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INTERVIEW OF THE FIRST LADY
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MRS. CLINTON: I think that what I would like to do is just say initially that I personally am thrilled to be where we are at this point. I think that given how difficult this issue is, how much of an easy prey it is to misinformation and scare tactics, the fact that for the first time in 60 years we are about to have a debate on the floor of both Houses over health care reform is an historic and major accomplishment.

I also believe that the process of the last year and a half has contributed to a greater awareness of the issues at stake and a much higher level of knowledge on the part of larger numbers of people than ever before about what it is health care is intended to achieve.

Having said that, I don't want to underestimate how complicated and difficult a political task this is. But we knew that going in. One of the first things that I did back in the early days of this was to reread some of the history of health care reform in our country, and particularly some of the speeches that people like Harry Truman had given -- and actually, one of the most outraged speeches that I read was a speech given by Dwight Eisenhower after he tried to split the difference between Truman's approach, which was labeled socialism, and the intense opposition on the part of the vested interests when he tried to come with some so-called middle-of-the road, in modern terms, mainstream approach and got hammered for that.

So I don't think any of us had any illusions as to how difficult a task this would be, but never before have we even gotten out of committee with anything of significance and substance, which I think both of the bills -- the Gephardt bill and the Mitchell bill -- represent.

So I, personally, looking at this from a much longer view than just the last 18 months, think we have enormous reason to be both optimistic and confident about the eventual outcome.

So, having said that, I'll be glad to answer any questions.

Q Looking back on how all that's happened how the opponents have been able to play off -- do you regret not having gone to something a lot more simpler such as either single payer or something else that would have lessened the ability for the opponents to --

MRS. CLINTON: I don't think it matters what you come with; if you come with genuine universal coverage, you're going to engender the same opposition. Because, as I said repeatedly -- and some of you heard me for

months and months -- there are only three ways to get to universal coverage. Either you have a tax that replaces the existing premium system; or you have some kind of individual mandate with subsidies; or you have some kind of employer-employee shared responsibility with subsidies.

There aren't any other ways to get to universal coverage as the ultimate objective. And I think that once you realize how difficult the task is and the political obstacles you face, you're going to encounter opposition. And it's going to be the same opposition, saying the same things that have been said against this effort as were said on variations of the same theme over the last decades.

I think it was very important to come with a bill, with legislative language and with costing. It's easy to forget how difficult the process was to create a bill that could be costed as our original proposal was that could then serve as a benchmark against which other proposals could be compared, and off of which other proposals could be proposed.

When we began this, one of the great problems we faced is there was no accepted way within the federal government of bringing together the various elements that had something to do with health care costs and putting together an actuarially sound approach to evaluating such costs. One of the reasons the so-called '90 budget deal fell apart is that people within the federal government did not know how to cost health care.

What we did which had never been done before was to put into the same room for weeks on end the people from OMB and Treasury and HHS and VA and all of the other agencies that had something to do with health care cost. So for the first time, in effect, we helped create a framework by which this health care cost debate can be analyzed. And if we had not done that, I don't think we'd be where we were -- where we are today.

Also, if we had not actually drafted legislative language we would not be where we are today, because, as you have seen, so many groups who have rhetoric about what their proposals will be can't figure out how to put it into legislative language and can't figure out how to get the costing of it done.

So we think, by doing that, we did what we set out to accomplish, which was to lay out a framework -- and as we said from the very beginning, one that we expected to be modified which had a bottom line of universal coverage that we expected to be the ultimate goal of any other legislation.

Q Mrs. Clinton, you said earlier that the debate has heightened public understanding of the health care issues. But as we approach the elections the rhetoric is getting increasingly more partisan. Do you think that helps public understanding or just adds to some of the confusion?

MRS. CLINTON: I think that's a fair question because it has, in the last couple of weeks, gotten increasingly partisan and it's brought out all the old bromides. I see some of these signs that look like they've been around since Social Security, about socialism. And I don't think that's particularly beneficial for the substantive debate. But actually, it may be helpful in sharpening the differences, because when someone gets on TV as a member of the Congress and says health care reform which is meant to guarantee you private insurance is socialism, I think it's fair then to ask, well, you must be against Social Security and Medicare, right? Oh, no, that's different.

So I think that, in effect, the partisan rhetoric which is now filling the airwaves and the halls of the Congress may help politically because it's so far-fetched. And I think once that becomes clear to people, then we can go back to hammering out the substance of what needs to be done.

Q One of your strongest allies in this debate has been organized labor, some of the senior groups. They're expressing some real concern over the Mitchell bill, particularly the AFL-CIO, as you know. How do you reconcile their notion that this Mitchell bill is not universal coverage and that if it's not improved, that they're going to take a walk from this, because from their perspective, going to the bargaining table, for example, with a 50-50 mandate is something that would set their members back, as opposed to moving them ahead?

MRS. CLINTON: Well, I am very grateful for not only the strong support that a number of groups have given in this debate, but also their history of being for health care reform. But I would just raise a couple of points. Right now there is no requirement for any employer contribution. And that has not in any way undermined the ability of some to bargain for employer-paid health care. And so I don't really understand the logic of how if there is a floor which a 50-50 would require in the Mitchell bill eventually, how that would interfere with the achievement of different outcomes in bargaining over health care.

It's like the minimum wage. We have a floor on the minimum wage, but obviously, those who are capable of bargaining on their own behalf do a lot better than the minimum wage. So I don't see that as the kind of problem that some apparently do, and I think that what's more important is that the Mitchell bill, at least from my perspective, is a universal coverage bill and it establishes for the first time the right of Americans to be guaranteed health insurance, and it does it by permitting voluntary efforts to work and insurance reform to work for a number of years. And if it does work the way that Senator Mitchell believes it will, then there an opportunity to complete the job and cover everyone else. If it doesn't achieve the goal he has set, then it will set up a requirement that the Congress take additional action, including the 50-50 mandate if that becomes the fallback.

So I don't really see the concerns that some have expressed. I think it's very important to get this country on record on behalf of universal health care coverage, and I think that helps the groups that have largely borne the burden on their own for many years.

Q Mrs. Clinton, can you describe, though, why you think this is a universal coverage bill? It doesn't set a date certain, which for a year and a half the White House has not wanted to set a date but said that it has to be guaranteed at some date certain; and it gives Congress the option to do something different than a universal mandate that isn't the guarantee that you've talked about for so long?

MRS. CLINTON: I guess I just see it differently. What I see it accomplishing is setting in place a system of insurance reforms, subsidies, market reforms, incentives that at least it's fair to argue, based on the CBO analysis and on the work that Senator Mitchell and others have done, should increase the number of the uninsured dramatically. And increase it to the point, in Senator Mitchell's view, of reaching 95 percent by around the turn of the century, which is not very far from now. That, in itself, is a huge accomplishment because we are 83 percent coverage now. So if we can get that additional 12 percent coverage, that is a very big step forward.

But it goes beyond that and it says, look, even though in every universal system you can name there is slippage -- talk about Social Security; it's not a 100-percent system. There are 2 or 3 percent of people who are not in it. Talk about compulsory education. It's not 100 percent. There are always several percentage of kids who somehow don't end up in school, and you have to keep trying to get it done.

But if you reach that 95 percent figure, then you have the obligation to try to figure out what else can be done to get those people in the system. But you're dealing with a much smaller percentage of the universe than you were to start with.

Now, if the voluntary incentives and the framework in the Mitchell bill do not achieve 95 percent, then you have, as you know, from the bill additional action required. And if the Congress doesn't act, then the 50-50 mandate goes into effect.

But what I believe is so important about this model is that by that point in the debate, people will have seen and learned firsthand several things. They will have either seen and learned that these voluntary insurance market reforms and subsidies and incentives work, but didn't work quite as well -- and so we need to fix what didn't work about them -- or they will have learned they did not work. Which, given where we are today, is a huge learning experience for the entire country, because there is a lot of belief on the part of the advocates of these voluntary reform efforts that they will work. So the proof is in the pudding; they either will or they won't.

If they do not, that is a clear, unmistakable message that this approach cannot achieve universal coverage, and then the burden is shifted back where it belongs to the decision-makers, but the level of personal experience is so much higher with what doesn't work, that the political dynamic has changed. So I think that this approach achieves the bottom line, because we either get to universal coverage because the front end of the bill works, and we only have then to deal with the remaining five percent, and we'll never get all of them.

You can't name a universal system -- you can't even name a -- you can't; you can't any that gets everybody in. But we will certainly do a whole lot better with dealing with just the five percent that are targeted -- or, if we don't get there, then we have to do some of the things that are outlined in the Mitchell bill, and it's part of the legislative mandate to get to the end of the decision-making process by building up on what we have just learned that did not work and going from there.

Q Can I just follow up? Does that -- you're suggesting that people need to see that these things don't work.

MRS. CLINTON: If they don't. I'm not saying they will or they won't. I think that it's just as likely they will, and I think that's great, because then a lot more people will have insurance than have it today. But if there are problems with that approach, then instead of talking about it theoretically, which is what the proponents have done repeatedly, there will be actual, real-life experience that people can point to.

Q But isn't that what you've tried to do for the past 18 months, is try to give people examples of why you needed to have employer mandates a certainty? Is that a lesson that the country is not quite --

MRS. CLINTON: Well, I think that it is a lesson that many people believe, the vast majority of Americans believe. I mean, every poll I've seen has support for the employer mandate in a very high, super majority. So I think people believe it, but I think that it is not one of those real core beliefs that people are willing to really go to the wall for, because it is something that has worked for them. But, you know, they're not sure of all of the implications.

But, unfortunately, it is a belief that in the hands of certain interest groups, has become a real intense negative. I have said for months to anybody who would listen, the real debate over health care reform will come down to the employer mandate. I mean, you can talk about all the other issues that all the health economists know are important, that all of you who have studied this issue know are important. The political issue is, will we be able to make the political decision to have even a backup mandate, as in the Mitchell bill, or a front-end mandate as in the Gephardt bill.

And we've had the same argument. I mean, go back and read in your own papers what they said about Social Security and Medicare. I mean, it was going to destroy small business. If we had not had a Depression, do you think we could have passed Social Security? I think there's a big doubt. If we had not had 20 years of sustained effort, plus an assassination, do you think we could have passed Medicare? I mean, this country is always reluctant to do things that are even in our own economic interest, as health care reform is, and universal coverage is.

