HELEN GOFMAN, M. D.
UNIVERSITY OF CALIFORNIA HOSPITAL
PARNASSUS STREET AND 3RD AVENUE
SAN FRANCISCO, CALIFORNIA 94122
666-1560

Dec 8. 1995

Dear Jack,

Good to hear from you – though the messages are surely depressing. Sounds like pediatrics and medicine are back in the early 50's. How many times do we have to "rediscover the wheel"? They dont have an inkling to multiple causes and the need for a multi discipline work up. Parents should be back to Health Net at all costs!

As for the "beating bill" — are we going back to the punishment of the Dark Ages and the Inquisition? Maybe the Committee proposing this should be "beamed down" into a torture chamber in the Spanish Inquisition. I will write such to the committee. Like most of our Govt officials they don't have a clue about teaching prevention (responsibility leads to privilege / lack of " " no privilege) It's a only punishment that will cure our evils!

Keep in touch. Love. Helen

HEALTH NET **MEDICAL POLICY MANUAL**

SECTION: A

SUBJECT:

ATTENTION DEFICIT DISORDER
ATTENTION DEFICIT HYPERACTIVITY DISORDER

Attention Deficit Disorder and Attention Deficit Hyperactivity Disorder are conditions that are characterized by inattention, impulsivity and hyperactivity. The American Psychiatric Association categorized these disorders as developmentally inappropriate inattention and impulsivity, with or without hyperactivity.

Both Attention Deficit Disorder and Attention Deficit Hyperactivity Disorder are implicated in learning disorders. The evaluation to aid in the identification of these disorders usually includes psychometric testing, performance tasks and rating scales as outlined in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Third Edition, Revised, which states that this testing can best be accomplished within the school setting. Information obtained by the physician should be shared with the school personnel; likewise, school personnel should readily share their information with the physician.

The testing to **diagnose** Attention Deficit Disorder or Attention Deficit Hyperactivity Disorder is a covered benefit. Testing for educational purposes is not covered. Drugs to treat the disorders would be covered if pharmacy is part of the benefit package. Intermittent visits for medication adjustment would be approved. Any other treatment for these disorders would not be considered as part of the benefit.

↖ Any time spent on helping parents learn how to help these children and their behavior would not be covered. Just give them a pill & good bye!

APPROVED DATE: 10-12-94

INTERNAL MEDICINE PHONE : (415) 731-6300

STONESTOWN MEDICAL GROUP, INC.
CARMEN A. ROMEO, M.D.
ROBERT E. NAPOLES, M.D.
595 BUCKINGHAM WAY #515, SAN FRANCISCO, CA 94132

7/11/96

Dear Dr Gofman,

Thank you for your kind letter. I guess I'm old-fashioned and don't know how to change my practice habits in this age of "Corporate medicine."

Your accompanying articles really are on target on what's occuring in medicine today. Unfortunately many people, especially medicare recipients, aren't really aware of their consequences on joining an HMO. It's usually my job to tell them the cold hard facts of what Benefits - they don't have!

I enjoy my time in medicine, but worry about the future of my patients in this changing money-driven climate

Sincerely

DR Romeo

Notes 1995

One set of Helen Gopman's pasted-up clippings + protest-letter, + original drawing sent to multiple persons.

HELEN GOFMAN, M. D.
UNIVERSITY OF CALIFORNIA HOSPITAL
PARNASSUS STREET AND 3RD AVENUE
SAN FRANCISCO CALIFORNIA 94122
666-1560

1045 Clayton St.
San Francisco. Cal
94117
Oct 19. 1995

Dear

I am enclosing some thoughts about our health care from the point of view of a pediatrician who cared for children and taught medical students and pediatric housestaff, nurses and fellows from 1952 to 1982 when I retired. Part of my career took place back in the "good old days" of non-profit Blue Cross.

I am alarmed to see our medical care put in the hands of profiteers who know little about what good medical care entail. With my arthritic scrawl and the help of assorted clippings and special columnists, I have tried to put my alarms on paper.

The profit basis for our medical care system and its medicare dollars seems all wrong. It seems as though most medicare dollars are going to profiteers. Please consider our medical futures wisely.

Sincerely + hopefully,
Helen Gofman M.D.

