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LAUTER, DAVE
HEALTH CARE BRIEFING

THE WHITE HOUSE

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REMARKS BY THE FIRST LADY
AT HEALTH CARE BRIEFING WITH DAVE LAUTER GROUP

MRS. CLINTON: Remember at the egg roll last spring, we were trying to think of something to do get people to do so they'd have a good time on the Ellipse instead of waiting in endless lines, where it was so difficult for small children and all that?

So we had a lot of entertainment out in the Ellipse, and I made the terribly foolish suggestion that we think we can get Barney. And people's faces just filled with (inaudible) of fear (inaudible) think there would be riots. We'd have three-year-olds trampling each other to get to Barney. So I just backed off immediately.

Q But you'd get into a lot more trouble if you couldn't (inaudible) Barney. We've had editorials about it.

Q Yeah, Barney is big -- big stuff.

Q And Hal doesn't like Barney either.

MRS. CLINTON: But Barney is a fraction --

Q Hal doesn't like Barney either.

Q Hal doesn't like much, but --

Q No, Barney is definitely up there on the list.

Q You didn't go fly-fishing with Barney. Maybe that will --

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Q Maybe that would change everything.

Q If Barney went to Martha's Vineyard, then there would really be trouble.

Q You'd take him out, yeah.

Q Barney and the waiters. There's an idea.

Q But there are a lot of people who really -- a lot of adults who really don't like Barney.

MRS. CLINTON: It's amazing. But you know what I think part of it is? I've been thinking about (inaudible) -- a lot about this lately.

Q With all your spare time.

MRS. CLINTON: Yes. But Sesame Street has a lot of sort of adult-oriented kind of highly-inside things, which make it interesting for parents to watch, along with their kids. Barney is nothing but a kids' deal. I mean, there ain't no subtlety about Barney. There's no cleverness about Barney. Barney is Barney.

And I think in some way kids -- I mean, it's really a thing that they alone can relate to. And in fact, many kids, I think, like Barney even more because a lot of parents don't like Barney. I mean, it's, like, totally their deal.

Q Sort of a backlash.

Q Like (inaudible) and Butthead, like that?

Q Yeah.

Q (Inaudible) four-year-old turns a Barney revisionist song, you know, "I Hate You," (inaudible), and this child was apparently so traumatized. It was horrible. She met a nine-year-old who sang it, and she sort of told her mom that she had five years before she was really (inaudible).

Q Oh-h-h.

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Q But she was (inaudible).

Q Well, you know, I think you may be right about it, because I talked to someone at -- one of the public TV people and said, "You know, the steps and props and all look kind of cheesy." And she said that that was deliberate, that the kids like it better that way because it -- for some reason or other they -- they seem to relate to it better when it just sort of looks like something that they threw together.

Q More like home.

Q Yeah, right.

Q So anyway, Barney and Sesame Street and --

Q (Inaudible) protest about the frozen peas.

Q I heard that.

Q Grocers, I think.

Q Called President Bush (inaudible).

Q Of flaking out.

Q Yeah.

Q That's right, exactly.

Q It's part of their media --

Q Vegetable defense.

MRS. CLINTON: (Inaudible) have to go buy some frozen peas in a very deliberate public way. They're good for smart (inaudible).

Q They are, in feeding --

Q Oh, right.

Q Well, there are things that could be worse. You could be being picketed by the pharmaceutical manufacturers.

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MRS. CLINTON: Well, they're much clever than that. They wouldn't be that overt --

Q No.

MRS. CLINTON: -- visiting all of you and everybody who write about anything concerning -- I was just happy in your news rooms that literally health reporters who have never seen a CEO of their own company are now being visited by CEOs and CFOs and other -- UFOs -- pharmaceuticals -- walking into the news rooms, introducing themselves, asking if they can be of service. I mean, I think it's -- I bet they get a warm response, too.

Q (Inaudible) up on deadline.

MRS. CLINTON: Well, I think it's -- I think it's -- you know, it's worth the effort. I'm sure they --

Q Have they stopped talking to you mostly?

MRS. CLINTON: They sort of talk to me indirectly. They talk to me about -- you know, there really are two large groups of pharmaceuticals. There are those that are willing to talk and to keep talking, and there are those who, you know, kind of adopted a much-higher-line position.