So this is not something new that happened with the Clinton administration that you've got all of this opposition and all of this -- you know, wild charges, and people do have a split of opinion about what they should or shouldn't do. And it is through experience. It's like we finally passed the Brady Bill when we had the right conjunction of a president who was willing to stand up to the NRA and enough people who had enough personal experience that they were willing to say "do it." And so, that's always the tension in politics, it seems to me.

Q Mrs. Clinton, just to follow up, given that, and given the acceptability of this Mitchell phased-in approach where you try to give voluntary measures the chance to work, why would the average House member from a marginal district, many of them in the South, who is getting hammered right now over the Gephardt mandate, why should they vote for that?

MRS. CLINTON: Because the Gephardt mandate will happen sooner and will have greater results in the immediate term for the people who need it most. And that is not only the uninsured, but the insecurely insured, which is a growing number. And I think that there is a very strong argument, especially if you're a House member and you have to go back and literally look into the eyes of 20, 25 percent of your people in your district who are uninsured, to be able to say to them, I just voted for something that is going to work for you right away. And I think that is a very strong and compelling political argument, particularly for House members who, as we all know, run every two years. So results are important. You vote for something and it never happens, it's like you never voted for it.

So the dynamics in the House and Senate are different, as is often the case, with all kinds of legislation. And I believe that there's going to be an impact from the debate, and I think that if the debate is conveyed in understandable terms to people and they really know what's at stake, there will be increasing support for doing something sooner instead of

later, and for doing the hard decisions now and not postponing them. But we'll have to wait and see how that plays out.

Q Mrs. Clinton, there are a group of senators, the so-called rump group from the Finance Committee, who say they cannot support the Mitchell bill as is, and propose to offer some amendments to change some of the provisions. Senator Breaux may have an announcement today about a provision which will probably delay the target goal of 95 percent coverage and perhaps make it harder to implement a mandate at some future point in time.

Would you support a Mitchell bill that has been altered to be more watered down in that way, or in any other way, say, with a drop in subsidies?

Q Nina, I'm not going to comment on that, because I think we have to wait and see what actually happens in the legislative process. And we've never said we could or could not support anything; we've always said let's see the legislative language, let's see the costings attached to that legislative language, and then we'll make a decision.

I think what Senator Mitchell has done over the last few weeks is to put together a bill that really took the opposition to universal coverage at their word. Every time this administration and those members of Congress who really understand the health care reform debate have been willing to say, okay, we can accept some modifications because it still reaches our goals. The opposition has moved further away. I mean, it's been a very interesting exercise that they've engaged in, and I think that we're still dealing with smoke and mirrors. I mean, we're still dealing with all kinds of proposed possible legislation attached to all kinds of rhetoric that has yet to be written and yet to be costed.

And what Senator Mitchell did was to say, look, there are people in the Senate who honestly believe a voluntary market reform incentive-driven approach will work. Let's take them at their word, and let's design a bill that does that for several years. But we owe the American people something besides an untested approach, which is we owe them a date-certain for evaluating our progress. And that is what the 95 percent goal is intended to be.

And if we have made that kind of progress which, for months, as I traveled around the country, the proponents of so-called "managed competition" assured all of us that would occur, then hallelujah, I think we ought to be grateful and we ought to say we've done it, and now let's make sure we take care of the small minority of Americans who still aren't covered.

But if that doesn't work, do we want to keep revisiting a debate that we have revisited for 60 years where everybody knows what the choices are, but we keep running up against organized interests who do not want to change the status quo because of their own financial or political advantage, and I think that what Senator Mitchell has done is very admirable. He has said, okay, if we don't get there, then let's not revisit a debate in a couple of years that we have had for 60 years, let's act at that time. And I think that makes a lot of sense.

Q Mrs. Clinton, what is there that you see in the leadership bills, the Clinton bill -- I'm sorry -- the Gephardt bill and Mitchell bill that leads you to have confidence that you're going to do something about cost containment?

MRS. CLINTON: I think that the Gephardt bill has cost containment provisions, and I think there is, as I understand it, conversation going on now amongst members in the House to do some strengthening of cost containment or to try to make sure that it is as clear as it needs to be so that it has the intended effect.

And in the Mitchell bill, there is also cost containment, but I think likewise, I understand there is conversation going on by people who think that there should be some different kinds of cost containment included.

Now, as you all know, this is one of the great ironies of this debate. The very people who say any health care reform costs too much are the very people who don't want any cost containment in health care reform. And what I want to see -- and I think this debate will begin this process -- is the burden shifted for a change. We were happy to take this issue on because it is so important to the financial well-being of the country, as well as an important moral and social issue.

But the other sides, because it is plural, can't have it all ways. I mean, they can't consistently be against everything, which is the posture they've taken, without presenting alternatives that can be evaluated. So there is cost containment in both of those bills, but I think just like the rest of this debate, there will be efforts both to weaken the cost containment that is in both, and to strengthen. And we're just going to have to want and see what happens.

Q If I could just follow up on this point. What is your own view -- are they sufficient, the cost containment, or do you think they ought to be strengthened? And do you have anything in mind to strengthen them?

MRS. CLINTON: Based on what I know, I believe the CBO is going to find that the Mitchell bill is deficit-neutral, which suggests to me that the cost containment is sufficient. Because, of course, one of our major concerns going into this debate was to ensure that we got health care costs in the federal budget under control, and that they would not increase the deficit. So if, in fact, the CBO says that about the Mitchell bill, which I am told is what they're going to find, then I think that speaks for itself; the cost containment is sufficient. And as I understand the Gephardt bill, it's the same likely outcome.

So that has been our primary concern. And except for our bill that we put in and these two bills, there is no deficit-neutral bill out there yet. Now, maybe somebody is going to present something in the next day or two, and we'll be happy to look at it. But I think keeping health care reform deficit-neutral is one of the major goals the President has had, and apparently both these bills will achieve that.

Q You talk a lot about the power of special interests. And I don't want to prejudge the outcome of the debate at all, it seems like a toss-up to me, but should health care reform fail, what do you think that history will record as the reason? Have you been -- you talk a lot about special interests; have you been sobered at all -- discover the American electorate is --

MRS. CLINTON: No, no. But I think it's just reinforced what is an unfortunate fact of life, which is that huge amounts of money spent to convey an intense negative message has a very powerful impact. We know that.

It's one of the real unfortunate effects in our political life of negative advertising. And it is always easier to be against something than to be for something, particularly if being for that something means you are for changes that affect a lot of people and which have a very broad constituency instead of a narrow focused constituency.

So nothing about this has been surprising. It's been right in line with what has always happened. I mean I saw a study that seemed to suggest that in 1947 or '48 the special interests --largely at that time, organized medicine against Harry Truman's health care reform -- spent \$60 million. Now \$60 million in the late '40s was a whole lot of money.

And that was before commercial insurers took off; it was before a lot of the interests we're up against today that have a vested stake in how the system currently runs were very well established. So now the latest survey or the latest amount of money that has been guessed at having been spent against us in the whole campaign for health care reform and trying to get the message out to people is about \$120 million. I think that's what the Annenberg Institute or somebody --the Annenberg Institute which has followed the debate said their estimate was that \$120 million had been spent against the idea of health care reform.

So when you've got that kind of money being spent when it's message is very simple -- it's message is, don't do it --whereas the positive message ranges from physicians who are for universal coverage but concerned about a willing provider, to pharmaceuticals that are for universal coverage but concerned about any impact on drug pricing, to community action groups that are for universal coverage but want a single-payer system.

I mean, you go down the line of everybody who's for health care reform, particularly defined as universal coverage, it's a very broad group of organizations and interests. They cannot possibly have the intensity that the negative forces have. That is just, I think, to be expected.

Q If I could have a brief follow-up on this. I missed the first part of this. Perhaps you went into this. Do you look back on your own efforts and either find fault, or do you look at the public at all and wonder whether the American public really wants what you think it wants? Have you had any long discussions about --

MRS. CLINTON: I think that it is -- I think that what has occurred in the last 18 months has been much more positive than negative. I think it has been a real turning point in American history, and I think we should all be grateful for that just as I think the last 18 months in this whole administration has created a lot of discomfort among many people but have forced people to deal with a lot of issues that had been left unexamined and certainly unaddressed for a long time.

And I believe that is important in a democracy. I think there are cycles, and I don't know if Arthur Schlesinger is right, but it does seem to be kind of 30-year cycles where there's a burst of activity to deal with problems that have been ignored and denied, and you win some, you lose some, but at least you kind of push the ball and you keep moving the public debate.

And I also believe that it is more difficult in many ways today to advance a complex public policy issue than it was in the past because if you look at our society in general, there are so many splintered voices of authority and there is so much skepticism, even cynicism about the political

process that it's not like it was even for Franklin Roosevelt who had a tough time with social security. He had to go to a midterm election, and we were in the middle of a depression.

But even he found that he didn't have to describe every jot and tittle of the Social Security Act and all that would follow. He was able to say, I've got a new deal for you. You guys, here's what we're going to do. You pay in and your employer pays in and then we're going to take care of you with a pension when you get older. He didn't have to carry around actuarial tables and then have arguments with people on television.

The Medicare debate -- one of the big hits on Medicare is, oh, my gosh, they didn't give us the right costs. Well, who could have figured out what the right costs were. They didn't even have the kind of computers that could have calculated the so-called right costs in the 1960s. And it took 20 years to make the right decision which was to give some social security through health security to Americans over 65. But if Kennedy first, and Johnson second, had had to stand and argue over computer runs about the aging demographics and how much a cataract operation would cost in 1993 as opposed to 1963, we wouldn't have had Medicare.

So the environment in which this debate takes place is similar in many ways to the great social policy debates of the past because there's pent-up concern, there's enough personal experience with a system that isn't working for everybody, there's a feeling that the sands are shifting as we move from 88 percent of covered workers down to 83 percent in five years. There are enough people who know something has to be done.

But the environment is different from the great debates like Medicare and social security because we are living in this combination of time in which we have an overly information-loaded society that nobody can make sense of the reams of information that are cascading down upon them, coupled with the cynicism and the distrust of government that certainly serves a lot of interests well -- they love it because then they can maintain their powerful positions at the expense of a lot of other people -- so the combination is very interesting. And it poses extra burdens on people who believe that the country will be better off if we make some of these steps together.