Foundation Health Wins Medi-Cal Deal

News of contract sends company's stock price higher

Oct 18. 1995

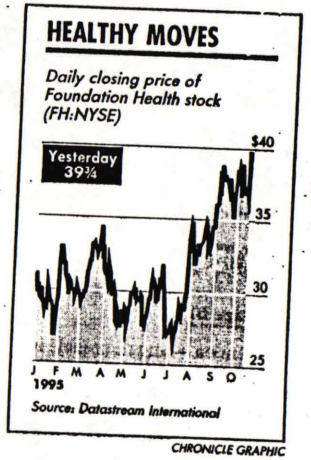
By Carl T. Hall
Chronicle Staff Writer

Shares of Foundation Health Corp. soared yesterday after state health officials handed the company a plum Medi-Cal contract worth as much as $600 million a year in new revenues.

The state Department of Health Services announced that Foundation had won a bidding contest for the right to sign up low-income residents of Los Angeles, Contra Costa and Tulare counties for health coverage.

The three counties include 1.9 million beneficiaries of Medi-Cal, the main federal-state health insurance plan for the poor. Los Angeles County alone accounts for 1.7 million beneficiaries.

A smaller contract — covering San Francisco, Alameda, Santa Clara and three central California counties — was awarded to nonprofit Blue Cross of California's CaliforniaCare Health Plans. Those six counties include about 800,000 Medi-Cal beneficiaries (see chart). The state conducted the bidding in 12 counties targeted by the Legislature for expanded HMO coverage of Medi-Cal recipients. The hope is to cut costs and expand access to basic services for the poor.



CHRONICLE GRAPHIC

The new system offers Medi-Cal beneficiaries a choice between a "mainstream" HMO selected to serve each county (such as Foundation or Blue Cross) and a locally organized competing health system. Both Foundation and Blue Cross are expected to enroll 30 percent to 60 percent of the eligible residents. The remainder would go to the competing local system.

For Foundation, even a 30 percent share in Los Angeles County would mean a dramatic boost. The company had only 112,000 Medi-Cal enrollees as of June 30, but it is hoping to become a dominant player in the government-financed slice of the managed-care market.

About a dozen HMOs had entered

FOUNDATION: *Page D2 Col. 1*

FOUNDATION: Wins Contract

From Page D1

ed the bidding in one or more of the counties up for grabs. FHP, CIGNA, Kaiser Permanente in Southern California, and others were among several members of a coalition that unsuccessfully bid on the Los Angeles County contract.

State officials estimated the total value of the contracts in 11 of the 12 counties — excluding Fresno, where bidding was delayed — will amount to as much as $11.4 billion from 1996 through 2002.

Foundation offered the annual estimate of $600 million for its share, starting with the fiscal year beginning July 1, 1996. Blue Cross said it was looking to take in about $300 million for the six counties where its bid prevailed.

The government announced the winners late Monday after trading in the stock market had closed for the day. Foundation followed up yesterday with its own announcement, in which chief executive Daniel Crowley said the contracts make Foundation "the nation's largest for-profit managed-care plan for Medicaid."

Despite some concerns about slim profit margins in low-income health insurance programs, the news helped fuel a 3-point surge in Foundation's stock, which closed at 39¾ on the New York Stock Exchange.

Analysts noted that Foundation also has scored a string of big wins lately for military health contracts, known as CHAMPUS.

"They are the king of CHAMPUS, no question about it," said Ed Keaney, a health-care stock analyst at Volpe, Welty & Co. in San Francisco. "A lot of health plans are very much oriented to commercial enrollees and are not well-suited to the government programs."

AND STILL THE "HEALTH CARE FOR PROFIT - MONOPOLY" GROWS!

Hot off the Press
Oct 18. 1995

I care!

Do you?

More Medi-Care dollars going for profit.

