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SATELLITE MEDIA TOUR

THE WHITE HOUSE

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INTERVIEWS OF THE FIRST LADY
SATELLITE MEDIA TOUR

BY INTERVIEWER:

Q: Mrs. Clinton, to listen to the health care debate, it is apparent that one of the keys to your health care program is the concept of employer mandates, where employers will have to pay a certain percentage of all workers' health care coverage. I think your plan calls for 80 percent. This seems to be one of the most contentious issues.

If the Congress were to pass health care without employer mandates, but with a health plan with the burden on employees that calls for new taxes, would the President sign that plan into law?

MRS. CLINTON: Well, Jim, we will have to wait and see what the Congress does. But you put your finger on one of the main issues, because we believe that the best thing to do is what is now done. Most of us who are insured are insured at the workplace. The employer and the employee share the responsibility, and we think that's the way it should be.

But the Congress is going to look at all of the different options and try to come up what it thinks is the best plan. And we're going to wait and see what they come up with. But it's very important that everybody have responsibility, and we think the best way to do that is what already works for most of us.

Q: It seems that the White House is now finally being able to focus attention on health care again. But for months it seemed to be blocked by the fog of the Whitewater controversy. I have to ask you, how much responsibility do you personally accept for Whitewater and the diversion of the public's attention from your husband's legislative agenda?

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MRS. CLINTON: Well, I don't think there ever has been any real diversion. You know, all during those months, work went on. I traveled all over the country. The President traveled. We had enumerable meetings with both the Congress and groups from around the country. We would not be where we are today if we had been diverted.

So looking at it from my perspective, what I'm very pleased about is that for the last year and several months now, we have worked steadily on health care reform, have not been diverted, and have continued to try to work with the Congress and concerned people all over the country about how we are going to solve this problem.

And I have to say that one of the people we have worked very closely with from the very beginning is your Senator, Senator Wofford. He has been extremely helpful and has been continuing to sound the alarm about the need for health care reform.

Q: Mrs. Clinton, even a year and a half into your husband's administration, or almost, his biggest problem seems to be the same problem that dogged him during the campaign: that the electorate just can't bring itself to trust him as much as it wants to trust its Presidents. What is it about your husband or about the American people that makes such a persistent problem for you?

MRS. CLINTON: Well, again, I don't see that as a problem. I see a President who's accomplished so much in the last 15 months. This includes the first responsible budget that is actually bringing the deficit down for the first time in years, a budget which I think has helped to spur economic activity and the creation of many, many new jobs all over the country.

Very important legislation, like national service and a new student loan program so that working kids and their families can afford college, or something like the Family and Medical Leave Act or the Motor-Voter Bill, which could never get by the President before. Or even something as important as the Brady Bill, which this President had the guts to sign. So I see a very tough president taking on very tough issues against very tough odds.

And, you know, when you address tough problems, you're going to be controversial, because let's face it, Jim,

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there are a lot of people in this country who like things the way they've been. They are able to profit from the existing system. So they have a lot of interest in being opposed to the President.

But what I'm excited about is, despite the opposition, look at the record of accomplishment. I think most Americans are working more and actually feeling better about where we are in our country today because of the changes that he's brought to Washington.

Q: I know that important people in the public sector seem to acknowledge polls only when they are working in their favor. But all the data that pollsters are getting, and I'm sure you know this data much better than I do, suggests that if your husband has a problem with the American people, it is a problem of trust. And clearly you are as aware of that as anyone in government, with the possible exception of your husband.

I'm just curious to know, what is it about the dynamic between your husband and the American electorate, or the significant portion of the American electorate that has this problem, that seems to create this as a persistent, nagging issue in your husband's administration?

MRS. CLINTON: Well, I just don't see things that way. What I see is a President who's taking on tough issues, and a lot of controversy is attached to taking on tough issues. You know, there were a lot of very powerful people who make a lot of money who were not pleased that the President began to put some fairness back into the tax system.

And for a year, they said, "You know, President Clinton is going to tax you," and tried to scare people. And maybe that's what you're talking about. People said, well -- he said he wasn't. Well, lo and behold, along came April 15, the day we all dread, and only 1.2 percent of the richest of Americans saw their taxes go up. All the rest of America saw their taxes either stay the same or go down.

Now, we can't help it if there's a well-organized opposition that spends a lot of money and says outrageous things on radio and TV and in direct-mail campaigns that raises doubts in people.

