Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	From Frederick D. McClure to Nicholas E. Calio Re: Letter from Way and Means Republicans about Administration Position on Catastrophic Health Care Coverage (1 pp.)	5/1/89	P/5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Catastrophic Illness (1989)

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 5/12/05

Date Closed:	12/2/2004	**OA/ID Number:**	29142-006
FOIA/SYS Case #:	1998-0004-F[1]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

file

THE WHITE HOUSE

WASHINGTON

May 1, 1989

THE CHIEF of STAFF has seen

MEMORANDUM FOR JOHN A. SUNUNU

FROM: NICHOLAS E. CALIO NEC

THROUGH: FREDERICK D. MCCLURE

SUBJECT: Letter From Ways and Means Republicans about Administration Position on Catastrophic Health Care Coverage

An advance copy of a letter sent to you late Friday afternoon from Republican members of the Ways and Means Committee is attached. It objects to the letter sent by President Bush to Chairman Rostenkowski about the catastrophic health insurance funding mechanism following Senator Bentsen's April 20th announcement of his intent to reduce the supplemental premium. The letter takes issue with both the lack of consultation with Republican Committee members and with the perceived "significant tax policy commitment" to not reopen the catastrophic legislation at this time.

Congressman Bill Archer, the ranking Committee Republican, initiated the letter. He has been leading an effort to delay the implementation of the new catastrophic program.

While the objections to the catastrophic funding mechanism from senior citizens have generated significant support for "doing something" on Capitol Hill, OPD, OMB and Treasury have concluded that the legislation should not be reopened.

The implications of reopening the catastrophic legislation, as well as the need to have Mr. Archer and the Committee Republicans active players willing to make tough choices during the reconciliation process, suggests the need to discuss these matters with Archer. He often notes that he is "the President's Congressman" and wants to be helpful. However, discussions with him and his colleagues indicate that at this time, they do not feel a particular obligation to support the Administration's budget positions. At the same time, Chairman Rostenkowski made clear in a meeting with us, Bill Roper and Dick Darman that he will not move forward on particular issues in reconciliation absent Republican support. Hence, we need to begin encouraging Archer in his leadership responsibilities as soon as possible.

COMMITTEE ON W[redacted]

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

April 27, 1989

Honorable John Sununu
Chief of Staff
The White House
Washington, D.C. 20500

Dear John:

As Republican Members of the House Ways and Means Committee, we view ourselves as the President's strongest allies in dealing with those important issues which will be considered by our Committee over the next several years. We have generally been very pleased with the pattern of cooperation that has developed between our members and the White House over the past four months.

That is why we were very concerned when we learned about the significant tax policy commitment President Bush made to the Chairman of the Ways and Means Committee regarding the catastrophic health insurance funding mechanism -- without prior consultation with the Republican Members of the Committee. An overwhelming majority of Republicans in the House of Representatives believe that the structure of the current surtax which funds the program unfairly penalizes one group of Americans -- the elderly. Most of our Members are firmly committed to pursuing that basic fairness issue as a fundamental Republican goal. We hope that the intent of the President's letter was not to foreclose any possibility of exploring less discriminatory funding alternatives throughout the life of the program.

We also trust that the lack of prior consultation with our Republican Members in this particular case is not a precursor of the way the White House will decide upon other major policy positions within our Committee's jurisdiction. There will be other situations where the Administration will be called upon to make rapid statements of position on controversial legislative issues. In those instances, our mutual interests will best be served by advance consultation -- at least between the White House and our Committee's Ranking Republican, serving as our representative.

Sincerely,

Bill Archer

Guy Vander Jagt

Dick Schulze

Phil Crane

Don [illegible]

Rod Chandler

Clay Shaw

Nancy L. Johnson

Hank Brown

Bill Thomas

Bill Frenzel

Ray McGrath

THE WHITE HOUSE

WASHINGTON

April 17, 1989

MEMORANDUM FOR SECRETARY BRADY

FROM: ROGER B. PORTER RBP

SUBJECT: Medicare Coverage of Catastrophic Illnesses

As we discussed a few minutes ago, the President continues to support the legislation enacted last year dealing with medicare coverage of catastrophic illnesses including the increase in the Medicare premium largely through a surcharge on higher income beneficiaries.

The attached memorandum to Governor Sununu was in response to his request for talking points for an inquiry he had received from Representative Bill Archer. Following my sending the attached memorandum to Governor Sununu the two of us briefly confirmed with the President his position as expressed in his comments on the conference report.

I understand that Governor Sununu has spoken with Representative Archer about this matter since my memorandum to him. If I learn any more that would be useful to you in this regard I will call immediately.

If you have any questions, please let me know.

Get me campaign statements.

cc: Governor Sununu

Attachment

ENCLOSED

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	From Roger Porter to John Sununu Re: Recommended Discussion w/ Rep. Bill Archer [3 copies] (6 pp.)	4/4/89	P/5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Catastrophic Illness (1989)

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THE WHITE HOUSE

WASHINGTON

April 4, 1989

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Recommended discussion with Rep. Bill Archer

Background

President Reagan's proposal to improve Medicare's coverage of costs arising from catastrophic illnesses asked those who benefitted to pay the costs. Congress strayed from his idea of a limited expansion to create the most significant expansion since Medicare began in 1965. The Congress, however, did retain the principle that those who benefit should pay all the costs.

