

April 5, 1993

## MEMORANDUM FOR THE PRESIDENT

FROM: Carol Rasco

SUBJECT: Announcing a time schedule for unveiling your national health reform plan and introducing legislation

### 1. ACTION-FORCING EVENT

Recent press reports have created uncertainty around the timing of introduction of your national health reform plan. This uncertainty is having a major impact on both Congress and the general public and is diminishing chances for enactment of major reforms. Therefore, this week you should announce a schedule for unveiling the plan and introducing legislation.

This memorandum proposes a time frame for meeting your original deadline in a consistent fashion. It also identifies the separate stages, products, and sub-dates that meeting this time frame entails. Finally, we set forth the factors that you need to consider in deciding whether you wish either to proceed with this plan or to alter it in one or more respects.

### 2. BACKGROUND/ANALYSIS

You have stated that no other area of domestic policy is in greater need of comprehensive reform than the nation's health care system. At the heart of the problem -- the millions of uninsured persons, the millions more who are on the verge of losing coverage, and the inequitable access to quality care -- is one overriding dilemma: the system's enormous cost. The cost of American health care fundamentally threatens the private economy. It threatens the vitality of the federal, state and local governments. And it undermines the security of today's insured Americans in the future of their own health coverage.

For all of these reasons, health care ranks at the top of your policy agenda. In January you identified health reform as one of the centerpieces of your first Presidential term and appointed the First Lady to head a task force that would study the problem and recommend comprehensive reforms.

Immediately following your inauguration you formed an Interagency Task Force on Health Care Reform and announced that within 100 days a comprehensive plan would be prepared. After several months of major effort, Task Force staff have developed several proposals for you. Given the nearness of their completion date, a time line for

unveiling the plan to the public and to the Congress is essential.

### **Phases for releasing the plan, with a proposed time line**

It is increasingly evident that the task of unveiling the plan to both the American people and Congress actually entails several separate and identifiable phases, each with its own substantive and strategic considerations.

In my discussions with senior members of the Administration over the past several days, we have identified a series of activities that, taken together, constitute a three-part process for unveiling the plan. The first phase is the report of the Task Force. The second is your own major address to Congress and the American people. The third and final phase is the actual introduction of legislation.

This three-part time frame for this process begins this week, with your final decisions on a series of over-arching policy matters that must be resolved in advance of the final Task Force report.

The major points in this three-part process are the week of May 10th (when the Task Force reports to you), May 25th (when you speak to Congress) and the days immediately following the Memorial Day recess (when formal legislation is submitted to Congress).

### The time schedule

1. You announce your national health reform time schedule this week.
2. In a series of meetings with the Cabinet and other key members of the Administration, you make final decisions with respect to those issues in which your direct and personal involvement is pivotal. **(Complete by April 15th)**
3. The Task Force formally presents its findings and recommendations to you. **(Between May 10th and May 15th)**
4. You announce the broad outlines of your decision and plan in a major address **(May 25th)**.
5. You submit legislation immediately following the recess **(June 1 or 2)**.

As these phases unfold, the following events are occurring, beginning when you make your final decisions:

- Consultation with Congress at the Senior Staff level begins. Negotiations proceed from April 19th throughout May in order to permit as much policy

consensus as possible.

- Beginning after the Task Force presentation to you and before your speech to Congress you begin direct negotiations with Congress.
- By May 5th, a preliminary legislative draft of the proposal is prepared, based on your final decisions and ongoing consultation with Congress. This draft embodies both your decisions, the Task Force recommendations, and modifications made as a result of the Congressional/ Senior Staff preliminary consultation process.
  - The draft is circulated for review to a highly select group of Administration officials and members of Congress.
  - The legislation also is used by members of the Administration to prepare budget, tax and impact analyses.
- Your policy consultation process with Congress is completed and legislation is finalized by the Memorial Day speech.
- The entire legislative package (including materials for the general public, press and accompanying materials for introduction) are developed throughout May.

We believe that these steps permit you to:

- consolidate the position within the Administration through consultation with the Cabinet,
- surface and test the broad principles of reform in advance of formal introduction of legislation,
- begin to build public support in advance of the submission of legislation, and
- assure consultation with Congress prior to the actual introduction of a bill while nonetheless maintaining control over the important initial legislative development stage

### **Considerations in accepting or modifying this proposed schedule**

In determining whether this proposed schedule makes sense or should be modified at one or more points, we have identified the following issues for you to consider:

- 1. The urgency of the issue:** Do you consider that completion of national health

reform by early 1994 at the latest is essential? If so, then given the complexity of this issue, formal introduction of a bill should occur no later than the beginning of June. This is particularly true given the probable need to phase in the reforms because of budget considerations. Assuming 1994 passage, by 1996 coverage reforms should be under way. Later passage might delay these crucial effective dates.

**2. The need to rally strong public pressure for reform:** The monumental task of enacting sweeping national health reform will be possible only with broad and sustained public pressure. Your political, communications and outreach staffs have concluded that in order to most effectively reach the public and keep their involvement sustained over the many months that enactment could consume, you must launch the initial public phase of this effort no later than Memorial Day. A major public and grassroots campaign is now being readied. If the public unveiling of your broad plan outline is delayed until the summer, then communications experts raise concerns that the thrust of the message will be lost to the slower summer months.

**3. The need for consultation with Congress prior to introduction of legislation:** This schedule is designed for you to formally set in motion a short but adequate consultation period with Congress. By delaying introduction of the actual legislation until both you and your senior staff have had extensive policy and political consultations with the House and Senate, we hope to assure that the legislation with ultimately is introduced addresses as many concerns as possible and assures you of the broadest possible Congressional support.

**4. The need to assure the most accurate cost, revenue, and economic impact estimation possible.** By planning introduction of the legislation at the beginning of June, we have built in sufficient time for this essential companion (and detailed) body of work to be completed.

**5. The Congressional schedule.** In light of the budget reconciliation schedule, there is a need to balance the speed with which actual legislation is submitted to Congress against their need to complete work on the reconciliation package by Memorial Day. With very few legislative days left, and with the same Committee Members and staff essential to both Reconciliation and the health reform effort, the month of May is needed to complete the legislative negotiations while also completing action on reconciliation.

On a matter this crucial and complicated, careful consultation with Congress is also critical. The later date on which we propose introduction of actual legislation permits such consultation.

**6. Time to adequately resolve several important remaining issues.** Over the

next 10 days your input on the most crucial and fundamental questions raised in this legislation will be essential if the May strategy we outline is to succeed. This proposed schedule permits your staff to complete this decision-making process with you while still meeting both the broad policy release and detailed legislation schedules outlined above. Follow-up memoranda on these decisions are now being prepared.

### III. RECOMMENDATION

In light of these considerations, we recommend that you approve a three-part "unveiling" plan that assumes a Task Force release by May 10th to 15th, a major speech on May 25th, and the submission of legislation immediately following the Memorial Day recess. We also recommend that this week you publicly announce your schedule for proceeding.

### IV. DECISION

Approve       Approve as amended       Reject

No action