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BOSTON GLOBE
ROUNDTABLE

THE WHITE HOUSE

Office of the Press Secretary

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AN INTERVIEW OF THE FIRST LADY
BOSTON GLOBE ROUND TABLE, BOSTON, MASSACHUSETTS
(GOSSELIN, McLAUGHLIN, OLIPHANT, KNOX)

Q -- passing that health (inaudible).

MRS. CLINTON: Right.

Q And I wanted to see how that's doing, and it's doing very well.

MRS. CLINTON: Well, you know, I don't know how we break through with real information, you know, on this issue. But you know I have tried to -- in your book, and reading other things -- to educate myself on the German system, and you know there's a lot of good features to it.

Every time somebody cries wolf, you know, like the pharmaceuticals did when they drove the prices down with the reforms of last year, there's always an answer. But to try to get both the wolf cry, which gets covered in the business press in America and maybe the general press, plus the response, has been a real burden.

There was a story a couple of weeks ago which made this outrageous claim about blood plasma disappearing in Germany because of rationing. And Uvay Reinhart (phonetic), whom I don't even know that well, called up my secretary and was screaming at her about how outrageous this story was and how he was going to do everything he could to point out that that was absolutely untrue.

But I never saw any articles that came in and said, hey, guys, I mean this article that you-all ran with prominent headlines a week ago was just hokum, you know. And so I don't know how we -- I don't know we do it. I don't know how we get the information curve up high enough. That's one of my dilemmas. You guys have done a great job, by the way, from my perspective, in the quality of the coverage.

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Q Well, we haven't -- we haven't refuted that German story.

MRS. CLINTON: But there's a million of them out there.

Q No, but we just have to keep doing it and doing it, and doing it over again. I mean, in fact, that's going to be the interesting thing for you the next couple of months, I would think, as to how to keep it going.

MRS. CLINTON: I think that is, yes.

Q Let me try a few more immediate questions on you. AMA is meeting today, discussing whether to withdraw the endorsement of the Clinton plan. One, what do you hear; and two, does that advance or detract from your (inaudible)?

MRS. CLINTON: Well, I think that they are split, like many groups are today, and I hope that they will stay forward-looking and positive. They had their own health care reform plan that they adopted a couple of years ago, which relied on an employer mandate and which had many features that we've adopted within our plan.

We've had nearly continuing, persistent contact with the leadership over the past month and have been very open to the suggestions that they've made, particularly in the area of antitrust changes and other statutory changes that would be necessary for doctors to, in their view, effectively form networks to make accountable health plans. So I feel very good about the positive relationship that we've had up until this point, but I know that there are lots of pressures within that organization.

I hope that they are not successful in derailing what has been a very positive attitude on the part of the AMA. But we'll just have to wait and see.

Q I wonder, one, whether you have any concerns that that kind of split with the leadership and at least some of the membership of AMA is going to be replicated elsewhere, and also if there is -- if they do derail -- if the membership does derail, what does that mean to the -- for the -- for your (inaudible)?

MRS. CLINTON: Well, I don't want to speculate on

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it until I see what actually comes out of their meetings. But remember that the AMA institutionally opposed nearly every health care reform that we've ever been able to achieve. Medicare, Medicaid came in over their very strong opposition.

So I don't know that it will be that influential, but my hope is that doctors will want to be partners in health care reform. I'm thrilled that, you know, many of the other large physician organizations, like the Academy of Family Practice, and the internists, and the pediatricians, and the ob/gyns, whose collective membership is greater than the AMA's, are very strongly supportive of health care reform.

Q Okay. Let me just quickly turn to Chafee (phonetic) a minute. Chafee is now in legislative language that's been filed. Does it meet your standards, particularly with (inaudible), and with (inaudible) timetable? Has it changed at all from the concept of the legislation in ways that you either like or dislike?

MRS. CLINTON: Well, you know that's hard to answer, because we're still analyzing the Chafee plan. It's over 800 pages, and it doesn't have a lot of the features that we've included in our plan.

Q I'll bet there would be some people who would be joyful to hear you say, oh, it's over 800 pages. There's real poetic justice, there.

MRS. CLINTON: No, but I think it's --

Q Almost 1300.

MRS. CLINTON: I think it's significant that it is as lengthy as it is but doesn't cover a lot of the issues we cover, which I think demonstrates that this is a -- you know, rather significant challenge to put into legislative language. I think we're going to be spending the next months carefully analyzing it, and we haven't yet had a chance to complete our analysis of the Chafee bill, you know.

Now that it's in legislative language -- and there are several points about it that we're going to have to analyze very closely. One which I alluded to early on was, how can you cost this when we don't know what the benefits

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are? That's a very difficult hurdle to overcome.