D2 San Francisco Chronicle ***** Oct 18. 1995

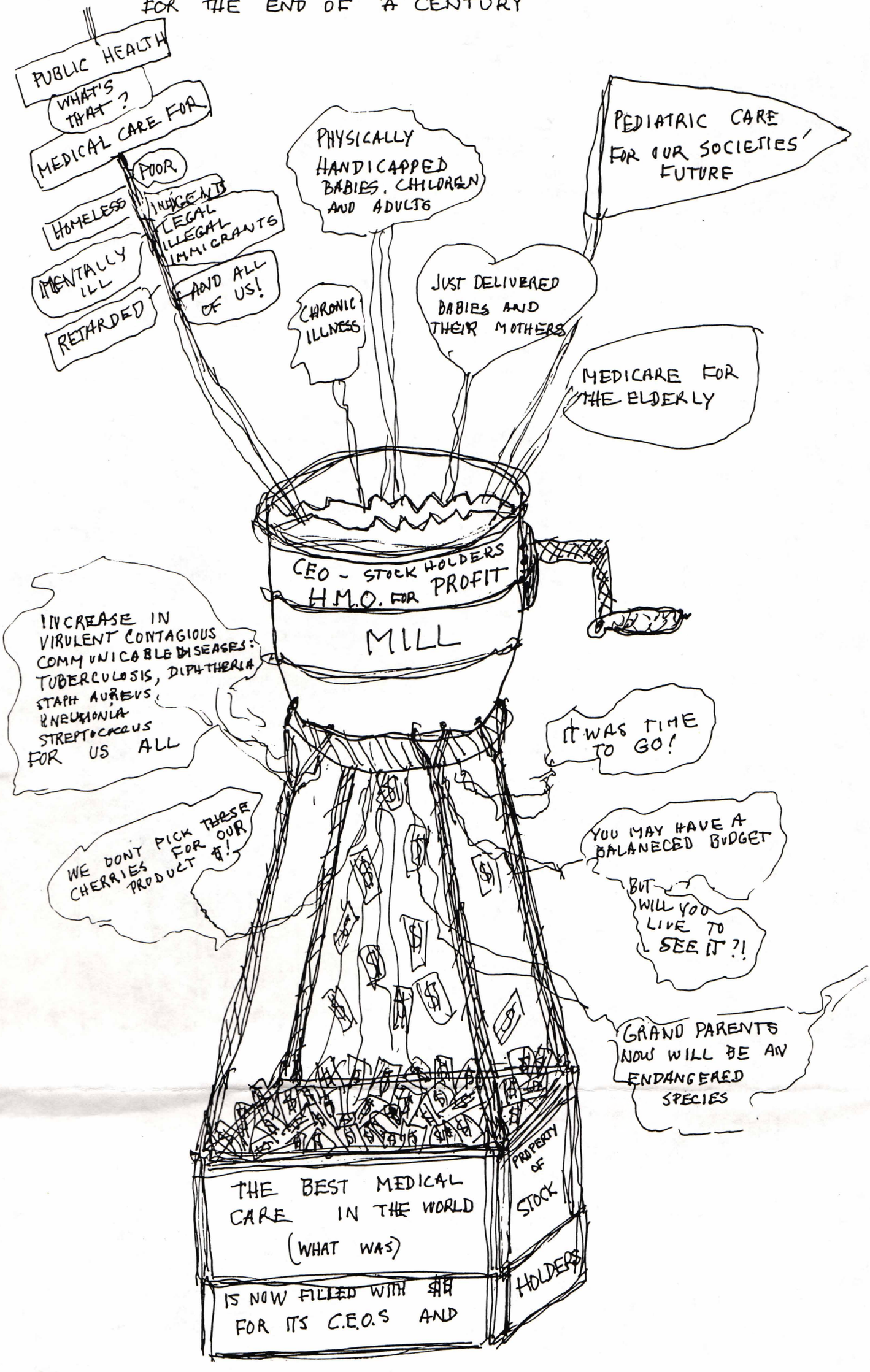
MEDI-CAL MANAGED CARE EXPANSION

Blue Cross and Foundation Health were the big winners in the bidding for lucrative Medi-Cal insurance contracts.

County	Contractor	Medi-Cal population	Value of contract (in millions)
Alameda	California Care (Blue Cross)	192,455	$787
Contra Costa	Foundation Health	87,094	367
Fresno	To be announced	202,559	NA
Kern	California Care (Blue Cross)	131,375	446
Los Angeles	Foundation Health	1,705,821	5,900
Riverside	Molina Medical Centers Inc.	190,667	703
San Bernardino	Molina Medical Centers Inc.	291,661	1,000
San Francisco	California Care (Blue Cross)	111,138	523
San Joaquin	California Care (Blue Cross)	115,992	379
Santa Clara	California Care (Blue Cross)	176,993	712
Stanislaus	California Care (Blue Cross)	86,710	302
Tulare	Foundation Health	95,886	286
TOTAL CONTRACT VALUE			$11,400

Source: California Department of Health Services

NEWT & CO. : HISTORY LESSON ON HEALTH CARE FOR THE END OF A CENTURY



less imminent, Health Systems shares slid 3⅜ to 29¾ on the New York Stock Exchange yesterday. Foundation's shares gained ¾ to 30⅛ on the NYSE while FHP shares went up ¼ to 25 on Nasdaq.

