

To: Carol Rasco  
From: Christine Heenan  
Re: Talking Points for AAP Legislative Conference  
Date: April 16, 1993

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Carol:

Attached are:

- 1) **A one-page issue background sheet on the American Academy of Pediatrics**
- 2) **A copy of the testimony they presented at the RWJ hearing**
- 3) **"Providers and Health Care" talking points**

Reflects general issues being addressed in reform that are important to providers-- reduced bureaucracy and micromanagement, malpractice reform, preserving doctor patient relationship, improving quality, and retaining individual choice of physician.

- 4) **Vice President Gore's speech to the AMA**

Provides fleshed out discussion of the above issues.

- 5) **Senator Rockefeller's speech to the National Association of Children's Hospitals**

Hits on many of the issues of specific concern to Children's hospitals and to pediatricians.

Hope this helps! See you Sunday a.m.

## AMERICAN ACADEMY OF PEDIATRICS

**MEMBERS:** 45,000 members

**REPRESENTS:** Pediatricians nationwide whose goal is advocacy for children and youth. In 1930 the Academy became the first national medical organization to recommend the use of public funds to provide maternal and child welfare aid to those groups unable to pay for medical services.

**TODAY'S SPEAKER:** Dr. Howard Pearson (See attached biography)

**SCOPE OF INFLUENCE:** Not strong lobbying force, but because of "white hat" public reputation opinion important. Active coalition participant.

**APPROACH TO REFORM:** In last Congress, endorsed Matsui bill (pay or play for women and kids) that included all-payer rates for pediatric and obstetric services.

**SUMMARY OF POSITION:**

Their priority is universal access for children; any coverage phase-in should begin with children and pregnant women.

Benefits package should be child sensitive, recognizing the particular needs of all children including children with special health care needs.

Must be one-tier system--"Medicaid doesn't work". Should address future demand for primary care physicians through: flexible loan policies, expansion of the NHSC; incentives to increase number of minority primary care physicians; and development of pediatric RBRVS to guarantee adequate reimbursement.

Cost-containment proposals must include emphasis on preventive care and income-adjusted cost-sharing.

**POSITION ON PLAN:** Nervous about global budgets (concerned that, absent guarantees, children's access will be diminished first).



American Academy of Pediatrics



**TESTIMONY**

**BEFORE THE**

**PRESIDENT'S TASK FORCE ON  
NATIONAL HEALTH CARE REFORM**

**PUBLIC HEARING**

**ON**

**HEALTH CARE REFORM: CHILDREN'S NEEDS**

**Presented by**

**Howard A. Pearson, M.D., F.A.A.P.**

**American Academy of Pediatrics**

**March 29, 1993**

Members of the Task Force, I am Howard Pearson, M.D., President of the American Academy of Pediatrics. I am here today representing 45,000 physician members who are dedicated to the health, safety and well-being of infants, children, adolescents and young adults. Thank you for inviting me to this hearing.

The future health and economic prosperity of our nation is at risk today. Many of our children are not receiving the health care to which they are entitled. My message today is that we can no longer afford to ignore the health needs of our children. Their access to health care is critical to cost-effective health care reform.

### CHILDREN FIRST

If the health care reform plan is to be phased-in, children and pregnant women must be first. Society is finally learning the painful lesson that the pound of cure is far more costly than the ounce of prevention. We must act because matters will get worse for mothers and children as market forces increasingly dominate resource allocation. Many costly consequences of inadequate health care of children and pregnant women do not show up on the cost sheets of the health system. The costs and consequences of malnutrition, anemia, substance abuse, teen pregnancy and lack of immunizations may not be fully appreciated as health costs, rather they show up on the ledgers of the social services, education or correction systems.

Here's what we face:

\* In 1990, an estimated 12.2 million children and youth under age 21 had no health care coverage. (EBRI 1992);

\* It's not just the poor: two-thirds of uninsured children live in families with incomes above the Federal poverty level. (EBRI 1992);

\* Each year in the United States, nearly 40,000 babies die before reaching age one. The infant mortality rate is 9.8 deaths for every 1,000 births. Our rich and compassionate country lags behind 20 other nations in infant mortality. (U.S. Department of Health and Human Services, 1991);

\* In 1991, only 43% of children had been adequately immunized against childhood diseases (Cutts, et al. 1992; National Vaccine Advisory Committee, 1991);

\* One out of five adolescents have at least one serious health problem. (Office of Technology Assessment 1991).

Although there are, to be sure, millions of smart, happy well-cared for children growing up in America, today's generation of young are the first in the nation's history to be on the average, less healthy, less educated and less likely to prosper than their parents.

We can do better. We MUST do better.

## CHILDREN AS AN INVESTMENT

This year represents a window of opportunity for us to reform our health care system so that children get the care they need. Recognizing the importance of cost-containment as a part of the health care reform issue, we want to emphasize that children are a superb investment of health care dollars since the cost of their care is so low and their potential societal contributions so high.

The average per capita medical care costs for children (under age 19) are one-half that for adults (age 19-64) and one-seventh of that for the elderly. Good children's health makes good economic sense. A healthy, competent work force is needed to compete in the emerging global economy, but our international competitors consistently invest more than us in their children.