And the ones that have been willing to talk are still willing, but they have a huge effort that they're engaged in regardless of what you say to them, that, you know, they kind of keep this going. And they've been very successful, as we all know. So you kind of deal with them on two fronts.

Q How's momentum going? One of the big concerns with the first big push was that you were going to have to try to find a way to keep the excitement level as high as it was initially, and some of the policies show that it's fading somewhat. Do you have any concerns about that, or do you think that one the legislation on the Hill, everything will (inaudible) get right back in?

MRS. CLINTON: Yeah, I really don't have any concerns about that. I mean, we aren't -- you know, all the polls that we have actually analyzed and looked at show very

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little or no drop-off in the level of enthusiasm for the core principles in the plan.

And so I think that we will have a relaunch -- we'll have a, you know, flurry of activity around the actual legislation being introduced. But we were going to do that anyway. And, you know, we'll continue to put people out and to put events together to keep the momentum going.

But I'm actually delighted that we have the kind of intense core commitment to the overarching principle of universal coverage with comprehensive benefits. And so, for me, it has been a really good month. And, you know, I know there's going to be a very intense effort for the next months. But I'm real optimistic. I feel very good about where we are and the sort of way the landscape is shaping up about this.

Q How much of the time that it has taken to actually draft the legislation is being taken up with policy decisions (inaudible) details of the bill as opposed to technical things, like, you know, figuring out how you coordinate it with other existing systems?

MRS. CLINTON: Very little in the big picture of things. I mean, I feel -- you know, I wish there were a way to explain this better, because I feel there is a lot of questioning about the bill that is more related to what we are attempting to do and the complexity of amending a lot of different statutes than about the policies underlying the bill.

You know I would have much preferred to live in a time where there was not this intense distrust of everything, government, business, every institution, so that we could submit a 30-page piece of legislation like Social Security and the details were left to the future, or you could submit Medicare and the details were left to the future, with a lot of regulatory decisions being basically delegated by the Congress to the executive branch. But I just don't think that's possible.

And based on my review of major social legislation in this country and health legislation in other countries, we have a much heavier burden to bear, please, than anyone that

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I am aware of because of the atmosphere in which we are doing this.

I mean, if Franklin Roosevelt had been required to say -- instead of what he did say, which was, you know, "Here's the deal we're going to make, you pay in during lifetime, we won't be destitute in your old age, it'll be a government promise, you are responsible and work, you get this back" -- if he had had to say, "You know, that's true, but on the other hand if you only work 20 quarters instead of 40 quarters, if you're an employed spouse, if the actuarial, you know, projection of your retirement age changes" -- I mean, you know, he didn't have to do any of that. I mean, that was all (inaudible) to regulation and to basically technical changes in trying to implement the legislation.

We're suffering under the burden of having to both put forth a major policy change, which can only be explained effectively in very broad terms -- I mean, most people out in the country don't care about this stuff that is filling the newspapers. They want to know, "What's it going to do for me and my family? And is it going to be, you know, safe? Am I going to have good health care when it's all over?"

They don't care about the size of the alliance; they don't care about, you know, a lot of this other stuff. But because of the insatiable desire for information and the need to kind of overcome the distrust of government to be able to do anything, you know, the burden is very high. So the legislation is much more detailed than I would like it to be.

So I'm trying to figure out how to deal with -- how to present in the next week what the real changes are, as compared to what we are amending. I mean, we are -- you know, we're amending the whole Medicaid system. That's a big hunk of this, which is nothing new. It needs to be done.

We are coming in with a public health piece into the health care reform package, because if we don't have the public health piece, people who are concerned, rightly, about public health will say, "Well, when are you going to do that?"

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And if we say, "Well, we're doing that in the budget process," they'll get concerned that we won't get it done, because they don't trust government. See, so it's -- that's the kind of -- and then we've had some technical changes that had to be done.

We ran all of our numbers all summer long based on the 2.7 inflation rate, and CBO came out, I guess, what, the third week of September and said, no, they thought it was going to be a 3.1 rate. And then OMB said, "Look, to be absolutely safe, we should project at a 3.5 rate," and so we had to rerun numbers so that we didn't get up there and have people say, "Well, didn't you know CBO changed?" And it hasn't that much. But it has to be done.

And so I'm very -- you know, I'm very satisfied with the way the process has unfolded has unfolded and the level of reliability and competence. But it has been extremely complicated because of the atmosphere in which we live.