While President Reagan proposed financing this expansion with an increase in the Medicare premium, each beneficiary to pay the same amount, the Congress opted for a premium plus a surcharge on Federal income tax liability above $150. The surcharge is 15% of tax liability in 1989, rising to 28% in 1993. The maximum surcharge is $800 in 1989, rising to $1,050 in 1993.

The American Association of Retired Persons, the largest senior citizen group, endorsed the catastrophic legislation, surcharge and all. However, dissident groups are exploiting discontent with the legislation, in particular the surcharge, to build grass roots strength.

The President's Position

Vice President Bush issued a statement when the conference report was adopted by the House and Senate saying, "The legislation which passed yesterday will, for the first time since the founding of Medicare, extend benefits for our seniors." He made no direct comment on the financing mechanism. An accompanying fact sheet stated, "The Vice President emphasized that the legislation is founded on sound fiscal principles and will not add to the deficit."

Recommendation

While the architects of last year's legislation resist calls for change, some members have responded to constituents who are angered by the surcharge by proposing delay or repeal. Foremost among these is Bill Archer.

Archer has introduced a bill to postpone implementation by one year and create a commission to study new approaches. However, unless members jettison new benefits, the only options are new or expanded taxes. Worse yet, the path of least resistance may prove to be general revenue financing.

As we discussed, you should remind Congressman Archer, of the President's previous comments concerning this legislation, and tell him that the President does not support his bill.

1) $14B. NEW REVENUE VS $5B

2) TAX CREDIT ISSUES
IDB —
etc.
(THEY DON'T SEEM TO BE COMFORTABLE WITH RED....)
ROSTY MUST BE IN ON IT.

3) REP HAVE FOUGHT AGAINST REFUNDABILITY OF TAX CREDIT —
ARCHER EXPRESSED CONCERN RE.. CHILD CARE —
→ "KENNEDY TRYING TO DO THIS FOR YEARS."

4) MANY WOULD HAVE PREFERRED ↑EITC....

5) EITC & REF. DAY CARE WAS IN THE DAY CARE PROP. "BACKPEDDLE YOUR RHETORIC."

6) PRESSURE TO MOVE THIS —
"WE MUST...."
IT DOESN'T BEHOOVE US TO PULL CHESTNUTS OUT

7) LEAK A LIST OF BASES TO BE CLOSED IF → SEQUEST
CONTRACTS ....

THE WHITE HOUSE

WASHINGTON

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THE WHITE HOUSE

WASHINGTON

April 17, 1989

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SUBJECT: Medicare Coverage of Catastrophic Illnesses

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I understand that Governor Sununu has spoken with Representative Archer about this matter since my memorandum to him. If I learn any more that would be useful to you in this regard I will call immediately.

If you have any questions, please let me know.

cc: Governor Sununu

Attachment

THE WHITE HOUSE
WASHINGTON

TO: The Chief of Staff

FROM: **JAMES W. CICCONI**
Assistant to the President and
Deputy to the Chief of Staff

THE WHITE HOUSE

WASHINGTON

April 21, 1989

Dear Mr. Chairman:

As Vice President, I supported President Reagan's signing H.R. 2470, the Medicare Catastrophic Coverage Act of 1988. This social insurance legislation, sponsored by yourself, Chairman Bentsen, and other Representatives and Senators, provides essential protection to 33 million elderly and disabled Americans. Because of this legislation, Medicare beneficiaries need no longer fear financial devastation that might be caused by long hospitalization and catastrophic illness.

Senator Bentsen has recently raised a question about the financing of Medicare catastrophic benefits in a letter to Secretary Brady. I am informed that it is correct that the enacted legislation was reestimated by both the Congressional Budget Office and the Reagan Administration last winter. These estimates project more revenue than the original estimates of last summer. The higher revenue estimates, in turn, would make more secure the financial reserves held in the special catastrophic health insurance trust funds. These reserves are available exclusively for use by Medicare; they cannot be diverted to any other program or purpose.

Based on the most recent projections, I have been advised that the financial reserves for Medicare catastrophic coverage are not excessive. Indeed, it is my understanding that the Medicare Actuary worries that they may be too thin. A major source of concern is the uncertainty inherent in making projections, which is exacerbated by the newness of the program and lack of experience with the financing mechanism.

As you will recall from the painstaking negotiations which led to the final legislation, the Reagan Administration sought substantially higher trust fund contingency reserves than the Congress enacted. The Reagan Administration also noted that,

with particular reference to the Medicare Actuary's projections of the drug program, the catastrophic legislation was underfunded. The Congress recognized these concerns, and the statute calls for the Congressional Budget Office to reestimate the cost of the drug program this summer.

I have supported the implementation of the Medicare Catastrophic Coverage Act on schedule, as enacted. I continue to do so. It would be imprudent to tinker with Medicare catastrophic insurance literally in its first few months of life. We should not now reopen the legislation.

Sincerely,

The Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

Rec'd COS
APR 20 1989
9:00 A.M.

April 19, 1989

MEMORANDUM FOR GOVERNOR JOHN SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Statements on Catastrophic Care

As you requested earlier this afternoon, attached are the statements that the President made during the campaign relating to Medicare coverage of catastrophic illnesses. I have also included some statements relating to long-term care.

