

**Subcommittee on Children, Family, Drugs, and Alcoholism
Committee on Labor and Human Resources**

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FACSIMILE TRANSMITTAL FORM

DATE: 9/13 TIME: _____

TO: Chris Jennings

FROM: Jane Loewenson

NUMBER OF PAGES (INCLUDING COVER): 5

COMMENTS:

Attached is information on the pediatric
health bill. His statement says that the
bill is meant to focus discussion on the special
needs of children and that he looks forward
to working with the Administration.

FAX NO. _____

Chris Dodd

U.S. SENATOR FROM CONNECTICUT



FOR IMMEDIATE RELEASE
September 13, 1993

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DODD TO INTRODUCE PEDIATRIC HEALTH CARE LEGISLATION

WASHINGTON - In an effort to make quality health care accessible to the 12 million American children and half-million pregnant women who lack insurance, Sen. Christopher J. Dodd, D-Conn., will introduce a bill Tuesday that will focus on the special needs of these Americans and guarantee them coverage.

Dodd, chairman of the Senate Labor Subcommittee on Children, Families, Drugs and Alcoholism, will introduce the Children and Pregnant Women's Health Insurance Act Tuesday morning.

Dodd will be available to meet with reporters Tuesday, September 14, at 11:30 a.m., in 444 Russell Senate Building.

Dr. Howard Pearson, president of the American Academy of Pediatrics and a professor at Yale University School of Medicine, will also be on-hand to discuss the importance of the measure.

"Our health care system has failed far too many of this nation's children," Dodd said. "My hope is that as we rethink our health care system, we remember the critical importance of meeting the special health needs of all children and pregnant women."

The measure, which would apply to children under age 22 and all pregnant women, is intended to complement President Clinton's health care plan.

"Prevention is a key component of pediatric health care, and it's important to recognize it will save us money down the road," Dodd said.

**INTRODUCTION OF CHILDREN AND PREGNANT WOMEN
HEALTH INSURANCE ACT OF 1993**

Bill Summary

TITLE I CHILDREN'S COVERAGE MANDATE

Sec. 2701 Children's Coverage Mandate

All children under age 22 will be enrolled in a qualified health plan. (A Health Alliance will have responsibility for enrolling all children in its region.) Any child not enrolled shall be enrolled at the point of service. Pregnant women shall be enrolled upon visitation.

Sec. 2702 Qualified Health Plans

All qualified health plans must provide at least the covered services designated in Sec. 2712. A qualified health plan may not limit or deny coverage based on the health status of the patient. The qualified health plan may not charge premiums, deductibles, copayments, or coinsurance greater than those allowed by the Alliance.

Sec. 2712 Covered Health Services

Covered health services are divided into three categories: preventive care services, major medical services and extended medical services. In addition to these services, outreach services will be provided for low income enrollees to link them with the needed health services. The alliance may provide or make payment for social services necessary to ensure the health of enrolled individuals.

Sec. 2713 Preventive Care Services

The following services shall be covered according to a periodicity schedule based on desired usage developed by the Secretary in consultation with the American Academy of Pediatrics: child preventive care including routine office visits, routine immunizations, and routine lab tests; prenatal care, including care of all complication of pregnancy; care of newborn infants; family planning services; child abuse assessment; and preventive care.

The Secretary will also develop a periodicity schedule for all preventive health services for pregnant women.

No deductibles or coinsurance may be applied to preventive health services for pregnant women.

Sec. 2714 Major Medical Services

The following services are included as major medical services: inpatient and outpatient hospital services; physician's services; professional services of certified nurse midwives, nurse practitioners, and other health professionals; diagnostic tests; ambulance; short-term home health services; medical and surgical supplies and durable medical equipment; corrective eyeglasses and lenses and hearing aids; prescription drugs, insulin, and medically recommended nutritional supplements; and acute dental care.

Sec. 2715 Extended Medical Services

The following services are included as extended medical services: items and services for the treatment of mental illness, substance abuse and developmental and learning disabilities; orthodontia (non cosmetic); substance abuse services; speech, occupational, and physical therapy; hospice care; respite care; short-term skilled nursing facility services; and nutritional assessment and counseling. All extended medical services shall be delivered in cooperation with the attending primary care physician.