Q You know, someone told me recently that when Social Security was introduced, it was a 30-page document, as you pointed out. The President gave exactly three speeches beforehand. And the New York Times editorial page took him to task for pushing it too hard. (Laughter) So you can't win.

MRS. CLINTON: You can't win. I mean, I look at the legislation for the Canadian single-payer universal system. It's about this big.

I mean, you know, the Hawaii legislation that -- with the employer mandate and all that, it's about this big.

And so it's very hard, in today's atmosphere, given what we've done to ourselves, which has undermined our -- capacity of the government alone to make decisions, to make these changes without answering everybody's questions and giving everybody the highest degree -- level of comfort and (inaudible) -- now, once you later offer, even if you have a thousand pages instead of 30 pages, you've got a whole lot more room for people to say, "Well, on page 742, how did that relate to page 263?"

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And so we have this intense review process going on, where now people are reading to make sure that we -- and we still don't get everything. I mean, that's what the legislative decision-making (inaudible) do, is, you know, make sure that we haven't overlooked something, make sure that things are in sync with each other. But it is -- it has been an extraordinary effort.

And, you know, if you look at other competing health plans and you really read them, the few that have been actually put into bill form, they just punted on a lot of issues, which they would be eventually held accountable for if anybody were holding them accountable.

But all these people are looking at our plan, you know. And so I understand that burden, which is why I'm trying very hard to be as careful and thorough as we can be, but still get it up there by the week after next.

Q You're talking about the other congressional bills not past efforts in States or other countries?

MRS. CLINTON: Right. Right, right. Yeah.

Q Isn't some of the complexity to your benefit as well though? I mean --

MRS. CLINTON: Well, Jeff, I think it is, because I think that it's just complex. I mean, if you, for example, take some of these bills that have been introduced which rely on taxing benefits to fund the plan, it all they do in the legislation is say, as they do, "We will impose" -- or, you know, "We will eliminate tax preferences for any but the lowest-cost plan."

That means unanswered legions of questions, which eventually we'll get ready if that were the serious alternative. So my view has been we ought to preempt at least the raising of as many questions as we can get so that we then can argue about the answers. But the questions will have been asked.

Because, you know, if you were to fund this, or if you were to fund any kind of health care plan by eliminating tax preference, you would have to have an intense IRS

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presence in order to make it work. Now, I think if people really confronted that honestly, it would scare them to death. But they may never have to confront it because nobody else is being asked, "Well, how exactly would you do this?"

Or if you take the individual mandate, it's the same kind of approach. If you have an individual mandate, how do you keep track of people with their changing wages? How do you give them a subsidy based on a certain percentage of poverty? What if they go a percent over? You know, I mean, the kind of paperwork and bureaucracy necessary to keep track of that administratively is enormous, based on the way we've looked at, if you're tying government subsidies to it.

So what we're trying to do is at least honestly look at every single question, and then everybody can work off this piece of legislation if they want to make changes. And at least we will have, we think, considered all the alternatives and be ready to honestly talk about those.

So the complexity I do think will help us as long as it doesn't initially just overwhelm people, because there will be so many pieces of it that we literally could just pull out and say, "Look, these are all amendments. These are not part of the new plan. But we wanted all of it to be in there to start with."

Q Somebody ask a long-winded question so Mrs. Clinton can eat (inaudible).

Q All right. I'll ask the long-winded question.

You have -- you all have, as you did -- stated that towards the end of the budget that you -- as to what it is involved in -- said, "Here are the general goals and here are the few specifics we're going to cling to, but we're open to talk about all this."

MRS. CLINTON: Mm-hmm.

Q There are some of your specifics which some people have said, A, won't work and, B, if the Congress won't support them, causes the whole system to fall apart because they're so integral to what you have on paper as the workings of the system.

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What have you -- and the one I'm most interested in is the caps, because people are -- a lot of people think there's no way that will pass -- in premium counts -- and that it's, again, integral to keeping the costs down. That's the main way you're attacking it.

Is that -- have you all -- do you all have a fallback plan if the Congress just won't pass caps?

MRS. CLINTON: That's not a principle.

Q Right. That's not a principle. That's one of the specifics.

MRS. CLINTON: Yeah.

Q So -- so to keep the principle -- and cost-containment is -- I don't think it's --

MRS. CLINTON: Savings -- cost-containment is a principle.

Q Savings, right. Right.

MRS. CLINTON: (inaudible) we get there.

