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SESNO, FRANK
CNN

INTERNAL TRANSCRIPT

CNN -- THE WORLD TODAY WITH FRANK SESNO<
INTERVIEW WITH: FIRST LADY HILLARY RODHAM CLINTON
TUESDAY, OCTOBER 26, 1993

FRANK SESNO: Mrs. Clinton, thanks very much for joining us.

MRS. CLINTON: Thank you, Frank.

MR. SESNO: Let me start by asking you, if I may; there has been much attention in the capital, as you well know, focused on the numbers and the credibility of the accounting of this plan, and it does seem germane. I have been told that this deficit projection that this plan was supposed to achieve has been brought down from \$90 billion to about \$60 billion. A, is that true? And if so, what happened to that \$30 billion?

MRS. CLINTON: Well, you know, one of the things that we did over the past month is to take into account all of the questions and suggestions that people had and to run the numbers, and we had to make sure that they really did do what we wanted them to do. In the course of that, several people suggested that we make some slight changes that would give even more support to the funding. And I can't give you an exact figure about where all of the actuaries and the economists and the people in Treasury and OMB ended up, but this plan will have definite and substantial deficit reduction and have numbers that add up and provide very specifically to the American public what they're going to get for these numbers. So I think that when all of those numbers are revealed and everybody starts chomping on them and analyzing them, the more they know about them, the more comfortable they will be with them.

MR. SESNO: I don't want to steal your thunder for tomorrow, but is it true, as we've been told, that the deficit reduction is now in the neighborhood of \$60 billion?

MRS. CLINTON: Well, Frank, I'm not going to let you steal my thunder.

MR. SESNO: (Laughs.) Okay. Let me move on. Let me move on on the subject of the funding. There are a lot of concerns that the numbers that you project for new benefits -- long-term care, Medicare drug provisions, early retirement benefits -- can't possibly be accurately predicted. One of your own allies said, "We've never been able to accurately predict a new federal health benefit." What do you say to those critics who in some cases are your allies?

MRS. CLINTON: Well, I thank them for their constructive criticism, to start with, because that's exactly the right kind of question to be asking. It's not whether we're going to have universal coverage and health care reform and comprehensive benefits, but how can we make sure we do it right? I think that's what the American public and the president want. And what I would say is that it's absolutely true that estimating in health care and making sure we do it right is difficult. Families find that. Businesses find that. But part of the reason it's been so difficult is the way we have paid for health care in the past.

The reason so many of our projections and estimates have been wrong is because we have effectively written a blank check. We have paid just about whatever anybody would charge, whether it was in the public systems of Medicaid and Medicare or in private insurance. Those days are going to end under the president's plan. We're going to put different kinds of incentives in that will keep costs down. And that's why I think all of us who have really worked on this are quite confident about the kind of structure that we're putting in place. But we understand how people who are used to the way it's been done in the past and how often costs have continued to go up have a right to ask these questions. But I think the more they know about the plan and the way it's constructed and all of the details, the better they're going to like it.

MR. SESNO: Well, Mrs. Clinton, what happens if your projections are exceeded by actual costs?

MRS. CLINTON: Well, several things. We have some built-in funding that will be available for hospitals that, for example, have to end up taking care of more illegal aliens than we might have projected, so that they have costs that they could not have budgeted for. We have those kinds of built-in safeguards. But, you know, after a certain point, health care has to be held accountable. And we're trying to say in this system that we expect people to get savings out of it. We expect them to become more efficient. If they do that, we think there is more than enough money in the system. But as a backstop to their being able to make some of these efficiency decisions, we have what we call a premium cap so that we will say to certain regions of the country, you know, "You cannot spend more on health care because you are spending more than any other part of the country and there's no good reason for it."

MR. SESNO: And what happens to the patients then?

MRS. CLINTON: Nothing should happen to the patients. What should happen is what happens now when Medicare makes adjustments or when Medicaid makes adjustments. Those people who are making more than they should won't be able to make as much. But there will be all kinds of safeguards and accountability that will be built into the system to make sure that quality and access are never going to suffer.

MR. SESNO: Leon Panetta, as I understand it, said today that if these costs are exceeded, the Congress might have to actually be approached by the administration to vote additional funds to kick in and make up the difference. Is that part of the plan here, to dump the burden on Congress, to be indelicate about it?