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But, you know, my husband and I believe that the truth eventually wins out. And we trust the American people. And once they know the truth, as they learned when they paid their taxes, they will know that they have a president who is fighting for them against great odds. That's what's important.

You know, all the talk and all of the rhetoric that goes on doesn't amount to very much. What really counts is who's standing up for the American people and who is getting things done. And I think the record's very clear that it's this President.

Q: Mrs. Clinton, thank you very much.

MRS. CLINTON: Thank you very much, Jim.

Q: Appreciate talking to you.

MRS. CLINTON: Glad to talk to you.

BY INTERVIEWER:

Q: Mrs. Clinton, thanks for joining us. Today the governor of New Jersey, Christine Todd Whitman, one of the new political stars of this area, called your health plan a "prescription for disaster." You know why?

MRS. CLINTON: No, I don't. I haven't heard that.

Q: Well, she said that, number one, price controls won't work, and number two, that the medical community is being excluded from your operation.

MRS. CLINTON: Well, neither of those are true, and let me respond. First of all, as to the medical community, this plan has been endorsed by the organizations that represent the majority of American physicians. We have support from the internists and the obstetricians, gynecologists, and the family physicians, and the general surgeons.

And we have support from a number of other groups that have hundreds of thousands of doctors in their membership. We also, on a number of key points, have support from the American Medical Association. Doctors were involved every step of the way in shaping this plan, and have been

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involved in consultations, both with the administration and the Congress for more than a year. So I'm afraid that she's just misinformed, because I want her to know that.

Q: What about price control? What about the price control issue that she mentioned?

MRS. CLINTON: Well, I think that's an interesting argument because we don't have price controls in the plan the President has proposed. What the President has proposed is that you need a budget and that decisions about medical care should be made within that budget. And I think Governor Whitman has advocated a very tough budget in New Jersey because she knows you can't make tough decisions if you don't have a budget.

We think you ought to have a budget when you're talking about what you're going to spend on health care. In fact, we want to get away from price controls that many states and some of the federal programs have tried to impose. We don't think you should tell doctors and hospitals, "Here's exactly what you can charge." We think that is self-defeating.

What we do believe is, we ought to say, "We have an enormous amount of money that we are spending on health care in America. Let's spend it more efficiently." I think that's good budgeting. And I think most governors who've had to deal with tough budgets would agree that when you've got Medicaid costs and other health care costs driving your budget, isn't it time we made some sensible decisions about how we're going to allocate resources so that we can actually cover more people more cost-effectively?

Q: I'll tell you what I hear the most from people throughout our Delaware Valley community. They're very concerned that in a very serious situation, a triage-type of environment would develop, and perhaps they wouldn't get the care they need for emergency surgery.

MRS. CLINTON: Yes, and I know, Larry, that is part of the concern, and I understand that. It's also been part of the scare tactics that people have tried to inject into this debate. The same kinds of things that were said against Medicare, for example, when it was being proposed. But actually, the opposite is true.

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Right now in the Delaware Valley, you have many people who are denied health care or unable to afford all the health care they want. Usually what happens is that when they need emergency care, the triage care that you're talking about, they end up getting it, but often later than they should. And then the rest of us pay for it, if either they are uninsured or not fully insured.

Q: Are you telling me that you can assure me that if I needed open-heart surgery, I wouldn't have to wait two weeks for it if people were in line?

MRS. CLINTON: Absolutely. In fact, in Pennsylvania you know better than most states that we spend more money on open-heart surgery than any other country in the world, and we don't take care of all the people who need it because we have a huge difference in hospitals, just in Pennsylvania, as to what it costs for open-heart surgery.

I've been very impressed with what Pennsylvania has done to actually get the facts out. In Pennsylvania, you can have an open-heart surgery performed for anything from \$20,000 to \$80,000. There is no evidence that the higher price surgery is better for the patient than the lower price surgery.

So in fact, if you had a budget and you had people actually making better decisions about health care, you would be able to provide more open-heart surgery at a reduced cost to more people than we currently do under our current system. But in addition to that, we would start paying for services like nutritional counseling and stress reduction, which are a whole lot cheaper than open-heart surgery, and actually, if prepared correctly, can reverse heart disease.

But most insurance policies won't pay for that, but they will pay for the open-heart surgery. We're advocating more sensible, realistic expenditures so that more people -- not fewer, but more people -- get the services they really need.

Q: One final question. Do you think that you and the President are out of the woods, image-wise, on this Whitewater controversy?