## MEDICAL HOME

To make health care reform work, and be cost-effective, we need to begin by ensuring that every child has a medical home. The medical home concept gets to the very heart of the issue of quality. The medical home should provide regular and ongoing comprehensive health care available around the clock, every day and include preventive care, early detection and treatment of acute diseases, and the coordination of care for those with chronic or handicapping conditions. It's interesting to note that a study for all Medicaid eligible children from the state of Michigan reported that children who began an illness episode in an outpatient hospital department had expenditures between 68% and 119% greater than other Medicaid-eligible children with the same illnesses who began their episodes of care in office practices.

Obviously, I believe that for children and adolescents, a medical home is best provided by a pediatrician. I am aware that our current pediatric manpower needs to be supplemented by community health centers and other clinics, along with a variety of other providers.

## VALUE OF PREVENTIVE CARE

Preventive care is a critical component of children's health care, and must be the focus of health care reform. The value of preventive medicine can be shown through examples of immunization; newborn screening for PKU (phenylketonuria) and congenital hypothyroidism; detection and treatment of infectious diseases, orthopedic problems, vision and hearing impairments; and accidental childhood injuries.

For example:

\* One dollar spent on immunizations saves ten in treatment for childhood diseases (Select Committee on Children, Youth and Families 1985);

\* One dollar spent on quality prenatal care saves more than three in caring for low birthweight babies (Institute of Medicine 1985);

\* One dollar spent to educate a parent about ways to keep their child healthy pays untold dividends in preventing illness.

As you well know, skyrocketing health care costs have made cost-containment the focus of the health care reform debate. While costs must be controlled, such controls should not come at the expense of our children.

#### CHILDREN HAVE UNIQUE HEALTH CARE NEEDS

To address the problems in our current health care system, many legislative proposals have been put forward to reform our health care system and contain costs. Unfortunately, many policy-makers are under the misconception that if they address the health care needs of adults, then children will automatically be taken care of. This simply is not true. The child is not a small adult; and many of the health needs of children are not those of adults.

As policy-makers consider a spectrum of solutions in health care reform such as managed competition, global budgets and other concepts to contain costs, we must assure that children are guaranteed adequate funding for the appropriate health care they need, and that such funding be protected.

Global budgets, based on extrapolation from historical experience, run the very real risk of "locking-in" children to the current funding inequities that exist for them compared to other age groups. The fact is children are 28% of the population but account for only 11% of all health expenditures. They comprise 51.8% of Medicaid recipients but receive only 21% of Medicaid funding.

Furthermore, only one in five children who need mental health treatment and less than one in eight adolescents who need alcohol or other drug abuse treatment receive it. Private insurance plans are more likely to limit coverage for mental health and substance abuse treatment than other physical health problems; a survey of corporate benefit decision makers found that more than half predicted restricting or excluding dependent coverage for mental health and drug abuse treatment services. (U.S. Department of Health and Human Services, 1990; National Association of State Alcohol and Drug Abuse Directors, 1990; OTA 1991).

Also, during the past decade, the proportion of employers who paid 100% of the annual premium for family coverage declined from 51% to 23%. Between 1980 and 1991, the share of employer-sponsored health insurance premiums paid by employees increased from 18% to 23%. (Congressional Research Service, 1992; Families USA Foundation, 1991).

Therefore, if the government elects to impose budget limits on health care, we remain concerned that such limits may well force tradeoffs between classes of patients that would make it difficult to ensure that the full needs of children are met.

#### COSTS FOR CHILDREN

To fairly estimate costs for children, we must ensure that such limits allow for:

First, the explicit recognition of the required benefits for children: The benefit package must be based on the resources actually required to provide care, rather than extrapolations from historical experience, which, through access barriers and inaccurate pricing methods unfairly reflect depressed levels of service use and cost.

Forcing health plans to make tradeoffs across the full spectrum of benefits in order to meet budget targets creates the risk that prevention benefits would be opted out in favor of costly services to acutely ill adults. This potential concern is heightened by the fact that many needed prevention services traditionally have never been covered under private insurance benefits. Even in the settings in which these benefits have been covered (e.g., Medicaid's EPSDT program), access problems have artificially depressed utilization.

Second, the appropriate service use by children: That is, rather than basing service use on observed utilization in settings where children have faced significant access barriers (e.g., EPSDT), these assumptions should be based on the current state of clinical knowledge about appropriate frequency of services.

Third, reasonable service pricing: With fair and appropriate reimbursement for services. If the Resource Based Relative Value Scale (RBRVS) payment mechanism is imposed, then a pediatric-specific RBRVS must be developed.

#### COST CONTAINMENT: CHILDREN

As the Task Force considers cost-containment, with respect to children, we believe specific cost-containment measures should include:

- \* An emphasis on preventive care - with short term gains, as exemplified by cost benefits of immunizations, as well as more long term gains in early identification and intervention in ameliorating chronic illness or chronic disability;
- \* Targeted, income-adjusted cost-sharing;
- \* Care coordination for children with special health care needs, who have multiple requirements in their treatment plan, and;

\* Delivery of health care services in appropriate sites, e.g. substituting costly emergency room services with primary care in an office setting and promoting the medical home concept of continuity of care.

Through providing access to mainstream care, children will more efficiently use the health care system. A Congressional Research Service report indicates that uninsured children under the age of 18 used nearly one and one-half times as many hospital days as insured children under age 18. They were the only age group for which this phenomenon occurred. Thus, inpatient care, which is close to one-half of all children's medical expenses, might actually show reductions with universal insurance.

#### COST CONTAINMENT: PROVIDERS

Specific cost-containment measures with respect to the providers delivering this care include:

- \* The development of a pediatric-based relative value scale;
- \* Medical liability reform, and;
- \* Administrative reform measures.

