

03/18/94
MIDWEST BRIEFING

THE WHITE HOUSE

Office of the Press Secretary

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March 18, 1994

AN OKLAHOMA, NEBRASKA, KANSAS CITY
REGIONAL PRESS BRIEFING WITH THE FIRST LADY

MRS. CLINTON: I want to spend a few minutes kind of talking about where we are in health care. Then, if you have questions -- you can hear (inaudible). What does it have to do (inaudible) and cooperation that we are finding on the Hill. This is an issue that is being taken by everybody up there so seriously. They are working at it in ways people who have been in the Congress for decades say they haven't seen for a very long time.

We feel a lot of progress being made (inaudible) and committees. There's always a lot of back and forth about (inaudible) plan or somebody else's plan. From the very beginning of this effort, we have said there were certain principles that we wanted to see addressed in any piece of legislation. We didn't really know that our approach would be absolutely and 100 percent the best approach.

There was a lot of room for people to try out different ideas, but at the end of the day there were five basic principles of the president's approach that we thought should be in any final (inaudible). The first was guaranteeing private insurance. There are some in Congress who believe strongly that we should have government insurance that sometimes (inaudible).

The president's approach is different. He believes in guaranteed private insurance, and that that private insurance should carry with it a basic set of benefits for every American, no matter who you are or where you live or whether you've ever been employed or (inaudible). Everybody should have that set of benefits.

The second principle is that we need to eliminate discriminatory insurance practices. We need to eliminate preexisting conditions from excluding people from coverage or charging them more than they can pay. We need to do limits, lifetime limits.

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Too many people don't read the fine print of their insurance policies today. I never did in all my insurance policies in the past. You may not know that there are lifetime limits in your policy. It may be \$50,000 or it may be \$1 million. But just when you need insurance the most, you are a major (inaudible) with the lifetime limits. We want to just eliminate that.

We want to eliminate discrimination against older people in favor of younger people. Even young people who think (inaudible) today will get to be my age and older eventually. We need to have everybody in the same insurance pool. So trying to get the insurance system to mean what it should, everybody pays into the insurance pool and everybody can be protected against (inaudible) eliminate some of these practices.

The third principle is we have to guarantee choice of doctors and health plan. There's been a lot of misinformation about this issue in the last month. People run ads and says the president's plan will eliminate choice. In fact, what is happening today in the work place is that the employers make the choice as to what insurance plan you will have if you are employed and you're getting your insurance there.

Because employers are under so much cost pressures along with insurance companies, they are currently limiting choice. In fact, if you go talk to the people in any of the communities that you're from in any of the three states represented here, you will find, as I do, many people who have just been told in the last year or two they can no longer go to the doctor (inaudible) because it's not on their approved list. They can no longer use the hospital.

It's particularly bad for children's hospitals and academic hospitals because they have a higher cost because they do such complicated procedures and take care of such sick people. Many people are being told those hospitals are off limits. The president's approach guarantees your choice of doctors and your choice of health plans.

It also requires every health plan to offer you the right to go anywhere in the world to get your care. So even if you sign up for a health plan in which you know on the front end you're going to pay less because there are a fine number of people that are available for your use and that is

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your choice, you still can have the right to (inaudible) to go anywhere in the country and get treated by the best specialists. That is real choice and that's what the president's approach guarantees.

The fourth point is the president wants to reserve and improve Medicare. This is especially important for older Americans because Medicare has been under a lot of cost pressures in the last several years. We want to be sure that Medicare is there for my mother and for everybody's parents. We also want to include them because the two big problems in Medicare are that it does not provide for prescription drugs and it does not provide alternatives to nursing homes in most instances around the country.

So we take prescription drugs first. There are many older Americans who are spending (inaudible) the drug bill, anywhere from \$3,000 a year to \$18,000 to \$20,000 a year for their prescription drugs. We want to give older Americans some financial help in having their prescription drugs taken care of. This is not (inaudible) thing to do because a lot of older people have to make choices every month between their drug bill and their food bill.

It's also required (inaudible) because we've looked at a lot of the records of why older people get admitted to the hospital. They are very often admitted because they did not take medication that was prescribed for them because they could not afford it. They, therefore, get sick again and they go into the hospital which Medicare pays for, which is much more expensive than if we helped take care of their prescription drugs. It's the same with long-term care of older Americans.

Many older people want to keep their family members at home when they get older or get sick. They get no help to do that. Or they might have a program in town where an Alzheimer's patient can spend a day while the children work and then take care of them at night. They get no help for that. They do get help if they are poor enough or if they deplete their assets. Then they can put their relatives in nursing homes, which we then pay for. It is more dignified and proper, as well as less expensive, to help keep people at home than in just warehouse nursing homes. That's another feature that the president wants to include in Medicare.

