a squeaky wheel." Other than that, you should probably stay away from this issue except to say that the President and Howard will work closely with the House Leadership and Chairman Dingell on this touchy matter.

Lastly, if the Senate Republican strategy is raised, you can advise him that we have had numerous meetings with the Republican Health Care Task Force. In fact, Ira has a meeting scheduled with Senator Chafee later this week. Advise him that you cannot envision any deal being cut with anyone other than the most moderate Republicans and that you do not envision that such a deal would be viewed as intolerable by the Chairman.

THE WHITE HOUSE

WASHINGTON

June 3, 1993

The Honorable John Dingell
2328 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Today marks a significant anniversary both for you, personally, and for the nation. Fifty years ago, your father joined with two Senators in introducing a visionary piece of legislation that sought to provide health security to all Americans.

The Dingell-Murray-Wagner health reform bill was the first of its kind and addressed many of the same issues that we are still wrestling with today. While parts of the bill were incorporated into subsequent health reform efforts such as Medicare and Medicaid, we have yet to successfully undertake comprehensive national health care reform.

Your reintroduction of your father's bill in every Congress since you joined the House of Representatives in 1955 has preserved the important work that he began and has also served as a constant reminder of our unfinished business in addressing the health care needs of the nation.

The President and I share your commitment to health care reform. We join you in celebrating the 50th anniversary of your father's legislation. I can't think of a more fitting tribute to him than to seize this historic opportunity and pass a health care reform package this year -- a plan that provides health security to all Americans guaranteeing their right to affordable, high-quality medical care.

Mr. Chairman, the President and I have benefitted greatly from your experience on this issue. Most of all we have benefitted from your friendship and sound advice. We look forward to continuing to work closely with you to enact health care reform.

With warmest personal regards,

Hillary

Hillary Rodham Clinton

< FL
WA
MA
~~MA~~
VT

- OREGON
- New York

March 1800

Dea & Leahy State
↓
1800

Date: 7/21

Time: 6:00

THE WHITE HOUSE

FAX COVER SHEET

TO: Karen Pollitz

Phone: () 690-7450

FAX: () 690-8425

FROM: Chris Jennings (Mark Shagena)

Phone: (202) 456-2645

Karen:

Have you seen this? This was relayed to us by the unions after a meeting with Ira. Mike Woo wants to check it for accuracy. Could you please help? Chris is working under a deadline and is pressed for time. Thank you.

Pages following cover sheet = 2

Congressman Dingell

July 13, 1993

M E M O R A N D U M

TO: Chairman Dingell

FROM: Michael T. Woo

SUBJECT: The Outline of the Health Care Plan as of the Week of July 4th

The following is my understanding of the Administration's current thinking on the broad outlines of health reform.

Employer Financing

The program would be financed through premium contributions from all employed individuals. Each employer and employee would pay a community-rated premium estimated currently to be an annual average of \$2,400 per employee. Each health alliance would determine its region's cost. Employers would pay a minimum of 80 percent of the premium and employees a maximum of 20 percent. The per employee cost would be limited to 7.6 percent of payroll for employers and 1.9 percent for employees with a wage base maximum of \$40,000.

Government Financing

The employer mandate would cover some of the cost now paid by the government for Medicaid and Medicare. As a result the federal government would save \$16 billion per year. Fully compensated universal coverage would eliminate the need for federal disproportionate share contributions. As a result, the federal government can save \$15 billion per year. Large businesses (in excess of 5,000 employees), would be allowed to leave health alliances if they have equivalent coverage and if they pay a one percent fee. This would raise \$9 to \$10 billion per year. The proposal would also increase the Federal Unemployment and Disability Act wage base from \$7,000 per employee to \$59,000 per employee per year. This 6.2% federal tax would raise \$11.5 to \$13.5

billion per year. \$7 billion per year would go to health care, \$2.5 billion per year would go to dislocated workers and \$2 to \$4 billion per year would go to unemployment insurance. The only "real" tax increase would be on tobacco and distilled spirits (not including beer).

Retirees

Early retirees (younger than 65 years old) would be covered. The employer's 80 percent share would be paid by the health alliance (i.e., higher premiums) and FIDE. The retiree's 20 percent share would still be picked up by the retiree. Retirees would be eligible for the same income-based subsidy low-income individuals receive.

Business Phase-Ins

The healthcare costs for small businesses with no previous coverage would be limited to 3.5 percent of payroll phased up to 7.6 percent over four years. Big business whose costs are above 7.6 percent would be frozen at those levels for four years.

Benefits

Health reform plan would have a comprehensive set of benefits.

	<u>Deductibles</u>	<u>Co-Pays</u>
HMO	None	Negligible
PPO	Negligible	5% co-pay
FFS	\$200	\$2,000 to \$3,000 stop loss

Children would get dental care benefits immediately. Adults would be phased-in through the year 200. Limited mental health benefits initially with full mental health benefits in the year 2000.

Taxation

Employer coverage of types of benefits not covered by health plan would be taxed. Employer coverage of co-payment or deductibles would be taxed. Supplemental benefits would not be taxed for those with existing coverage for the longer of 3 years or the life of the current collective bargaining agreement.

Cost Containment

Global budgets for health alliances would be enforced in the first three years by the federal government and subsequently by the states. Short-term prices control are under consideration.

PRIVILEGED AND CONFIDENTIAL MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Meeting with Chairman Dingell
cc: Melanne, Steve, Distribution

August 9, 1993

Tomorrow you are scheduled to meet with Congressman Dingell, Chairman of the House Energy and Commerce Committee. The meeting will be a general political discussion on the timing and process of health care reform. We told his staff that you felt it would be good to touch base with the Chairman before his departure for the August recess.

BACKGROUND:

As you know, Chairman Dingell played a key role during the budget reconciliation. He was particularly helpful on the immunization provisions even though he never really liked the bill from the beginning. Like many prominent House members, he shares a general unhappiness over the budget process, particularly the fact every time they made a tough choice it was bargained away in the Senate. He is particularly contemptuous of the Byrd rule and the Senate in general.

TALKING POINTS:

Appreciation for his Efforts on Reconciliation: You may wish to thank the Chairman for all his help during the reconciliation process and for doing the best job possible under difficult circumstances.

Process/Timing: The Chairman will be interested in the timeline for decisionmaking on the policy, strategy and consultation with the committees, and the launch of the plan. You may wish to inquire if he or his staff will be available for consultation during the late August recess.

Testifying before the Committee: He may also ask about plans for the period after the unveiling speech, in particular about plans for testifying at Committee hearings. It would be best to thank him for any invitation while avoiding a specific commitment on testifying.