MRS. CLINTON: Well, you know, I don't think in those terms because I think the American people have always

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known that the truth will come out. That's what the Special Counsel is for. And they're more interested in whether the President and the Congress are solving their problems, not rehashing old things that don't amount to much.

So what I hope will happen is that everybody pays attention to issues like how we create more jobs, how we get assault weapons out of the hands of teenagers; how we reform health care and the welfare system. I think that's why people sent the President to the White House.

Q: Mrs. Clinton, thanks for joining us.

MRS. CLINTON: Thank you.

BY INTERVIEWER:

Q Mrs. Clinton, I'd like to begin by hearing your response to having your personal life scrutinized. You were criticized for not talking to the media sooner, and then when you finally did, your talk was analyzed down to your pink sweater. What's your response to that?

MRS. CLINTON: Oh, Julie, I'm just glad I did it. And I'm glad that I had a chance to answer people's questions, and I'm glad to be talking about health care and getting assault weapons off the street and doing some things that I think people in Oregon are a lot more interested in.

Q: Do you think that put Whitewater to rest?

MRS. CLINTON: I think that most people have not been that interested in it, and that everyone is waiting for the Special Counsel to issue his report, whenever that happens, but that's mostly, what I hear, and what people talk to me about, is making sure that Washington tends to their business. And by that, they mean the issues they're concerned about everyday.

Q What about criticism that you painted yourself as a public servant and then your actions didn't seem to represent that?

MRS. CLINTON: Well, I've always tried to do the very best job I could to fulfill my obligations to my family and to the public service that I believed in. And I think any fair reading of the work that I've done over my lifetime

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would support that.

Q Let's talk about health care reform. Here in Oregon, we of course have a health care reform plan underway. Part of the problem, though, is that as the state runs out of money, the number of people eligible has been cut. So how would that be different under a federal plan?

MRS. CLINTON: Well, because under the President's plan, everyone will be covered, not just people who are in the Medicaid program or who are very poor but working. We don't think that will ever work as well as it should, although I'm very proud of what Oregon has done, because you've taken the lead. But everybody needs to have health insurance.

Until everybody is covered, we cannot possibly control the costs in the health care system. And if we do not cover everyone, then we will continue to shift the costs, either onto those of us who are privately insured, because, you know, every time somebody is taken care of in a hospital and they can't pay, you and I pay for it through our insurance premiums or we pay through it for our taxes.

And either of those alternatives are quickly going to run out of steam unless we get everybody covered. And that's why the President's plan will actually make the Oregon approach work more effectively, we believe.

Q But what happens if it just turns out to be a big money loser and there's a huge drain on the system? Where are you going to find that money?

MRS. CLINTON: That's just not going to happen. The reason it's a money drain now is because you're trying to take care of people who are within a certain income level and you're trying to provide some services but not other services. Meanwhile, the rest of the system, the privately insured, the working uninsured, the Medicare recipients, they are under no such efforts to try to control the costs in their system.

So you can't possibly bring down health care costs if you're only dealing with one element of the entire system. If everybody is covered, Julie, you will have people who are currently working, but uninsured, making a contribution. You know, we have nearly 40 million uninsured Americans who are

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not paying for their health care coverage. That is billions more dollars that will go into the system.

One of the great misconceptions about health care reform is that somehow we're going to be putting less money into the system in the short run. Well, in fact, we're going to be putting more money into the system. But it's going to be used more efficiently because we will be able to make decisions about how to use our resources more effectively.

Q Most people are already experiencing efforts to cut health care costs and they don't like it. For example, they have only one doctor that they can go to --

MRS. CLINTON: That's right.

Q -- and a number of procedures that need to be followed before they can have surgery or et cetera. So they don't like that. How would that be any different or even worse under the government's plan?

MRS. CLINTON: Well, let me try to explain this, because that's a very important question. Right now, people are swimming upstream in their efforts to control costs, because the whole system has no control. So an individual employer is having to tell employees, "I'm sorry, you cannot go to your doctor anymore." That's what health care reform under the President's approach is going to reverse.

You see, if we do nothing, Julie, this situation you've just described will only get worse. More and more people will lose their insurance. More and more of those of us who are insured will be told who we can see and who we can't see. It is only under the President's plan that you will be guaranteed choice. And it will be your choice, not your employer's choice.

Every problem you just mentioned and every problem that I hear is not a result of reform. It is a result of the system we have today. And if we do not change that system, it will only get worse.