I hope this is helpful. It underscores the position you reiterated to Congressman Archer.

I have underlined the relevant portions in case you don't want to wade through all this.

Attachments

THE WHITE HOUSE

WASHINGTON

April 19, 1989

STATEMENTS MADE BY

PRESIDENT BUSH

during his campaign
for the Presidency

SUBJECT:

CATASTROPHIC CARE

MEDICAID

Speeches: Medford Farms Community Center, Goffstown, NH 1/6/88

St. Raphael's Home for the Aged, Columbus, OH, 4/30/88

Statement: Announcing his support for catastrophic care legislation, 6/9/88.

Issue Papers

Quotes from major daily newspapers

George Bush for President

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 9, 1988

CONTACT: Alixe Glen
(202) 842-1988

STATEMENT BY THE VICE PRESIDENT

I am glad that the House and Senate have passed the Catastrophic Health Bill. I salute Health and Human Services Secretary Otis Bowen who has long championed catastrophic care. The legislation which passed yesterday will, for the first time since the founding of Medicare, extend benefits for our seniors. Now they do not have to live in fear that their life's savings would be wiped out by a prolonged hospitalization.

I was particularly pleased that the final bill contains a provision to eliminate the threat of spousal impoverishment from long term health costs. I have advocated this as a major part of the solution to the problem of long term care. No spouse should become broke paying the cost of his or her partner's nursing home costs. I am pleased to see that this will no longer be the case.

# # # #

George Bush for President

FOR IMMEDIATE RELEASE
Thursday, June 9, 1988

CONTACT: Alixe Glen
(202) 842-1988

FACT SHEET

CATASTROPHIC CARE LEGISLATION

The Vice President today announced his support for the catastrophic care legislation passed by the Congress. Calling it a "landmark piece of legislation," he applauded the legislation in several areas:

° Medicare beneficiaries will no longer face financial devastation because of long hospitalization, exorbitant doctor bills, or costly drug therapy. While the Vice President acknowledged that trying to establish separate ceilings in each of these categories may lead to confusion, he pledged that, as President, he would move to simplify implementation of these important new benefits, and the Medicare program as a whole.

° Beneficiaries will now have assistance available to them through the legislation's extended home health and respite care benefits. These benefits, of immeasurable need to many who sacrifice in order to provide care for their loved ones, are an important first step toward solving the critical needs associated with long-term care.

° By making desperately needed changes to the spousal impoverishment rules, the legislation allows spouses to receive needed nursing home care without forcing their mates into poverty. This has been a major part of his long-term care proposal.

The Vice President emphasized that the legislation is founded on sound fiscal principles and will not add to the deficit.

# # # #

NO: 611039
DATE: 3/14/88

MEDICARE

STATEMENT OF VICE PRESIDENT GEORGE BUSH

Seniors must know that their medical needs are covered by Medicare. Our Medicare payment system has improved, but I'm sure it can be better. I'm most concerned about two things: quality and efficiency. I want to see a greater emphasis on preventive medical care. Seniors must be protected from the financial ruin that catastrophic illness can cause. We must develop innovative solutions to the problem of financial long term care.

Since Medicare was enacted in 1965, it has served seniors well in helping provide for their health care and hospitalization. But the Medicare payment system was, unfortunately, often wasteful and inefficent. There was no incentive to spend money wisely, and costs skyrocketed throughout all areas of medical care. Reports of two dollar charges for bandages were not uncommon.

So in 1983, we changed the Medicare payment system to reward good management. For example, it will not pay for unnecessary tests or hospital stays, but it does require hospitals to give Medicare patients the care they need. The task ahead is to see that rewarding efficiency in medical care is done without jeopardizing quality. The quality of medical care for seniors must always be the first priority of Medicare.

For instance, I support efforts to rely more heavily on preventive medical care -- which both improves health and lowers the costs of health care.

But there are other, pressing needs. Seniors must be protected from the financial ruin of catastrophic illness that can wipe out savings of a family's lifetime in a few months. Likewise, they must not be impoverished by long-term illness. I have proposed a plan that provides incentives for individuals and their families to take the lead, with the government ensuring that families don't have to become poor before help is available.

Above all, seniors must feel secure in the knowledge that their basic medical needs will continue to be covered by Medicare.

###

NO: 611040
DATE: 12/9/87

WELFARE/MEDICAID-MEDICARE/CATASTROPHIC HEALTH BILL

STATEMENT OF VICE PRESIDENT
GEORGE BUSH

I am glad that the House and Senate have passed the Catastrophic Health Bill. I salute Health and Human Services Secretary Otis Bowen who has long championed catastrophic care. The legislation will, for the first time since the founding of Medicare, extend benefits for our seniors. Now they do not have to live in fear that their life's savings would be wiped out by a prolonged hospitalization.

I was particularly pleased that the final bill contains a provision to eliminate the threat of spousal impoverishment from long term health costs. I have advocated this as a major part of the solution to the problem of long term care. No spouse should become broke paying the cost of his or her partner's nursing home costs. I am pleased to see that this will no longer be the case.

###

NO: 611043
DATE: 12/9/87

WELFARE/MEDICAID-MEDICARE/LONG TERM HEALTH CARE

STATEMENT OF VICE PRESIDENT GEORGE BUSH

Our objectives should be, first, to increase awareness as much as possible; second, to allow and assist members of families to help one another; and, third, to create stronger incentives for individuals to provide for their own long-term care needs.