Q Right. So, again, obviously that's one that -- I suppose almost all of the specifics you are saying you're open to. But given that you studied this so carefully, do you see -- I mean, you know, the other way people have thought about attacking this is obviously taxing benefits above the minimum -- above the basic package.

MRS. CLINTON: Mm-hmm. Mm-hmm.

Q Are there other things that you guys have thought about? Are there fallbacks for that one that you all are -- you all are ready to bring out? Or is that -- you're going to deal with that when and if Congress won't support caps?

A We're going to deal with that when and if, because we've given a lot of thought to it. We think this, to us, is the least disruptive, most effective way to do it. But we are very open to both the political and substantive

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alternatives.

We have in the past three weeks, I think, simplified the approach that we are taking to putting any kind of budget on the premium system. I think we've answered some of the concerns that some people have had about how it would actually work in practice and be enforceable.

But there are movable pieces in this legislation that in the give and take of the congressional process, we're open to discuss them, you know. Part of the reason we believe there needs to be some kind of budgetary discipline on the private side is if there is not, then trying to restrain the rate of growth in Medicaid and Medicare will result in the continuation of cost-shifting onto the private sector. That's one of the big fallacies of the entitlement caps only in the context of deficit reduction.

So if somebody has an idea about how you can move these pieces and keep them in balance, that doesn't use some kind of budgetary discipline, we're open to that. But we haven't been able to figure out how to do it. We chose it because it is not price controls, it eliminates the micromanagement that is currently found in the system. It sets broad ground rules for decisions to be made but without the kind of micromanaging interference that we think has added costs instead of subtracted costs from the system.

There are a number of ways of doing it. You know, Minnesota, my favorite State -- along with Hawaii and several others -- last year passed legislation with a Republican governor, a bipartisan congressional majority, which set premium targets in their legislation.

Now, I thought it was fascinating. Minnesota, which has done a better job of bringing prices down, getting people into more organized systems of care, still thought it was necessary to have premium targets. Now, their premium targets will be enforced in a way slightly different from what we have, but I think there's good room for discussion about to do this. So I don't consider that a principle. I consider it, you know, one of those issues that we will be struggling with in order to get some savings out of the system.

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Q Right. But -- and when you say you've been tinkering with that in the last three weeks, but you haven't found in all your study any other way of doing it that you think is a close second in, again, controlling overall spending?

MRS. CLINTON: Well, we -- I mean, there have been a lot of other ways put out.

Q Right.

MRS. CLINTON: I mean, you can have all-payer system.

Q Right.

MRS. CLINTON: You can have rates set for all kinds of procedures. You can put doctors into negotiating units, where they negotiate, but that -- those are all ways of setting a budget.

Q Right. Right.

And but -- so I guess what I'm -- well, the main question I want to ask, then, is would the rest of the system survive? If Congress won't pass premium caps, do you think some substitution can be made that's not a different form of caps on premium (inaudible)?

MRS. CLINTON: Well, I don't think we're at that point, where that's even a question to be asked. I mean, there are so many pieces of this that have to be looked at as part of the whole. I mean, you can't ask that question in a vacuum. You've got to ask it -- "Well, what does that mean to the rate of growth in the public system?"

Q Right.

MRS. CLINTON: "What does that mean to the deficit projection? What does that mean to the existing disparities between regions of the country that are already charging two and three times more than other regions? Do we let them just continue blithely to go along doing that?"

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So when we have this discussion in the Congress, I want people at the table who understand all the tradeoffs. You can't just pluck one piece out of it and say, "There but for --"

You've got to say, "This is connected to all of these other pieces, and we have to be very well informed about how they all work together."

Q So if Members of Congress propose -- say, they don't like something, they have to be prepared, then, to run the numbers and sell them to the government? So this is our alternative before you --

MRS. CLINTON: No. No, but they have to be prepared to work with us to vet their alternative. I mean, I hope that the days of rhetoric will be behind us. I mean, it is very easy to say, "Well, you know, we don't like that. Let's do this," and then never to be held accountable, never to have to produce detailed legislation or even prospective regulations on how a particular piece would work, never to follow out analytically the consequences of any particular position. If it sounds good, you're free to say that.

That is why we don't have health care reform, because we've had those kinds of political discussions for too long, without any effort to really be rigorous about how this all will work. I welcome the kind of rigorous analysis and hard decision-making that I anticipate the majority of Congress will want to engage in. And I think that will only happen once we get the piece of the legislation going and people are having to come up with alternatives.