So actually the best way to solve our problems, to guarantee choice, to eliminate insurance abuses, to make sure everybody's covered so that we can control quality and cost, will be through reform. And that's why it is so important. Because if we do nothing, it's only going to get worse in

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Oregon and around the country.

Q How can you convince people that they're going to get more than what they have now, even though they might have to pay more? One Northwest legislator put it this way, "I am not going to be able to go back and get support in my district if people are convinced that they're going to have to pay more for less than they have right now."

MRS. CLINTON: But they're not going to. And if people would study the President's plan, instead of listening to people who have a vested interest in opposing it, they would know that under the President's plan, if you are insured today and you have what amounts to the average or better insurance benefits in the country, you will pay the same or less for those benefits. I want to stress that.

We have set up the President's plan so that those of us who are insured, who have been paying for the health care system, we will be rewarded. And we will not pay more. We will pay the same or less for those benefits. Health care reform is a big winner, both for the uninsured, who will get the security of insurance, but also for those of us who are insured.

Because -- I don't know about you, but I've yet to meet any American who has insurance today who can absolutely be sure they will have the same insurance covering the same services at the same cost next year. You don't have that security now. Under health care reform, you will. And that's why it is so important we do it.

Q Mrs. Clinton, thank you for talking to us.

MRS. CLINTON: Thank you, Julie.

BY INTERVIEWER:

Q Mrs. Clinton?

MRS. CLINTON: Yes.

Q This is Ginger Casey from Providence, Rhode Island.

MRS. CLINTON: Well, Ginger, how are you? I remember meeting you.

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Q Oh, that's wonderful. I'm Nancy Schneiderman's (phonetic) friend.

MRS. CLINTON: I remember. I'm glad to talk to you.

Q Well you too, ma'am. I'm so glad you could join us today. And I know you've been probably --

(Interruption to tape.)

MRS. CLINTON: I can't hear her.

Q (Inaudible) over again, so I'll try to keep it a little bit fresh for you.

MRS. CLINTON: Great, thank you.

Q Ma'am, you and the President have been going across the country pushing the health care reform package, and yet recent polls seem to indicate that popularity for it is slipping. Why?

MRS. CLINTON: Well, I think there is a disconnect between what people call the President's plan and what's in it. And what I have found, which is so interesting, is that millions and millions of dollars have been spent by all kinds of special interests against the President's plan. And, you know, all kinds of horror stories and, you know, made-up stories are being told. So people are naturally concerned about the plan.

But when you ask people what they want from health care reform, what they want is what the president's plan has. They want guaranteed private insurance where the government doesn't run it and you don't have government doctors. You have the same kind of health care we now have, but everybody has private insurance.

They want an end to the insurance abuses where people with preexisting conditions have to pay more or cannot get insurance, and the end to lifetime limits so that when you really need insurance, it will be there. They want guaranteed choice of doctor and health plan. And right now fewer than half of the Americans who are employed with insurance have that. Under the President's plan, they would.

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They want to make sure Medicare is preserved and improved. And they want to get their health insurance at their workplace. All of those are part of the President's plan. So when you --

Q You think that the public, though, could be suffering from a little bit of information overload? It seems that all of the special interest groups connected to the health care industry have their own plans now and they're pushing -- everybody it seems has their own agenda on this issue. How do people sift it all through?

MRS. CLINTON: Well, that's one of the reasons I'm so glad to talk to you, because I know there's a lot of misinformation out there. There's all kinds of radio ads, TV ads, direct-mail campaigns, just trying to scare people to death, practically, and we want to get the truth out because the President has no argument with anyone who thinks there's a better way to make sure everybody is taken care of at an affordable cost.

But we do have an argument with people who are trying to scare folks and misinform them. So we are going to do the best we can to get the real story out. And once people hear the real story, they like what the President is proposing.

Q Well, public support aside, how can you take on the most powerful special interest groups in this country, groups that are actual financial survival for many politicians? Won't lawmakers be more inclined to support the groups that support them?

MRS. CLINTON: Not if they hear from people. Not if people pick up their phones or pick up their pens and write letters, make calls to radio stations, to newspapers, to their Congressman's office, and say, you know, "I want you to represent me. I don't want you to represent special interest." You know, if it had been up to the special interest, we never would have gotten Medicare. They fought it tooth and nail.

But finally Americans said, "Enough. We want our older Americans to be given the dignity of decent health care." Well, now we want to take care of everybody under 65. And they need to speak up on their own behalf, so that the special interests don't have the last word, the people have

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the last word. And I'm very confident that if people did that, it will work.