These objectives imply that the plan should be structured to:

- Obtain as much participation as possible,
- Encourage family unity and minimize costs,
- Make the best use of government funds, and
- Be voluntary rather than mandatory.

The key is to get people to allocate more of their own income to future long-term care needs. Here are some ways we should do that:

- First, we should eliminate penalties incurred in converting life insurance, IRAs, and other savings plans to meeting long-term care needs.

Federal workers will soon be able to convert up to $25,000 in life insurance benefits, plus an $11 monthly premium, to a long-term care insurance policy covering home care and up to 3 years of nursing home care. We hope this plan can serve as a model for other employers.

-Second, to keep costs down, we should encourage people to buy long-term care insurance early in life, and incentives to offer and to buy group plan insurance should be strengthened. Long-term care insurance should be given the same favorable tax treatment as life and health insurance.

Today, more than 425,000 private long-term care insurance policies are in effect, up from just 50,000 three years ago. It's a small number, but it's a start, and we should seek continued growth. We should also encourage more managed care.

-Third, we should rethink Medicaid requirements that require people virtually to bankrupt themselves before their spouses can qualify for benefits.

-more-

-And finally, we should continue to explore ways to provide more humane care and to help families care for their loved ones.

Most important, we must awaken people to the need for long-term care in their own lives. One out of every four of us will need such care at some point, and it might not be when we are older: Severe injuries often result in the need for long-term care.

###

C090400 CATASTROPHIC CARE

Vice President George Bush issued a written statement today saying [redacted]is "particularly pleased" the final bill contains a provision to [redacted]minate the threat of spousal improverishment from long-term health costs.

"I have advocated this as a major part of the solution to the problem of long-term care. No spouse should become broke paying the cost of his or her partner's nursing-home costs. I am pleased to see that this will no longer be the case," Bush said.

06/09/88 UNITED PRESS INTERNATIONAL
GERSTEL, STEVE

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For instance, I support efforts to rely more heavily on preventive medical care -- which both improves health and lowers the costs of health care.

06/29/88 BUSH POSITION PAPERS

In response to questions today, Mr. Bush insisted that the payments did not constitute a tax. 'I don't think it is a tax increase," he said. "It's more like a premium, a premium on catastrophic health benefits."

Mr. Bush has vowed that he will not increase taxes as President, and maintains that Mr. Dukakis would.

Reminded that Mr. Reagan had made similar no-tax pledges before becoming President, only to accept four separate increases, the Vice President asserted: "I am saying no, never, if I am President. That's what I feel. When I'm President that's the way I'll do things."

07/09/88 NEW YORK TIMES
BOYD, GERALD M.

Bush said he approved of recently passed catastrophic health care legislation, which includes a 15% income tax surcharge on the 40% of [redacted]derly Americans who pay income taxes, and an increase of $75.60 per year [redacted]mandatory Medicare premiums. Together, the two measures are expected to [redacted]ng in $31 billion more in federal revenue over the next five years.

07/10/88 LOS ANGELES TIMES
LAUTER, DAVID

C090400 HEALTH.CATASTROPHIC CARE

Mr. Bush also found himself responding to accusations by Dukakis aides that the Vice President was misleading the public by saying he would not raise taxes. They cited his endorsement of legislation creating a system of health insurance for catastrophic illness. Under the law, which was recently signed by President Reagan, Medicare beneficiaries are required to pay a premium plus a 15 percent surtax on the amount the recipient paid in Federal income taxes up to $800.

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07/09/88 NEW YORK TIMES

On taxes, Bush today responded to a Dukakis charge that the vice president has already agreed to raise taxes by supporting the revenue measures financing the new "catastrophic" health insurance bill. Bush said that while the revenue measures could be "philosophically" considered a tax, he viewed them more as a "premium."

"I don't think its a tax increase," he said. "You pay a little more, and you get more benefits."

In the case of the catastrophic bill, the additional money is to be paid by Medicare enrollees and used to finance the program. Although he has ruled out tax increases, Bush said he would be willing to impose new "user fees" such as those for people who visit national parks.

07/09/88 WASHINGTON POST
HOFFMAN, DAVID

The health care bill, he said, is not a "tax" increase, because "the beneficiaries pay" directly for a program that assists them. The emphasis on increasing non-tax fees could cover a wide variety of programs, Bush said. For example, he said, "I'm going to warn you, if you go to Yosemite Park with your trailer... you may have to pay a little more" to cover the cost of parks programs.

07/10/88 LOS ANGELES TIMES
LAUTER, DAVID

Bush said he approved of recently passed catastrophic health care legislation, which includes a 15% income tax surcharge on the 40% of elderly Americans who pay income taxes, and an increase of $75.60 per year in mandatory Medicare premiums. Together, the two measures are expected to bring in $31 billion more in federal revenue over the next five years.

07/10/88 LOS ANGELES TIMES
LAUTER, DAVID

C090400 HEALTH.CATASTROPHIC CARE

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07/10/88 LOS ANGELES TIMES

√C090400 HEALTH.CATASTROPHIC CARE

I am proud to have been part of an administration that passed the first catastrophic health bill. And in that, there's some Medicaid provisions that will be very helpful to the kind of people we're talking about here. But, we've got to keep going forward without killing off the engine, and throwing people out of work. So the answer lies, it seems to me, in full enforcement of the catastrophic program. It lies to me in flexibility in Medicaid, so people at the lowest end can buy in there, and get their needs covered, and then it -- also, I do not want to see us mandate across the board that every company has to do this. Because I really think that marginal operators are going to go say, "We can't make it," and I think, then, you're going to see that people are put out of work.

