

the concept of Medicare subvention 3 years ago under health reform. More recently, the administration moved the concept forward in a legislative proposal for the Department of Veterans Affairs.

The demonstration I am announcing today, the “Medicare Demonstration of Military Managed Care,” is a partnership between the Departments of Health and Human Services and Defense that can generate multiple benefits: expanded health care options and improved access to military treatment facilities for Medicare-eligible military retirees; a better way for the Department of Defense to care for retired beneficiaries and support medical readiness; and savings for the Medicare Trust Fund by providing health care to Medicare-eligible military retirees at a lower cost in the DoD health care system.

Under this demonstration project, Medicare-eligible military retirees in five communities

could enroll in Defense’s new TRICARE Prime managed care system, and Medicare would reimburse DoD for these enrollees at a rate below what is traditionally paid to Medicare managed care plans. To protect the Medicare Trust Funds, Defense would receive Medicare payments only after meeting its current level of funding effort. The demonstration will test whether Medicare subvention is a cost-effective alternative for delivering accessible and quality care to dual-eligible beneficiaries.

We will submit legislation reflecting this agreement shortly. I am pleased that there is strong bipartisan support for this demonstration, and I look forward to working with Congress in quickly enacting enabling legislation this year.

We owe a great debt to those who have risked their lives defending our Nation. This agreement is an important step toward repaying that debt.

Statement on Signing the District of Columbia Appropriations Act, 1997 *September 10, 1996*

I have signed into law, H.R. 3845, the “District of Columbia Appropriations Act, 1997.” This Act provides \$719 million in Federal appropriations for the District of Columbia.

The total amount of Federal funds appropriated to the District for FY 1997 includes \$660 million for the Federal payment to the District of Columbia, \$52 million for the Federal contribution to retirement funds, \$5.7 million for Presidential Inaugural expenses, and \$1 million to help address the District’s drinking water problem.

I am disappointed that the Congress has excluded the \$52 million increase in the Federal contribution to the pension payment proposed in my FY 1997 Budget. The \$52 million requested increase was intended to begin to address the District’s \$5 billion unfunded pension liability. I am committed to working with the Congress to develop a solution to address the District’s single largest financial obligation.

The Act sets the total operating expense spending level for the District of Columbia at

the requested level of \$5.1 billion, \$119 million above FY 1996.

The abortion language in the Act is the same as current law, which prohibits the use of both Federal and District funds to pay for abortions except in those cases where the life of the mother is in danger or in cases of rape or incest. I continue to view this prohibition as an unwarranted intrusion into the affairs of the District.

The Act includes a provision that applies civil rights standards provided for in Executive Order 11246 to Federal construction contracts funded under the District of Columbia School Reform Act of 1995.

WILLIAM J. CLINTON

The White House,
September 10, 1996.

NOTE: H.R. 3845, approved September 9, was assigned Public Law No. 104–194.