Q Aren't you concerned though, ma'am, that many politicians would be apt to say, "Well, you don't know all the details. I've seen the plans and, actually, plan X is much better than the President's plan for our constituents here"?

MRS. CLINTON: Well, they can try to say that, but a lot of those plan Xs can't really be explained because they don't meet the needs of people. And I really would like to have members of Congress asked those questions by informed consumers and voters. So I don't worry about that at all.

What I worry about is that in the face of a very well-organized campaign against real health care reform, too many citizens will say, "What can I do?" You know, "I'm just a housewife," or "I'm just a mother," or "I'm just a teacher; I'm just a nurse; I'm just a businessman." And all of us need to say health is the most important thing we have. We need to speak out. That's what I want to see happen.

Q Were you prepared for the onslaught of people who are against this plan? Were you prepared for the media campaigns against it?

MRS. CLINTON: Yes, because that's been the history. If you go back to social security, Franklin Roosevelt wanted to get health security and he couldn't because of special interests. Neither could Harry Truman. And it took a very long time to get Medicare.

We've always known that was going to be a tough battle, because you're right, there are many groups that are making much, much in the way of profits from the way the health care system works now. They don't want change. They never have wanted change. We wouldn't have social security. We wouldn't have Medicare if we had let the special interests have their way. So let's not let them have their way.

Let's make sure we finish the job that Franklin Roosevelt and Harry Truman started and give every American the right to health care, which is what I think we should all have.

Q Mrs. Clinton, we are out of time, but I want to

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thank you so very much for coming on our program. And it was delightful to speak with you again.

MRS. CLINTON: Thank you. I'm glad to speak with you again, Ginger.

Q Take care.

MRS. CLINTON: You too.

BY INTERVIEWER:

Q My first question for viewers here is, give us some sense of where we are with regard to the plan that is currently proposed, and when do you actually anticipate seeing something on paper that Americans can live by?

MRS. CLINTON: That's a good question, Ben. I think we're making a lot of progress in the Congress, and I would think we would have a plan within the next month or two that would come out of the congressional process. There may be several plans that actually emerge, and then the people will have a chance to compare them.

But the major points of the President's plan are the ones that I want your viewers to really focus on, because in poll after poll, when people are asked what they want, what they want is what the President is proposing. They want private guaranteed insurance. They want an end to insurance abuses, like preexisting conditions or lifetime limits, blocking the way to people having decent, affordable coverage.

They want guaranteed choice of doctor and health plan, which only the President's plan will absolutely guarantee. They want to see Medicare improved with prescription drugs and long-term care options besides nursing homes. And they want a fair and affordable way to pay for it. And most people really favor getting their insurance at the workplace, where most of us get our insurance, with the employer and the employee sharing the costs.

So those are the major features of the President's approach, and I think those are the major features that will be in the plans that will be debated.

Q When we talk about the "they," let us define

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"they," if you would, Mrs. Clinton. I've seen various statistics. Roughly how many Americans are without insurance?

MRS. CLINTON: Approximately 40 million are uninsured. And the vast majority of those, over 80 percent, are working Americans, or in the homes of working Americans. Those are the people, Ben, who are behind the retail counter or at the gas station or waiting on you in the restaurant, who have no insurance, who get up every day and go to work, pay taxes which provide health benefits to people on welfare.

Now, in addition to those 40 million, there are another about 25 million who have some insurance, but often terribly unavailable insurance, in the sense that maybe they've got, like, a \$5,000 deductible, so they really have to be sick. Or they've got a very low lifetime limit, so if they get cancer, God forbid, they don't have enough money to take care of themselves without going into bankruptcy or debt.

So that's a total of 65 million. There are a hundred million or so Americans who are insured through private insurance. But none of us who is insured can absolutely be sure that we will have the same insurance at the same price covering the same services this time next year.

So really, when you get right down to it, not any of us has absolute security except for older Americans who are above the age of 65, who qualified for Medicare, which we all pay for. So what we're trying to do is to give Americans under 65 the same security that Americans over 65 now have.

Q Mrs. Clinton, I only have two minutes, so there are many questions I'd love to ask, but here is one that I think is very important. There are concerns about abuses in the system, especially when you're talking about fixed prices for consumers.

And I guess, in one way of phrasing it, the concern is that consumers may gobble up much more in the way of services, since they are not price- and cost-sensitive to a one-cost plan. How do you guarantee that there will not abuses on the part of those who are being served?