But, you know, the LMV and Treasury and HCFA, all of those agencies stand ready to work with any alternative that is put on the table. And we've known a lot of them. I mean, people who want to see what it's like to design an individual mandate and subsidy system, we've got reams of computer runs and thousands of pages of analysis. I mean, what we've doing for 10 months is exhausting a lot of these alternatives.

So I think we have a pretty clear idea of what the universe of options are. But, you know, that doesn't mean that, you know, with -- given the right kind of decision

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discussion, we wouldn't make some changes, depending upon how the whole piece -- how the whole system would work together as the pieces were changed. And that's what I've been saying for months. I mean, I am more than open that. I want that to happen.

You know, one of the big debates in addition -- I mean, the federal (inaudible) pointed out the premium and budget issue is, you know, how fast you can really bring down growth in a system that is as bloated and has been growing as fast as this one. We believe you can bring it down faster than some people.

We are perfectly open to talking with people about how, if we bring it down, more slowly we don't spiral out of control again. And, you know, we -- that's the kind of conversation we're looking to have. So I'm very exciting about actually getting into all of this and making a lot of these discussions have some legs under them, because people will be coming to the table with different points of view.

Q Can you talk a little bit about which areas you see as the toughest for you, either principles or elements, but where you see the most difficult battles with Congress?

MRS. CLINTON: I think it sort of depends upon who you're talking about. I don't know that there is any one or two areas that are universally perceived as difficult. I think Mark has raised, you know, an area that -- see, I think you kind of can divide the opposition into what I consider sort of politically motivated and in good faith, and the politically motivated are going to be all over the map.

It's going to be kind of like, you know, wind -- you know, finger in the wind time and what sounds good and, you know, what plays to whatever constituency they happen to be dealing with or asking a campaign contribution from or, you know, however that unfolds.

I'm more concerned about what I consider the good faith opposition of people who believe as we do that we need to get to universal coverage as soon as possible, believe that people are entitled to insurance that, you know, has comprehensive benefits attached to it, and who believe that we have to make changes so that nobody ever is without

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insurance again. I mean -- and there's a reasonable middle of both Democrats and Republicans who share those beliefs.

Q And you see that that's where you're headed, to the reasonable middle?

MRS. CLINTON: Yes. Well, I think that's where we're going to end up, and that's where we should end up. I mean, to me, there are all kinds of debates we can have, but ultimately it's going to be who is really serious about arriving at the destination that the President described in his speech, where you can literally have a card, which means no matter who you work for or where you live or whether you've ever been sick before, you will not have to worry about losing health insurance. That's the ultimate objective.

And some of the Republicans and some of the Democrats who have been worrying about this issue for a long time have done a lot of really good work. And they bring their own perspectives to it, but they are very honest in talking through how we get to where we go, you know. And I think that's the area that I want to concentrate on.

I mean, I think that we could go chasing around a lot of issues that are being, you know, thrown up by people that are really just red herrings, because they don't care whether every American is insured. They don't care whether everybody has the same kind of benefits they enjoy as members of Congress, you know.

And those folks, they're going to be out there and they're going to cause mischief, but mostly I'm concerned about people who have the same goals as the President does in trying to change this system. And I think there is some -- which is better for America, an individual mandate or employer-employee system?

I mean, that's a legitimate conversation. They both get us to universal coverage. They don't leave people out. They don't say some Americans are more worthy than other Americans, you know. So I welcome the conversations I have with Senator Chafee and others who understand what it is we're trying to achieve but have a slightly different approach than we do. So --

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Q I was extremely struck by your use of the phrase "relaunch." And David Broder in the Post (inaudible) what we've been doing and has found a real skepticism among some people about whether you're really in the plan. We're hearing (inaudible).

MRS. CLINTON: Well, first I think, I think you share that concern no matter attuned people are to the principles (inaudible) whether you share the concern about (inaudible) black friend and what, in retrospect, he would instruct you to make differently, given the (inaudible) get actual legislation together.

MRS. CLINTON: No, I don't share that concern. I mean, I think that, you know, this is an ongoing effort that will have many different stages in it. And it is, to me, more important -- and I think more important to the American people -- that we do everything we can to get it right. And I believe that we're doing that. And I think that the plan itself will continue to be out there and will continue to be the subject of a lot of intense effort around it.