Sec. 2716 Scope of Coverage

A qualified health plan may not impose any limitation on the amount, duration or scope for required health services. However, the section does not require preventive care services in a frequency greater than the established periodicity schedule; extended care not specified in a plan of care; or major medical or extended medical care services that are not reasonable or medically necessary.

Sec. 2721 Application of Deductible

A qualified health plan may provide for an annual deductible with respect to expenses for required health services of members of a family, not to exceed \$200. The deductible does not apply to preventive care services or outreach and optional services.

Sec. 2722 Coinsurance for Major Medical Services and Extended Medical Services

A qualified health plan may require coinsurance with respect to payment for required health services, but the coinsurance percentage may not exceed: 20 percent for major medical services, and 30 percent for extended medical services. There is no coinsurance for preventive care services or outreach optional services.

Sec. 2723 Limit on Cost-Sharing for Required Health Services

There is a limit on cost-sharing of 10 percent of family adjusted income, up to \$1000 for an individual or \$3000 per family.

Sec. 2731 Assistance for Individuals

There is no deductible or coinsurance under the plan for a child whose family adjusted total income does not exceed 133 percent of the poverty line. There is no deductible or coinsurance under the plan for pregnant women and infants below 185 percent of poverty level. Deductible and coinsurance will be reduced for individuals with income below 400 percent of poverty.

Sec. 102 Conforming Amendments

A maintenance of effort is required of the States contribution under Title XIX of the Social Security Act to pay for medical services to certain children.

The Secretary will develop uniform claims forms.

TITLE II Pediatric Representation on Health Care Reform Boards

Any board or advisory panel that may be created under state or federal health care reform legislation for purposes of reviewing fees, standards of care, health, health budgets, outcomes research or other matters affecting the quality of care provided to children and pregnant women, shall include representation of pediatricians, obstetricians, experts and advocates on maternal and child health.

PRIVILEGED AND CONFIDENTIAL MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Senator Dodd
cc: Melanne, Steve, Distribution

June 10, 1993

Tomorrow you are scheduled to meet with Senator Dodd. Escorting him will be his health legislative assistant, Mary Peterson.

BACKGROUND

Senator Dodd is the Chairman of the Labor and Human Resources Subcommittee on Children, Families, Alcohol and Drugs. As such, he has a particular interest in how and how soon children will be covered, particularly those with special needs.

Senator Dodd has publicly and privately stated that he wants desperately to support the President's health reform proposal (see attached article). He has also indicated that he plans to do so even if he cannot agree with all elements of the plan. This is a very constructive position and one that he seems to like to contrast with Senator Lieberman.

In recent months, however, Senator Dodd has communicated his concern about the Administration's health reform "message." He has been especially troubled by the negative characterizations of the insurance and drug manufacturing industries -- two of the mainstay employers of Connecticut. (Specifically, major health care players in the state include: Travelers, Aetna, and Cigna, as well as Pfizer and some biotech firms). Other specific concerns he and his staff have raised in the past include:

1. **Job Impact.** Currently, Connecticut continues to face recessionary times. Its unemployment rate is stuck at around 7%, largely due to an increasing number of jobs lost to cuts in the Defense Industry. Since the pharmaceutical and insurance industries now serve as two of Connecticut's few remaining "reliable" and large employers, he has great concerns regarding possible job losses that could result from reform.
2. **Cost Containment.** Global budgets and drug price review boards scare the insurers and the pharmaceutical manufacturers. Both industries are managed competition converts and believe that the market is now beginning to show how it can contain costs. They both are deathly afraid of government regulation and price controls -- approaches that they argue would kill managed competition.

3. **Insurance Reform.** The Connecticut insurers are very concerned that HIPCs or Alliances are just fancy name covers for single payer, anti-competitive systems. They argue if they are so competitive, let other insurers compete with them -- under the same rules -- outside of the alliance. Senator Dodd may not take the insurers' position, but he may raise it to hear your response. (Our latest policy read on this issue is that we cannot have companies outside of the alliance because, whatever we do, we cannot totally prevent cherry picking.)