Q On Saturday the President in Detroit talked about violent extremists who are fighting health care. On Friday you told Peter Maier that there are right-wing radical ideologues who don't want people to have health care in this country. Who are you talking about? Who are these folks?

MRS. CLINTON: Well, you know, I think they are a combination of the same kind of people who have been around in our country since its beginnings, the sort of ideologically-opposed who think that nobody should get anything from anybody else. And there's a streak of that in American politics. There always has been.

There are people who opposed social security, opposed civil rights, opposed minimum wage, opposed Medicare, opposed Medicaid. I mean at every step along the way, there is this small core of people who do not believe that government should do anything. Now they're the same people who drive down highways paid for by government funds. They are the same people who love the Defense Department which is funded by government money, but they have a different mind set when it comes to social policy in trying to be a compassionate and caring nation.

Then there are the people who for opportunistic reasons are opposing health care reform both because it is in their financial interest to do so because they want to be able to maintain the status quo and they are not above inciting other people to be very emotional about helping them to sustain their favored position. And then there are those who are for political reasons opposing health care reform because there are lots of people who don't want any changes and particularly don't want changes by this president to occur.

Now, most of the people I've just described are ones who pull the strings of others and inflame people by making charges of socialized medicine, for example, or the government is going to take over the health care system. And there's a very well-organized and well-financed effort to convey that message that so that, for example, when you see people protesting in the streets as we saw a couple of weeks ago, as I personally saw in Seattle, they were there in large measure because they'd been inflamed by a local radio talk show host who finds it in his own personal financial opportunistic interest to take this position. I had no idea whether the man was insured or not, but he inflames people who are sitting at home that somehow the Clintons are going to take over the government and they're going to find themselves without a doctor or whatever their arguments are.

And if you talk to these people very often they don't have a clue about what health care reform is about. They are responding to these emotional kinds of attacks. And I just think that's part and parcel of what you always find when you look at moments of a lot of change converging at the same point in American history. You will find that strain of people. And I think it's very unfortunate, but it's something that is part of our political scene.

What I do not like and what I find regrettable is the amount of hatred that is being conveyed and really injected into our political system. I don't have any problem with anybody disagreeing with this president on any policy position. I don't have any problem with any member of Congress opposing health care reform because he doesn't think it's a good idea or he wants to use it as a political weapon. I mean, that's politics.

But this personal, vicious hatred that for the time being is aimed primarily at the President, and to a lesser extent myself, I think is very dangerous for our political process. And I think those who are encouraging it should think long and hard about the consequences of such encouragement. And in a free society, certainly people are free to say or do what they think furthers their political agenda.

But we have to draw the line on violence, and you have to draw the line on protests that incite violence. And a lot of the talk that is coming out is, to me, very sad, and I think we'll have very unfortunate consequences for our entire body politic and not just for this administration.

Q Can you name names?

Q -- Julie raised the specter that what if your legislation isn't passed or there's a presidential veto. How do you think that would play out in the November elections because you've been quoted as saying that if that happened there could be a real populous campaign --

MRS. CLINTON: Well, I don't know, Ed, because I don't really want to speculate on that happening because I don't think it will happen. But I think that this is an issue that is not going to go away. This is an issue

that really now does have a life of its own which I think is a very important accomplishment of the last 18 months. And universal coverage, which was hardly a household term 18 months ago is now understood and people agree with it. There may be disagreements about how to get there but it is the ultimate goal for health care reform.

So, I think this is a political issue that's not going to go away no matter what happens. If we are successful, as I believe we will, in passing health care reform, those who have opposed it will keep it as a political issue. So it's not going anywhere. Gosh, we've had candidates in the not so-distant past who thought Social Security should be voluntary. I mean these things never die they just keep rolling along but you develop majorities that are in favor of certain positions and you move forward to implement whatever changes have occurred.

Q Mrs. Clinton, people used to talk about the political opportunism. Usually, when people like Senator Gramm calls it socialism and holds these press conferences, he's doing it purely because of the political points, not because he believes that it's a government subsidized --

MRS. CLINTON: Oh, I think that's absolutely true. Someone told me the other day that on some program he was ranting and raving about socialized medicine and they said, well, then, do you repeal of Medicare. And, you know, he's backed off like he touched a hot stove. Well, what both the Gephardt and the Mitchell bill propose is not even as close to government financed health care as Medicare is.

And I think you in the press ought to go up and question some of these people about what their position is on Medicare and whether or not they believe a mandatory payroll deduction to finance health care for Americans over 65 is socialized medicine -- because, of course, it isn't. And to get -- I think unless Senator Gramm doesn't understand how Medicare works, that it's got to be just political opportunism.

Q Are you frustrated by the positions of some Democrats in the Senate like Bob Kerrey and others who say that they won't pass anything that's not bipartisan?

MRS. CLINTON: Well, again, I think they ought to go back and look at a little history. Social Security and Medicare, when they first passed the Houses were hardly bipartisan. By the time they got out of conference committee they had picked up some additional bipartisan support. I mean Bob Dole didn't vote for Medicare when he was in the House of Representatives.

Now, do the Democrats who say they want it to be bipartisan, does that mean they would have let Medicare die because there wasn't a lot of bipartisan support. That's what they ought to be asked. I don't know what that means.

Q Mrs. Clinton, one number we see consistently in the polls is that a super majority of people say it's okay by them if Congress doesn't act right away, if they take more time to study it. What do you make of that and what's the imperative of doing it now?

MRS. CLINTON: Well, I've actually thought about that a lot and have had lots of conversations and have looked at some polls that have gone into more depth into what people mean by that. And what I believe people mean is that they want it done right and they want to be sure that it works.

Most people who answer the questions the way they are phrased, do not know we have been at this for 60 years. And when they are told that Franklin Roosevelt tried, Harry Truman tried three times, Dwight Eisenhower gave up in the face of opposition to do something minor, it took a long time to do Medicare and Medicaid and it took both Presidents Kennedy and Johnson. Richard Nixon came with national health insurance. Jimmy Carter came with national health insurance which couldn't get out of the finance committee.

When they know all of that, their attitude changes. And people say, my gosh, I had no idea. Because for most Americans this debate has been an 18 month debate, which in the context of administration and congressional action is a very short period of time. But in the historical context of what we have gone through to get to this point, there is a lot of reason to believe that we need to act sooner instead of later. And I believe that to be the case because the other point that is very persuasive with people, is that everything they worry about the current system is only going to get worse in the absence of health care reform.

People who worry about losing choice, as we sit here today, are losing choice. And now we are at a point where fewer than half of the employers in our country offer any choice and that is only going to accelerate so that fewer and fewer people will be able. And I would imagine that most of you sitting around this table, if it has not already happened to you, it will happen. The costs will continue to increase because of cost-shifting and you go down the line. So, that this is not a static status quo. This is a deteriorating status quo. And I think most people when that is explained as opposed to just a question on the poll which suggests to them they want it done right and they hope it works, then they believe as they have told me that we ought to act sooner instead of later.

Q I guess what I'm asking is how you deal in the face of that? Members of Congress are looking to face voters in November when there are such high numbers of people who are saying it's okay to wait and not -- why isn't it okay to wait?

MRS. CLINTON: You can't make policy based on polls.

Q They do.

MRS. CLINTON: Well, but, you can't do it, especially on an issue like this. Read those polls. In the same polls it says people want change, they're going to hold Congress accountable if they don't get change. People are understandably confused by all of the rhetoric that is flying back and forth and at some point it's the responsibility of leaders to lead and to make decisions that are in the best interests of the people they represent. And health care reform is in the best interest of the vast majority of people who are in every district of every member of Congress that I know of. If you look at the numbers of the working uninsured, if you look at the cost going up for the insured.

So, I think that the real challenge for members of Congress is for them to summon up the political will to make a tough decision. And they've got three possibilities as I see it. They can do nothing which is not a politically free decision. They can do something that is minimal that doesn't try to achieve universal coverage. That is not a politically free decision. Or they can support the kind of bills that both Congressman Gephardt and Senator Mitchell have put forward, which will get us on the road

to solving our health care problems and that is not a politically free decision.

So, why make a decision that doesn't do anything that is still going to be politically costly. So I think that that's what the real challenge is.

Q Mrs. Clinton, for months you and your advisers have referred to aspects in the briefing books about citing examples of what the working group had discussed and solutions to some of the problems. And you have seemed to rely a great deal on the work of that working group. Now, you're facing a lawsuit and a trial in early September on that question of meeting in secrecy with the working group. And the defense seems to be at this point that the working group didn't have much of an impact on the ultimate decisions on what type of a health care plan to come up with. How much of an influence was that working group on your decisions on your initial health care plan?

MRS. CLINTON: Well, that lawsuit is probably going to be settled because it's such a huge distraction in the middle of what is such a historic debate that I'm not going to say anything else about it.

Q Can you go into a little bit about the distraction aspect and what that has done to your thoughts?

MRS. CLINTON: No. No.

Q Mrs. Clinton, there's a perception whether it's correct or not, that the White House has backed off what was perceived to be an ironclad standard which would draw a presidential veto. Could you describe for us today what your standard is? What is the floor in the health care debate and in compromise below which you believe you could not go, which would be unacceptable?

MRS. CLINTON: It is the same standard as it always has been that we have to believe and the President has to be convinced that whatever bill gets to him will achieve universal coverage. That has been the standard from the very beginning for the President. But he has also said repeatedly there are different ways of getting there and he never expected the bill that we proposed as a framework to be rubber-stamped and sent back to him. That was something that only, I guess, a few people who don't know how Congress works would have ever assumed.

So, our standard hasn't changed. We believe both the Gephardt and the Mitchell bill meet that standard. Now, as the debate proceeds that standard is not going to change but it will be used to evaluate whatever other approaches the Congress decides to take.

Q If the date in the Mitchell bill is 2001 for the hard trigger to kick in, were it to move back, would that be acceptable?

MRS. CLINTON: I can't speculate on that. The ultimate objective is the same as it has always been. And we always said that it was going to have to be phased in. That was a part of our bill. In fact, as the time moved we realized the phase-in would have to be longer for a lot of technological reasons, for the co-ops to be created, for the states to be able to move. So the phase-in has always been a part of what was assumed. And it will depend upon what is in the final bill before we can say that does or does not meet the standard.