#### PRINCIPLES FOR HEALTH CARE REFORM

The Academy believes that the following principles are necessary to promote an effective plan for children:

- 1) Children's needs must be addressed up front. Comprehensive health care for all children under age 21 and pregnant women should serve as the first phase of universal access.
- 2) Cost-containment must not "lock-in" the current inequities that exist (e.g. Medicaid) for children's health care funding compared to adults.

Note: Children are not the cause of soaring medical costs. Children under 19 are 28% of the population but account for only 11% of all health expenditures. Children are 51.8% of Medicaid recipients but receive only 21% of Medicaid funding. Spending on major child health programs has not kept pace with major programs for other age groups, growing more slowly than the rate of inflation in the medical sector.

As we contain costs, we must ensure that children are guaranteed adequate funding for the appropriate health care they need, and that such funding be protected.

- 3) The benefit package must include benefits spelled-out up-front and specific to children's needs, with an emphasis on preventive care. Children and pregnant women must be guaranteed financial access to necessary and appropriate health care services, regardless of family income, employment status, ethnic origin, or health status.



4) A one-class system of medical care should be established by replacing, with private insurance, the portion of the Medicaid program currently serving children and pregnant women, and requiring uniform benefits.

5) All segments of society - individuals, the private sector and government - should have a shared responsibility for funding the system.

#### MANAGED COMPETITION

Under a managed competition model, we believe that, in the interests of children's health the following points must be considered:

\* Guarantee universal access;

\* A required benefit package that includes appropriate children's health benefits. This is especially critical given the possibility of imposed federal tax limitations on employer health insurance plans to control costs. By making, for example, only the core benefit package tax deductible, accessibility to services outside of the core package are put at risk for those in need.

Families with children, particularly young children, are the least likely group able to purchase an "extra helping" of medical care to supplement uninsured services. The probability of being poor in the U.S. is 1 in 8 for the over 65 population; 1 in 7 for the 18 to 64 year old population; 1 in 5 for 0 to 17 year olds; and 1 in 4 for 0 to 5 year olds. Young parents who may not be able to afford uninsured eyeglasses for their child are making a decision that has consequences beyond their family. If this forced choice results in an uncorrected vision problem which leads to school failure, not only does the individual child lose out, all of society loses some of its productive capacity;

\* We are concerned that managed competition may permit only proven cost-effective benefits to be included in the core benefit package. If empirical validation is required for inclusion in the benefit package, children are starting off from a disadvantaged position and are not likely to close the research gap soon. Historical biases against children have left them an underinvestigated population without current studies or a research infrastructure upon which to build.

\* A final point, managed competition should ensure that both patients and providers have a choice of Accountable Health Plans, particularly in rural areas. Continuity of care is the cornerstone of pediatrics. Therefore, we would urge that physicians be allowed to participate in more than one plan to give patients (and physicians) some flexibility.

We must invest in our children. It is relatively inexpensive at the front end and provides a strong return in the long term.

A recent study states among other things that, during the past five years, mandatory Medicaid expansions have increased the eligibility roles by 5 million. Children represented half of the increase in eligibles and only one-seventh of the increase in costs.

By expanding access to health care for our children and improving their health, we will not only do what is right by our children, but also contain costs and thereby strengthen our economy. It can be done. It must be done.

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"Overriding - Every child develop to their full potential"  
Stimulus Hamp

Immune  
Ryan White

Head Start  
WIC

Investment

HS - collab

Nat Ser - Cross Nat. Conf

Fam. Pres.

Health Care

TV - FCC - ~~Brady~~ Brady bill

Ed. - Chap I

Welf. Reform

CSE - Child Care

work in exchange for welfare  
work instead of welfare

Violence

Carol H. Rasco  
Assistant to the President for Domestic Policy

Remarks Prepared for Delivery at the  
National Summit on Children and Families  
Washington, D.C.  
April 2, 1993

*Generations  
Howard  
Pearson  
at hearing* *off you came to us* *Betty - my son* *Sackie, a rm*  
It is wonderful to be here at this historic national summit on children and families. And it is inspiring to hear the stories of young people who are succeeding--with determination, personal responsibility, and help from those who care.

I wish that every child in America could ~~feel the comfort throughout their daily lives~~ tell such a story. But you and I know that they can't. Many children are thriving in our nation--but too many are not.

The statistics for our children and youth are grim. Educational attainment is stagnant--at best. Mental illness and suicide are up. Violent crime and homicide--way up. And today, child poverty stands at levels last seen a generation ago.

For most of that generation, families with children have faced a relentless economic squeeze. The real wages of workers with young children--even educated workers--have fallen dramatically during the past twenty years.

These are the facts, and it's time we stopped ignoring them. We must show that we have not forgotten how to care. We need a new direction for our country. It's time we adults put our children first.

That's one big reason why our country needs the President's bold new economic program of growth and jobs. It's why we need the President's bold plan for investing in children and their families. With the help of the Congress, we're going to get that program--and get it in record time.

But the problems our children face are not just economic. Too many American families are disintegrating, or never forming at all. We have the highest divorce rate in the Western world, and the highest rate of children born outside marriage. Today, 28 percent of our babies are born to unmarried parents. For African-Americans, it's more than 66 percent.

Does this matter? Here are some findings from a report out just this week: Of the children born to young unmarried mothers without high school diplomas, 79 percent are living in poverty. For children born to married high-school graduates, the figure is only 8 percent.