I keep being a little bit confused by those who claim that our plan has a lot of government regulation attached to it when we lay out what the benefits are, which is what most Americans care about, when their plan doesn't, and leaves that to a national board that will -- yet to be created and whose membership is unknown. So we are having a little bit of a time trying to figure out how you cost that plan.

Until you know how to cost it, how -- and I was -- I appreciated Sen. Bond saying that they're in the ballpark of 4200, because we ran all the numbers on comprehensive benefits, and actuarially, what we think of as a good package is in the ballpark of about 4200. So that at least gives us some idea of where they think they're heading with their benefits package. But we have to cost it, then we have to determine what the real subsidy level is, and all of those issues are yet to be determined.

And then we have to decide how we evaluate the economic impact of the individual mandate, and the administrative apparatus necessary to enforce an individual mandate, and you know, on down the line of questions. So until we finish our analysis on that, I'm not going to say anything other than I'm glad it's in legislative form.

I'm glad that you've got the very strong commitment to universality that you heard Sen. Bond reiterate today. And we're just going to work with them to figure out how to get the best plan we can all agree on.

Q Okay. The talk in Washington, for whatever that's worth, is that the compromise that now seems to catch everybody's fancy is somewhere between your plan and Cooper. (Inaudible) at DLC (phonetic) last week suggested he's ready to negotiate some sort of phased-in mandate. Is there a compromise in the works, and could you suggest where it might go?

MRS. CLINTON: Well, eventually there will be a plan that commands the majority in both the house and the senate, but the contours of that I don't think are at all clear.

Q Have they changed at all with (inaudible)?

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MRS. CLINTON: Oh, I am -- I think that the one point that everyone is agreeing on is that we cannot pass a piece of legislation that does not reach universal coverage within the shortest possible period of time. I think that is a remarkable break-through achievement, and I am thrilled that we have that commitment across the broad ideological-political spectrum, bipartisan support.

So I think that's the starting point, and exactly how that plays out I'm not ready to really comment on, because I think that's only now beginning to take shape, you know. There are a lot of members of congress who are only now getting into this issue, a lot of committees of jurisdiction that are going to start holding hearings this week and next, even during the recess. So I think it's very premature to say, look, here's where the ultimate outcome is.

Q Could I just ask: where do you go next? If we continue on a summit such as this one, (inaudible) have any sense of -- will you spend, like, the first three months of next year doing that?

MRS. CLINTON: Yes. I will do a lot of them, but I think the next one is in the midwest. I think. But I agreed to go to several, plus go to various member's districts, so I have a pretty active schedule.

Q What do you think, though, the time frame will -- vis-a-vis that -- and congress beginning to really settle down? Their hearings will continue -- January, February, March (inaudible) but when are they -- you know, if we really are going to have something done right before they go home for the break and to run for election, at which point do you think they'll really (inaudible) is settling down to really come to grips?

MRS. CLINTON: Well, I think that after they get back from recess, and after the State of the Union, when the committees really begin their work in earnest, February and March, you will see this whole process taking shape. And I know that I've been told by some committee members and chairs that they intend to really focus on February and March and try to, at least at the subcommittee level and maybe the full committee level, start reporting out bills. So I think that's when the real focus debate will begin in the congress.

Q As you say, that is certainly significant, that

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you hear it from lots of different (inaudible) spectrum -- universal, universal, we've got to have that. But I'm wondering, when we get to the stage when the question gets raised, well, can you do universal -- can you really do it unless you -- if you have a voluntary alliance or if you have, you know, a voluntary -- no mandate on anybody or -- you know. When does that issue get joined?

MRS. CLINTON: Oh, I think that -- I mean, I think that the real significance, in addition to universality of the Chafee-Bond perspective, is they recognize the need for a mandate if you cannot have a voluntary universal system. And so I'm very gratified that the responsible republican alternative recognizes the requirement of a mandate.

Now working out the details on that -- I mean, lots of people are starting to say, well, we can combine this, we can add that. We -- you know, we're just going to have to look at all of those alternatives as they actually are presented.

One of the benefits I think this year-long process will have for the congress as we move into those sorts of discussions is that I think we've looked at probably everything, and run numbers on all of it. We will start from an analytic base that will help to expedite the discussion, and whatever the CBO (phonetic) is now doing will be obviously involved in that, and then whatever private actuaries and economists do as well.

But there has never been better government numbers than the ones we have now. I mean, when Sen. Bond referred to the 1990 budget deal falling apart -- it fell apart because there was poor forecasting of increased health care costs. Well, much to my surprise, when I get to Washington I find out nobody had ever convened a meeting of the various agencies responsible for creating pieces of the government's health care forecasts.