Q But Mrs. Clinton, isn't there -- some of your allies, and a lot of your detractors on the Hill sort of see this as an unraveling of the standard, and they want to know what the bottom line is on this: Is 2005 too far? Is 93 percent okay if 95 percent is okay? And there's a sense that, ultimately, whatever is handed on the President's desk is going to get signed now that there's been this much slippage, this much compromise.

MRS. CLINTON: Well, this is not true. I mean, if it doesn't, in our view, achieve universal coverage, it's not going to get signed. That's always been the standard.

But you see, every time we have said some detail was acceptable to us, the Republicans and the Right have moved away from it. I mean, it doesn't do us any good because no matter what we say is acceptable, they will go still further. And we tried to work with them in good faith. We met with them endlessly. We offered to incorporate, and did incorporate, many of their ideas into our legislation -- the premium cap came from a Danforth-Kassebaum bill of two years ago. You can go down the line and see all the ways we thought their good ideas should be part of health care reform.

And every time we have said what is or is not acceptable beyond what is the bottom line -- which is universal coverage has to be achieved -- they've moved away from it. Now, I'm not about to negotiate through the press with the opponents of health care reform, which is what these folks are. And I think that has been proven, for whatever the combination of reasons might be.

Q Mrs. Clinton, there seems to be -- whether it's true or not, there seems to be a perception among your strongest supporters in Congress that the White House -- that you've weakened the definition of universal coverage. Are you in danger of losing your supporters in the debate on the Mitchell bill?

MRS. CLINTON: Like who?

Q Wellstone, Simon --

MRS. CLINTON: Well, I think that the senators you named have always had a very strong position with respect to single payer, and have been very strong advocates of achieving universal coverage.

This bill that comes out, whatever it is, is not going to satisfy any of us -- we all would have done it differently. And you can look at every single senator who truly wants universal coverage -- they all would have done something differently. And the political challenge is, how do you put together a universal coverage bill in the existing United States Senate that gets a majority? That's always been the challenge. And I think that so long as it achieves universal coverage, there will be a majority for it.

Q You just said, and the President has said a lot, that every time you move toward the Republicans, they step back. Well, there are actually a number of Democrats that have also been equally as unyielding, and some -- Senator Breaux, for example, has actually moved away from positions he held earlier, like the trigger mandate. What do you have to say for them? Does that frustrate you; does it anger you? Or why hasn't the Democratic Party been more united on this issue?

MRS. CLINTON: Oh, please, Hillary. (Laughter.) I mean, this is part of being a Democrat. (Laughter.) Think of where we were a year ago -

- the budget would never pass, you'd never get a majority, the Democrats were deserting the President, it will never work, it will raise unemployment, it will destroy interest rates, on and on and on and on.

Well, we got it done and, by golly, it worked. And we got it done with all Democrats. And actually, we don't need quite as many Democrats because Senator Jeffords understands health care reform, unlike many others. And in fact, his support for health care reform has increased, as I understand it, his ratings in Vermont by 20 points.

So we're going to have a hard-fought battle down to the very end with a small group of Democrats and all but one of the Republicans claiming the sky is falling and that all kinds of terrible things will happen. And then, eventually, we will get a vote that will be a majority vote for a decent bill.

Q Will you have to get it done with all Democrats again?

MRS. CLINTON: No, we've got Senator Jeffords. (Laughter.)

Well, we didn't have him on the budget and, I mean, I don't think you should -- that's not insignificant. And I think that -- the thing about those who understand the issue -- and I cannot stress this enough because many of the opponents of health care reform get away with rhetoric. It's like Senator Gramm going on TV and saying, it's socialized medicine, socialized medicine. And because our TV culture is such that the idea of getting at the truth is to have one side say the sky is falling and the other side say no it's not, then at the end of the 30 minutes they say, thank you very much. And nobody presses these guys to say, oh, really? And how is it that it's socialized medicine? What does that mean -- does that mean that private insurance is going to start telling Americans what doctors they can use? Does that mean Medicare, which is paid for by a payroll tax, which is certainly a mandate, is going to all of a sudden start telling my mother what doctor she can use?

Nobody ever presses these guys. They get away with it day in and day out. So my hope is that as the debate actually is joined, and people have to defend their positions in public over a sustained period of time, this will become clearer to the American public about what really is at stake in this debate. And I have a lot of confidence that the outcome is going to be positive. And if it's a 51 vote, fine. If we hadn't had a 51 vote on the budget, we would not have 4 million new jobs, in my view.

So these are the kinds of trade-offs you make in life. And if you are trying to stand for something, and you believe it's bigger than yourself and you think it is the right thing to do, you stand up and get counted, no matter what the opposition or the political flack might be.

Q Mrs. Clinton, to take us all the way back to the Mitchell bill again, it's being subjected to widely divergent interpretations. Some of the advocates of universal coverage say it doesn't make it. Some of the moderates who seem -- specifically for it say it's a stealth Clinton plan. I'm wondering if you can help us figure out who's right by telling us what you think is the case about the bill on two scores: One, on the mandate -- do you understand it to be structured so that if Congress does not pass legislation that is certified to get us to universal coverage, then it kicks in? So it is a hard trigger universal coverage bill. You're shaking your head yes?

MRS. CLINTON: Yes.

Q And on cost control -- you said earlier on that Ira and your team put together this amazing structure, computer programs and so on, to be able to crack what kind of effects on cost and various things these bills would have. Have you run the Mitchell whatever we call it -- premium cap, premium tax? Does it work? Does it work as well as what you think your plan would have done? Does it work as well as -- is it really a cost control mechanism that works?

MRS. CLINTON: Well, all I know is, it's likely the CBO, which has been running this stuff constantly and is the body of expertise on what the members of Congress are proposing, believes that it does, that it is deficit neutral, which is how I basically think of cost containment. Because if we can get to deficit neutrality in health care expenditures from the federal budget, that is a big step forward. Because remember, under the budget that was passed last year, we keep the deficit going down until '97 or '98; then it goes up again because of health care increases.

Q But Mitchell has something like a fail-safe in it so that you could get deficit neutrality by pulling the rug out from under your subsidies if you're willing to get it because your cost control works and everything works. -- CBO being a font of wisdom about this, you, in this White House, have gathered together all sorts of computer programs and all sorts of knowledge about health care. Does the cost control system in Mitchell, does the premium tax in Mitchell work as a real cost control mechanism? Does it cramp down on the way your plan would have cramped down on costs?

MRS. CLINTON: I don't know enough about it, Peter, to answer that question. I mean, I really don't. I mean, I have basically relied on the fact that we've got cost containment in Mitchell's bill and the CBO is going to say it's deficit neutral, which is all that matters on the Hill. I mean, we could say anything we wanted over here and nobody would necessarily buy it because it's coming from us.

And so I don't know that it makes any difference so long as CBO says it is, because they've been very tough on these bills. And if they say it is, I think that it is. And the fail-safe is a very important feature of what Mitchell has constructed, as I understand it. And the fail-safe would kick in. And again, from the Senate Finance Committee perspective -- which, don't forget, really is a major part of what Mitchell worked from -- competition and better management of delivery is supposed to lower costs. So how those two lines intersect -- the CBO has consistently given less credit to the effects of competition than we believe are justified.

So I would argue that if the CBO, based on its formulations, believes this is deficit neutral, it may even be a little bit better than that. See what I mean? So that's how we assess it. And that's something that I'm sure will get debated out endlessly in the next couple of weeks.

Q For how long -- deficit neutral for how long a period of time?

MRS. CLINTON: I don't know the answer to that.

Q 2004?

MRS. CLINTON: 2004, thank you.

Q Do you want to comment on the press coverage, print and press coverage --

MRS. CLINTON: Oh, I think the print press has been terrific. (Laughter.) No, I'm serious. If this debate had been played out based on what most of you -- not all -- but the vast majority of you have written, we would be further along. And I'm really mean this. Most of you have really gotten into the issue; you have studied it. What you've written has been clear and understandable to people. You've covered all sides of it, you've asked the hard questions.

And again, that's the difference between 1994 and 1934. I mean, it is not thoughtful print journalism, unfortunately, in many respects which drives these social policy debates. It is the 30-second ad; it is the very well-organized direct mail campaign; it is the radio talk show network. So I wish that this debate were played out on the basis of what the majority of you have written, because I think you've done a real service.

Let me just quickly, before we leave, I just want to be sure you've got all this stuff which -- well, my favorite things aren't here -- my charts. Steve Gleason's charts -- have you all seen those? Here they are, and we can get you copies of this if you're interested.

One of the big issues, I know -- and none of you raised it because you know better, but it will be a big issue on the floor -- is this bureaucracy issue. And you'll hear it, and bureaucracy will be a 20-syllable word in the debate because people will be saying this creates bureaucracy and all that. This, I thought, was terrific. This is one small doctor's office in a small town in Iowa. This is the bureaucracy in his office to deal with every insurance company transaction and Medicare transaction. Every box represents a transaction, which means somebody in his office has to deal with that box.

And what we keep stressing is -- especially for the Phil Gramm's of the world who talk about socialized medicine -- Medicare has problems. We know that because you all are experts in this. But it does two things extremely well. It holds down administrative costs. Its administrative costs are less than 3 percent, compared to private insurance administrative costs of an average 17 percent. That administrative cost in the private side goes right into health care costs and right into bureaucracy. And the bureaucracy is at every level of the system, including a small doctor's office. And the other thing that Medicare does very well is to provide a standard benefits package so that you can compare apples and apples. And you've got a huge buying group that then obviously can get more market clout.

This is what his office would have looked like if we had had the kind of health care we originally proposed. But it's still pretty close to what we'll get with either Gephardt or Mitchell, because if you have buying co-ops, if you've got standard benefit packages, you decrease the administrative costs. So when somebody talks about bureaucracy, the real comparison is not the one they're trying to make, which is some image of what will or won't happen. The real comparison is what happens today, and can't we do better than what we've got? And I think the answer is pretty self-evident if anybody stops to think about it.

So that's -- we'll give you a packet of this stuff. I think you've probably seen -- I'm sure you have seen most of the rest of it.

Thank you all very much.

