

~~On Record~~

2-3 Arkansas  
Rusco

# Background

Pear:

- Distorted what I said
  - Misinterpreted the facts
  - Misunderstood the reality of what we are considering
- One-dimensional conception of what this issue is all about

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PARTY

Working group ended ~~in~~ early May

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Selling/educating - new phase  
explain

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number of people available to ~~consult~~  
~~with~~ consult with President as he  
grapples with options -

Saturday  
Tuesday

July 1, 1993

TODAY  
IRA; I say NO -  
But I need to  
talk to  
you about  
this ASAP.  
ING  
CJ

MEMORANDUM FOR IRA

FROM: CAROLYN

SUBJECT: PETER GOSSLIN CALL BACK RE BACKGROUND BRIEFING

Wants to put on record: About 8-10 " into Story

Context of talking about process/delay/whether has hurt health reform chance and by task force (critics say): Those familiar with Magaziner's thinking say he believes he will be vindicated when President's proposal unveiled...has complete confidence in President's capacity to reclaim momentum, etc...

Wants to say "Magaziner says" instead of "those familiar with his thinking say" *kb*

[ Magaziner acknowledged in interview that the administration that the admin' shealth overall has not gone as smoothly as planned but he traced the problem not to the task force but to the necessary if decision to delay release of the administration's health plan until Congress approves its budget package. *Asked about concerns* *kb* *no*

"We recognize that already for the past month and for the subsequent two months there is going to be increased anxiety out in the health care reform community... In this period everybody will see their worst nightmare."

*envisior*  
The plan that emerges from its work will be one that "isn't dead on arrival, has good substantive value and forms the core for political consensus."

In addition, policy papers produced will help administration officials guide debate in congress. As opponents raise objections, administration officials will need only to cite task force studies, Magaziner said.

"An open forum" for specialists to discuss/reach consensus

~~July 1, 1993~~

Bottom line of Story: "critical look at process + prospects for health reform..."

4. **"...the Clinton plan would require employers to pay some portion (up to 80 percent) of the cost of a federally mandated minimum benefit package."**

Under the Clinton plan, employers pay a **minimum** of 80% of the cost of the comprehensive benefit package. As they do today, some firms may choose to pay the full share of the premium.

5. **"Under the administration plan, employers could provide their workers with benefits beyond those in the standard package, but the employee would have to pay taxes on the added cost, as if it were wages."**

Employer contributions toward the premium and toward cost sharing for the nationally guaranteed comprehensive benefit package and for additional benefits phased in by the year 2000 are tax deductible to the employer and not counted as income to the employee (p. 239)

Benefits that exceed the fully phased in benefit package are taxable to the employee, however they continue to be fully tax preferred for 10 years after enactment if they were provided as of January 1, 1993. (p. 239)

Setting the Record Straight:

Washington Post, David Broder, Richard Morin

"The Public Wants a Revolution, Unsure of Which Faction to Join"

1. **Table: The Package: "Employers could offer benefits that exceed the standard package, but employees would have to pay federal income taxes on higher benefits they accept."**

Employer contributions toward the premium and toward cost sharing for the nationally guaranteed comprehensive benefit package and for additional benefits phased in by the year 2000 are tax deductible to the employer and not counted as income to the employee (p. 239)

Benefits that exceed the fully phased in benefit package are taxable to the employee, however they continue to be fully tax preferred for 10 years after enactment if they were provided as of January 1, 1993. (p. 239)

Kevin -

Maggie Williams

had said someone

should collect

number of reports

whom - was

Tyson could

call back in \$