MRS. CLINTON: No, Frank, but it is true that when you're trying to be responsible, as the president and Mr. Panetta and others are, you have to be -- at least in this administration, we have to be as straightforward as we want the American people to know we are. So clearly the Congress has the ultimate authority over this entire plan. It is just stating the obvious that if something needs to be fixed or if there's a problem with it, ultimately, if this is going to be enacted into law, just as Social Security or Medicare have been in the past, ultimately the buck stops with the Congress. And that is stating the obvious.

MR. SESNO: This bill, as I understand it, is in excess of 1500 pages. It is a very complex piece of legislation. How do you sell something like this? How do you make this comprehensible to the American public?

MRS. CLINTON: Well, we're doing several things. I don't think it's going to be quite that long. It's going to be long, but I think you have to think about its length in terms of all the thousands of pages that we're going to be getting rid of. I mean, we are changing these systems that regulate everybody to death and micromanage their decisions. So I don't know how many thousands and thousands of pages will no longer be in the law because we will pass this one comprehensive bill, but I think that's a significant difference. But what we're going to try to do is to provide all kinds of materials to the American public, to the news media, to the Congress. We're putting out a book which will explain, in the kind of terms that I can understand, exactly what we're doing. We're putting out brochures for people.

You know, if Franklin Roosevelt had lived in today's time, he probably wouldn't have been able to submit a Social Security Act that was only 32 pages long, because people would have been asking, "Well, you know, what about if you only work 35 quarters, or what about if, you know, your spouse doesn't work?" We live in a different time when people are information-hungry. I think CNN has proven that. And we believe that instead of, as some of the other plans do, to say, "We'll take care of those problems later," we decided to put it all in the plan. And let me give you a specific example.

Two of the other plans that will be looked at have said, "We're not going to state what the benefits under the insurance program will be. We want you to pass this law. We want to establish a national board and we want them to set the benefits." Now, we have said we don't think the American public will go for that. They need to know what their benefits would be. I would want to know if I were sitting out there

watching this program. If you describe the benefits, that takes pages. If all you do is say, "We'll take care of it later," that doesn't take much space. So we're trying to be very thorough in what we're proposing.

MR. SESNO: You mentioned the word "regulate," and that is one of the chief criticisms that I've heard from a number of people on Capitol Hill and elsewhere, that the proposal you're putting together is very heavy on regulation. An example: The national health board, which would set the price of new drugs and would even have the power to go into the books of the pharmaceutical companies. True or false? Isn't that regulation?

MRS. CLINTON: Well, first of all, they would not set the price of new drugs. The national board would have the option of looking at drugs that were being priced and asking for information so they could make a judgment that doctors and hospitals would find very interesting as to whether or not it was a price that could really be sustained by the drug company's claim. I think this is a very important issue because if we extend prescription drugs to every American, and particularly to elderly Americans under Medicare, the Medicare program will become the largest drug purchaser in the world.

I think that the drug companies then have an obligation to make it clear that they are charging what is a fair price. And I think there have been a lot of questions. There have been a lot of hearings in Congress. There have been a lot of complaints that we don't always know that. But nobody's going to be setting the price, but we're going to try for the first time to get good, decent, solid information about what a fair price is and make that very widely publicly available.

I don't think that's regulation. I think that's providing more information so that the marketplace can actually work more efficiently. There are so many features of this that eliminate the kind of micromanagement and regulation that doctors and nurses and hospitals have complained to us endlessly about. We're going to be moving toward a single-form system which I think every consumer, such as myself, who can't bear to fill out those long forms, will be happy about. So I think on balance this system is going to be much cleaner and simpler and will work better because of it.

MR. SESNO: Mrs. Clinton, thank you very much for your time. Many other issues to discuss; I hope we'll have that opportunity sometime soon.

MRS. CLINTON: I do, too. Thanks.

MR. SESNO: And happy birthday, by the way.

MRS. CLINTON: Thanks, Frank. I appreciate that.

MR. SESNO: I hope you get out from under this.

MRS. CLINTON: We will. Thanks.

MR. SESNO: Thanks again.

MRS. CLINTON: Bye.

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THE WHITE HOUSE

Office of the Press Secretary

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(Unrecorded question)

I do, too. Thanks, Frank. I appreciate that. Thanks, 'bye.