THE WHITE HOUSE

Office of the Press Secretary

INTERVIEW OF THE FIRST LADY
BY HEALTH CARE REPORTERS

August 9, 1994

Old Executive Office Building

10:05 A.M. EDT

MRS. CLINTON: I think that what I would like to do is just say initially that I personally am thrilled to be where we are at this point. I think that given how difficult this issue is, how much of an easy prey it is to misinformation and scare tactics, the fact that for the first time in 60 years we are about to have a debate on the floor of both Houses over health care reform is an historic and major accomplishment.

I also believe that the process of the last year and a half has contributed to a greater awareness of the issues at stake and a much higher level of knowledge on the part of larger numbers of people than ever before about what it is health care is intended to achieve.

Having said that, I don't want to underestimate how complicated and difficult a political task this is. But we knew that going in. One of the first things that I did back in the early days of this was to reread some of the history of health care reform in our country, and particularly some of the speeches that people like Harry Truman had given -- and actually, one of the most outraged speeches that I read was a speech given by Dwight Eisenhower after he tried to split the difference between Truman's approach, which was labeled socialism, and the intense opposition on the part of the vested interests when he tried to come with some so-called middle-of-the-road, in modern terms, mainstream approach and got hammered for that.

So I don't think any of us had any illusions as to how difficult a task this would be, but never before have we even gotten out of committee with anything of significance and substance, which I think both of the bills -- the Gephardt bill and the Mitchell bill -- represent.

So I, personally, looking at this from a much longer view than just the last 18 months, think we have enormous reason to be both optimistic and confident about the eventual outcome.

So, having said that, I'll be glad to answer any questions.

Q: Looking back on how all that's happened how the opponents have been able to play off -- do you regret not having gone to something a lot more simpler such as either single payer or something else that would have lessened the ability for the opponents to --

MRS. CLINTON: I don't think it matters what you come with; if you come with genuine universal coverage, you're going to engender the same opposition. Because, as I said repeatedly -- and some of you heard me for

months and months -- there are only three ways to get to universal coverage. Either you have a tax that replaces the existing premium system; or you have some kind of individual mandate with subsidies; or you have some kind of employer-employee shared responsibility with subsidies.

There aren't any other ways to get to universal coverage as the ultimate objective. And I think that once you realize how difficult the task is and the political obstacles you face, you're going to encounter opposition. And it's going to be the same opposition, saying the same things that have been said against this effort as were said on variations of the same theme over the last decades.

I think it was very important to come with a bill, with legislative language and with costing. It's easy to forget how difficult the process was to create a bill that could be costed as our original proposal was that could then serve as a benchmark against which other proposals could be compared, and off of which other proposals could be proposed.

When we began this, one of the great problems we faced is there was no accepted way within the federal government of bringing together the various elements that had something to do with health care costs and putting together an actuarially sound approach to evaluating such costs. One of the reasons the so-called '90 budget deal fell apart is that people within the federal government did not know how to cost health care.

What we did which had never been done before was to put into the same room for weeks on end the people from OMB and Treasury and HHS and VA and all of the other agencies that had something to do with health care cost. So for the first time, in effect, we helped create a framework by which this health care cost debate can be analyzed. And if we had not done that, I don't think we'd be where we were -- where we are today.

Also, if we had not actually drafted legislative language we would not be where we are today, because, as you have seen, so many groups who have rhetoric about what their proposals will be can't figure out how to put it into legislative language and can't figure out how to get the costing of it done.

So we think, by doing that, we did what we set out to accomplish, which was to lay out a framework -- and as we said from the very beginning, one that we expected to be modified which had a bottom line of universal coverage that we expected to be the ultimate goal of any other legislation.

Q Mrs. Clinton, you said earlier that the debate has heightened public understanding of the health care issues. But as we approach the elections the rhetoric is getting increasingly more partisan. Do you think that helps public understanding or just adds to some of the confusion?

MRS. CLINTON: I think that's a fair question because it has, in the last couple of weeks, gotten increasingly partisan and it's brought out all the old bromides. I see some of these signs that look like they've been around since Social Security, about socialism. And I don't think that's particularly beneficial for the substantive debate. But actually, it may be helpful in sharpening the differences, because when someone gets on TV as a member of the Congress and says health care reform which is meant to guarantee you private insurance is socialism, I think it's fair then to ask, well, you must be against Social Security and Medicare, right? Oh, no, that's different.

So I think that, in effect, the partisan rhetoric which is now filling the airwaves and the halls of the Congress may help politically because it's so far-fetched. And I think once that becomes clear to people, then we can go back to hammering out the substance of what needs to be done.

Q One of your strongest allies in this debate has been organized labor, some of the senior groups. They're expressing some real concern over the Mitchell bill, particularly the AFL-CIO, as you know. How do you reconcile their notion that this Mitchell bill is not universal coverage and that if it's not improved, that they're going to take a walk from this, because from their perspective, going to the bargaining table, for example, with a 50-50 mandate is something that would set their members back, as opposed to moving them ahead?

MRS. CLINTON: Well, I am very grateful for not only the strong support that a number of groups have given in this debate, but also their history of being for health care reform. But I would just raise a couple of points. Right now there is no requirement for any employer contribution. And that has not in any way undermined the ability of some to bargain for employer-paid health care. And so I don't really understand the logic of how if there is a floor which a 50-50 would require in the Mitchell bill eventually, how that would interfere with the achievement of different outcomes in bargaining over health care.

It's like the minimum wage. We have a floor on the minimum wage, but obviously, those who are capable of bargaining on their own behalf do a lot better than the minimum wage. So I don't see that as the kind of problem that some apparently do, and I think that what's more important is that the Mitchell bill, at least from my perspective, is a universal coverage bill and it establishes for the first time the right of Americans to be guaranteed health insurance, and it does it by permitting voluntary efforts to work and insurance reform to work for a number of years. And if it does work the way that Senator Mitchell believes it will, then there an opportunity to complete the job and cover everyone else. If it doesn't achieve the goal he has set, then it will set up a requirement that the Congress take additional action, including the 50-50 mandate if that becomes the fallback.

So I don't really see the concerns that some have expressed. I think it's very important to get this country on record on behalf of universal health care coverage, and I think that helps the groups that have largely borne the burden on their own for many years.

Q Mrs. Clinton, can you describe, though, why you think this is a universal coverage bill? It doesn't set a date certain, which for a year and a half the White House has not wanted to set a date but said that it has to be guaranteed at some date certain; and it gives Congress the option to do something different than a universal mandate that isn't the guarantee that you've talked about for so long?

MRS. CLINTON: I guess I just see it differently. What I see it accomplishing is setting in place a system of insurance reforms, subsidies, market reforms, incentives that at least it's fair to argue, based on the CBO analysis and on the work that Senator Mitchell and others have done, should increase the number of the uninsured dramatically. And increase it to the point, in Senator Mitchell's view, of reaching 95 percent by around the turn of the century, which is not very far from now. That, in itself, is a huge accomplishment because we are 83 percent coverage now. So if we can get that additional 12 percent coverage, that is a very big step forward.

But it goes beyond that and it says, look, even though in every universal system you can name there is slippage -- talk about Social Security; it's not a 100-percent system. There are 2 or 3 percent of people who are not in it. Talk about compulsory education. It's not 100 percent. There are always several percentage of kids who somehow don't end up in school, and you have to keep trying to get it done.

But if you reach that 95 percent figure, then you have the obligation to try to figure out what else can be done to get those people in the system. But you're dealing with a much smaller percentage of the universe than you were to start with.

Now, if the voluntary incentives and the framework in the Mitchell bill do not achieve 95 percent, then you have, as you know, from the bill additional action required. And if the Congress doesn't act, then the 50-50 mandate goes into effect.

But what I believe is so important about this model is that by that point in the debate, people will have seen and learned firsthand several things. They will have either seen and learned that these voluntary insurance market reforms and subsidies and incentives work, but didn't work quite as well -- and so we need to fix what didn't work about them -- or they will have learned they did not work. Which, given where we are today, is a huge learning experience for the entire country, because there is a lot of belief on the part of the advocates of these voluntary reform efforts that they will work. So the proof is in the pudding; they either will or they won't.

If they do not, that is a clear, unmistakable message that this approach cannot achieve universal coverage, and then the burden is shifted back where it belongs to the decision-makers, but the level of personal experience is so much higher with what doesn't work, that the political dynamic has changed. So I think that this approach achieves the bottom line, because we either get to universal coverage because the front end of the bill works, and we only have then to deal with the remaining five percent, and we'll never get all of them.

You can't name a universal system -- you can't even name a -- you can't; you can't any that gets everybody in. But we will certainly do a whole lot better with dealing with just the five percent that are targeted -- or, if we don't get there, then we have to do some of the things that are outlined in the Mitchell bill, and it's part of the legislative mandate to get to the end of the decision-making process by building up on what we have just learned that did not work and going from there.

Q Can I just follow up? Does that -- you're suggesting that people need to see that these things don't work.

MRS. CLINTON: If they don't. I'm not saying they will or they won't. I think that it's just as likely they will, and I think that's great, because then a lot more people will have insurance than have it today. But if there are problems with that approach, then instead of talking about it theoretically, which is what the proponents have done repeatedly, there will be actual, real-life experience that people can point to.

Q But isn't that what you've tried to do for the past 18 months, is try to give people examples of why you needed to have employer mandates a certainty? Is that a lesson that the country is not quite --

MRS. CLINTON: Well, I think that it is a lesson that many people believe, the vast majority of Americans believe. I mean, every poll I've seen has support for the employer mandate in a very high, super majority. So I think people believe it, but I think that it is not one of those real core beliefs that people are willing to really go to the wall for, because it is something that has worked for them. But, you know, they're not sure of all of the implications.

But, unfortunately, it is a belief that in the hands of certain interest groups, has become a real intense negative. I have said for months to anybody who would listen, the real debate over health care reform will come down to the employer mandate. I mean, you can talk about all the other issues that all the health economists know are important, that all of you who have studied this issue know are important. The political issue is, will we be able to make the political decision to have even a backup mandate, as in the Mitchell bill, or a front-end mandate as in the Gephardt bill.

And we've had the same argument. I mean, go back and read in your own papers what they said about Social Security and Medicare. I mean, it was going to destroy small business. If we had not had a Depression, do you think we could have passed Social Security? I think there's a big doubt. If we had not had 20 years of sustained effort, plus an assassination, do you think we could have passed Medicare? I mean, this country is always reluctant to do things that are even in our own economic interest, as health care reform is, and universal coverage is.