PAGE 1

FRIDAY, MARCH .

BUSINESS DIGEST

Health Systems Directors OK WellPoint Bid

Directors at Health Systems International Inc. approved a proposed merger yesterday with WellPoint Health Networks Inc. that would create the nation's largest publicly traded health maintenance organization, according to sources familiar with merger talks. Health Systems International is the parent of Health Net, the state's second largest HMO.

Directors at WellPoint, a unit of Blue Cross of California, were meeting late last night and are also expected to approve the deal, sources said. Formal announcement by the Woodland Hills, Calif.-based companies was scheduled for this morning.

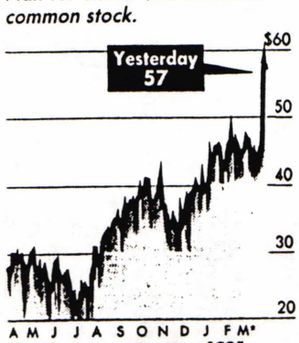
Under the terms of the deal, WellPoint would buy Health Systems for about $35 a share, or a total of nearly $1.8 billion. In addition, WellPoint shareholders would receive about $1.2 billion in cash.

Los Angeles Daily News

STOCK SPOTLIGHT

OXFORD HEALTH PLANS (OXHP: NASDAQ)

Shares of the Norwalk, Conn.-based health maintenance organization dropped 1½ to 57 yesterday after it reached a definitive agreement to acquire closely held OakTree Health Plan for about $66 million in common stock.



*2-for-1 stock split, March 27, 1995

Source: Baseline

CHRONICLE G

A8 THE WALL STREET JOURNAL WEDNESDAY, DECEMBER 21, 1994

Money Machines: HMOs Pile Up Billions in Cash As Analysts Wonder What They Will Do With It

The fastest way for HMOs to spend their cash is to acquire other health plans. Sherlock & Co., a Gwynedd, Pa., consulting firm, says its tallies show a surge in industry consolidation. It says publicly traded HMOs have completed 13 acquisitions totaling almost $4 billion this year; last year saw just five such HMO transactions for a total of $685 million.

Cash Is Piling Up at the Largest HMOs

HMO	MEMBERS (millions)	CASH AND INVESTMENTS (millions)	CASH PER SHARE	STOCK PRICE
Kaiser Permanente	6.6	$1,347	N.A.	N.A.
United HealthCare	3.2	2,600	$16.00	$45.75
U.S. Healthcare	1.9	1,164	7.00	42.50
Humana	1.8	887	5.50	22.00
FHP International	1.7	456	8.00	26.13
Health Systems	1.4	475	9.50	23.50
PacifiCare	1.4	711	25.00	67.00
HIP	1.2	334	N.A.	N.A.
Foundation Health	1.0	645	13.00	31.13
WellPoint	0.7	1,918	19.00	28.38

N.A.=Not applicable; HMO isn't a publicly traded company

Sources: Salomon Brothers Inc., Sanford C. Bernstein & Co.

HOW CAN CONGRESS VOTE FOR A HEALTH SYSTEM BASED ON CEO'S AND STOCKHOLDERS' PROFITS FROM A MONOPOLY OF H.M.O.'S !!

A U.S.A. HEALTH CARE SYSTEM FOR PROFIT?!

Huge Bonus For HMO Boss

Foundation CEO gets $3.4 million

By Arthur M. Louis and Alex Barnum
Chronicle Staff Writers

5/5/94 pD1

Foundation Health Corp., the Rancho Cordova-based health maintenance organization, paid chief executive Daniel Crowley an astonishing $3,402,000 bonus last year, making him the the highest paid HMO executive in the nation.

The bonus brought Crowley's total pay — excluding stock options — to $4,374,973 for the fiscal year ended last June, the company's proxy statement indicates, placing him near the top among all Northern California executives.

