THE WHITE HOUSE

WASHINGTON

November 9, 1970

MEMORANDUM FOR JOHN EHRLICHMAN

From: Edward L. Morgan

Subject: Health Presentation to the Domestic Council

1. Secretary Richardson will be accompanied by:

    1. Lew Butler, Assistant Secretary for Planning and Evaluation

    2. Dr. Roger Egeberg, Assistant Secretary for Health and Scientific Affairs

    3. Dr. Jesse Steinfeld, Surgeon General

    4. Bob Patricelli, Deputy Under Secretary for Policy Coordination

    5. Marshall Turner, White House Fellow

2. You may want to make a special point of introducing Egeberg, as he will be present but has no part in the presentation.

3. It is not certain that they will adhere to this agenda (as of 4:00 p.m. today they had not reviewed it with Richardson) but here is their proposed sequence:

    1. Elliot Richardson — 5 - 10 minutes

        Introduction: Health as an issue for the '70's

    2. Jesse Steinfeld — 15 minutes

        The parameters of the problem

        -- Indices of the nation's health

        -- Recent expenditure trends; rising costs

-- Disparities by race, income and geography

-- Causal factors: institutional inefficiencies, lack of accountability, lack of incentives for improvement

3. Bob Patricelli 15 minutes

"Non-financial aspects" of a national health strategy

-- Examples of ways in which education, broadly construed, is relevant to health care.

-- Prevention strategies; eg. family planning, reduction in cigarette smoking, alcoholism, accidents.

-- Institutional reforms in the health delivery system

4. Lew Butler 20 minutes

Financing, FHIP and other insurance plans

-- essentially an exposition of the variables that must be considered in developing any new financing scheme (These were set forth in Richardson's advance briefing paper, distributed Friday. Butler will review them orally and try to make sense out of them.)

5. Elliot Richardson For the duration

Summary and discussion

4. It has been made clear to all concerned that this is H.E.W.'s show, and that Secretary Richardson may structure it however he likes.

5. We have told them to view this as the first part of a two-part sequence, and to make Tuesday's meeting an educational session, designed to bring the members of the Domestic Council up to speed on the dimensions of the health issue, on various ways of organizing and conceptualizing it, and on the variables that must be considered as the Administration tries to grapple with it. This would be followed by submission of specific proposals; in other words, the meeting is not to review H.E.W.'s recommendations, but simply to learn what elements they are considering as they shape their recommendations.

6. Secretary Richardson plans to bring with him the Department's "options paper" on health financing for submission to you and the President. This is only coincidental, however, and we do not recommend that you make any attempt to distribute the paper at this meeting.

7. Possibly the most important thing that can happen at the meeting is an airing of assumptions, preconceptions and biases in the field of health by all members of the Domestic Council; and I recommend that you structure the discussion so that everyone has a chance to be heard in this manner. As you know, we are talking about a matter of major philosophical, political and budgetary concern to the entire Administration.

8. I suggest you indicate that there will be a subsequent Domestic Council meeting to review specific proposals, after they have been staffed out by a Working Group. I do not feel that we are ready for a Council Sub-committee at this time. But, rather, that H.E.W.'s recommendations first be examined by a group that should include, at minimum, O.M.B., C.E.A. and us.

9. Clearly, the big question is financing, and the discussion might usefully center on the broad policy questions that must be answered as we review F.H.I.P. and other financing options:

A. What groups in the population are getting what kinds of health care now?

B. What is the effect of present Federal programs on this distribution, on medical costs, on income distribution and on the organization of the health delivery system?

C. What is the mix of public and private interests in the health delivery system at present?

D. What are the implications of the "income strategy" and the "New Federalism" for health care?

E. If we provide more health care for the poor, who gets less?

F. To the extent that we will inevitably re-distribute both money and health care through whatever program we select, what groups do we want to benefit or lose and in what ways?

G. Health insurance, without changes in the delivery system, may just inflate prices further. In terms of a long-run health strategy, what can be done about this?

H. Particularly in light of the Kennedy bill, and the likely views of the A.M.A. and other interest groups, what are the parameters of the politics of health policy?

I. How much will all of this cost, and what can or must be sacrificed in order to pay for it?