09/25/88 1988 DEBATES

So, I think we ought to do it in the Medicaid system. I think we ought to do it by full enforcement of the Catastrophic Health Insurance. I think we ought to do it by everybody doing what they can do out of conscience. it's a terrible problem in terms of the -- in terms of flexibility on private insurances. But, I just don't want to mandate it and risk putting this -- setting recovery back.

09/25/88 1988 DEBATES

Asked about his campaign vision of a "kinder, gentler America," Bush said that vision did not include universal health insurance.

"One thing I don't want to do is sock every business in the country and throw more Americans out of work," Bush said.

He said the answer to the problem of health insurance is to allow people to "buy into Medicaid," the federal health insurance program for the poor. He said another essential element is full enforcement of the recently signed catastrophic-illness health care program and "for everybody to do what they can do out of good conscious."

09/26/88 UNITED PRESS INTERNATIONAL

VICE PRES. BUSH: Well, you know, my opponent attacked me for raising taxes on this Catastrophic Health Plan that passed overwhelmingly, and that I'm proud that our administration got through the United States Congress. In that, some people, pay more then -- what I would call a fee -- for -- or a premium -- for their insurance. I don't think anything is wrong with that at all. It's a shared benefit by the -- by the federal government and by the idividual. So I would say that's perfectly acceptable.

10/29/88 CNN NEWSMAKER

C090400 HEALTH.CATASTROPHIC CARE

MR. GIBSON: Can you see any circumstances that might require you to change it? And don't you unnecessarily restrict your options by being so dogmatic about that?

VICE PRESIDENT BUSH: Well, I think you convey a principle. You talk about leadership, I think you convey a principle for what you believe, and that's what I've tried to do. And I'm not going to go out trying to think of a lot of hypothetical examples. I was attacked by -- for supporting the catastrophic health bill by my opponent claiming that was a tax increase, saying that I was being hypocritical; he was not. It wasn't a tax increase.

But no, I think you've got to spell out the direction you want the country to go, and how to get there. And how to get there is to hold the line on taxes. 11/02/88 ABC GOOD MORNING AMERICA

Several principles must guide this effort.

First, the less that government is involved in the day-to-day administration of health care, the more efficiently it will run _ which, of course, means that we should shun the various Democratic health care proposals, which would involve government bureaucrats in people's personal health care decisions.

Second, more efficient administration of health care must be encouraged _ and, in particular, the government health programs such as Medicaid and Medicare should not fund waste and inefficiency.

Third, we must limit the incentives and ability for patients to file frivolous malpractice suits, which drive health care costs up for all Americans.

05/30/88 SCRIPPS HOWARD NEWS SERVICE

MS. GROER: Mr. Vice President, you've said you want a kinder, gentler presidency. One that helps the less fortunate. Today, 37 million Americans, including many working families with aging parents and young children, cannot afford any health insurance -- but earn too much to qualify for Medicaid. What will you do to provide protection for them, and how will you pay for it?

VICE PRES. BUSH: One thing I will do, is sock every business in the country, and thus, throw some people out of work. I want to keep this economic recovery going, more Americans at work today than at any time in history, a greater percentage of the workforce. what I will do, is permit people to by into Medicaid. I believe that's the answer.

09/25/88 1988 DEBATES

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09/25/88 1988 DEBATES

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09/25/88 1988 DEBATES

I think part of the answer to the haunting of these children that are out there and suffering lies in extension of Medicaid to challenge the state and maybe, maybe we're going to have to enforce more on the states in terms of Medicaid taking care of these. But Peter so much of it is--gets into a whole other phase of things. The neighborhood, the kind of environment people are growing up in and that leads me to the programs I'm talking about in terms of education. I think part of it is the crime-infested neighborhoods, and that's why I'm a strong believer in trying to control crimes in the neighborhood, why I was so pleased to be endorsed by the policeman on the beat -- the Boston Police Department -- the other day. I think they understand my commitment to helping them in the neighborhoods. And so, it's a combination of these things.

But do not erode out of the system the thousand points of light, the people that are out there trying to help these kids, the programs like Cities and Schools, the work that Barbara Bush is doing so people can learn to read in this country, and then go on and break this cycle of poverty. I'm for Head Start, moving that up, and I've already made a proposal. And yes, it'll cost some money, but I favor that. and the fact that I don't think government can endorse a $35 billion program does not mean I have less compassion than the person who endorses such a program.

09/25/88 1988 DEBATES

C091400 HEALTH.MEDICAID

t the high school in the Denver suburb of Littleton, Bush said, "Our future will be as strong tomorrow as our children are today. And our children will be as strong as their education allows. Their eduction will be as strong as their schools. But something more is required: a family that functions and an environment that motivates."

Bush said he would also expand the Maternal and Child Health Block Grant program to provide health and Medicaid information for pregnant women and provide case management "as an essential component for high risk in teen-age pregnancies that are likely to result in low birth weight."