The final point is that the president's approach

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guarantees health insurance at the work place. That is where most Americans are insured to get their health insurance now. If you believe, as we do, that every American in the entire (inaudible) is guaranteed private insurance, that every American is entitled to the health care at affordable costs, there are only three ways of achieving that.

You can, and some have argued, have a big tab that substitutes for private insurance. That would get everybody covered (inaudible), but the president does not think that's the best choice for Americans.

Or you could, and some people have argued, treat health insurance like auto insurance. Some states say you have to have auto insurance. The problem is most states can't figure out how to enforce having everybody have auto insurance. It's always the fellow who somehow didn't get the insurance that rear-ends you. Most states who have tried to mandate individual responsibility for auto insurance have found it very difficult to enforce that.

The third way is to build on what works, the way most Americans get their insurance, through the work place. The employer usually contributes something. The employee usually contributes something. It is shared responsibility. We think by building up and putting in appropriate safeguards for small businesses so that we give them discounts so they can afford insurance, and for low wage workers so that we help subsidize them so they can afford their share, everybody then is put on a level playing field.

Businesses that currently ensure now are paying for all (inaudible) individuals that do not but can get health insurance anyway if they need it and they show up at the hospitals. So those five points, guaranteed private insurance, eliminating discriminatory insurance (inaudible), guaranteed choice of doctor and health plan, preserving and improving Medicare, and guaranteeing insurance at the work place are the five major pieces of what the president (inaudible).

We are very, very optimistic about the kinds of reactions that we're getting on the Hill and from many people out in the country. Once they understand more and more about the health insurance proposal, they are more and more supportive of it. We are grateful that you would take your time to come here and have a briefing here at the White House

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so that you could take that information back to the people who rely on you to give them the facts about what's happening with the health care (inaudible).

Q Mrs. Clinton, it's been suggested that (inaudible) propose a health care reform (inaudible) Whitewater (inaudible) health care (inaudible).

MRS. CLINTON: Well, I hope that's not true. I hope that we're going to be able to debate health care on its merits. Certainly, anyone who has watched the president or any of us work in the past year knows that we have tried to be totally bipartisan. We're tried to work with everybody. What we're interested in is guaranteeing health coverage for every American. We want that to be beyond politics. So that's the way we feel about it, and that's what we're working hard to achieve.

Q Mrs. Clinton, (inaudible).

MRS. CLINTON: That's a very good question, and it's one that we have spent a lot of time addressing because we are sensitive to the concerns of small businesses. My husband has always supported small businesses. He really believes that this proposal is good for all businesses. Let me explain some of the reasons behind that.

Right now, the most discriminated against group in the entire country when it comes to health insurance are small businesses and individuals. But small businesses pay on average 35 or 40 percent higher costs for health insurance than either big businesses or government does.

So think first about those small businesses that are struggling to insure and think about the very smallest of businesses, maybe just a family business, think about some of the ranches or farms in the state where you all come from. If those people try to get insurance, they are paying far too much for it right now.

So what we want to see is to bring down the cost of insurance for everybody. That will be particularly helpful to small businesses, and especially helpful to family businesses and individuals who are in business because not only will we bring the cost for that down, they will be able to deduct 100 percent of their costs off their taxes, something they cannot do now.

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Now, for small businesses that do not ensure at all, and those are the ones that you're concerned about as well, they are right now not providing any help, and their employees are not providing any contributions to their health insurance. All the rest of us who are insured are paying for them. Anytime someone at a small business who is not insured gets sick, he does go to the hospital. He does get care.

Now, how did that get paid for? It gets paid for by all the rest of us having our insurance premiums and our taxes raised. So it's a very unfair shifting of costs onto everybody else. If the small businesses and their employees all contributed, then we would have a lot more money available to fund our hospitals and our health care, and we wouldn't any more have to worry about the large number of people who are uninsured because they would be paying something for them.

The federal government currently sends money to hospitals around the country, and your states, everywhere who have big uninsured populations. If you go to Oklahoma City or you go to Omaha or any of the other large cities, you will have hospitals. They are oftentimes the university hospitals, other big hospitals, that absorb millions and millions of dollars in what is called uncompensated care.

The federal government takes that money and gives it to them. The federal government will now use that money to help provide some subsidies to the small businesses and their employees. In addition, we are raising the tax on tobacco products. That money also will help to provide the discounts and the subsidies for small business and their employee. So their cost will be kept very low, and the amount of money will be supported by these other sources.

