American Hospital Association
8/9/93

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PRESERVATION

American Hospital
Assoc. Orlando, FL
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THE WHITE HOUSE

Office of the Press Secretary

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REMARKS BY THE FIRST LADY
TO AMERICAN HOSPITAL ASSOCIATION

Orlando, Florida

MRS. CLINTON: Thank you very much, Dick, George, for that very generous introduction. Thank you also for putting so many of my friends from Arkansas in the front row here. It makes me feel very welcomed and at home. It is indeed a special privilege for me to be here with this organization, although I would just contest one point that Dick made in his introduction. He said here we are in the magic kingdom. I feel like for the last six months I have been in the magic kingdom. And it's nice to be somewhere outside of that kingdom here in Orlando with all of you.

Because what we are embarked upon and what we are partners in is nothing less than trying to deliver on the promise that this organization and the President have made to deliver health care in a way that is affordable, maintain quality and providing it to every citizen of our country.

To that end, I'm particularly pleased to be joined here with Governor Chiles. Those of you from Florida must know how closely the rest of us have watched what you have achieved already in organizing a delivery system to provide quality health care. And I want to applaud not only the Governor, who is with us, but all of you from Florida, the hospitals and the medical community, who are going to make this program in Florida a model for the rest of the country.

I'm also pleased to be here with Congressman Bacchus. There was a very tough vote last week. It was a vote to try to move this economy forward. It was a vote that was controversial, but which he voted in the favor of ending gridlock and getting us a budget and an economic program that began to put our house in order in this country. And I hope that our constituents and this state know how difficult it sometimes is in the other magic kingdom to stand up to what you believe is right for the country at the time.

And I particularly want to thank this association because all during the very difficult days leading up to that vote

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last week, the American Hospital Association played a very constructive and productive role. It is a role that I have come to expect from Dick Davidson and the people who represent you in Washington. It is a role that I have come to depend upon. They're always straight, they always tell us what your thinking and what's at stake, but they do it in a productive and constructive way. There's too little of that in Washington sometimes. And I'm very pleased that this association is represented so well by your board and by your staff that they can play that kind of positive role in reaching difficult decisions that this country faces.

If we are on the brink of health care reform, it is only because of the work of associations like yours and all of you represented here. It is only because for a number of years, you have been sounding the alarm about what is happening on the front lines of health care. It is only because you see every day what comes in the emergency room, what comes in the front door, what comes in the out-patient clinics that you run. It is only because you understand, being on the front lines, that we cannot continue doing what we do in health care in this country and fulfill either our human mission or meet our economic demands.

So let us move forward together in trying to fashion a health care system that represents the best about what each of you believe and do every day. It is not going to be easy, just as the budget reconciliation was not easy. It did not satisfy all the goals of the President. It did not satisfy all the goals of the American Hospital Association.

I know many of you are distressed about the level of the Medicare cuts that emerged from the House-Senate conference. But even so, you understood how imperative it was that the budget be passed not only to put our house in order and our country on the right track, but so that we could get to the second stage of the important business facing this country -- and that is health care reform.

When I joined the board of the Arkansas Children's Hospital, I thought I had something of a working knowledge of the challenges hospitals faced, the changing role of physicians, nurses, other health care professionals. I learned all about the dish payments and the DRGs, the utilization reviews. I figured out what PROs and PPOs and HMOs were. But I also learned a lot more. I learned about what you face every day. I have taken that knowledge with me into this assignment of the last six months.

I can't even pretend to understand the day-to-day complexities, but I fully understand how dedicated hospital administrators and medical personnel are to meeting those challenges.

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If it has not been for the many hundreds and even thousands of you and your colleagues around the country who have participated in the efforts of the last six months, we would not be where we are today -- on the brink of having the President present a plan to the country and to the Congress.

But then the plan that the President is going to be presenting will very much resemble what this association has been saying all along. I was telling Dick as we were waiting to come in that I picked up the Conventional Daily, and the American Hospital Association and health care reform article which appears on the second page outlines what health care reform has to consist of. You know it better than I, but it is a message that comes from you to the American people and will be a part of what the President presents as he takes the concepts that you have worked on and are implementing and presents them to the entire nation.