And the legislation, once it's introduced, will enable the members of Congress to begin to get their concerns heard. We were -- you know, we offered to send up legislative specs right after the speech so that hearings could be held, and we were advised strongly to wait until the legislation was ready.

And we are trying to be accommodating the best we can of the Members, but they thought that -- "they" meaning, you know, the people we talked with, the people in leadership and in both houses. And I think both parties were consulted. They believe that until legislative language was present, it would be difficult to have the kind of hearings and work-up they wanted to have.

Now, it did put us in a bit of a bind when we did what we were asked to do and then we get questioned about where the legislation is. So I understand that. That's a little bit of a problem, but very political (inaudible). But I think that that's all -- that's all part of just kind of getting the process under way. That doesn't bother me at all.

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I think that it is -- it is very important that we also, from the -- you know, the moment that the plan book became widely available, we've been receiving dozens and dozens of recommendations about changing language, changing the way things are put together, ideas about how it could be done better. And we've taken all that very seriously.

So combined with the fact that the President's speech came at about the same time as CBO changed its inflation estimate, combined with the fact that we've gotten a lot of very good ideas about presentation and suggestions, I think that it was smart to incorporate as much as we could within the legislation, so that when the legislation does go up, it will reflect some of the opinions that various Members and others had. And I just consider that all part of the process.

Q Can I speak about something you just said? You said that there was -- you've been getting a lot of recommendations since the plan became widely available. Is that from people on the Hill or from people in the world or --

MRS. CLINTON: Both. Both. I mean, we've actually gotten very organized comments from a couple of committees. And we've gotten specific comments from individual members. We have gotten organized comments from groups. And we've gotten specific comments from individuals, with a lot of knowledge obviously, who would read that type of thing.

And they range from little things, like "We prefer this word to that word. If it doesn't make any difference to you, it makes a big difference to us" -- to, you know, "Have you thought about having the premium cap enforced this way instead of that way? And maybe this would work better." I mean, it's been a really useful process for us. So I think that despite the fact that it has maybe slowed us down a little bit, it hasn't been a significant slowdown.

Q Do you recall when you all suggested to the Hill that you might just send up specs? Do you remember (inaudible) that was?

MRS. CLINTON: Oh, we had that conversation ongoing all through August and September. And we initially got

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totally disparate points of view. Some said, "Specs are fine." And others said, "We won't do anything without legislative language."

We finally kind of moved -- or they moved toward a consensus that legislative language was far preferable, because if you didn't have legislative language, people would be saying, "Oh, yeah, that's only a spec. I want to see the legislative language." So that's what we --

Q And was thought to do it because then you could have the kind of process you have now since the thing leaked, or was it simply because the legislation -- you knew you couldn't have it ready, and you felt something should be there?

MRS. CLINTON: Both. Both. You know, we always knew that the legislation would take -- you know, take some time to finalize, because some of the final decisions weren't made until shortly before the President's talk. And they weren't made for a variety of reasons, some of which was, you know, it is very hard to do this. This is why we never had this before.

I mean, to get people to agree on cost projections and all that is a very time-consuming process. But we had always -- I mean, our original plan always was to circulate the draft book -- you know, the draft plan. It came a little sooner than we had anticipated, but that was always part of the plan, to have the health care university, to bring as many Members up to date, to have as many briefings as Members and committees wanted, and to solicit their input.

I mean, what we didn't want to do was to have a plan in legislative form show up on their desks where they no idea, other than the broadest of approaches, what was going to be in it. And we have avoided that. I mean, we, you know, created a lot of talk up there.

Now, we had also thought, though, that probably, in the intervening weeks between getting the plan launched with the President's speech and actually producing the legislation, the kind of hearings that would be held would be the kind of hearings to get basic information to support or to contest features of the legislation.

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We really didn't think we would be kind of asked, "Where is the legislation?" -- when we thought everybody knew that we were working as fast as we could to get the legislation up there. We thought more what we would be asked -- just like, "Well, what's your evidence that, you know, this is a good idea?" Or "How did you reach that broad conclusion?" And, you know, so some of it has worked and some of it hasn't.

I mean, you know, Secretary Reich apparently had a great hearing the other day in front of the Ed and Labor Committee because they focus on, you know, the jobs issue, the employer piece of it, et cetera, all of which are not going to change in the legislation. I mean, that's -- we know what that is going to be. That's not a big deal.