So this is not something new that happened with the Clinton administration that you've got all of this opposition and all of this -- you know, wild charges, and people do have a split of opinion about what they should or shouldn't do. And it is through experience. It's like we finally passed the Brady Bill when we had the right conjunction of a president who was willing to stand up to the NRA and enough people who had enough personal experience that they were willing to say "do it." And so, that's always the tension in politics, it seems to me.

Q Mrs. Clinton, just to follow up, given that, and given the acceptability of this Mitchell phased-in approach where you try to give voluntary measures the chance to work, why would the average House member from a marginal district, many of them in the South, who is getting hammered right now over the Gephardt mandate, why should they vote for that?

MRS. CLINTON: Because the Gephardt mandate will happen sooner and will have greater results in the immediate term for the people who need it most. And that is not only the uninsured, but the insecurely insured, which is a growing number. And I think that there is a very strong argument, especially if you're a House member and you have to go back and literally look into the eyes of 20, 25 percent of your people in your district who are uninsured, to be able to say to them, I just voted for something that is going to work for you right away. And I think that is a very strong and compelling political argument, particularly for House members who, as we all know, run every two years. So results are important. You vote for something and it never happens, it's like you never voted for it.

So the dynamics in the House and Senate are different, as is often the case, with all kinds of legislation. And I believe that there's going to be an impact from the debate, and I think that if the debate is conveyed in understandable terms to people and they really know what's at stake, there will be increasing support for doing something sooner instead of

later, and for doing the hard decisions now and not postponing them. But we'll have to wait and see how that plays out.

Q Mrs. Clinton, there are a group of senators, the so-called rump group from the Finance Committee, who say they cannot support the Mitchell bill as is, and propose to offer some amendments to change some of the provisions. Senator Breaux may have an announcement today about a provision which will probably delay the target goal of 95 percent coverage and perhaps make it harder to implement a mandate at some future point in time.

Would you support a Mitchell bill that has been altered to be more watered down in that way, or in any other way, say, with a drop in subsidies?

Q Nina, I'm not going to comment on that, because I think we have to wait and see what actually happens in the legislative process. And we've never said we could or could not support anything; we've always said let's see the legislative language, let's see the costings attached to that legislative language, and then we'll make a decision.

I think what Senator Mitchell has done over the last few weeks is to put together a bill that really took the opposition to universal coverage at their word. Every time this administration and those members of Congress who really understand the health care reform debate have been willing to say, okay, we can accept some modifications because it still reaches our goals. The opposition has moved further away. I mean, it's been a very interesting exercise that they've engaged in, and I think that we're still dealing with smoke and mirrors. I mean, we're still dealing with all kinds of proposed possible legislation attached to all kinds of rhetoric that has yet to be written and yet to be costed.

And what Senator Mitchell did was to say, look, there are people in the Senate who honestly believe a voluntary market reform incentive-driven approach will work. Let's take them at their word, and let's design a bill that does that for several years. But we owe the American people something besides an untested approach, which is we owe them a date-certain for evaluating our progress. And that is what the 95 percent goal is intended to be.

And if we have made that kind of progress which, for months, as I traveled around the country, the proponents of so-called "managed competition" assured all of us that would occur, then hallelujah, I think we ought to be grateful and we ought to say we've done it, and now let's make sure we take care of the small minority of Americans who still aren't covered.

But if that doesn't work, do we want to keep revisiting a debate that we have revisited for 60 years where everybody knows what the choices are, but we keep running up against organized interests who do not want to change the status quo because of their own financial or political advantage, and I think that what Senator Mitchell has done is very admirable. He has said, okay, if we don't get there, then let's not revisit a debate in a couple of years that we have had for 60 years, let's act at that time. And I think that makes a lot of sense.

Q Mrs. Clinton, what is there that you see in the leadership bills, the Clinton bill -- I'm sorry -- the Gephardt bill and Mitchell bill that leads you to have confidence that you're going to do something about cost containment?

MRS. CLINTON: I think that the Gephardt bill has cost containment provisions, and I think there is, as I understand it, conversation going on now amongst members in the House to do some strengthening of cost containment or to try to make sure that it is as clear as it needs to be so that it has the intended effect.

And in the Mitchell bill, there is also cost containment, but I think likewise, I understand there is conversation going on by people who think that there should be some different kinds of cost containment included.

Now, as you all know, this is one of the great ironies of this debate. The very people who say any health care reform costs too much are the very people who don't want any cost containment in health care reform. And what I want to see -- and I think this debate will begin this process -- is the burden shifted for a change. We were happy to take this issue on because it is so important to the financial well-being of the country, as well as an important moral and social issue.

But the other sides, because it is plural, can't have it all ways. I mean, they can't consistently be against everything, which is the posture they've taken, without presenting alternatives that can be evaluated. So there is cost containment in both of those bills, but I think just like the rest of this debate, there will be efforts both to weaken the cost containment that is in both, and to strengthen. And we're just going to have to want and see what happens.

Q If I could just follow up on this point. What is your own view -- are they sufficient, the cost containment, or do you think they ought to be strengthened? And do you have anything in mind to strengthen them?

MRS. CLINTON: Based on what I know, I believe the CBO is going to find that the Mitchell bill is deficit-neutral, which suggests to me that the cost containment is sufficient. Because, of course, one of our major concerns going into this debate was to ensure that we got health care costs in the federal budget under control, and that they would not increase the deficit. So if, in fact, the CBO says that about the Mitchell bill, which I am told is what they're going to find, then I think that speaks for itself; the cost containment is sufficient. And as I understand the Gephardt bill, it's the same likely outcome.

So that has been our primary concern. And except for our bill that we put in and these two bills, there is no deficit-neutral bill out there yet. Now, maybe somebody is going to present something in the next day or two, and we'll be happy to look at it. But I think keeping health care reform deficit-neutral is one of the major goals the President has had, and apparently both these bills will achieve that.

Q You talk a lot about the power of special interests. And I don't want to prejudge the outcome of the debate at all, it seems like a toss-up to me, but should health care reform fail, what do you think that history will record as the reason? Have you been -- you talk a lot about special interests; have you been sobered at all -- discover the American electorate is --

MRS. CLINTON: No, no. But I think it's just reinforced what is an unfortunate fact of life, which is that huge amounts of money spent to convey an intense negative message has a very powerful impact. We know that.

It's one of the real unfortunate effects in our political life of negative advertising. And it is always easier to be against something than to be for something, particularly if being for that something means you are for changes that affect a lot of people and which have a very broad constituency instead of a narrow focused constituency.

So nothing about this has been surprising. It's been right in line with what has always happened. I mean I saw a study that seemed to suggest that in 1947 or '48 the special interests, --largely at that time, organized medicine against Harry Truman's health care reform -- spent \$60 million. Now \$60 million in the late '40s was a whole lot of money.

And that was before commercial insurers took off; it was before a lot of the interests we're up against today that have a vested stake in how the system currently runs were very well established. So now the latest survey or the latest amount of money that has been guessed at having been spent against us in the whole campaign for health care reform and trying to get the message out to people is about \$120 million. I think that's what the Annenberg Institute or somebody --the Annenberg Institute which has followed the debate said their estimate was that \$120 million had been spent against the idea of health care reform.

So when you've got that kind of money being spent when it's message is very simple -- it's message is, don't do it --whereas the positive message ranges from physicians who are for universal coverage but concerned about a willing provider, to pharmaceuticals that are for universal coverage but concerned about any impact on drug pricing, to community action groups that are for universal coverage but want a single-payer system.

I mean, you go down the line of everybody who's for health care reform, particularly defined as universal coverage, it's a very broad group of organizations and interests. They cannot possibly have the intensity that the negative forces have. That is just, I think, to be expected.

Q If I could have a brief follow-up on this. I missed the first part of this. Perhaps you went into this. Do you look back on your own efforts and either find fault, or do you look at the public at all and wonder whether the American public really wants what you think it wants? Have you had any long discussions about --

MRS. CLINTON: I think that it is -- I think that what has occurred in the last 18 months has been much more positive than negative. I think it has been a real turning point in American history, and I think we should all be grateful for that just as I think the last 18 months in this whole administration has created a lot of discomfort among many people but have forced people to deal with a lot of issues that had been left unexamined and certainly unaddressed for a long time.

And I believe that is important in a democracy. I think there are cycles, and I don't know if Arthur Schlesinger is right, but it does seem to be kind of 30-year cycles where there's a burst of activity to deal with problems that have been ignored and denied, and you win some, you lose some, but at least you kind of push the ball and you keep moving the public debate.

And I also believe that it is more difficult in many ways today to advance a complex public policy issue than it was in the past because if you look at our society in general, there are so many splintered voices of authority and there is so much skepticism, even cynicism about the political

process that it's not like it was even for Franklin Roosevelt who had a tough time with social security. He had to go to a midterm election, and we were in the middle of a depression.

But even he found that he didn't have to describe every jot and tittle of the Social Security Act and all that would follow. He was able to say, I've got a new deal for you. You guys, here's what we're going to do. You pay in and your employer pays in and then we're going to take care of you with a pension when you get older. He didn't have to carry around actuarial tables and then have arguments with people on television.

The Medicare debate -- one of the big hits on Medicare is, oh, my gosh, they didn't give us the right costs. Well, who could have figured out what the right costs were. They didn't even have the kind of computers that could have calculated the so-called right costs in the 1960s. And it took 20 years to make the right decision which was to give some social security through health security to Americans over 65. But if Kennedy first, and Johnson second, had had to stand and argue over computer runs about the aging demographics and how much a cataract operation would cost in 1993 as opposed to 1963, we wouldn't have had Medicare.

So the environment in which this debate takes place is similar in many ways to the great social policy debates of the past because there's pent-up concern, there's enough personal experience with a system that isn't working for everybody, there's a feeling that the sands are shifting as we move from 88 percent of covered workers down to 83 percent in five years. There are enough people who know something has to be done.

But the environment is different from the great debates like Medicare and social security because we are living in this combination of time in which we have an overly information-loaded society that nobody can make sense of the reams of information that are cascading down upon them, coupled with the cynicism and the distrust of government that certainly serves a lot of interests well -- they love it because then they can maintain their powerful positions at the expense of a lot of other people -- so the combination is very interesting. And it poses extra burdens on people who believe that the country will be better off if we make some of these steps together.