The message is clear: if you stay in school and get married before you have children, your kids are ten times less likely to be poor. A stable family setting is the best anti-poverty program our country has ever devised. That is the message we adults should be sending our young people, in every way we can.

For too long, these issues were mired in partisan gridlock. Some talked only about the economic squeeze on families and cuts in government programs; others talked only about the disintegration of families and the decline of American culture. It is time--high time--to put an end to the politics of false choices. We must move beyond cheerleading for family values, on the one hand, and on the other, the old big-government notion that there's a program for every social problem.

There is another way, a commonsense path that offers more opportunity to every family and demands more responsibility from every individual. As the President has said so eloquently: Family values alone cannot nourish a hungry child, and material security alone cannot provide a moral compass. We must have both.

That is the trail that the National Commission has blazed for our country. You have advanced an ambitious legislative agenda, which helped shape the President's budget proposals. You have crafted a new consensus on children and families that could put futile debates behind us. Most important, you have reminded us of basic principles essential values.

o First: Every American child should have the opportunity to develop to his or her full potential.

o Second: Government doesn't raise children, parents do. Government can reinforce the vital work of parents, but it can't substitute for them. The family is--and must remain--society's primary institution for bringing children into the world and for supporting their growth throughout childhood.

o Third: Children do best when they have the personal involvement and material support of a father and a mother and when both parents fulfill their responsibility to be loving providers.

These are the principles and values that guide us all. Now let me tell you what the President is doing to turn them into reality.

To begin with, he is rewarding work and family. Today, millions of Americans work full-time but don't make enough to lift their families out of poverty. That's wrong. No one who works full-time and has children at home should be poor in America. And that's why the President has proposed a dramatic

increase in the Earned Income Tax Credit.

At the same time, Bill Clinton is moving aggressively to relax the tension between work and family. He's proud that the first piece of legislation he signed was the Family and Medical Leave Act, twice vetoed by George Bush. And the administration is actively exploring other ways of making America's workplaces--including the federal government--much more family friendly.

Second, he is protecting the health of children and families, by fully funding the WIC program, by investing in childhood immunization, and by committing his administration to fundamental reform of our nation's health care system.

As you all know, we're working night and day to ensure that every American has access to quality health care at affordable prices. Next month, we're going to propose a comprehensive new health care plan. And during this Congress we're going to fulfill the dream of every Democratic president since Harry Truman and make health insurance a reality for all.

Third, the President is promoting the development of young children with the biggest expansion of Head Start ever. But the administration is not just going to make Head Start bigger; we're going to make it better. We're going to improve quality, increase flexibility, and better link the program to other child development efforts.

Fourth, the President is proposing fundamental change in public education. As governor, Bill Clinton helped draft the national education goals and bring them to the center of public debate. As president, he'll bring those goals to the center of education reform.

Bill Clinton is going to put an end to business as usual in American education. That means new initiatives with real incentives to states for systemic reform. It means a total reexamination of existing programs--such as Chapter 1--to ensure that every child has a fair chance to acquire high-level skills and make it in the economy of the 21st century. It means unprecedented emphasis on systematic, high-quality school-to-work programs. It means an expanded safe schools initiative because fearful kids can't possibly learn well. And yes, it means more choice for parents and students within our public school system.

Fifth, the President will deliver fundamental reform of our welfare system. He helped draft the Family Support Act of 1988, and he made it work in Arkansas. Now he has asked us to develop a plan to end welfare as we now know it. People don't want permanent dependency, they want the dignity of work, and we should give everyone the chance to have that kind of dignity. It's just common sense: more opportunity in exchange for more

responsibility.

The President's responsibility agenda doesn't end there. He's going to get tough on child support enforcement. That means establishing paternity right at the start, in the hospital; setting up a national registry; and using the IRS to collect seriously delinquent child support payments.

The principle is simple: if you are biologically responsible for a child, then you are morally and financially responsible as well. And that's why we have to get the message to our youth in schools, in the media, in every way we can: it's just plain wrong for children to have children, because you are assuming a responsibility that you aren't ready to fulfill.

The President wants to put government squarely on the side of keeping families together whenever possible. He wants us to do more for families at risk, especially at risk of foster care placement. He knows that constant shifting from one short-term foster home placement to another is an emotional disaster for kids; that in all but the most extreme cases, it's better for kids to be with their parents.

That why, last month he directed us to draft a new child welfare initiative combining family support and family preservation services--building on the work of Senator Rockefeller and Congressman Matsui and Congresswoman Schroeder and others. And believe me, we're going to deliver that initiative--to him, to our kids, and to the country.

I applaud the Commission for recognizing that families don't operate in a vacuum, but in neighborhoods, in communities, and in a climate of culture and values. We must do whatever we can to assist parents in educating their kids and teaching them right from wrong.

As every parent knows, in modern America that effort begins with the media. Three years ago, the Congress passed the Children's Television Act. And for three years, the Act was ignored. The same kinds of folks who informed us that ketchup is a vegetable were happy to certify GI Joe as an educational television program.

Well, the previous administration's FCC wouldn't enforce the bill--but ours will. By law, broadcasters who want to keep on operating must demonstrate their commitment to the educational needs of children. We're going to hold them to that. And while they're at it, it wouldn't hurt if they cut out the gratuitous sex and violence either.

I've talked about what the President has done and what he wants to do. We've begun to shift course. But this is just the beginning. We must have the courage to change--to recognize mistakes, to abandon what doesn't work, to challenge ourselves to do better. In short, we adults have some growing up to do.