MRS. CLINTON: That's a good question, Ben, and in

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fact, under the President's approach, we will actually be reducing such abuses, because what happens now is that when providers, doctors and hospitals are paid by the test that they prescribe or the diagnosis they make or the operation they perform, there can a lot of abuse.

But instead, if the way that they are paid is on a flat rate to try to keep people well, then they have an incentive to try to do things that are cost effective. So, for example, we will begin to pay for nutrition counseling to try to help prevent or reverse heart disease, not just wait until someone needs an expensive bypass operation.

There are many examples where, if we actually provide preventive health care and we pay for it, we will save all of us money in the long run. So we actually will be reducing the kinds of abuses that you rightly point out are present in our system today.

Q Thank you, Mrs. Clinton. I'm told I don't have even time to squeeze in one more question so I appreciate it.

MRS. CLINTON: Thank you, Ben.

BY INTERVIEWER:

Q Mrs. Clinton, thank you for this opportunity out of your busy schedule.

MRS. CLINTON: Thank you, Meg.

Q Let me ask you very quickly before we talk about specifics. Your job, so to speak, right now is to convince the American public to convince their representatives to vote for the President's plan. Has that been made tougher in light of all the Whitewater situation?

MRS. CLINTON: No, Meg, because, you know, health care is such a big and important issue, and I've never stopped working on it. I have continued to travel around the country and meet with groups and individual citizens and members of Congress, because this is an issue that is really a once-in-a-generation issue. It's like Medicare was when we finally took care of older people, or social security.

I just hope that every American will pay attention to this debate and really sort out all of the false

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information and the political attacks that are really being driven by special interests that don't want any change from what we're trying to do, which is to guarantee health security to every American.

Q Forgive me for interrupting. Let's sort out some of those, as you say, possibly are myth. We know of instances where managed care by insurance companies can be detrimental to patient care. I've had situations. I know people who have had situations.

Sometimes procedures are denied or rationed by a nurse sitting in a state eight states away to a person where five doctors say you need this procedure. Are these alliance boards going to be more of that, more of the same?

MRS. CLINTON: Absolutely not. In fact, what we're trying to do is stop that. There should not be somebody sitting eight states away telling your doctor what he can or cannot do, but that's exactly what's happening today. In fact, if we don't reform the system, that's what's going to happen more and more until many of us are going to be denied any choice at all, and our doctors are going to be denied choice in the way that they treat us.

I really don't like what has been happening and the way that you describe it. And reform is designed to prevent that. There isn't any such thing as an alliance board that's going to be doing that. In fact, really, a better term is -- -- the co-ops are going to be collecting the money, but the health plans, the doctors, the nurses, the hospitals at the local level, are going to be making the decisions. That's where the decision should be made.

Somebody should not be sitting in some other state telling your doctor in New Orleans what he can or cannot do. But if we don't reform this system, that's exactly what you're going to see more of.

Q Part of the equation is tort reform. You and I both pay every time there's a bogus lawsuit that is settled out of court. That's going on a lot lately, and doctors don't have the choice, as you say, to go into court. Malpractice is killing doctors and we're all paying for it.

Experts tell me that tort reform is a minor part of the President's plan. And doctors are upset because they

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weren't in on the making of the plan. How do you respond to them, Mrs. Clinton?

MRS. CLINTON: Well, doctors certainly were in on the making of the plan. All the way through, we had doctors involved, we consulted with many doctors. And the major doctors' groups that represent hundreds of thousands of doctors, like the family physicians, the internists, and the pediatricians and the obstetricians, they are all supporting the principles of the President's plan. And the AMA is supporting a number of the principles.

So I think it's more accurate to say that doctors have been involved. Now, not every doctor likes everything that's been proposed. But, of course, you can't expect that from anything. But what I'm pleased about is that there is malpractice reform in the President's plan.

And it is important malpractice reform that will begin to protect doctors when they make difficult decisions, and will require alternative dispute resolution, and will tell plaintiffs and their lawyers they cannot get to court unless there's some independent certification that they deserve to be there, and which will cap attorneys' fees. So there's real tort reform and that's very important.

Q And finally, Medicare and Medicaid. They are still part of your plan. Some people say that's political because, with the other 35 million people being insured, why do we still need the financial burden of Medicaid and Medicare?.

MRS. CLINTON: Well, now, Medicaid is not going to be in existence anymore. It's going to be eliminated as a separate program, which I think will save us money. That's one of the ways we will save money. Medicare will continue because it does take care of the persons over 65. And thank goodness we have Medicare, because at least we are providing guaranteed health coverage for older Americans.