He also called for mandatory Medicaid coverage "of functionally disabled children who would have to be in a hospital or other institution without such coverage for home care."

10/05/88 ASSOCIATED PRESS

Expanded Medicaid coverage for all children from families below 100 percent of the poverty line, with the highest-risk children getting top priority. A new law allows this coverage only to children under 1 year of age; Bush would expand it. Bush said he would later phase in Medicaid coverage of pregnant women and infants up to 185 percent of the poverty level. He said he would also expand federal block grants for education on prenatal care. On child nutrition programs that the Reagan administration has attempted to cut in the past, Bush said he will "request sufficient funding for important programs" but offered no more detail.

10/06/88 WASHINGTON POST

Hit the negatives. Forget trying to make us like you more. Make us like Bush less. Attack the Veep for having been out of the loop on crucial Reagan-era decisions. Iran-Contra and Noriega still resonate. And don't forget to contrast Bush's professed ignorance with his earlier boast: "I'm in on everything. If our policies aren't working, I can't say 'Wait a minute, I'm not to blame.'"

Get to Bush's quality of mind by revisiting his first debate inanities. Remind us, for example, that the Veep's health-care plan would have the unemployed "buy into medicaid" - a virtual impossibility since those without a job rarely have the money to buy anything. Lash at Bush's cynicism, his late-in-the-game conversions. Your most profitable example is Bush's switch on the plant-closing-notification bill, flip he has said was required by "politics." Recall Bush's earlier claim: "I'm not one of these guys who shifts on a principle because the polls say something's unpopular."

10/17/88 US NEWS AND WORLD REPORT

BUSH : Wants states to expand Medicaid coverage to the poor and near poor, and would let some people buy into Medicaid. Would delay off-shore oil drilling in environmentally sensitive areas and support new, unspecified limits on emissions causing acid rain. Advocates increased government spending on certain education programs and supports newly enacted program allowing tax-free interest on U.S. savings bonds for college tuition.

11/02/88 WASHINGTON TIMES

/C091400 HEALTH.MEDICAID

Bush's health care proposals are less sweeping and tend to stress government efforts to encourage individuals and businesses to take care of their own.

His campaign says that, in this era of tight bugets, Bush's plans would target for government help those who need it most. He has proposed allowing low-income workers to buy coverage under Medicaid, the health care program for the poor. He also calls for expanding Medicaid to cover more of the poor. Only about 41 percent of those below the federal poverty line are now eligible.

Under the Bush proposal, Medicaid would gradually be expanded to cover pregnant women and infants in families with an income of nearly twice the poverty level. For a family of four, the poverty level is now about $12,000 a year.

Bush favors changing the tax laws to encourage people to buy private long-term care insurance, and to allow them to cash in Individual Retirement Accounts to pay for long-term care.

"Our objectives should be to increase awareness," says Bush's position paper, "assist and allow family members to help each other and create the greatest possible incentive for individuals to provide for their own future long-term care needs."

10/26/88 SCRIPPS HOWARD NEWS SERVICE

PRESS RELEASE

Long term care

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE
Wednesday, January 6, 1988

CONTACT: 202/456-6772

EXCERPTS FROM REMARKS FOR
VICE PRESIDENT GEORGE BUSH
MEDFORD FARMS COMMUNITY CENTER
GOFFSTOWN, NEW HAMPSHIRE
WEDNESDAY, JANUARY 6, 1988

Over the coming decades, the proportion of the population over 65 will double, and the proportion over 85 will quadruple. This has enormous implication for our health care system. If we are not careful, the financial demands could overwhelm us.

Medical technology has made dramatic advances that have increased our ability to prolong life, but there are costs that go with this progress. Who does not worry about their ability to pay for their health care needs in their later years?

Currently, out-of-pocket payments account for about half of long-term care expenditures. Medicaid and other government programs pay about 48 percent of the bill, and private insurance less than two percent. Most home and community care is provided by family, friends, and volunteers.

We should try to reduce the need for care by devoting significant research attention to the prevention and cure of debilitating illnesses -- illnesses like Alzheimer's, arthritis, and osteoporosis -- that can keep us from caring for ourselves.

We can also provide protection against catastrophic acute medical expenses, and legislation to accomplish that goal is nearing approval in Congress. But the legislation does not address the need for long-term care for the elderly -- whether at home or in a nursing facility. What should we be doing today to address this problem?

We have three basic choices before us. We could simply rely on people to perceive the problem and to provide appropriately for their needs. Many, however, would fail to do so.

Alternatively, we could call on the government to take care of the problem and impose the taxes that would be required. This "Big Brother" approach would discourage self-reliance and lead inevitably to bureaucratic excess.

I believe the best approach is to use the government to educate people about the problem and encourage them to provide for themselves to the extent they can, and we should be helping those who truly need help.

-more-

Our objectives should be, first, to increase awareness as much as possible; second, to allow and assist members of families to help one another; and, third, to create stronger incentives for individuals to provide for their own long-term care needs.

These objectives imply that the plan should be structured to:

-- Obtain as much participation as possible,
-- Encourage family unity and minimize costs,
-- Make the best use of government funds, and
-- Be voluntary rather than mandatory.

The key is to get people to allocate more of their own income to future long-term care needs. Here are some ways we should do that:

-- First, we should eliminate penalties incurred in converting life insurance, IRAs, and other savings plans to meeting long-term care needs.