Until I asked that such a meeting be put together, the actuaries for OMB, HICFA (phonetic), the other agency within HHS, the treasury department, then the pieces of it that exist out in labor and VA, and all the rest of it, had never been in the same room. So we at least will have the benefit of that kind of careful analysis, so that when someone comes to us and says, well, suppose we take this piece from Chafee and this piece from Cooper, and mix it with

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this and all that, we'll be able to say, well, great, let's run the numbers on it and kind of see where it comes out.

Q There is this continuing sort of credibility issue about the numbers, and about the savings forecast, and projections, and so on. And back when -- that's what I was briefing the day before you went up to the Hill with the plan -- Ira Magaziner said in no uncertain terms, we are going to lay this all out.

MRS. CLINTON: Right.

Q We have these good, solid, rigorous scrub numbers, and we are going to share this with you later this week. And then when some of us have been asking, like Ken Philip (phonetic) (inaudible) on the -- what are the assumptions behind these numbers, it keeps slipping and slipping. It would seem like this would be a good period, in the period, you know, before the recess ends and things get underway in earnest, to begin laying out some of these credible numbers and answering that argument.

MRS. CLINTON: Well, there's a lot of briefing going on with congressional staffers and members. And part of the process is for them to be briefed and fully understand it before you just throw them out to the public because they're -- I don't -- I'm not -- this is not a pander, but there are very few reporters who understand these numbers and if fully briefed are not going to know what to do with them.

So before we have 10 different press interpretations of what these numbers are, we want to lay a base in among the key staff members of the major committees, so they feel they heard it first and didn't read about it in the newspaper. And you know, that's something that we're engaged in on a daily basis now.

Q (Inaudible) just to reinforce this point, that slipped yet again last week, and Ira said Tuesday we'll have it by the end of the week (inaudible) very useful to you. On the issue --

MRS. CLINTON: Okay, let me say just one other thing about this, which is a -- which is a continuing saga from (inaudible) is how we balance the need for members to know, and the need for the press and the public to know. Part of what you're getting is our thinking we've got all

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bases covered so that we can take this next step, and finding out that, no, you know, we haven't fully dealt with, you know, so-and-so, so we've got to go -- and this is something that we're using the recess for.

So I appreciate your concern about that, and we'll see if we can't expedite the process somewhat.

Q The question arises if it's -- first of all, whether Chafee or Cooper are going to be as objective at that level of rigorousness in analysis; and secondly, and perhaps this is more within your -- I doubt it, too (inaudible). And secondly, and this is more in your area, as time goes on and changes are made, and compromises and -- this was like the history of Medicare as it got closer to the floor (inaudible).

How -- will there be an opportunity for the same kind of intellectual and statistical rigor when the real legislative work is done?

MRS. CLINTON: Yes. Well, Tom, I think the answer to that is yes, because rather than having to recreate the wheel with something that comes out of left field --

Q You have a base.

MRS. CLINTON: We have a really good base, and so we'll be able to plug in different assumptions. I mean part of -- I mean one of the problems we've got internally in sharing a lot of this is that there is a belief on the part of a number of the agencies that the economic assumptions for certain kinds of calculations can't be publicly shared because of, you know, fears about gaining markets and things like that.

So -- you know, there's a lot of balancing that goes into this that is not as easy as I may have hoped it would be.

Q Right.

MRS. CLINTON: I think that we start with such a heavy burden because it's the President's plan, but I do hope that other plans -- and we certainly will be analyzing them. You know, if they've done something better, or differently than we have, we need to know about it. So we're going to be

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looking in depth at the other plans, but we hope that others will as well.

Q Just with regard to these numbers, Ira has talked a lot about (inaudible), as have you, and (inaudible) portrayed in this planning role you just described as being the course (inaudible) allowing you to be able to say what would mix and match or not. There are people who say that is not how political decisions get made. It may be -- the split may be generational, the split may be class, but (inaudible) that kind of policy nerd approach versus a kind of political pushing and shoving doesn't work in Washington.

I wonder, is there any example of the numbers having done for you already what you say they'll do? Because you know the (inaudible) point of view in Washington. It does look like we're headed towards some pretty rough politics. It hasn't happened yet, but we're headed that way, and it is (inaudible) it is hard to understand once that starts -- you know, it's hard to picture Ira pulling out one of those big binders behind his desk and sort of saying, well, let me see. That --

MRS. CLINTON: Yes, but that's why the committee staff has to be really brought up to speed on this process, because it won't happen like that. You're absolutely right. That's not how it will be done.

But the committee staff person who has been through that process knows where in the binder to look, so when the member turns and says, what about this, he says, well, look, bang, bang, bang, here's how we're looking at it. That's why it's so important that we, you know, we engage in that kind of educating of all of the key decision makers. But I think there's another element to it as well.