Now, what we see happening, and if you look at the congressional budget office report, which is a totally nonpartisan report, what we see happening is that once everybody is insured, there will be no more of this cost shifting that I described to you. So we will get closer to the real cost of health care and we will start saving money.

The congressional budget office says actually, businesses will save even more money than government. That's all levels of businesses. So this all works together. Everybody who has looked at it says it does, but I know we have to make a very convincing case so that small businesses

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know that we're going to protect them and take care of their financial needs.

Q Mrs. Clinton, (inaudible) family medical care (inaudible), the idea being that not only do families decide what and who but how much. What is wrong with that?

MRS. CLINTON: Well, there are several things that are problems with it that we have looked at very closely. The first is that unless everybody is required to have such an account, you still have large numbers of uninsured people. If most people who were uninsured could afford insurance, they would be buying it right now.

So, unless there is some requirement that you actually have such an account, we will not solve our problems of a very large group of uninsured people who do get health care, who do work and who, then, we pay for. That's part of the reason nobody can get a handle on the costs.

The second is that many of those plans are trying to promote people's idea of having insurance for catastrophic illnesses. In other words, they want to have the medical account available in the event that you find out you have cancer or something like that.

The problem with that is we want more people to take better care of themselves earlier so that we can avoid people getting sick. We want people to go to the doctor for primary and preventive health care, which insurance companies now don't fund.

I was surprised when I had Chelsea and I would take her for a well-child exam. My insurance company wouldn't cover that. If she got sick in the middle of the night and I rushed her to the emergency room, they'd pay for that. So all of these accounts, they are emergency room kind of accounts. That's a big part of our problem. We have too many people showing up at the emergency room instead of getting regular scheduled health care that would keep them out of the emergency room. So that's another problem.

The third problem is that most of these accounts, at least as they've been proposed in the various formats that I have seen them, do not get to the real underlying issue as to how we keep the whole system working for everybody. I mean, part of what insurance has always done is to fund the

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whole system.

You know, when I pay my premiums, some of that goes into funding certain parts of the health care system that are there if I need them. So it needs to be collected either by big insurance companies, which is what we're proposing, that we have basically purchasing co-ops where people put their money in there and then they make their choice of health plans, or like with Medicare at the government level.

If everybody just has their little bit of money in their own bank account, who is going to pay for the public health facilities? Who is going to pay to keep that children's hospital going or that wonderful academic program that trains the doctors of the future? So we have some real serious problems with the way that would work on a national level.

Q (Inaudible). The question is, originally you had a time table for reform. Everybody would be guaranteed private insurance by the year 1997. Is there a willingness now to consider endorsement of a bill that wouldn't reach that goal until a little later?

And I know originally he thought the employer mandate should be 80-20 split. Is there a willingness now to endorsement that might not be a 80-20 split (inaudible)?

My third question was about the competence of the basic (inaudible). Is there a willingness to compromise on what the final aspect of that (inaudible)?

MRS. CLINTON: We have had many conversations with members of Congress on just those three issues, on the phase-in of guaranteed coverage for everybody, on what the shared responsibility would actually be, and on the make up of the benefits package. We are open, as we have said repeatedly, to good suggestions that are well thought out and have financial numbers behind them.

One of our problems in the discussions up until now is that only the president's plan has been fully fleshed out financially. It's been examined by independent analysts. It's been examined by the congressional budget office. They've all said it works, you know.

CBO says that you get more money for business than

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do for government, but I don't think business would mind that. So we are prepared to look at anybody else's proposal, but they have to be willing to put the hard numbers to them. What would it mean, for example, if we phased it in longer? How much more money would that cost the federal government or those of us who are insured while we were waiting to get all of the uninsured insured?

So those are questions we are very interested in talking about and we are very open. Our bottom line is, as I've described it, those five principles. We have said from the beginning there are lots of good ideas out there, but the ideas have to come with hard facts and figures that show the budgetary effects. But you're right, those are three areas we're talking about with people.

Q As you know, (inaudible) shows that the majority of people oppose to (inaudible) but at the same time given the menu of what they want in the health care reform package if they end up picking the Clinton plan. Whose fault (inaudible)?

MRS. CLINTON: That's a good question. I don't know because those have been some of the most interesting findings we've seen in the last several months. People say, you know, I don't know about the Clinton plan and then you say well, what about guaranteed private coverage, what about having the employer and the employee share the responsibility.

You go down the list and they say yes, that's what I want by huge majorities, 60, 70 percent. I think it has to be a failure to communicate effectively about what actually is in this plan. Of course, remember that we have had millions and millions and millions of dollars run against the president's plan, not against the features of it.

I can't help but think that people sitting in their living rooms, when you have all of this advertising which basically says there's got to be a better way to the Clinton plan, say well, there must be, without even knowing what it is that is in the Clinton plan.