Q On Saturday the President in Detroit talked about violent extremists who are fighting health care. On Friday you told Peter Maier that there are right-wing radical ideologues who don't want people to have health care in this country. Who are you talking about? Who are these folks?

MRS. CLINTON: Well, you know, I think they are a combination of the same kind of people who have been around in our country since its beginnings, the sort of ideologically-opposed who think that nobody should get anything from anybody else. And there's a streak of that in American politics. There always has been.

There are people who opposed social security, opposed civil rights, opposed minimum wage, opposed Medicare, opposed Medicaid. I mean at every step along the way, there is this small core of people who do not believe that government should do anything. Now they're the same people who drive down highways paid for by government funds. They are the same people who love the Defense Department which is funded by government money, but they have a different mind set when it comes to social policy in trying to be a compassionate and caring nation.

Then there are the people who for opportunistic reasons are opposing health care reform both because it is in their financial interest to do so because they want to be able to maintain the status quo and they are not above inciting other people to be very emotional about helping them to sustain their favored position. And then there are those who are for political reasons opposing health care reform because there are lots of people who don't want any changes and particularly don't want changes by this president to occur.

Now, most of the people I've just described are ones who pull the strings of others and inflame people by making charges of socialized medicine, for example, or the government is going to take over the health care system. And there's a very well-organized and well-financed effort to convey that message that so that, for example, when you see people protesting in the streets as we saw a couple of weeks ago, as I personally saw in Seattle, they were there in large measure because they'd been inflamed by a local radio talk show host who finds it in his own personal financial opportunistic interest to take this position. I had no idea whether the man was insured or not, but he inflames people who are sitting at home that somehow the Clintons are going to take over the government and they're going to find themselves without a doctor or whatever their arguments are.

And if you talk to these people very often they don't have a clue about what health care reform is about. They are responding to these emotional kinds of attacks. And I just think that's part and parcel of what you always find when you look at moments of a lot of change converging at the same point in American history. You will find that strain of people. And I think it's very unfortunate, but it's something that is part of our political scene.

What I do not like and what I find regrettable is the amount of hatred that is being conveyed and really injected into our political system. I don't have any problem with anybody disagreeing with this president on any policy position. I don't have any problem with any member of Congress opposing health care reform because he doesn't think it's a good idea or he wants to use it as a political weapon. I mean, that's politics.

But this personal, vicious hatred that for the time being is aimed primarily at the President, and to a lesser extent myself, I think is very dangerous for our political process. And I think those who are encouraging it should think long and hard about the consequences of such encouragement. And in a free society, certainly people are free to say or do what they think furthers their political agenda.

But we have to draw the line on violence, and you have to draw the line on protests that incite violence. And a lot of the talk that is coming out is, to me, very sad, and I think we'll have very unfortunate consequences for our entire body politic and not just for this administration.

Q Can you name names?

Q -- Julie raised the specter that what if your legislation isn't passed or there's a presidential veto. How do you think that would play out in the November elections because you've been quoted as saying that if that happened there could be a real populous campaign --

MRS. CLINTON: Well, I don't know, Ed, because I don't really want to speculate on that happening because I don't think it will happen. But I think that this is an issue that is not going to go away. This is an issue

that really now does have a life of its own which I think is a very important accomplishment of the last 18 months. And universal coverage, which was hardly a household term 18 months ago is now understood and people agree with it. There may be disagreements about how to get there but it is the ultimate goal for health care reform.

So, I think this is a political issue that's not going to go away no matter what happens. If we are successful, as I believe we will, in passing health care reform, those who have opposed it will keep it as a political issue. So it's not going anywhere. Gosh, we've had candidates in the not so-distant past who thought Social Security should be voluntary. I mean these things never die they just keep rolling along but you develop majorities that are in favor of certain positions and you move forward to implement whatever changes have occurred.

Q Mrs. Clinton, people used to talk about the political opportunism. Usually, when people like Senator Gramm calls it socialism and holds these press conferences, he's doing it purely because of the political points, not because he believes that it's a government subsidized --

MRS. CLINTON: Oh, I think that's absolutely true. Someone told me the other day that on some program he was ranting and raving about socialized medicine and they said, well, then, do you repeal of Medicare. And, you know, he's backed off like he touched a hot stove. Well, what both the Gephardt and the Mitchell bill propose is not even as close to government financed health care as Medicare is.

And I think you in the press ought to go up and question some of these people about what their position is on Medicare and whether or not they believe a mandatory payroll deduction to finance health care for Americans over 65 is socialized medicine -- because, of course, it isn't. And to get -- I think unless Senator Gramm doesn't understand how Medicare works, that it's got to be just political opportunism.

Q Are you frustrated by the positions of some Democrats in the Senate like Bob Kerrey and others who say that they won't pass anything that's not bipartisan?

MRS. CLINTON: Well, again, I think they ought to go back and look at a little history. Social Security and Medicare, when they first passed the Houses were hardly bipartisan. By the time they got out of conference committee they had picked up some additional bipartisan support. I mean Bob Dole didn't vote for Medicare when he was in the House of Representatives.

Now, do the Democrats who say they want it to be bipartisan, does that mean they would have let Medicare die because there wasn't a lot of bipartisan support. That's what they ought to be asked. I don't know what that means.

Q Mrs. Clinton, one number we see consistently in the polls is that a super majority of people say it's okay by them if Congress doesn't act right away, if they take more time to study it. What do you make of that and what's the imperative of doing it now?

MRS. CLINTON: Well, I've actually thought about that a lot and have had lots of conversations and have looked at some polls that have gone into more depth into what people mean by that. And what I believe people mean is that they want it done right and they want to be sure that it works.

Most people who answer the questions the way they are phrased, do not know we have been at this for 60 years. And when they are told that Franklin Roosevelt tried, Harry Truman tried three times, Dwight Eisenhower gave up in the face of opposition to do something minor, it took a long time to do Medicare and Medicaid and it took both Presidents Kennedy and Johnson. Richard Nixon came with national health insurance. Jimmy Carter came with national health insurance which couldn't get out of the finance committee.

When they know all of that, their attitude changes. And people say, my gosh, I had no idea. Because for most Americans this debate has been an 18 month debate, which in the context of administration and congressional action is a very short period of time. But in the historical context of what we have gone through to get to this point, there is a lot of reason to believe that we need to act sooner instead of later. And I believe that to be the case because the other point that is very persuasive with people, is that everything they worry about the current system is only going to get worse in the absence of health care reform.

People who worry about losing choice, as we sit here today, are losing choice. And now we are at a point where fewer than half of the employers in our country offer any choice and that is only going to accelerate so that fewer and fewer people will be able. And I would imagine that most of you sitting around this table, if it has not already happened to you, it will happen. The costs will continue to increase because of cost-shifting and you go down the line. So, that this is not a static status quo. This is a deteriorating status quo. And I think most people when that is explained as opposed to just a question on the poll which suggests to them they want it done right and they hope it works, then they believe as they have told me that we ought to act sooner instead of later.

Q I guess what I'm asking is how you deal in the face of that? Members of Congress are looking to face voters in November when there are such high numbers of people who are saying it's okay to wait and not -- why isn't it okay to wait?

MRS. CLINTON: You can't make policy based on polls.

Q They do.

MRS. CLINTON: - Well, but, you can't do it, especially on an issue like this. Read those polls. In the same polls it says people want change, they're going to hold Congress accountable if they don't get change. People are understandably confused by all of the rhetoric that is flying back and forth and at some point it's the responsibility of leaders to lead and to make decisions that are in the best interests of the people they represent. And health care reform is in the best interest of the vast majority of people who are in every district of every member of Congress that I know of. If you look at the numbers of the working uninsured, if you look at the cost going up for the insured.

So, I think that the real challenge for members of Congress is for them to summon up the political will to make a tough decision. And they've got three possibilities as I see it. They can do nothing which is not a politically free decision. They can do something that is minimal that doesn't try to achieve universal coverage. That is not a politically free decision. Or they can support the kind of bills that both Congressman Gephardt and Senator Mitchell have put forward, which will get us on the road.

to solving our health care problems and that is not a politically free decision.

So, why make a decision that doesn't do anything that is still going to be politically costly. So I think that that's what the real challenge is.

Q Mrs. Clinton, for months you and your advisers have referred to aspects in the briefing books about citing examples of what the working group had discussed and solutions to some of the problems. And you have seemed to rely a great deal on the work of that working group. Now, you're facing a lawsuit and a trial in early September on that question of meeting in secrecy with the working group. And the defense seems to be at this point that the working group didn't have much of an impact on the ultimate decisions on what type of a health care plan to come up with. How much of an influence was that working group on your decisions on your initial health care plan?

MRS. CLINTON: Well, that lawsuit is probably going to be settled because it's such a huge distraction in the middle of what is such a historic debate that I'm not going to say anything else about it.

Q Can you go into a little bit about the distraction aspect and what that has done to your thoughts?

MRS. CLINTON: No. No.

Q Mrs. Clinton, there's a perception whether it's correct or not, that the White House has backed off what was perceived to be an ironclad standard which would draw a presidential veto. Could you describe for us today what your standard is? What is the floor in the health care debate and in compromise below which you believe you could not go, which would be unacceptable?

MRS. CLINTON: It is the same standard as it always has been that we have to believe and the President has to be convinced that whatever bill gets to him will achieve universal coverage. That has been the standard from the very beginning for the President. But he has also said repeatedly there are different ways of getting there and he never expected the bill that we proposed as a framework to be rubber-stamped and sent back to him. That was something that only, I guess, a few people who don't know how Congress works would have ever assumed.

So, our standard hasn't changed. We believe both the Gephardt and the Mitchell bill meet that standard. Now, as the debate proceeds that standard is not going to change but it will be used to evaluate whatever other approaches the Congress decides to take.

Q If the date in the Mitchell bill is 2001 for the hard trigger to kick in, were it to move back, would that be acceptable?

MRS. CLINTON: I can't speculate on that. The ultimate objective is the same as it has always been. And we always said that it was going to have to be phased in. That was a part of our bill. In fact, as the time moved we realized the phase-in would have to be longer for a lot of technological reasons, for the co-ops to be created, for the states to be able to move. So the phase-in has always been a part of what was assumed. And it will depend upon what is in the final bill before we can say that does or does not meet the standard.