Daniel Crowley

Crowley was more than a million dollars ahead of the chief executives of Chevron and BankAmerica, and more than $3 million ahead of the CEOs of Hewlett-Packard, Safeway and McKesson. Those are Northern California's five largest companies, reckoned by sales.

Foundation Health, located just east of Sacramento, ranked 25th in sales in the latest Chronicle 100 tabulations, with $1.8 billion.

Top officials of Foundation Health clearly were embarrassed by the size of the bonus, which was calculated by a formula based on the company's operating profits for fiscal 1993. The Compensation Committee of the board of directors has since revised the formula and capped the potential payout. If

P.S. as of 6/17/96
He is now still making $3,396,000.00 annually!

The Dangers of Managed Care

By Jerome P. Kassirer

First of Two Parts

WHETHER health care should be subjected to the values of the marketplace is a fundamental question facing us today. A powerful trend in this direction is upon us, with enormous, well-financed companies already dominating the delivery of health care in many parts of the country. Although many in medicine believe that the unchecked expansion of managed care (particularly the investor-owned variety) could have dire consequences, few have spoken out. Instead, many leaders have accepted the new trend as a *fait accompli* and have begun to position their institutions to survive within the constraints of the marketplace. The threats are not difficult to identify. Market-driven care is likely to alienate physicians, undermine patients' trust of physicians' motives, cripple academic medical centers, handicap the research establishment and expand the population of patients without health-care coverage.

By Jerome P. Kassirer

Last of Two Parts

THE TRANSFORMATION of our health-care system is having several perverse effects. It is producing corporate conglomerates with billions of dollars in assets that compensate their executives as grandly as basketball players. These conglomerates are battling to control physicians in many locations, and because they have cash and monopolistic power, they often succeed.

To some, providing medical care is a cost of being in the health care business with Wall Street and others using such terms as "the medical loss ratio" to describe the expense of taking care of the sick. There is already such sensitivity to price that both individuals and companies change plans readily, thereby interrupting the continuity of patient care. As another byproduct, a growing number of people in this country have no health care coverage.

In some cases, in fact, their contracts forbid them to disclose the existence of services not covered by a plan. Doctors forced into such excruciating quandaries will not be able to tolerate them for long. Soon, many will find themselves conforming to the restrictions and deceiving themselves that what they are doing is best for their patients.

These predictions are based on several assumptions: first, that cost, not quality, will dominate in the marketplace. Although many have argued that competition will focus on the quality of care, the methods we have for measuring quality are still quite primitive.

Another assumption is that all plans will offer fewer services. As price competition becomes more intense, some plans are likely to stop providing not only many services of uncertain value but also other medical services valued more by patients than insurers (arthroscopic knee surgery to restore the ability to play tennis, for example). Already, we are seeing how competition is affecting plans in some parts of the country. Some plans with superb track records are being underbid by wealthy investor-owned plans. It is only a matter of time before even the best plans will be forced to trim benefits to compete. A last assumption is that physicians will be given the responsibility to implement these restrictions — a responsibility that will pit their duty to their patients against their duty to their employers.

Dr. Jerome P. Kassirer is editor of the New England Journal of Medicine. This was adapted from the July 6 edition of the journal.

"We're all concerned about how we can be more efficient," said Dr. Tom Long, a San Ramon pediatrician. "But patients are starting to feel they are being dealt like a card, rather than cared for. We're all starting to ask, are we sacrificing quality for cost?"

wasteful paperwork. Leaders should also acknowledge that managing care can limit costs. But they should go on to say that the enormous profits of megahospital systems and huge insurance conglomerates should be used for medical care. Until they are, we have not tried hard enough to discover whether our resources are sufficient to avert restriction in care. Our leaders should reject market values as a framework for health care and the market-driven mess into which our health system is evolving. We gave up too easily; we must make another serious attempt to formulate a national policy that will provide health care to all.

After all, what oath, promise, or pledge did we ever make, either as individuals or as a profession, that obligates us to restrict care? We pledged, instead, to provide care.

Dr. Jerome P. Kassirer is editor of the New England Journal of Medicine. This was adapted from the July 6 issue of the journal.