This is ultimately a political decision, it is not an abstract policy debate, and people will vote yes or no based on political considerations. What our task is, is to kind of refute inaccurate information and misinformation, provide the best possible numbers we can, so that people are going into the debate with a level of information that provides security for them off of which they can then argue. And I think that's what we see our primary role in, as the debate goes forward.

I mean, the action will move to the congress. They

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will have different ways of looking at it, coming with their own presumptions and biases. But if we are constantly available to say we looked at that, here's what it does to the deficit, we looked at that, here's what it does to your state, then I think we can have a good political discussion that is well informed.

Up until now it has not been well informed. I mean, people have come with their policy proposals that have not been well costed out, have never been as specific as they needed to be, have not taken into account all of the implications of what reform would mean, have left out major pieces of the system that would then later have all kinds of unintended -- but predicted -- unintended consequences.

So what we've tried to do is create an atmosphere in which there is a base of information, and then the policy debate can go forward. I mean, poor Sen. Moynihan has been so misquoted. I mean, what he -- what he said, the numbers, may be fine. But their fantasy if -- you know, they think that we can immediately reduce Medicare like this, et cetera, et cetera -- he was talking about policy, he wasn't talking about numbers. And he and I have kind of laughed about that.

I mean, he still has policy questions that will be played out in the congress. And part of what we want is for people to face up to the implications of everything they say and what the consequences of their position (inaudible).

Q Because of the enormous difficulty of following this as a lay person (inaudible) expert, do you -- what is your latest thinking about using something like the (inaudible) system (inaudible) if it should go forward that way?

MRS. CLINTON: Well, I think that we're going to -- I mean, you know, this administration has learned that you've got to really focus all your energies on your major policy initiatives. So I imagine that as this heats up we're going to be putting all of the White House resources behind it, starting with the President and the amount of time that he spends, because he probably understands this better than anybody.

I mean, he still asks me questions that just blow me away, because he studied this when he was the governor, and then chaired the governor's task force, and he has a very

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clear idea. And he gets very adamant in conversations with people who don't understand the economic implications of what he's attempting to do with health care reform. So he's going to be in the thick of it, and then the rest of the White House staff will be focused.

We have a war room that we renamed the delivery room (Laughter.), and people are working there now, as we speak. And we've got some very good people in there, with different responsibilities, but you know, we'll be adding some people and some resources as we go on.

Q On that note I (inaudible).

(Simultaneous speakers.)

Q -- local question, academic medical centers (inaudible) Harvard very concerned that even with these new pools of money that you would create in the plan it just won't take into account the sort of built-in subsidy that goes into the price of medical care now. What do you say to their concerns, and is there give there?

MRS. CLINTON: Well, we've had numerous meetings with representatives of academic medical centers and teaching hospitals, and certainly their concerns about change are ones that we take very seriously, and we're going to be constantly consulting with them as this process moves forward. But my view of where they stand now, and what they have to benefit from the forum, is very positive.

Most teaching hospitals are pricing themselves out of the managed care market as it is being developed in the absence of reform. Most teaching hospitals are carrying a very heavy charity load. Six percent of the hospitals in America are teaching hospitals. They bear 50 percent of the uncompensated charity care in this country. So having a universal system, with a secure funding stream for patients, having a guaranteed funding stream for teaching, and research, and education, strikes me as a very good deal.

Q Why is it that the very top people in these Boston institutions, which are among the best in the country, are so pessimistic, or so nervous about it, if you think that it is such a good deal? Why can't you get that across?

MRS. CLINTON: Well, we've gotten it across with a

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lot of people. I mean, I've had lots of very positive and supportive conversations with many deans and university presidents, and I would assume it's because either we haven't communicated effectively or there is some other issue that we're not addressing.

Now part of it, though, I am beginning to see is our effort to redirect graduate medical education away from its heavy emphasis on specialization to training more primary care physicians -- undermines, in the eyes of some of the teaching hospitals and health centers, their existing commitment to specialized training.

I think their concerns are misplaced, but they are rooted in some questions about what do they do with their existing faculty. How do they make the transition? How, if they've had a very heavy emphasis on specialized care in an extremely hi-tech tertiary care setting, do they shift to train more primary care physicians?

So I think that is some of what is fueling their concerns. Because on the numbers, we are planning on putting at least \$4 billion more into academic health centers in the five years after reform passes than would go in under the current budget. So I really think there is some misplaced concern, or some issues that we just disagree on.

We think we need more primary care physicians and that we have to change the mix of how Medicare pays for residency training. And we may just disagree on that.

Q Have a good return trip.

MRS. CLINTON: Thank you. Thank you. Thank you all.

Q Thanks so much. It was very, very kind of you. Thank you very much.

MRS. CLINTON: Thank you for doing this. Glad to see you here.

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