Now, I do not want to be overly optimistic about the challenge that confronts us. Taking this article and going down point by point and looking at how access to health care must be universal, it must provide health services delivered by networks of providers, we must contain costs -- all of those things which you agreed on and that we agreed on will not come easily. There will continue to be opposition based on fear -- the fear of change, the fear of losing some advantage -- opposition based on ideological concerns about how we should or should not reform our system. But we have to take each of those fears or concerns and deal with them honestly. Because if we can present a plan that corresponds to what you know will work, we ought to be able to convince the Congress and the country, because there is so much at stake.

When we began this effort there wasn't any preconceived plan waiting in any closet for someone to pick up and present. The plan that is being developed has rested on the advice of people representing hospitals, of physicians, of businesspeople, of nurses, of everyone who has a stake in the health care system. We looked at every model that we could find anywhere in the world. We looked to see what worked and what didn't work. We looked to understand how we could draw from different approaches to create an American solution to an American problem.

We looked here within our own country. I know that earlier you honored Jack Lewin, who has been an integral part in helping us to think through and design a system that would work for the country based on Hawaii's experience. We visited hospitals all over the country that are doing creative and entrepreneurial ways of approaching specific issues, because we wanted to be sure that what we presented bore the mark of reality and experience.

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And so, as we move forward, that has been our hallmark. We have wanted to be able to say to any American, we believe this will work and here is the evidence to back us up. We also wanted to start from the very simple premise that at the bottom, health care reform is about individual opportunity and responsibility. As the President has said all during the last six months, we must ground our country's course in our most enduring values. And that is the belief that America can extend all of us an opportunity if we assume responsibility for ourselves, our communities, and our country.

In other words, you have to eliminate the all too prevalent state of mind that there is a free lunch, that there can be a free ride, that there is something for nothing, and get back to what I was raised to believe and, I would venture, most of you, that the American Dream depended upon our willingness to work hard and to be responsible.

But we also have to be sure that that American Dream is out there to be seized. And one of the most corroding aspects of the last years has been the way our health care system has eaten away at our economic potential, at our human potential. So if we agree that we have to ground what we are doing in experience and reality, and if we believe we have to restore opportunity and responsibility, then the health care reform debate is something beyond just the specifics. And we may not agree on all of the specifics, but if we can agree on the direction we are going and how we should get there, we will make enormous progress together, because we are united by common concerns and common goals.

We've already made great strides in putting together a plan that will represent those common concerns and common goals. And I want to share some of those features with all of you today.

Let me start with your goal. We must achieve universal coverage. Every American should have the security of knowing that no matter where he or she works, whether he or she has ever been sick before, where he or she lives, because that person is an American, he or she will be entitled to a package of benefits that will give them health security. We cannot achieve cost containment in a system in which nearly 40 million of our citizens now do not have coverage for their health care needs.

We also need a delivery system that integrates the delivery of care along the lines that you have advocated. You were among the first to promote community care networks -- a concept that lies at the very heart of revitalizing our health care system. That, combined with the universal coverage, gives us the tools at the local level to be creative in providing services to meet the needs of local populations. You also have understood from the very beginning that

integrating delivery and providing networks of care is the surest and most efficient way to provide for contained costs because when providers are paid as a group, whether it's in a fee-for-service network, or a PPO, or a HMO, or some as yet unnamed form for delivery care, there is then a sentence built into the system to be careful about the allocation of resources; to look to other people to learn how better to deliver the care that we have to; to understand what the trade-offs are. It is very important that we organize our health care system so that it is better able to deliver health care to all of our citizens.

You have also understood how we have to cut the costs in the current system by simplifying administration and paperwork. You are living, breathing examples every day of what is wrong with our health care system. You know as hospital administrators, as directors of nursing, as people who are in the back offices that are filled with paperwork, that if we do not simplify the burdens on our health care system we can never provide health care to every American at an affordable cost.

