

RELEASE IN  
PART B6

**From:** Neera Tanden [redacted]  
**Sent:** Tuesday, October 20, 2009 4:32 PM  
**To:** H  
**Subject:** Re: Update

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Thanks Hillary! I'll start after health care (and after a short breather!) - so it will likely be after the first of the year.

Well, I'm very optimistic on health care. I mean, keep in mind that we were worried about getting a full bill (anything above \$600 billion) just six weeks ago! I think we'll end up spending around \$900 billion or even a bit more, which will hopefully get us closer to 30 million covered than 20 million covered.

In terms of cost controls, the dirty little secret is that we don't have a lot of good evidence on what works - in a way that that Congress has any appetite to do. I mean, cost controls, as we all know, is attacked as rationing. So everyone likes to discuss this, including the Administration, but then on the other hand, says they won't touch benefits. Now there is a lot of fat in the system, but some of that excess is just too much care. Yet no one really wants care to be restricted. Just think of an example we all hold dear: comparative effectiveness research. It's pretty basic to take into account costs and quality in these determinations, but that has created a rationing firestorm. We will be lucky to survive this fight with CER not being totally restricted from having any impact on payment decisions.

The excise tax on insurance plans is another example - that will help bend the cost curve but it will likely hit companies with older workers harder, etc. And obviously, many of the unions are really concerned, to say the least.

And the other problem is that some of the things we can do - like bundling payments so that you are paying for an episode of care, and not each point of service - need some time to incubate because we don't have all the evidence we need. So the Senate Finance Mark has this idea of Innovation Centers at CMS where a range of approaches will be tried - bundled payments, medical homes, accountable care organizations. And we hope that from those experiments we'll be able to learn and expand, so we gradually get to a place where we are moving the system more towards quality of care and not quantity of services.

Now, as you know I'm not generally an optimist. But I actually think that health care legislation (especially Senate Finance, over the House) embeds enough of these cost reforms to have an impact. Obviously, we'll have to keep at it and continue to work it, but at a time when Congress hasn't paid for anything in a decade and cuts seem politically impossible, I do think we're moving the needle. As you would say, the perfect can't be the enemy of the good. I just think by emphasizing costs so much at the beginning of this process, we may have oversold what these bills will (or even can) do.

But more importantly - what was your gut on Snowe? Our target list is now Collins (who is kind of on her own), Bayh, Landrieu, Nelson, Dorgan, and Lieberman. Obviously, others are a concern too, but those are our greatest worries on cloture. Feinstein was stating greater hostility than she has recently; and we're hopeful we can address some of their concerns about Medicaid cost shifting to the states. You are always incredibly insightful on these folks.

In terms of timing (and believe me I'm focused on this), we're hopeful now that we can be done on the Senate floor before Thanksgiving. And then complete conference before Christmas. I know this goal post keeps moving, but I do think there is little interest on both ends of Pennsylvania Avenue for continuing this into 2010.

Thanks again, as always,

Neera

**From:** H <HDR22@clintonemail.com>  
**To:** "ntanden [redacted]" <ntanden [redacted]>  
**Sent:** Tue, October 20, 2009 6:45:11 AM  
**Subject:** Re: Update

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Neera,

[redacted]

And, what's your latest prediction on health care? Are you worried about the lack of cost controls in the current bills? I had dinner w a bunch of women Senators, including Snowe, who, led by Feinstein, Murray, Cantwell, Lincoln, and McCaskill all expressed their concerns. Boxer and Feinstein were also vocal about the effects on Calif due to Medicaid cuts. No one thought the Senate would be near done before T'giving at the earliest. So, what's likely to happen?

Take care. H

----- Original Message -----

**From:** Neera Tanden <[redacted]>  
**To:** H  
**Sent:** Mon Oct 19 23:06:38 2009  
**Subject:** Update

Hillary,

I didn't want to bother you when you were doing so much overseas so I'm sorry I'm late in giving you an update.

I decided to go to CAP. I really thought about what you said - about focusing on what I want to do every day. [redacted]

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[redacted]

Anyway, I really appreciate you taking the time to advise me - especially with everything you are juggling! I feel very fortunate to have such an amazing mentor.

Thank you Hillary

Neera

P.S.



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