So I think that, you know, the fact that we've had to kind of walk this line where the plan is out there and the President's speech is given but the legislation is not quite ready, we always knew there would be an intervening period. How we filled that period has been a little different than I thought it might be. But --

Q Mrs. Clinton, what do you mean by "legislative spec"?

MRS. CLINTON: Have you ever followed -- I'm sure you must have -- like when Ways and Means starts to write a tax bill or starts to deal with many of the things that are within their jurisdiction, they have specs that are somewhere between the plan that was leaked and legislation.

Q I mean, the administration would virtually send up a document --

MRS. CLINTON: Right.

Q -- that contained the specifics, specific provisions; that's what you mean?

MRS. CLINTON: Right. Right. Which would then be translated into legislative language by the legislative counsel in the Congress.

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Q Right. And these -- and somebody on the Hill told you want to send up (inaudible)?

MRS. CLINTON: More than somebody. More than somebody did.

Q Well, who did that?

MRS. CLINTON: Mmm -- I don't --

Q I mean, I never heard of such thing.

MRS. CLINTON: Well, I can tell you what they said. And I would only say that -- well, if you want to go off the record, I'll tell you who said it, and then we'll go back on to --

Q When you say "off the record," you mean what?

MRS. CLINTON: You can't -- you can't use this if I tell you, because I don't want --

Q Then, please don't tell us.

MRS. CLINTON: Okay. Then I won't tell you.

Q Because otherwise if we find out elsewhere --

MRS. CLINTON: Yes. Okay. Well, here is the way the argument went, that "This is too important and too -- just too historical to deal only with specs. Until the actual legislative language is in front of us, we won't know what it means." Now, that's what we were told. And we were told in both the House and the Senate, not just one of the chambers.

I don't fault anybody. I mean, I don't fault anybody for that. That -- we had a full and open discussion with a number of people who had very strong feelings about it, and the net result was that those who argued strongly for the legislation carried the day, because they had some very compelling arguments to make. And so that's what we did.

Q Now, are some of the people who argued for legislative language some of the same ones --

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MRS. CLINTON: Same people.

Q -- who are now --

MRS. CLINTON: Talking? I'm not going to say any more.

Q Okay. Sounds like it is.

(Laughter)

Q As well intentioned as that advice may have been, do you now (inaudible)?

MRS. CLINTON: No. No, because I think that -- see, I view this period that we're going through now as just a necessary process that we've got to get through. You know, to be fair to everybody, this legislative endeavor is the biggest thing that any Member who's still serving had ever done. I mean, this is a huge deal for everybody, whether they agree with what we're doing or disagree with what we're doing. And I think their desire to have a bill is understandable.

My only -- and I think, if anything, the mistake was made in my asked to testify so soon after the President spoke. Because I think if we had waited a week or two longer, then this period would not have seemed so long. But, I mean, you know, the President speaks; I testify; we're finishing up the legislation, going as fast as is humanly possible. And so people are going, "What's next? What's next?" It's only natural.

Q But you can't deny that your testimony did a great deal of good?

MRS. CLINTON: I hope it did. But my only point is that, you know, we get everybody up to this fever pitch --

Q And then there's nothing.

MRS. CLINTON: -- and then, instead of what thought would be the follow-up -- I thought the follow-up would be hearings in which the general need for health care reform and the pieces -- like, call in the Mayo Clinic people and have

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them tell you how they kept their prices below 3.9 percent; call in the Cowper System and have them tell you why their rate increase was only 1.7. Get the Governor of Hawaii, who we had asked to come here in the event that he would be asked to testify, so he was here last week.

Q Well, that's not bad (inaudible).

(Laughter)

MRS. CLINTON: I mean -- so that's what we had hoped would be the follow-up. And instead, it didn't quite work out that way. But, you know, that's all part of the give and take in the legislative part of this. I don't have any problem with that.

And we started drafting this bill months ago, to have different alternatives available, so that as decisions were made, you could begin to fill in the blanks and kind of get it going. And so the -- you know, the legislative drafters were aware of what we were doing. And so we are -- you know, we are done basically.

But we are reviewing and making sure that things are coordinated and all the rest of that so that we are sure that we haven't any glaring problems. I'm sure that there will be some no matter how carefully we check it. So I'm -- you know, I feel -- I mean, sure, if we had a different thing to fill that time, I would have preferred that. But, you know, when it's all said and done, that is like no big deal. I mean, it's not going to matter.