Warning: Managed Care May Be Hazardous to Your Blood Pressure

Sure enough, he reports in a letter published in the current Journal of the American Medical Association, his blood pressure averaged 154 over 95 after nine contacts with managed-care companies, compared with 139 over 80 during other duties. Shortly after completing his experiment, Dr. Phillips began taking medication for high blood pressure.

"I can spend 20 minutes on hold seeking approval from some rookie in Chicago who is basically paid to say 'no,' " says Dr. Phillips. "That puts me 20 minutes behind for my next patient."

In the case that prompted the experiment, he was seeking approval to refer a patient to a neurosurgeon. "Every time she moved her head, both of her arms went numb," he says. The referral was turned down. When he appealed to a medical director, he became so incensed in one conversation that he called her a liar.

In another case, it took extraordinary effort for him to get a patient with a possible detached retina to see an ophthalmologist rather than an optometrist.

Dr. Phillips declines to name the health plans involved but says his frustration is compounded by the fact that he deals with 17 of them. It is rare that a patient is denied the care he recommends, he concedes. "It just takes a lot more time, effort and delay to get it done," he says.

A spokeswoman for the American Managed-Care and Review Association, a Washington trade group, says the approval process "may be stressful and inconvenient," but is necessary to control costs and provide "appropriate care."

Meanwhile, the managed-care burden has become a source of humor at Northwest Family Practice. "My nurses said to be sure to tell you that the doctor may be on blood-pressure medicine," he says, "but the office staff is all on Prozac."

Some critics make the point that for-profit HMOs pay their executives huge salaries while simultaneously trying to avoid paying for potentially life-saving treatments to their members. They say this demonstrates an inherent conflict between the profit goals of an HMO and its duty to provide health care.

Some doctors and hospitals also are turning feisty about HMOs' finances. In recent years, big HMOs have pressed many medical providers to do their jobs more cheaply or risk losing part of their patient population. HMOs also have persuaded many doctors and hospitals to accept flat payments to cover thousands of members for a year at a time no matter how much care the patients end up needing, an approach known as "capitation."

"We admit that it's important to save money... The problem is that we can't sacrifice quality standards we've built up over the years to do that. To save money, some managed care panels are deciding not to have children's specialists on their panels. That's not right."

Jack Penso, M.D., , President, American Academy of Pediatrics California Division, Culver City

My Medical Colleagues are spending 2–3 hours per day on telephone calls for "the approval process" from non–medically trained "Gatekeepers!" For this they trained over 12 years?!

PAGE 3

SOME "THOUGHTS" FROM SAN FRANCISCO

ARTHUR HOPPE

What's Up, Doc?

Many doctors working in managed care systems like HMOs complain they are forced to see so many cases in every working day that they cannot spend more than 12 minutes on any one patient. — News item.

HEARING A NOISE in my left knee, I dropped in to see kindly old Doc Christian. The bespectacled, pipe-puffing philosopher has always been willing to devote an hour or so providing me with a psychological haven from the stormy seas of life.

I was surprised to see he had a new nurse, Nurse Ratched, who was all hustle-bustle. "Right this way," she said, leading me down the hall toward Doc Christian's office. "If you will disrobe behind this aspidistra plant," she said, glancing at her stopwatch, "Doctor will be with you in three minutes and 12 seconds."

Su enough, I had just rid myself of my last vestment when the office door opened and a stout lady emerged backward, tugging on her camisole and trying to get one foot into a penny loafer. She was followed by a large purse, a fox fur and several other garments flying through the air.

"Doctor will see you . . . three . . . two . . . one . . . Now!" said Nurse Ratched.

Doc Christian looked up from a pile of papers. "What seems to be your problem?" he said. "In three words or less."

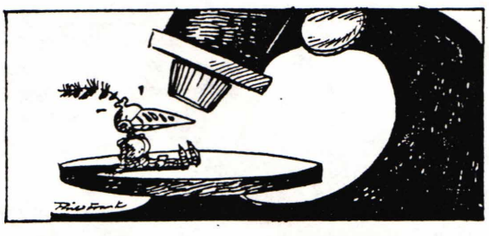
"Noise, left knee," I said.

"Does it hurt when I do this, this, this and this?" he inquired, poking and prodding with a machinegun-like motion.

"Ouch, ouch, ouch and ouch," I said.

"Do you have trouble either eating, sleeping or breathing more than once a minute?"

"Yes," I said.