Federal workers will soon be able to convert up to $25,000 in life insurance benefits, plus an $11 monthly premium, to a long-term care insurance policy covering home care and up to 3 years of nursihg home care. We hope this plan can serve as a model for other employers.

-- Second, to keep costs down, we should encourage people to buy long-term care insurance early in life, and incentives to offer and to buy group plan insurance should be strengthened. Long-term care insurance should be given the same favorable tax treatment as life and health insurance.

Today, more than 425,000 private long-term care insurance policies are in effect, up from just 50,000 three years ago. It's a small number, but it's a start, and we should seek continued growth. We should also encourage more managed care.

-- Third, we should rethink Medicaid requirements that require people virtually to bankrupt themselves before their spouses can qualify for benefits.

-- And finally, we should continue to explore ways to provide more humane care and to help families care for their loved ones.

Most important, we must awaken people to the need for long-term care in their own lives. One out of every four of us will need such care at some point, and it might not be when we are older: Severe injuries often result in the need for long-term care.

And we must always remember that the need for long-term care is a family issue, first and foremost, and our efforts should help families weather the storm together, not drive them apart.

This is an ambitious agenda, but one that I am confident we can tackle. The aging of America demands no less.

Thank you very much.

# # # #

NOT FOR RELEASE

PROPOSED REMARKS BY
VICE PRESIDENT GEORGE BUSH
ST. RAPHAEL'S HOME FOR THE AGED
COLUMBUS, OHIO
SATURDAY, APRIL 30, 1988

THANK YOU, SISTER MAUREEN. IT'S A PLEASURE TO BE HERE AT ST. RAPHAEL'S... AT THE ONE-TIME HOME OF MY GRANDFATHER, SAMUAL BUSH.

((I'M OFTEN KIDDED ABOUT ALL THE STATES I CALL HOME... MASSACHUSETTS, CONNECTICUT, TEXAS, MAINE... I'M WHAT YOU CALL A NATIONAL CANDIDATE... BUT BEING HERE TODAY IS A REMINDER OF MY FAMILY'S MIDWESTERN ROOTS.))

((THE COMEDIAN MARK RUSSELL SAID THE OTHER NIGHT THAT NEXT I'LL GO TO MY NATIVE STATE OF WYOMING, TO VISIT WITH MY UNCLE... CHIEF RUNNING BUNKY PRESCOTT REDFEATHER... AND THEN I'LL GO TO MY NATIVE STATE OF NEW MEXICO, TO MEET WITH MY COUSIN... FELIPE HERBERT WALKER RODRIGUEZ.))

((IN A LETTER INVITING ME TO ST. RAPHAEL'S, SISTER MICHELLE TOLD ME THAT HER GRANDFATHER... WHO LIVED IN MY NATIVE STATE OF MAINE... ONCE PREDICTED, "THAT MAN WILL BE PRESIDENT SOME DAY!" WELL, I'M WORKING ON IT, SISTER, I'M WORKING ON IT.))

((I UNDERSTAND THAT GERTRUDE MCGALL LIVES HERE AT ST. RAPHAEL'S. HER SON JOHN WAS THE HEAD OF MY SECRET SERVICE DETAIL...))

I'M CONTINUING TO CAMPAIGN IN EVERY PRIMARY STATE BECAUSE, EVOUGH THE NOMINATION APPEARS DECIDED, IN POLITICS THE COMMUNICATION IS 2-WAY... YOU HEAR FROM ME, AND I HEAR FROM YOU... ABOUT THE PROBLEMS WE FACE, AND THE STEPS WE'RE TAKING TO SOLVE THEM.

AND THAT'S WHY I'M HERE TODAY, TO SEE THE MARVELOUS WORK YOU'RE DOING HERE IN PROVIDING COMPASSIONATE CARE FOR THE CHRONICALLY ILL... AND AS WE APPROACH OLDER AMERICANS MONTH AND NATIONAL NURSING HOME WEEK, TO RECOGNIZE THE IMPORTANCE OF THAT WORK.

IN THAT CONNECTION, LET ME JUST SAY A WORD ABOUT THE ISSUE OF LONG-TERM CARE. IN RECENT YEARS MEDICAL TECHNOLOGY HAS INCREASED OUR ABILITY TO PROLONG LIFE, AND THAT TREND SEEMS LIKELY TO ACCELERATE IN THE YEARS AHEAD. BUT THERE ARE COSTS THAT GO ALONG WITH THIS PROGRESS... AND WHO DOES NOT WORRY ABOUT THEIR ABILITY TO PAY FOR THEIR HEALTH CARE NEEDS IN THEIR LATER YEARS?

WE ALL WANT OUR SENIORS TO LEAD LIVES OF SECURITY AND DIGNITY, AND THERE IS MUCH THAT WE CAN DO TO HELP, BOTH DIRECTLY AND INDIRECTLY.

5

FIRST AND FOREMOST IS OUR RESPONSIBILITY TO PROTECT SOCIAL SECURITY. WHEN PRESIDENT REAGAN AND I TOOK OFFICE IN 1981, SOCIAL SECURITY WAS GOING BROKE. THE PREDICTIONS WERE THAT THE SYSTEM WOULD BE OUT OF CASH BY 1988, AND THAT NO ONE WOULD HAVE THE GUTS TO MAKE THE NECESSARY REPAIRS.

