

Would Accept Compromise

Nixon Presses Health Plan

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By Stuart Auerbach
Washington Post Staff Writer

MY BISCAYNE, Fla., May 21—President Nixon today offered to compromise with Congress in order to get a national health insurance bill passed this year.

While insisting that his own health insurance plan is the best, the President told the nation in a 13-minute radio address from the study of his vacation home here that "we are not ruling out compromise where compromise does not violate the basic principles of our proposals."

His speech came the day before the Senate Finance Committee opens hearings on national health insurance, with Secretary of Health, Educa-

tion and Welfare Caspar W. Weinberger, the administration's spokesman, as the witness.

The House Ways and Means Committee began its hearings almost a month ago.

"I am gratified to see that serious action on this most vital matter is going forward on both sides of Capitol Hill," said the President, who urged Congress to pass national health insurance this year when he introduced his plan in February.

Nevertheless, it appears unlikely that Congress, just beginning to move into impeachment proceedings against Mr. Nixon, will be able to get to national health insurance before it adjourns in October.

There are currently about a dozen health insurance plans before Congress, with three considered major contenders. They are the administration plan; a compromise plan with benefits similar to the administration's but with a different financing system that is sponsored by Sen. Edward M. Kennedy (D-Mass.) and House Ways and Means Committee Chairman Wilbur Mills (D-Ark.), and an insurance plan for catastrophic illnesses sponsored by Senate Finance Committee Chairman Russell Long (D-La.) and Sen. Abraham Ribicoff (D-Conn.).

Mr. Nixon criticized the Kennedy-Mills and the Long-Ribicoff proposals for being

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administered directly by the federal government.

In addition, the President said, the Long-Ribicoff plan would for the most part cover only the costs of a catastrophic illness—where doctor bills exceeded \$2,000 and hospitalization lasted more than 60 days for any person—and leave Americans “unprotected against many other substantial health costs.”

The administration plan would force health insurance companies to establish basic minimum policies that employers would be forced to offer to their workers. The cost of buying the policy would be shared by employers and employees.

The aged would be covered by a revised Medicare program that the President called “improved” but that organizations of the elderly say would increase their medical bills. The government would buy health insurance for the poor, who would share the cost of the actual medical services they need.

Services covered would include doctor bills, hospital costs, prescription drugs, lab tests and X-rays and some mental health care. Preventive care for children is also part of the administration package.

The Kennedy-Mills plan would offer the same basic benefit package. But it would be run by an independent Social Security Board and would be financed out of a payroll tax and general revenues. Health insurance companies would act as fiscal intermediaries—handling the paperwork as they now do under Medicare—instead of selling actual policies.

Both Kennedy-Mills and the administration plans include cost-sharing provisions. But the deductibles and co-insurance provisions would cost less under the Kennedy-Mills

bills than under the administration's.

Moreover, the maximum that any family would have to pay in cost sharing for medical care would be \$1,000 under Kennedy-Mills compared to \$1,500 under the administration bill.

The administration plan would add \$5.9 billion in new federal spending, but would not entail any tax increase. The total cost to the federal government would be about \$40 billion. Both Kennedy and Mills say their bill would cost the same, but administration experts insist the cost would be higher.

In his speech today, the President said that his bill “is the only major plan that offers extensive, uniform health coverage without raising your taxes; without severely damaging the effective private health insurance that has helped make this generation of Americans the healthiest, best cared for in our history, and, without establishing an enormous new federal bureaucracy.”

He listed “three basic principles” on which he would not compromise. Two are part of all the major plans: allowing the patient freedom to choose his own doctor and providing “all parties—consumers, providers, carriers and state governments—with a direct stake in making the system work.”

The third principle, he said, is that any health insurance plan “must build on the capacity and diversity of the existing system of health care rather than tear it down and seek to erect a costly, federally dominated structure in its place.”

A White House aide said that is the major difference the administration has with the Kennedy-Mills plan. After his speech, Mr. Nixon remained here this afternoon and left for Washington tonight.