So we're going to do the best we can to get the real truth out about the Clinton plan and about, more importantly, the principles that the president supports because those are exactly the principles that 60, 70 percent

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of the American people support.

Q (Inaudible)?

MRS. CLINTON: I haven't seen it. Have you seen it? I haven't seen it.

Q The perception is that you're not willing to compromise on the health care plan. How is that effecting efforts to get the (inaudible)?

MRS. CLINTON: You know, I don't know where that perception comes from. We have said repeatedly over and over again that we were flexible, that we were open to other ideas. I've had several hundreds of meetings with members of Congress where I have said that. In the last two weeks, I've probably met with 80 members of Congress. I say it again and again. I say it in every public appearance. I don't know where that comes from.

Now, it is true we are not willing to compromise on the basic goal of ensuring health care for every American. The president made that very clear in his speech when he took out his pen and he said I will veto any legislation you send to me that does not guarantee private health insurance to every American. I don't think that is being inflexible. I think that is the bottom-line goal that the American people also believe should be met. But we are very open and are working with everybody that we can.

Q I have a follow up to that, too. By the time (inaudible) by special interest groups, lawmakers, the medical community, everyone. So it's going to be torn apart and scrutinized by so many different hands. What are you willing to end up with? We will have (inaudible)?

MRS. CLINTON: Well, we will have a plan that the president will sign so long as the Congress meets those basic principles. That it's guaranteed private insurance, and it is fairly financed, and it is cost effective, and it guarantees choice and quality. But we're early in this process, so we're very encouraged by what we see the Congress doing and think that they're on the right track.

Q (Inaudible)?

MRS. CLINTON: This year, absolutely, this year.

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Q (Inaudible)?

MRS. CLINTON: We're not going to do that. I mean, that is really up to the Congress. I mean, the Congress has many different interests it has to reconcile. They are in the process of doing that right now in all of their committees that are looking at this. I don't think it would be appropriate for us to say what we would or would not agree to until they come to us with whatever proposal they have worked out among themselves.

Q (Inaudible) that everybody's plan is named after somebody (inaudible)?

MRS. CLINTON: Well, social security isn't named after anybody anymore and Medicare isn't.

Q (Inaudible)?

MRS. CLINTON: I don't think that matters. I mean, I don't think most people care what a piece of legislation is called. They care about what it does. That's what we care about. So I think that there's a tendency to try to personalize politics so that they can kind of -- you know, people can cover it and kind of keep in mind what is happening.

But once it gets into the Congress, they're going to be coming up with their own versions. I mean, we always said that this was our best thinking at the time. We expected the Congress to get in and work it through and to ask hard questions, which is what they're doing. So we don't really worry about that.

Q (Inaudible)?

MRS. CLINTON: Well, we think we do. We have provisions in the proposal to cap attorney's fees. We have provisions to require alternative dispute resolutions, provisions to require that a lawyer have to have a certificate of merit before taking a lawsuit to court. We have really tried to limit the impact of the fear of malpractice and the costs of malpractice on our medical community without endangering the rights of innocent victims.

I mean, that's the balance we have tried to strike. I think we've done a pretty good job on that. At least the

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Congress is going to be looking at that hard and there are many competing points of view, but I know that we're going to address malpractice. It is a problem. It needs to be addressed and we have proposals to do that.

Q (Inaudible) personal coverage. Could you tell me what you think, what the (inaudible) date would be (inaudible)?

MRS. CLINTON: We haven't really gotten to that level of detail. The whole original proposal was based on our belief that we could get a piece of legislation passed and begin to implement it in 1995. We know that with the press of business in the Congress and trying to get the bill passed this year that we'll probably have to push that date back some. But we really believe that the sooner we can get to universal coverage, the sooner we can control costs for everybody.

So we will be very reluctant to push that off too many years. We want to keep people focused on what the most important goal is, and that's achieving universal coverage. So we're not really at a point yet to talk about different sorts of phasing in or different timetables. But we're open to that.

They're telling me I have to go. You all have some more briefings. But if you have follow-up questions or you have questions from viewers or people in your community, please call on us as a resource. To go back to your question, we are trying to do a better job in getting the information out to you so that you can get it out to your audiences.

We know that although there will be changes in the details and whether it's a phase-in of a year longer or whatever, the fundamental features of this plan are what the American people want, they are what they are comfortable with, and what we think makes the most sense. We didn't go and adapt some other country's proposal. We tried to create an American solution to an American problem. We think we've got a lot of the pieces, but we want to be able to explain those as well as we can to the American public.

So we are grateful that you would take your time to come. Thank you very much.

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