"What about heat, cold, changes in altitude or an airport metal detector?" he asked.

"No, thank you," I said.

"Now we're getting somewhere," he said. "Step on the scales, stick out your tongue, breathe deeply and give me a specimen in this plastic cup."

"All at once?" I said.

"While I take your pulse, temperature and blood pressure," he said, "I'll just jot down your family history. You had a mother?"

"Yes, she . . ."

"I assume you also had the usual childhood diseases, traumas and repressed memories of abuse for which you are now suing your father?"

"Well, I . . ."

"Let's get right down to it," he said. "Any chronic coughs, headaches or failures to pay your medical bills?"

"No," I said, "I have an A-one credit rating. But what about this noise in my left knee, doctor?"

"Oh, yes, that," he said. "After mature deliberation and lengthy consultation with myself, it's quite clear that there is but one cure that can save you from dropping dead in less than two weeks of the dread disease from which you're suffering — tertiary . . ."

"Time's up!" cried Nurse Ratched, popping in the door with her stopwatch buzzing. "Doctor's next patient is waiting."

When I protested that the doctor hadn't finished his diagnosis of my terminal disease or prescribed the cure, Nurse Ratched grew indignant. "How do you expect Doctor to see 39 other people today?" she demanded. "That's the trouble with you patients, always thinking only of yourselves."

I was so mad that on the way out I kicked the aspidistra plant. My left knee feels a lot better.

. . And do you think any group that calls itself "the health care industry" is truly interested in health care? As Sal Rosselli points out, the top 10 CEOs in "the industry" rec'd "compensation packages" in '94 totaling $2.4 billion, and that's your wealth care industry in action .

HERB CAEN
← SF CHRONICLE

PAGE 4

THE FORGOTTEN MEDICAID PROBLEM NEEDS ATTENTION

Dec 8. 95
S.F. Examiner

CHRISTOPHER MATTHEWS

Medicaid 'reform' will convert nursing homes into snake pits

CHRISTOPHER MATTHEWS

Washington POLITICS doesn't always involve an in-your-face moral dilemma. I can think of many recent fights — NAFTA is one — where the issue had to be decided roughly, with weightier questions of social equity left for history to adjudicate.

Some political questions require, however, an immediate reckoning of what we value, want kind of a country we want to be.

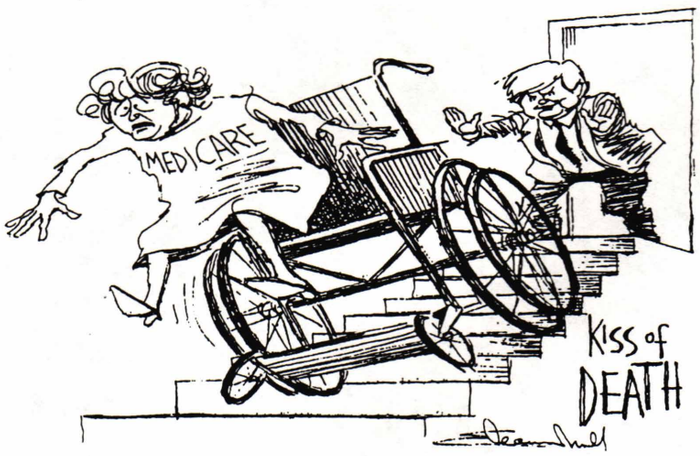
Among them, I submit to you, is the move on Capitol Hill to slash the Medicaid protections of the millions of older Americans who can no longer provide for their well-being.

Today, a husband who cannot afford an expensive nursing home for his Alzheimer's-afflicted spouse can receive Medicaid assistance, subject to certain tough conditions. He must "spend down" his assets to an extremely modest level and contribute enough of his monthly income to bring that down to a required level as well. He is permitted to keep his residence and his car.

The proposal being rammed through the House of Representatives would impose an even more onerous regimen. To provide for a demented spouse, a husband could be forced to forfeit everything.

To keep his wife in a decent home, he could no longer be secure in his own. If a state like California wanted to confiscate his house to meet a budget shortfall, there would be nothing standing in its way.

Christopher Matthews is The Examiner's Washington bureau chief.