THOSE PREDICTIONS WERE WRONG. OUR ADMINISTRATION GOT THE SOCIAL SECURITY SYSTEM OUT OF THE RED AND INTO THE BLACK. IT IS SOLVENT ONCE AGAIN AND WILL BE FOR DECADES TO COME. IN FACT, IT IS STARTING TO RUN A SURPLUS THAT WILL AMOUNT TO TRILLIONS OF DOLLARS.

6

AS PRESIDENT I WILL PROTECT THAT FUND FROM THE POLITICIANS WHO WILL WANT TO USE IT TO PAY FOR THEIR PORK-BARREL PROJECTS. WILL MAKE SURE THAT THE MONEY IS STILL THERE WHEN FUTURE BENEFICIARIES NEED IT.

TO GET THE DEFICIT DOWN, I'VE PROPOSED A 4-YEAR FREEZE ON SPENDING. BUT SOCIAL SECURITY WOULD BE EXEMPT. I'M AGAINST A CUT IN SOCIAL SECURITY COLAS. WE CAN HOLD DOWN SPENDING AND PROTECT THE CHECKS OUR SENIORS DEPEND ON.

AS FOR OUR SENIORS' HEALTH NEEDS, WE SHOULD TRY TO REDUCE THE NEED FOR CARE BY DEVOTING SIGNIFICANT RESEARCH ATTENTION TO THE PREVENTION AND CURE OF DEBILITATING ILLNESSES -- ILLNESSES LIKE ALZHEIMER'S, ARTHRITIS, AND OSTEOPOROSIS -- THAT CAN KEEP US FROM CARING FOR OURSELVES.

WE SHOULD ALSO PROVIDE PROTECTION AGAINST CATASTROPHIC ACUTE MEDICAL EXPENSES, AND I SUPPORT LEGISLATION TO ACCOMPLISH THAT GOAL. WE'VE DONE MUCH TO KEEP HOSPITAL COSTS DOWN, AND NEXT WE MUST TACKLE DOCTORS' BILLS -- RISING AT 18 PERCENT A YEAR.

AND FINALLY, WE SHOULD ADDRESS THE NEED FOR LONG-TERM CARE -- FOR THE ELDERLY, THE DISABLED, AND CHILDREN WITH CHRONIC DISEASE -- WHETHER AT HOME OR IN A NURSING FACILITY LIKE ST. RAPHAEL'S... CARE THAT 1 OUT OF EVERY 4 OF US WILL NEED AT SOME TIME IN OUR LIVES.

VERY BRIEFLY, HERE ARE 4 SPECIFIC STEPS WE CAN TAKE:

FIRST, WE SHOULD ELIMINATE PENALTIES INCURRED IN CONVERTING LIFE INSURANCE, IRAS, AND OTHER SAVINGS PLANS TO MEETING LONG-TERM CARE NEEDS.

SECOND, LONG-TERM CARE INSURANCE SHOULD BE GIVEN THE SAME FAVORABLE TAX TREATMENT AS LIFE AND HEALTH INSURANCE.

THIRD, WE SHOULD RETHINK MEDICAID REQUIREMENTS THAT REQUIRE PEOPLE VIRTUALLY TO BANKRUPT THEMSELVES BEFORE THEIR SPOUSES CAN QUALIFY FOR BENEFITS.

AND FINALLY, WE SHOULD CONTINUE TO EXPLORE WAYS TO PROVIDE MORE HUMANE CARE AND TO HELP FAMILIES CARE FOR THEIR LOVED ONES. WE MUST REMEMBER THAT THE NEED FOR LONG-TERM CARE IS A FAMILY ISSUE, FIRST AND FOREMOST, AND OUR EFFORTS SHOULD HELP FAMILIES WEATHER THE STORM TOGETHER, NOT DRIVE THEM APART.

THE DEMOCRATS' APPROACH TO LONG-TERM CARE IS THE SAME AS THEIR APPROACH TO EVERY ISSUE -- TAX AND SPEND, TAX AND SPEND. THE BILL ENDORSED BY MIKE DUKAKIS WOULD COST ANYWHERE FROM $5 BILLION TO $20 BILLION A YEAR.

IT TOOK RESPONSIBLE REPUBLICAN LEADERSHIP TO MOVE AHEAD ON CATASTROPHIC HEALTH PROTECTION, AND IT WILL TAKE OUR RESPONSIBLE LEADERSHIP TO MOVE ON LONG-TERM CARE. I PLEDGE TO YOU TODAY, IN A BUSH ADMINISTRATION THERE WILL BE LONG-TERM CARE LEGISLATION PUT ON THE BOOKS.

SISTER MAUREEN, THE WORK THAT YOU AND YOUR FELLOW CARMELITE SISTERS ARE DOING, ALONG WITH ALL OF THE DEDICATED LAY STAFF, IS TRULY GOD'S WORK... FULL OF THE KNOWLEDGE THAT JESUS SAID, "INASMUCH AS YE HAVE DONE IT UNTO ONE OF THE LEAST OF THESE MY BRETHREN, YE HAVE DONE IT UNTO ME."

THANK YOU FOR HAVING ME HERE TODAY, AND THANK YOU FOR THE WORK YOU'RE DOING.

# # # #