In order to do that we need to move toward a single form system. We need to do all that we can to implement more efficient means of electronic and computerized billing. We need to understand clearly that it is no longer acceptable for the paperwork hospital to be growing at four times the rate of the care-giving hospital. When you have, as I have talked with hospital administrators all over this country, the difficult choices of having to hire more bookkeepers and clerical people while you are laying off nurses and technicians, that is an unacceptable choice for any hospital and needs to be eliminated as soon as possible. (Applause.)

Because what the current ratio is that hospitals must hire four new administrators for every new doctor -- four to one -- simply to handle the avalanche of insurance forms and paperwork. I will never forget talking to a nurse a few months ago who summed it up for me. She said she went into nursing to care for people. If she had wanted to be an accountant she would have gone through an accounting course and worked for an accounting firm. And yet she spent nearly 50 percent of her time filling out forms.

I want to see nurses like the ones who took care of my father in his last days in that hospital, St. Vincent's in Little Rock, taking care of people, not filling out unnecessary forms in a duplicative system that doesn't delivery one more ounce of compassion, care, and help. (Applause.) And if we have anything to do with it, in this reform effort, it is to free our doctors and our nurses from those kinds of burdens.

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We also have to be aware of how the interaction between the legal system and the health care system have often interfered with your capacity to make good decisions. One of the issues that your association brought to me was one that I heard all over the country: How can we try to move forward to this new world that we're outlining if we cannot even collaborate among ourselves? How can we try to be more efficient in our communities if we're afraid that we might be sued for antitrust violations? You told us and we heard you, and is was something that I have never known before I got into this, that the kind of positive arrangements that you would want to pursue with your neighbors and even your competitors were being either chilled or in some way eliminated from consideration because of the fear of the antitrust laws. Hospitals such as yours have come to believe that expensive legal opinions would be required any time they wanted to merge or share high-technology equipment or form a purchasing cooperative or integrated network for delivering services.

You also told us that hospitals were frustrated over the last years because they couldn't get quick and reliable advise from the enforcers of the antitrust laws in the federal government. Well, we not only heard you, we're going to do something about that. (Applause.) At the request of the task force and the White House, the Justice Department right now is exploring guidelines for mergers, networks, joint ventures, purchasing cooperatives, and information exchanges so that hospitals do not have to file hundreds of more forms and wait years and years to share an MRI or pool advanced ultrasound equipment or do some of the other things you would like to do to give better service to your community. So we intend to move on that. It will part of the President's health care reform package. (Applause.)

We intend for that package to result in a health security card for every American that will be the key to a package of benefits that will, again, do something you have urged us to do: a package of benefits that will stress primary and preventive health care. Because we believe that if we have funding streams for primary and preventive health care we will save money, not just in the long run but in the medium run. That if you know that there is reimbursements standing in the wings for immunizing children, for providing mammograms for every woman, for providing well child care for young children, the services will be there. And all of us will benefit from those services.

We cannot have a healthy health care system without stressing primary and preventive health care. And we have to do that by changing the incentives that have grown up in our insurance industry that only pay for something once it was a problem. If you will stand with us on primary and preventive health care we will make a huge difference. (Applause.)

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Even though universal coverage is one of our keys, and something we share in common with you, I want to make clear that health care reform is not any longer, from my view, driven just by the needs of those who are uninsured. It is driven by the fears and concerns of those who are already insured. Two million Americans a month lose their health insurance. Some may only lose it for a month, some may lose it for more than a year or two. But the fear of losing it, the increasing costs of acquiring it, the problems employers face in a market where they have so little purchasing power has made the fact of insurance, once taken for granted by many millions of Americans, no longer a source of personal security.

So in the community from which you come, the debate is not just about taking care of those who have no coverage, it is about taking care of all of us. And part of that debate has to be explained by you because you see it every day. Until all Americans are insured for health care we can never control costs because of the phenomenon you know so well, known as cost-shifting.