Q But Mrs. Clinton, isn't there -- some of your allies, and a lot of your detractors on the Hill sort of see this as an unraveling of the standard, and they want to know what the bottom line is on this: Is 2005 too far? Is 93 percent okay if 95 percent is okay? And there's a sense that, ultimately, whatever is handed on the President's desk is going to get signed now that there's been this much slippage, this much compromise.

MRS. CLINTON: Well, this is not true. I mean, if it doesn't, in our view, achieve universal coverage, it's not going to get signed. That's always been the standard.

But you see, every time we have said some detail was acceptable to us, the Republicans and the Right have moved away from it. I mean, it doesn't do us any good because no matter what we say is acceptable, they will go still further. And we tried to work with them in good faith. We met with them endlessly. We offered to incorporate, and did incorporate, many of their ideas into our legislation -- the premium cap came from a Danforth-Kassebaum bill of two years ago. You can go down the line and see all the ways we thought their good ideas should be part of health care reform.

And every time we have said what is or is not acceptable beyond what is the bottom line -- which is universal coverage has to be achieved -- they've moved away from it. Now, I'm not about to negotiate through the press with the opponents of health care reform, which is what these folks are. And I think that has been proven, for whatever the combination of reasons might be.

Q Mrs. Clinton, there seems to be -- whether it's true or not, there seems to be a perception among your strongest supporters in Congress that the White House -- that you've weakened the definition of universal coverage. Are you in danger of losing your supporters in the debate on the Mitchell bill?

MRS. CLINTON: Like who?

Q Wellstone, Simon --

MRS. CLINTON: Well, I think that the senators you named have always had a very strong position with respect to single payer, and have been very strong advocates of achieving universal coverage.

This bill that comes out, whatever it is, is not going to satisfy any of us -- we all would have done it differently. And you can look at every single senator who truly wants universal coverage -- they all would have done something differently. And the political challenge is, how do you put together a universal coverage bill in the existing United States Senate that gets a majority? That's always been the challenge. And I think that so long as it achieves universal coverage, there will be a majority for it.

Q You just said, and the President has said a lot, that every time you move toward the Republicans, they step back. Well, there are actually a number of Democrats that have also been equally as unyielding, and some -- Senator Breaux, for example, has actually moved away from positions he held earlier, like the trigger mandate. What do you have to say for them? Does that frustrate you; does it anger you? Or why hasn't the Democratic Party been more united on this issue?

MRS. CLINTON: Oh, please, Hillary. (Laughter.) I mean, this is part of being a Democrat. (Laughter.) Think of where we were a year ago --

- the budget would never pass, you'd never get a majority, the Democrats were deserting the President, it will never work, it will raise unemployment, it will destroy interest rates, on and on and on and on.

Well, we got it done and, by golly, it worked. And we got it done with all Democrats. And actually, we don't need quite as many Democrats because Senator Jeffords understands health care reform, unlike many others. And in fact, his support for health care reform has increased, as I understand it, his ratings in Vermont by 20 points.

So we're going to have a hard-fought battle down to the very end with a small group of Democrats and all but one of the Republicans claiming the sky is falling and that all kinds of terrible things will happen. And then, eventually, we will get a vote that will be a majority vote for a decent bill.

Q Will you have to get it done with all Democrats again?

MRS. CLINTON: No, we've got Senator Jeffords. (Laughter.)

Well, we didn't have him on the budget and, I mean, I don't think you should -- that's not insignificant. And I think that -- the thing about those who understand the issue -- and I cannot stress this enough because many of the opponents of health care reform get away with rhetoric. It's like Senator Gramm going on TV and saying, it's socialized medicine, socialized medicine. And because our TV culture is such that the idea of getting at the truth is to have one side say the sky is falling and the other side say no it's not, then at the end of the 30 minutes they say, thank you very much. And nobody presses these guys to say, oh, really? And how is it that it's socialized medicine? What does that mean -- does that mean that private insurance is going to start telling Americans what doctors they can use? Does that mean Medicare, which is paid for by a payroll tax, which is certainly a mandate, is going to all of a sudden start telling my mother what doctor she can use?

Nobody ever presses these guys. They get away with it day in and day out. So my hope is that as the debate actually is joined, and people have to defend their positions in public over a sustained period of time, this will become clearer to the American public about what really is at stake in this debate. And I have a lot of confidence that the outcome is going to be positive. And if it's a 51 vote, fine. If we hadn't had a 51 vote on the budget, we would not have 4 million new jobs, in my view.

So these are the kinds of trade-offs you make in life. And if you are trying to stand for something, and you believe it's bigger than yourself and you think it is the right thing to do, you stand up and get counted, no matter what the opposition or the political flack might be.

Q Mrs. Clinton, to take us all the way back to the Mitchell bill again, it's being subjected to widely divergent interpretations. Some of the advocates of universal coverage say it doesn't make it. Some of the moderates who seem -- specifically for it say it's a stealth Clinton plan. I'm wondering if you can help us figure out who's right by telling us what you think is the case about the bill on two scores: One, on the mandate -- do you understand it to be structured so that if Congress does not pass legislation that is certified to get us to universal coverage, then it kicks in? So it is a hard trigger universal coverage bill. You're shaking your head yes?

MRS. CLINTON: Yes.

Q And on cost control -- you said earlier on that Ira and your team put together this amazing structure, computer programs and so on, to be able to crack what kind of effects on cost and various things these bills would have. Have you run the Mitchell whatever we call it -- premium cap, premium tax? Does it work? Does it work as well as what you think your plan would have done? Does it work as well as -- is it really a cost control mechanism that works?

MRS. CLINTON: Well, all I know is, it's likely the CBO, which has been running this stuff constantly and is the body of expertise on what the members of Congress are proposing, believes that it does, that it is deficit neutral, which is how I basically think of cost containment. Because if we can get to deficit neutrality in health care expenditures from the federal budget, that is a big step forward. Because remember, under the budget that was passed last year, we keep the deficit going down until '97 or '98; then it goes up again because of health care increases.

Q But Mitchell has something like a fail-safe in it so that you could get deficit neutrality by pulling the rug out from under your subsidies if you're willing to get it because your cost control works and everything works. -- CBO being a font of wisdom about this, you, in this White House, have gathered together all sorts of computer programs and all sorts of knowledge about health care. Does the cost control system in Mitchell, does the premium tax in Mitchell work as a real cost control mechanism? Does it cramp down on the way your plan would have cramped down on costs?

MRS. CLINTON: I don't know enough about it, Peter, to answer that question. I mean, I really don't. I mean, I have basically relied on the fact that we've got cost containment in Mitchell's bill and the CBO is going to say it's deficit neutral, which is all that matters on the Hill. I mean, we could say anything we wanted over here and nobody would necessarily buy it because it's coming from us.

And so I don't know that it makes any difference so long as CBO says it is, because they've been very tough on these bills. And if they say it is, I think that it is. And the fail-safe is a very important feature of what Mitchell has constructed, as I understand it. And the fail-safe would kick in. And again, from the Senate Finance Committee perspective -- which, don't forget, really is a major part of what Mitchell worked from -- competition and better management of delivery is supposed to lower costs. So how those two lines intersect -- the CBO has consistently given less credit to the effects of competition than we believe are justified.

So I would argue that if the CBO, based on its formulations, believes this is deficit neutral, it may even be a little bit better than that. See what I mean? So that's how we assess it. And that's something that I'm sure will get debated out endlessly in the next couple of weeks.

Q For how long -- deficit neutral for how long a period of time?

MRS. CLINTON: I don't know the answer to that.

Q 2004?

MRS. CLINTON: 2004, thank you.

Q Do you want to comment on the press coverage, print and press coverage --

MRS. CLINTON: Oh, I think the print press has been terrific. (Laughter.) No, I'm serious. If this debate had been played out based on what most of you -- not all -- but the vast majority of you have written, we would be further along. And I'm really mean this. Most of you have really gotten into the issue; you have studied it. What you've written has been clear and understandable to people. You've covered all sides of it, you've asked the hard questions.

And again, that's the difference between 1994 and 1934. I mean, it is not thoughtful print journalism; unfortunately, in many respects which drives these social policy debates. It is the 30-second ad; it is the very well-organized direct mail campaign; it is the radio talk show network. So I wish that this debate were played out on the basis of what the majority of you have written, because I think you've done a real service.

Let me just quickly, before we leave, I just want to be sure you've got all this stuff which -- well, my favorite things aren't here -- my charts. Steve Gleason's charts -- have you all seen those? Here they are, and we can get you copies of this if you're interested.

One of the big issues, I know -- and none of you raised it because you know better, but it will be a big issue on the floor -- is this bureaucracy issue. And you'll hear it, and bureaucracy will be a 20-syllable word in the debate because people will be saying this creates bureaucracy and all that. This, I thought, was terrific. This is one small doctor's office in a small town in Iowa. This is the bureaucracy in his office to deal with every insurance company transaction and Medicare transaction. Every box represents a transaction, which means somebody in his office has to deal with that box.

And what we keep stressing is -- especially for the Phil Gramm's of the world who talk about socialized medicine -- Medicare has problems. We know that because you all are experts in this. But it does two things extremely well. It holds down administrative costs. Its administrative costs are less than 3 percent, compared to private insurance administrative costs of an average 17 percent. That administrative cost in the private side goes right into health care costs and right into bureaucracy. And the bureaucracy is at every level of the system, including a small doctor's office. And the other thing that Medicare does very well is to provide a standard benefits package so that you can compare apples and apples. And you've got a huge buying group that then obviously can get more market clout.

This is what his office would have looked like if we had had the kind of health care we originally proposed. But it's still pretty close to what we'll get with either Gephardt or Mitchell, because if you have buying co-ops, if you've got standard benefit packages, you decrease the administrative costs. So when somebody talks about bureaucracy, the real comparison is not the one they're trying to make, which is some image of what will or won't happen. The real comparison is what happens today, and can't we do better than what we've got? And I think the answer is pretty self-evident if anybody stops to think about it.

So that's -- we'll give you a packet of this stuff. I think you've probably seen -- I'm sure you have seen most of the rest of it.

Thank you all very much.