So what we want to do is improve Medicare, and that's going to be very important if we can add prescription drugs and home health and other alternatives to nursing home care. That will be much better and actually more cost effective for people like my mother and older Americans.

Q Again, thank you for the opportunity out of your

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busy schedule.

MRS. CLINTON: Thank you, Meg.

BY INTERVIEWER:

Q Mrs. Clinton, thank you very much for joining us. We appreciate the time.

MRS. CLINTON: Thank you.

Q As you well know, health care reform in Washington State is well underway. And in talking with some people here, there is some concern that we, somehow, will end up paying for it twice, that the people of Washington will pay higher taxes for our health care reform package, and that if and when a federal plan is passed, we in Washington will be asked to pay again. What's to prevent this from happening?

MRS. CLINTON: Well, there's not any tax increase that's in the President's plan, other than on cigarettes and tobacco products. So there will not be any duplication, except for those people who use those products, which we think is linked to health reasons, which is why we supported that. But there will not be any increase in taxes under the President's approach. Employers and employees, just as you have done in Washington, will be paying for health care.

And we are very conscious of the remarkable progress that you are making in Washington, and intend to construct the federal framework in a way that Washington and other states, which have gotten out ahead of the rest of the country, will have their efforts rewarded and not penalized. That is something we intend to do and are working very closely with your Senators and Representatives to make sure we do it right.

Q Well, how will that work? I mean, I think there's a lot of confusion among people here who are wondering, with our health care reform plan now in effect and the process moving forward, when the federal plan is passed, how will we be affected here?

MRS. CLINTON: Well, you know, part of the idea behind the President's plan is to have a federal framework, but for each state to decide how to implement it. So, in

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effect, what you have already passed would be the basis for your implementation. And other states have taken different approaches. But Washington and its approach would fit within the federal framework.

So what you've already done with requiring employer-employee shared responsibility, that would fit right in. There wouldn't have to be much of a change at all. So I really think that your being out ahead of everybody else will not only guarantee a head start for the people of Washington, but we will be very sensitive to making sure that we don't do anything that upsets what you have already accomplished.

Q Well, with Washington State's process underway, and other states now joining in as well and tackling this issue as well themselves, what is the need for a federal framework? And some people say that this is just going to create another huge bureaucracy.

MRS. CLINTON: Oh, I just disagree. We already have one of the biggest bureaucracies in the world in the private insurance market, and it charges all the rest of us about a 20 or 25 percent premium on our insurance premiums. We couldn't have designed a more bureaucratic and expensive system than the one we currently have.

The reason why Washington and every state needs a federal framework is that if only Washington in the Northwest were to proceed as you have -- with your employer-employee shared responsibility, for example -- then employers might leave your state and go to a state where they have no obligations whatsoever.

In a federal framework where every American is guaranteed a benefits package, a worker in Washington who gets transferred to another state will know that he or she will be guaranteed health coverage when they move to another state. So it is to the benefit of the entire nation that there be some basic requirements for everybody to meet, but then, within that federal framework, to make sure we let states do what is right for them.

Because it's important that the people in Washington know that, as much progress as you have made, there are other states and other parts of the country who haven't done anything. We have states where more than 25 percent of the population is uninsured. That is a drag on

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the entire national system, that drives up Medicaid costs, that drains Medicare, that raises insurance rates.

So it is to everyone's benefit that we have a federal framework with state flexibility. And that's what we are trying to achieve.

Q Mrs. Clinton, what will your role be in these coming months? Will you be up on Capitol Hill lobbying personally in Congress?

MRS. CLINTON: I'm going to do, Kathy, whatever I can do, and whatever the President asks me to do, to try to make sure we have health care reform this year. I'm going to continue traveling around the country and making speeches and talking with people, because I just think it is so important.

You know, health care reform is right in so many ways. It's going to save us money economically as businesses and individuals, as states and federal governments. And it's the right thing to do. So I'll just be in there pitching. I believe in this so much, and I want to be sure that every American has the right to health care.

Q And we hope to talk to you again as the process goes on, Mrs. Clinton. Thanks for taking the time to be with us today.

MRS. CLINTON: Thank you. Kathy.

BY INTERVIEWER:

Q What I'd like to start with is, two of the biggest concerns about the Health Care Reform Plan are, one, that it would set up another huge bureaucracy, and two, the cost of it. Let's talk about the bureaucracy, first of all. Can you tell us how these regional insurance groups would work and whether we should be worried about another bureaucracy?