Q When you look back on this, (inaudible) --

MRS. CLINTON: No, it's not a big deal. No.

Q When I first got to Washington --

Q There are no peas in that, by the way.

MRS. CLINTON: I know. (Laughter)

Q When I first got to Washington, I worked for about a year on (inaudible) legislation up on the Hill. And at that point, as I recall, one of the things that created a lot

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of trouble for President Carter's proposal was that it got caught up in a lot of internal battles, particularly in the House, over who had jurisdiction over it. And there has already been a fair amount of that grumbling around with health care.

And I wonder how much of a problem you see that as becoming? And with what you've just been talking about it, whether some of the demand for specific legislation rather than legislative specs may have resulted from (inaudible).

MRS. CLINTON: I think that played a role in it. I think that it's very difficult to know which committee should be having which hearing if all you got is specs. Because usually specs go to the committee of jurisdiction. And here we've got a number of committees --

Q Right.

MRS. CLINTON: -- that will have some role to play in it. But I anticipate that the leadership in both houses and the committee leaders will work out a way of handling jurisdiction that will expedite the process and not delay it. And that's, you know, my expectation.

Q Well, maybe by them asking you in this request to draft the legislation, you may have the power to, in effect, dictate which committees get it and which ones don't in certain instances. I mean, are you drafting the legislation the way that Reich send it, more of it to Kennedy's committee --

MRS. CLINTON: No.

Q -- than to Moynihan?

MRS. CLINTON: No. In fact, we are bending over backwards to be as neutral as possible. We have said it and we mean it. We do not want in any way for this legislation to tilt the balance towards jurisdiction. We are doing the best job we can to describe the system, and then we expect the Congress to make the decision about jurisdiction. There is more than enough to go around. This is going to be a piece of legislation that numerous committees will have some jurisdiction over.

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But I have said -- and I cannot stress this too strongly -- we do not want in any way to be determining jurisdiction. And that is absolutely critical. And what we're interested in, as honestly as we know how, is describing this system in a way that people will understand and grasp and then they can make decisions about jurisdiction.

Q So you won't be -- that when we see the legislation, that they won't be cast as an amendment to the Internal Revenue Code or an amendment to ERISA or --

MRS. CLINTON: No. It's a new -- it's going to be a new --

Q It's a stand-alone?

MRS. CLINTON: Right. But, I mean, there are many pieces. You know, if you're -- I mean, if you're amending public health provisions, there is already existing jurisdiction.

Q Right.

MRS. CLINTON: If you're amending Medicare, there's already existing jurisdiction. So there will be so much in this bill for so many committees that the exact decisions are going to have to be made by the Congress. They cannot be made by the administration -- and should not be made by the administration.

Q Are you still getting some pressure to head in one way or the other?

MRS. CLINTON: From every direction.

(Laughter)

I mean, it -- and I think it's exciting. I mean, there many Members who desperately care about health care reform and want to have some role in shaping it. But we've told everybody what I'm telling you, that is not our task. And if we inadvertently do it, it was not meant. We have

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tried very hard to send absolutely no signals about this, because that's not our job.

Q Mrs. Clinton, you've again, by saying some things are sometimes misreported, even Big Bird, is there some sort of misunderstanding that the public has about how you and the President work together? Is there -- I mean, do we -- not "we" personally, but, I mean, does the public have some misconceptions that you think should be set straight? And how -- where do you (inaudible) --

MRS. CLINTON: I don't know, because no member of the public ever asked me about that. They don't write me letters about it. They don't call me about it. They don't ask me on local TV shows. I don't get asked by local reporters. So I don't know what people think about that. I can't -- I mean, I can't even -- I don't have any idea what their conceptions or misconceptions are.

Q They're busy writing us, actually.

(Laughter)

Q Let me ask the question is a less convoluted way. What role do you see in working with your husband that you play? I mean, are there things that you do that he does not do as well? Are there things that he does, that you don't --

MRS. CLINTON: Oh, gosh. I don't have any idea. I mean, that -- we just don't think of ourselves that way. I mean, he's the President, just like he was the Governor. He asks me to help, I help -- in whatever way I can. I mean, I -- that -- you know -- now, I don't know if you've been married as long as we have, that you really think about your life --

(End of taped portion of interview.)

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