I know that many of you in this room are tired after the last twelve years. Without you, many of the programs that serve children and families would have been gutted. They weren't, and you've earned a rest.

But we're asking you to go another round. The President can't pass or fund his initiatives alone. He can't break the gridlock alone. He still needs your help, and so do America's children.

For the first time in a long time, your efforts will be supported--not rebuffed--by the executive branch of this government. The details remain to be worked out. But for sure, there will be an ongoing, high-level focus on children and families, cutting across agency, departmental, and programmatic lines, coordinated by the White House, responsible not to any single constituency but to the national interest and directly to the President of the United States.

Concern for our children must start at the top--but it can't end there. We must empower parents, neighborhoods, communities and voluntary organizations across this great nation to do what our children need. The President can take the lead--but only you can complete the task.

At last, a new day is dawning for America's children and their families. We will work together with you. We won't always succeed, and we won't always be able to do everything that you--and we--would want.

But I can promise you this: we will never relent in our effort to give every child a chance to develop--fully. Because at the end of Bill Clinton's second term, at the dawn of the third millenium, I want to be able to say to Hamp Rasco and Mary Margaret Rasco and to all the children of America, with a clear conscience and a full heart: We did our best. And I want all of you at this summit to join me in being able to look at one another and say: We did our best.

Thank you very much.



Senator John D. Rockefeller IV  
National Association of Children's Hospitals  
Washington, D.C.  
March 30, 1993

Thank you. It is most kind of you to accept a substitute with a ranking that isn't exactly up there with the First Lady. I am going to work very hard not to disappoint you, or more to the point, I want to be sure to not disappoint Mrs. Clinton.

And the first Lady asked me to share her regrets that her father's illness prohibits her from being with you today. I know you all join me in keeping the Rodham family in our prayers and thoughts.

In preparing to pinch-hit for Mrs. Clinton, I discovered just how deep her roots are to the cause of children and families. They go back at least twenty years, to time she spent at the Yale New Haven Hospital and Child Study Center -- which I have had the privilege to visit through my own work with the National Commission on Children.

And as you know, Hillary Rodham Clinton has been a positive force for children ever since -- in her work for the people of Arkansas, through the Children's Defense Fund, and as a strong supporter of organizations like yours. I know she intended to tell you how much she admires, as I do, your work for thousands and thousands of children in some of their greatest hours of need.

In her role as the head of the President's Task Force on Health Care Reform, the First Lady has accepted a tremendous challenge. And all of us in this room know just how much the children of this nation are relying on the Task Force and the Congress to succeed in enacting health reform.

In my work as chairman of the National Commission on Children, I have been almost overwhelmed at times by the pain and struggles that fall on America's children and family -- because of the terrible flaws in our so-called health care system. The diseases that children contract because they didn't get their vaccinations in time. The disabilities that children develop because they didn't have the insurance to see a doctor in time.

The Children's Commission has worked intensely over the past several years to propose new policies to respond to the health care needs of our children, and to the many other problems that we studied. Our mission was to design an action agenda for the 1990s, and to build the public commitment and sense of common purpose to see that agenda implemented.

Nothing could be higher on that agenda than reforming our present health care system so that it works -- really works for children and families. American families deserve health care they can count on. They deserve peace of mind.

Yesterday over sixty groups sat with the Vice President and members of the President's Health Care Task Force for a little over thirteen hours. More than 400 hundred people in the Task Force's working groups have been laboring night and day to help shape a health care reform proposal that will pass Congress, and serve all the American people.

The challenge is to create a plan, and put a system in place that recognizes and serves the diverse needs of our children and their families. To give the American people a sense of security about health care protection -- for themselves and for their children.

The President and the First Lady believe that a nation that does not make it a priority to care for the health of its children cares little about its future. Healthy children means healthy adults. Healthy adults are productive workers, participating citizens. This is our "investment" argument -- it's a serious, valid, and very urgent argument.

But the best argument for keeping our children healthy is that they are our children. And, we as adults are responsible for our nation's children. It is our job and it should be our privilege. It is the moral measure of ourselves as a civilized people -- and of America as a great nation.

In the final report of the National Commission on Children, we quote Lynn Clothier, the Executive Director of the Indiana Health Centers in Madison, Indiana. Whenever there is a discussion about doing what is right for children I remember her words.

"I can't believe we can care so little about these children that we simply look the other way."

You and your colleagues don't look the other way. I have visited many children's hospitals, and have talked to many of you. Your voices and your dedication are essential to our efforts to reform health care.

And the President's Task Force knows -- and we want the rest of the country to know -- that while you represent only 1 percent of the nation's hospitals, children's hospitals provide care and life-saving treatment to about 12 percent of all hospitalized children. You devote nearly 50 percent of your patient days to the inpatient care of our most vulnerable children. Children's hospitals wage intense battles every day -- every day -- to rescue children, and help those with chronic or congenital health conditions.

For so many of America's children you are their best hope -- sometimes their only hope. When they have no where else to go, you keep your doors open for them -- all day and all night.

Dr. Norman Fost, one of the pediatricians serving on a health care working group, relayed this story to Mrs. Clinton, not too long ago. She won't forget it, ever.

Dr. Fost recently treated a 10-day old baby at the University of Wisconsin Children's Hospital in Madison. When the child was three days old he came down with a fever. Most parents would have brought this child to a doctor right away. These parents didn't. They weren't bad parents. They were good, hardworking parents who simply could not afford health care. They loved their child but they were afraid.