4. **Workers Compensation.** The insurers based in Connecticut underwrite a great deal of workers compensation claims. They are very concerned about the news that we are considering moving the financial responsibilities of workers comp benefits from the workers comp system to the health care system. While the task force considered this option, the great complexity in doing this over the short run encouraged us to develop a two part strategy that has met with general approval from employers and insurers. Initially, under this proposal, people would go to their health plan for treatment of work related injuries. Workers comp insurers would remain responsible for payment and would reimburse the health plan for the services provided. Alliances would apply fee schedules and other cost containment devices to reduce workers comp costs. Finally, a national committee would be established to study the feasibility of more complete integration.

Although Senator Dodd does have the concerns raised above, his staff has continually reiterated his strong intention to support the plan. The best outcome for this meeting is to hear this sentiment and commitment expressed directly from him to you.

Dodd vows to support Clinton health plan

H.C.
6/13/93

By MATTHEW DALY
Courant Staff Writer

MIDDLETOWN — Describing national health care reform as the most significant social policy issue of his lifetime, U.S. Sen. Christopher J. Dodd vowed Wednesday to support President Clinton's forthcoming proposal even if Dodd objects to parts of it.

"For the first time in my lifetime — and maybe the last, if we screw it up — we have a chance to do something" on health care reform, Dodd, 49, told a group of community health care providers.

"I don't want to say 36 months down the road, 'Damn, we missed a hell of an opportunity,'" he said.

Dodd, who also met Wednesday with about 10 people he described as victims of the current

system, said health care reform will be "a long, painful journey."

But he said he was confident that Congress would pass some kind of reform bill by the end of the year.

"I'm very optimistic about it and very excited to be a part of it," he said, calling the debate over health care reform "one of those rare moments" in the Senate when he and other lawmakers have an opportunity "to do something with a profound, positive impact on people's lives."

Dodd said he does not know exactly what a plan being put together by first lady Hillary Rodham Clinton would entail, but he said he has been impressed by Clinton and her task force. The first lady expects to release a proposal for health care reform in September.

"I have attended a lot of briefings" in 13

years in the Senate, Dodd said, "and I have never attended better, more thorough or more knowledgeable briefings than with Mrs. Clinton."

Dodd, whose strong support for the president's health care plan contrasts with more neutral comments by fellow Democratic Sen. Joseph I. Lieberman, also praised the Clintons for attempting health care reform.

Dodd's father, former U.S. Sen. Thomas J. Dodd, introduced a bill for health care reform four decades ago, Dodd said, and Congress has never completely tackled the issue since then.

"This is the single most comprehensive social policy question ever debated in the U.S. Congress," Dodd said.

Efforts to institute Social Security and

Please see Dodd, Page B1

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Middletown

Dodd vows to support health plan

Continued from Page B1

Medicare, by contrast, amounted to mere "figuring out how to send checks to people," Dodd said.

Dodd, who met with about 20 leaders of community health centers throughout the state at the Community Health Center in Middletown, said a consensus seems to be developing in Congress to reform the system in some way.

"There's a strong desire to move forward — to get something cooking," he said.

Even without new laws, progress on reform already has been made, Dodd said, because "No one's defending the mess anymore."

Asked whether the Clinton plan would include dental care as a basic benefit, Dodd said he hoped so. But he said even if it severely limits benefits for dental care, he will support the bill.

"If they come back with [a proposal that offers coverage for] prevention only, I'll tell you right now, I'm going to support it," he said.

Dodd said he has a similar position on mental health care.

"The good news is, [dental and dental health care] are going to be a part of it," he said. "The bad news is, it's not as much as you would like."

The community health center leaders advocate universal access to health care.

Janet Skane Stern, president of the Southwest Community Health Center in Bridgeport, said she was satisfied with Dodd's answers.

"Sen. Dodd has been a strong supporter of community health centers for a long, long time," said Stern.

"He's always supported us in the past, and we will work with him to see that the uninsured get the [medical] service they deserve."