The Medicaid legislation that cleared the Commerce Committee in the House last week does other damage to the compact we share with older Americans. It eliminates the minimal human standards that now govern the country's nursing homes, standards enacted by both parties in 1987 and signed into law by President Ronald Reagan. If the current bill clears Congress, it would take us

ARTHUR HOPPE

Stamp Out Longevity

CONFUSED ABOUT Medicare? I've spoken to my Republican congressman, Bagley (Tough Love) Boodle, and he assures me the overall GOP plan goes to the heart of the problem.

And that is? "Longevity," said Boodle firmly. "Thanks to extremely expensive new medical techniques, plus ever more widespread health-care coverage, Americans are living 20 percent longer than when Medicare was first planned."

"I guess that's really thrown off the actuarial tables," I said.

"Completely," he said. "We'll never get the program back in balance until we can reduce life expectancy from the current exorbitant 76 years to a reasonable and responsible 65."

"That's a pretty ambitious goal," I said.

"It won't be easy," he admitted, "but we're tackling it from a number of different angles. "Take aid for the homeless. Our 39 percent cut doesn't sound as though it would do much, but with winter coming on, it could be a factor."

"Sounds like a drop in the bucket," I said.

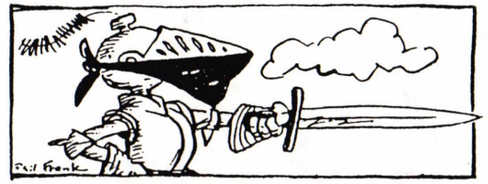
"Every drop counts," he said. "Cutting people off welfare if they can't find a job in two years should be a help, particularly as there aren't enough jobs to go around. And that allows us to cut back on job training projects."

'But you won't see any results for at least several years," I protested.

"We're in this for the long haul," Boodle said. "Eliminating benefits for extra babies of welfare mothers won't show returns for a generation, nor will cutbacks on child nutrition programs."

"The public wants immediate results," I said.

"Well, our 58 percent cut in mental health and our 32 percent reduction in public housing renovation, plus the elimination of summer jobs for poor kids should cause a lot more shootings in the



ghettos," he said defensively. "The rest of the country will just have to make do with dirtier water, unsafe foods and toxic wastes."

"Frankly," I said, "it all sounds like pie in the sky."

"Wait," he said. "I haven't mentioned our drastic cutbacks in funds for medical research. And not a moment too soon either. A cure for cancer was just around the corner."

"What a recipe for disaster," I said.

"Millions of people living decades longer," he said, shaking his head. "What are these scientists thinking of? Fortunately, tuberculosis is making a comeback, and we have high hopes for new strains of cholera and diphtheria."

"You mentioned the danger of ever-increasing numbers of people seeking adequate health care," I said. "What are you doing to meet this threat?"

"Yes, the gravest menace to Medicare is Medicare itself," he said. "By improving the health of the elderly, it increases longevity which, in turn, undermines its financial base This explains our revised Medicare plan."

"Oh, good," I said. "This choice seniors will have between paying higher monthly premiums under optional part B with co-payments and deductibles at 31 percent or opting for either an HMO limited to $4,800 a year or a Medical Savings Account with unused benefits returnable to the policy holder under a ceiling but fully taxable. I just don't understand it."

That pleased Boodle. "Neither do we," he said happily. "And neither, we hope, will the elderly."

"But if no one applies . . ."

Boodle nodded. "As the American officer said in Vietnam after firing on Ben Tre: 'It became necessary to destroy the town in order to save it.' "

PAGE 5

THE FINAL SOLUTION FOR MEDICARE MEDICAID FINANCES

McDougal Protest

UNIVERSITY OF CALIFORNIA, BERKELEY

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ

HEALTH AND MEDICAL SCIENCES PROGRAM

570 UNIVERSITY HALL # 1190
BERKELEY, CALIFORNIA 94720-1190

July 25, 1996

Dr. Helen F. Gofman
1045 Clayton Street
San Francisco, CA 94117

Dear Helen:

Thanks for sending me a copy of your letter to Bob Woodward. I'm glad to see you can still 'raise hell' when called upon to do so.

I am fine and happy here on the Berkeley campus. The program I am leading is a truly exciting extension of my decade of work with the CSU, and I am tremendously gratified to be working at last on a 'real' university campus.

I hope you're having a great summer.

All my best,

TBM

W. Thomas Boyce, MD
Professor of Epidemiology and Child Development
Director, Division of Health and Medical Sciences