Afraid that without insurance they couldn't afford the cost of a hospital visit. Afraid that a stiff hospital payment would force them to choose between rent and food. So they crossed their fingers and desperately hoped it was just a bad cold, and prayed that their infant would get better. But he didn't, and a few days later he still had the fever. Then they had no choice left. Whether they could afford it or not they had to get help for their child. They took their infant son to a hospital emergency room.

This story does not end happily. In fact, it ends tragically. The child wound up brain-damaged. Dr. Fost says that if this family had brought their child to the hospital earlier, he could have been easily and inexpensively treated. The child's parents have been bankrupted. Health costs for the child have amounted to thousands of dollars.

I tell you this story not to burden you with one more tragedy to add to the ones you have witnessed -- but to affirm and reaffirm the urgency that we feel for achieving health reform. To underscore why we must and why we will pass a reform bill this year. It is time to protect our children and give families freedom from fear. It is time for health care reform.

The President's goals for health care reform are straightforward and simple:

We must get health care costs under control.

We must cut waste and increase competition. Those in the insurance and pharmaceutical industries will no longer be allowed to profit excessively. It's just not fair.

We must ensure that every American is covered by a comprehensive benefits package. Pediatric health care experts should have -- and will have -- substantial input in helping

to define the specific health needs of children within that comprehensive benefits package. This makes sense to me and it makes sense to those who are working on the Administration's plan.

We understand that children not only have different health needs, they have different health care service delivery needs, must be taken into consideration. Health care reform must be accountable to specialized populations.

I know that talk about getting costs under control sometimes raises a red flag. There is a concern that greater attention to budgeting may result in hospital payment systems which are biased against high-cost, intensive care patients -- who all too often are children.

We will not develop a plan that turns its back on children. We will develop a plan which places an emphasis on prevention so that fewer and fewer children reach your hospital doors when their illnesses are critical.

Reform must make the system simple. I know that one of your greatest frustrations in today's health care system is the burden of paperwork. Every day the paperwork in hospitals steals time and money from those who give and those who receive care.

The Administration's health care reform proposal will drastically reduce the bureaucracy, and will turn attention away from the file cabinet and back to the bedside.

The country should not go another day and certainly not another year without reforming health care.

The well-being of our children and the reform of our health care system are linked.

The National Commission of Children has proven that politicians, policymakers, researchers, and leaders like you can find common ground when it comes to the needs of children. The public says over and over again that they want the country's resources and actions targeted to children, and to building a better tomorrow.

We have to translate this consensus and this public support into bold, tangible reform of our health care system. We have to make sure that reform starts with the care and coverage that children must have. The President and the First Lady have made this their goal. I know you and I will do everything humanly possible to help them succeed.

Vice-President of the United States  
Address to the the American Medical Association  
March 24, 1993

I'm delighted to be with you today.

The First Lady regrets very much that her father's illness prohibits her from being here with you today. I know you join me in wishing her well.

In the last several weeks no one has worked harder than she to improve health care in America. She has reached out to so many with her caring heart and sharp mind to help us shape new and better policies, and we are in her debt.

In our campaign and in the first weeks of our Administration we have focused most intensely on the two issues that the American people are most concerned about: restoring our economy to long term health and restoring our health care system to well being.

During my entire career but especially in the last year I've talked to thousands of people about health care, and now have sat in our Cabinet meetings and visited at length with the President, as we collectively try to come to grips with the enormous health care problems.

But I believe we can do it.

In fact, I believe we are on the brink of an historic moment - that we are about to deliver on the change the American people voted for in November, and fundamentally reform the health care system in America.

On January twenty-first the President asked the First Lady to Chair the Task Force On National Health Care Reform. And the President challenged them to work extremely hard to seek out the very best advice, to reach out, and to hear all sides, and to prepare comprehensive legislation that the President can submit to Congress this Spring.

All told 500 people serving on 30 working groups, and including more than 60 physicians, have had hundreds of meetings, and listened carefully to literally thousands of experts and concerned men and women across the nation.

We are still in the fact-finding stage, and trying to build on the good work of so many others. Nobody knows better than you how difficult this is but the Task Force is deadly serious about meeting its deadline and delivering to the President the full set of options he needs to write and pass health care reform this year. It hasn't been a perfect process but it is a very good one

given the size of the task, the shortness of the time, and the absolute importance of achieving cost containment and other basic reforms now.

But my purpose today is not to describe our process. Most of you read the papers so you probably know what it is we are doing - although I can tell you as someone who has been in the room that a lot of what you've read belongs in the fiction section.

I want you to know where we are and what we've learned, because it is so vitally important that we reform the health care system this year. And I wanted to come here and speak with you directly because as our primary care-givers you must be part of any solution to this problem.

One of the things that I don't like about the health care debate is that we throw around slogans and jargon, and I'm afraid we sometimes leave the impression that health care reform is some abstract notion. Just the opposite is true. This crisis hits at the heart of every American family.

We have learned this, and a great deal more, much of it very painful, some of it hopeful, all of it critically useful.

We've learned what it is like for a hard working family to sit around the dinner table and decide to declare bankruptcy because a parent has Alzheimer's.

We've learned how frightening and frustrating it is to lose your coverage. It is every bit as devastating as getting laid off, and it's happening to more than 100,000 of us every month.

We've learned what it is like to build a small business and have to deny your employees health care because you can't afford to provide it.

And I've learned from physicians what it is like to be trapped in a nightmare of paperwork and regulation that you had no role in designing, but that basically forces you to practice with the government looking over your shoulder. It's not right - and it's wrecking the system.