MRS. CLINTON: Well, actually, they're going to replace a lot of the bureaucracy we already have. You know, you and I, if we are insured, we pay for a really big bureaucracy, mostly in the private insurance market and the billing departments of hospitals and in the clerical help that doctors have. We pay for all of that, and we don't need

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it.

In fact, if we can use these alliances, which I call purchasing co-ops or buyers' clubs, we will have very few people, basically, just serving to funnel our money to whomever we choose --

(End side 1, tape 1.)

MRS. CLINTON: -- employees like my husband or your members of Congress. Right now, your tax dollars help to pay for 75 percent of our insurance. And the federal government acts as kind of a buyers' club, or alliance. They go into the marketplace, and they say to people, "If you want to sell insurance or health plans to federal employees, come tell us what they are and go ahead and sell them." And every year, my husband and members of Congress get to make a choice.

There are very few people who actually have to run that system. And that takes care of 9 million Americans. So we see the same -- much leaner bureaucracy with far fewer people and very many fewer regulations doing it, because they're not going to be delivering health services. They're merely going to be serving as a channel for information and collection. And we think that will actually save all of us money in the long run.

Q: Who's the middleman that we're cutting, though, out in that system?

MRS. CLINTON: We are cutting out insurance underwriters. We are cutting out a lot of insurance agents. We are cutting out billing departments and clerical employees, because if you think about how you buy insurance now, you often have employers, who either go into the market themselves and get advice for independent agents or insurance companies, or if you have a big employer, they have their whole benefits department. You pay for all of those people.

Then you have insurance companies that have to tell you what services you can buy and how much it will cost you based on how old you are or whether you've ever been sick. We eliminate all of that. Then you've got billing departments and hospitals who have to go over the bills with fine-toothed combs and respond to over 1500 different insurance policies. We eliminate all of that.

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Then you've got people who work for your doctor who have to call up insurance companies and argue with them to decide whether or not something your doctor thinks should be done is covered by the insurance policy. We eliminate all of that. So when you start going down the list, we eliminate literally thousands and thousands of regulations and hours that are spent in a bureaucracy that we don't need.

I'm more interested in who takes care of me, not in who totes the bill up. And I don't think we need to have that kind of bureaucracy at all. And that's what we're trying to get rid of.

Q The Oregon Health Care Plan, as you know, rations types of services to the poor. If we don't do that on a national level, can we afford to pay for all those services?

MRS. CLINTON: Yes. You know, the Oregon plan was a very important step in trying to make some tough decisions. But as you point out, it only made those tough decisions with respect to the poor. And what we argue is that there is more than enough money in the entire system for the rich and the working and the middle class, the rich, the poor, all of us.

There's more than enough money to take care of our health needs, but there is no incentive for the system to squeeze out the unnecessary costs, like all of the bureaucracy that I just mentioned to you. And also the fact that we pay for tests and procedures. We pay when people get sick. We don't pay to keep them well.

We need to change the incentives in the system and actually deliver care more cost effectively. If we do that, there is more than enough money to go around. But if we continue to try to only take care of services for the poor, or only try to cut a cost here or there, we will not be able to perform medical care in the quality way in the future that we have come to take for granted in our country.

Q I only have a few more seconds with you, Mrs. Clinton, but isn't the key right now getting the American public on board so that they can then pressure their congressmen to go along with the President's health care plan? And how can you do that? How can you get Americans on board when their concern is "It's going to all change anyway before it comes up for a vote"?

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MRS. CLINTON: Well, Marsha, that's a real good question that we ask every day here at the White House, because we know that when people learn about the President's approach, they like it.

They like the fact they will be guaranteed private insurance, and we'd eliminate all of these insurance costs and abuses, and we guarantee your choice of doctor and health plan, and we would preserve and improve Medicare, and we would provide health insurance at the workplace, which is where most of us get it. Once people know that, they become enthusiastic. So my job, and the job of everybody working for real health care reform, is to get the message out.

And then we hope people in Oregon and around the country will pick up the phone and they'll call those radio talk shows and they'll write that letter to the editor, and they'll call their member of Congress. And we will achieve real health care reform this year if people know what's at stake and know the sensible way we're trying to get it done.

Q All right. Thank you very much, Mrs. Clinton, for talking with us today. I appreciate it.

MRS. CLINTON: Thank you.

(End of tape.)

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