You became doctors to give care and find cures, to be among those who serve a higher purpose and feel better for it. I know you are the backbone of our system, and that many of you are anguished when talented young people choose to avoid medicine because the rewards no longer exceed the demands.

Part of our goal is to honor your original motives -- great motives -- by re-creating a system that allows you to practice



That's why I'm delighted at the flexibility and leadership and reform-mindedness shown by the AMA and Doctor Todd.

This Administration knows that we cannot, and do not want to, build a better health care system without the cooperation and leadership of the AMA. But the days when one association -- no matter how prestigious -- can dominate the health reform debate are over, and they should be. We must all join in and pull in the same direction.

I believe that no Americans have more to gain from a complete overhaul of the medical system than doctors. You're the ones who see the scared faces of the mothers who delay seeking care for a feverish child. You're the ones who spend hours working the phones in search of permission to admit your patients or to prescribe a certain treatment. You're the ones who wonder what to do when a neighbor or friend comes for treatment and has no insurance. You're the ones for whom the status quo is unacceptable.

And so here is what we offer you: we are going to ask you to help us control skyrocketing health care costs. In return, we are going to work very hard to reform the malpractice laws and cut the bureaucracy and the paperwork which make it difficult for you to be caregivers.

Fixing this system, as you well know, will not be easy. But the American people have demanded that we fundamentally reform a system that costs too much and wastes too much and serves too few; and, that we make the system work better for real people with real problems.

We will never succeed if our reforms fail at the crucial moment when someone is sick and needs help. That is the test.

Our goals are simple. First, we must control costs that are rising four times the rate of inflation. If we do not it will cost our nation an average of \$14,000 per family by the end of the decade. We must cut waste and increase competition and stop those in the insurance and pharmaceutical industries who are profiteering excessively.

Second, we want people to be secure and to be guaranteed a benefits package that is truly comprehensive.

Third, we want the system to be simple. The President has already made a serious commitment to reform the way government does business. He has made historic cuts in the budget, starting with his own staff and federal workers. We must make the same commitment to better management and greater savings in the health care system, including implementing tough new anti-fraud and abuse measures.



If we do not, we will waste another 80 billion dollars next year and every year on paperwork and bureaucracy, when those resources are needed to improve the system and care for people. And you will keep spending the equivalent of ten working days each month just to keep up with the paperwork.

Fourth, our health care plan will provide continuity in two senses: we will preserve your patients' right to pick the doctor they want, and we will continue to offer them the highest quality care in the world. In addition, we will provide them with a new right: to choose the coverage they want, not simply what their employer or insurance company will allow.

Finally, health care reform should also be comprehensive, in the sense that all Americans should be covered.

In reaching these goals, rest assured that we will translate what you have told us into reality. That means malpractice reform.

Today, malpractice too often lives up to its name - it has made the practice of medicine worse at the juncture it matters most - that critical point of communication and trust between doctor and patient. We need to make certain we protect consumers too but far too often people sue doctors even when doctors have done nothing wrong.

It also means relieving pressure on you.

We've heard and we believe that practicing medicine has become too big a hassle. The bureaucracy has gotten too big and the time for treatment too small. The traditional autonomy between you and your patients has given way to the new triad of medicine - a doctor, a patient, and an accountant.

We want to write a plan that allows you to return full time to medicine.

Like you the American people are frustrated with the cost and the waste and the frustration and the fear. They want change now. Most of you have your own deep disappointments in the system. You want change now.

As a doctor told Mrs. Clinton and my wife when they visited St. Agnes hospital in Philadelphia: "You know the saying, 'If it ain't broke don't fix it.' Well Mrs. Clinton, the system is broke and it's time to fix it."

The American people desperately need a system that works for them again, and the time has come to balance your needs with theirs. Under a good plan no one will get everything that they want, but everyone will get a better deal all around.

Last year, the American people proved that they have the courage to change. Now it is time for us to prove ours, by enacting real health care reform.

Our system can be improved, dramatically improved. We know we can do better because many in our nation are doing better already. But this is the year to act.

The President understands this.

He has said he will take the heat when things go wrong and doesn't care who gets the credit when things go right.

And the American people have rallied to his side.

After years of political gridlock we are beginning to move quickly to solve our most serious problems. Most importantly, we have begun the glorious act of uniting again as Americans determined to leave our children the American dream.

Thank you very much.

## **PROVIDERS AND HEALTH CARE**

- **The President and I are determined to maintain the best of the American health care system -- the highest-quality care in the world and an individual's right to choose a doctor.**
- But we understand that the health care system has grown so overregulated and bureaucratic that doctors spend more and more time filling out forms and less and less time with their patients.
- **The President's plan will reduce paperwork by standardizing forms and reducing insurance company micromanagement.**
- We understand that malpractice reform is essential to **giving physicians back professional autonomy and lowering health care costs caused by "defensive medicine".**

### Helping Specialists:

- The President's plan will reform malpractice laws in order to let doctors determine what course of treatment is best for their patients, not what tests or procedures have to be done to avoid getting sued.
- The President's plan will recognize the importance of preserving and promoting the unique and important relationship between doctor and patient.

### Helping Primary Care Physicians:

- The President's plan will provide incentives for more medical students to become primary care physicians. By emphasizing preventive health care services, the plan will place increased importance on the family physician.

### Task Force Process:

- More than 100 health professionals -- including more than 60 doctors -- are on the Task Force's working groups that are developing policy options. In addition, a health professionals review panel of more than 40 people, including family practitioners and specialists, has been charged with reviewing the options developed by the Task Force.
- White House officials have also held separate roundtable discussions with both physicians and nurses. In total, Administration officials have met with more than 30 groups representing health professionals.
- Ira Magaziner, the head of the Task Force effort, has met repeatedly with the American Academy of Family Physicians, the American College of Physicians and the American Medical Association.
- Mrs. Clinton held a meeting with representatives of several nurses' groups, including the American Nurses Association.

## FACSIMILE COVER SHEET

**AMERICAN ACADEMY OF PEDIATRICS**  
*Department of Government Liaison*

1331 Pennsylvania Avenue, N.W.  
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202/662-7460 or 800/336-5475  
FAX: 202/662-7471

TO:

*Carol Rasco*

FAX # TO:

*456-2878*

FROM:

*Jackie Royce*

DATE:

*4/15/93*

PAGE

*1*

OF

*2*

RE:

April 15, 1993

TO: Carol

FROM: Jackie

RE: REMARKS TO AAP LEGISLATIVE CONFERENCE

Having heard the inspiring words of the Vice President yesterday on the President's economic package, I just wanted you to know that this issue is certainly "fair game" for your remarks on Sunday. You will have over 100 pediatricians in the room who will be meeting with their Senators on Tuesday morning---and the package is certainly rich with benefits for children and families that just may help sway the needed number of Republican votes!

Also, FYI, Senators Jeffords and Durenberger will be addressing the group on Monday. To be sure, they will get a question or two from the audience on this issue.

Looking forward to seeing you on Sunday.

Roz

Call V-P's office

get a copy of this Wed. remarks if they are printed?

Press x 7034 Stephanie

Heidi 7035

Union  
Labor  
Issues  
Consumers  
Wed. P.M.  
RM 450

# American Academy of Pediatrics



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Leonard A. Kutnik, MD  
San Diego, California

April 9, 1993

Carol H. Rasco  
Assistant to the President for Domestic Policy  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Carol:

I can't tell you how delighted I am that you will be able to address our legislative conference. If your remarks on Sunday are even half as good as the ones you delivered at the National Commission on Children conference, you will move the audience in a very positive way. Needless to say, you were terrific!

As noted in my earlier correspondence, the conference will be held at the Ritz Carlton hotel at Pentagon City. Your remarks are scheduled for Sunday, April 18 at 9:15am. We have entitled your address as "Thinking About Tomorrow---The Clinton Agenda." We would like you to speak for about 20 minutes and take a few questions.

If possible, we would like for you to arrive by 8:45am so that you can be seated on the podium at the beginning of the morning session. I will be waiting for you in the hotel lobby. Just in case we miss each other, the meeting will be in Salon III on the second level.

We will be happy to provide transportation for you, if you so desire. Just let me know.

See you Sunday, if not before.

Sincerely yours,

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

Jackie Noyes  
Director

## FACSIMILE COVER SHEET

**AMERICAN ACADEMY OF PEDIATRICS***Department of Government Liaison*

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TO: Carol Rasco

FAX # TO: 456-2878

FROM: Jackie Noyes

DATE: 4/9/93

PAGE 1 OF 2

RE:

**American  
Academy of  
Pediatrics**



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We will be happy to provide transportation for you, if you so desire. Just let me know.

See you Sunday, if not before.

Sincerely yours,

*Jackie*  
Jackie Noyes  
Director

Roy - I'll  
come to White House,  
have a car pick me  
up in plenty of time  
to be there by the  
requested 8:45  
a.m.

Thanks!



Office of Domestic Policy

TO: Christine Heenan

FROM: Carol H. Rasco

SUBJ: Speech/Meeting/Interview

DATE of event: April 18

Attached is the background information I have to date on the function listed. I would appreciate briefing materials by noon on April 16.

Christine - I really just need some bullet points on anything decided by them that I can say to Drs., particularly in relation to kids.

Thanks!

American  
Academy of  
Pediatrics



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Birmingham, Alabama

George D. Comerchi, MD  
Tucson, Arizona

Leonard A. Kutnik, MD  
San Diego, California

March 30, 1993

*We accepted  
this, right?*

Carol H. Rasco  
Assistant to the President for Domestic Policy  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Carol:

I hope that you can take a brief respite from the Task Force and join pediatric leaders from around the country as a speaker at our Legislative Conference. We have titled your 20-minute presentation as "Thinking About Tomorrow---The Clinton Agenda." This presentation is scheduled for Sunday, April 18, 1993 at 9:30am at the Ritz Carlton Hotel in Pentagon City.

I realize that this invitation comes at an incredibly busy time, but I hope that you will view it as an opportunity to line up pediatric forces behind the President's agenda both in their home states and in their visits to their congressional delegations. In 20 minutes you will cover 45 states! We have left the topic somewhat vague to give you the latitude you need in discussing the Task Force's recommendations.

As an extra incentive, Betty Lowe will be on hand to introduce you.

I will try and reach you today to discuss your availability.

Sincerely yours,

Jackie Noyes  
Director

## FACSIMILE COVER SHEET

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TO: Carol Russo

FAX # TO: 456-2878

FROM: Jackie Noyes

DATE: 3/30/93

PAGE 1 OF 2

RE:

**American  
Academy of  
Pediatrics**



**Department of Government  
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San Diego, California

March 30, 1993

Call & accept

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Assistant to the President for Domestic Policy  
The White House  
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Washington, DC 20500

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