Many Americans in my conversations over the last month who do have insurance are desperate to hold on to it and want it to mean something again. They often don't make the link that you make every day between the people who do get care in our country -- because we do take care of people who come through those hospital doors, but it is often at the most expensive, latest point. And they come without any reimbursement stream, or an inadequate one. And that is what leads to the $25 Tylenols, the latex gloves that are so expensive, that Governor Chiles has tried to use to educate the people of Florida.

Because you know that the money has to come from somewhere. All those who are currently insured will be better off financially and in terms of the services they will have access to if everybody is insured, because you will then have the kind of compensation you deserve to have when you take care of everybody. That is a message local hospitals will have to help us deliver to educate Americans, so that the linkage between the benefits to be obtained from insuring those who are not insured and the security that all Americans, including those who are insured, will receive can be made clearly at the grass roots level.

Because until Americans fully appreciate what you go through every day they will not understand that right now those of us who have insurance are paying not only for ourselves, we're paying for the shortfalls in the public system and we're paying for the uncompensated care. We can do better than that if we get everybody in the system and make everybody responsible for some part of their

own care. That has to be a hallmark of the message that we send in the next several months.

Because when all Americans have a comprehensive package of benefits, then the hospitals that I have visited, like King Drew in Los Angeles or St. Agnes in Philadelphia, which treat large populations of indigent patients, will be able to serve the needy people in their own communities because they know they will be compensated for the care that they give. So that is a key issue that we have to have your help in explaining to our fellow citizens.

We also know that hospitals that reach out, like the one honored today from Cambridge, Massachusetts, to get into the community and provide services that are beyond what is traditionally thought of as conventional hospital services, will enable their communities to get ahead of the curve. Community care networks, like the ones that you've honored or the ones that are exemplary like in Wellsboro, Pennsylvania, or rural southwest Georgia, are examples of the approaches I'm talking about.

If you go to Georgia in that 10-county region where this network is operating, you will see people who have all of the problems that are exacerbated by poverty, often afflicted by chronic disease, often without the resources adequately to take care of themselves until they end up in your emergency rooms. But if we have an organized approach with a package of benefits that has a reimbursement stream behind it, then networks like that one in Georgia or ones that many of you are running will be able to provide primary care in underserved urban and rural areas. You'll be able to have mobile care going out into those communities. And the net result will be our costs will actually begin to decrease, because we will have reached out to people where they live to provide the services that they need.

Making it possible for you to do what you know needs to be done in your communities is one of the keys to a successful health care reform. We also have to change the mix of health care professionals. We have to provide incentives for the National Health Service Corps to encourage doctors and nurses to practice in remote and challenging parts of our country. We need to change the way Medicare has funded graduate medical education. That is the primary reason we have the mix of specialist to primary care physicians today -- a ratio that is 70 percent in favor of those who are specialists.

We need specialists. We have to have specialists. But the reason we have so many is not just because every young man and woman -- seven out of 10 going to medical school in the last 20 years has decided they would rather be a specialist, it's because we as taxpayers subsidize the subspecialties. We need to change those

incentives so that we can begin to give the pool of primary and preventive health care professionals back to the country. We cannot have universal coverage and health care reform unless we have more primary care physicians and nurses, and that starts at the top with the way the federal government funds the programs. (Applause.)

We also need to be sure that we make the very best possible use of our doctors and our nurses. We need to encourage physician assistants. We need to encourage advanced practice nurses, nurse midwives, and others who can provide the kinds of services that will be needed in a broad-based system that emphasized primary and preventive health care. And we need to be sure that where there is an underserved area, a network of care is there to provide those services.

You know, in Washington -- the other magic kingdom -- there is a hospital in the poorest ward of that city. That hospital is in a place called Ward 8. It has only six percent of the city's pediatricians and only one of 15 city-run clinics. But it has 25 percent of the city's children, the highest proportion of premature babies the city, the most children with AIDS, and the largest number of infants who die before their first birthday.

Now, the Greater Southeast Community Hospital is there in that community, and it could be wringing its hands, it could be trying to keep its head above water, it could be folding its doors and going elsewhere. But instead, it has taken the challenge that its community provides and risen to it. It couldn't afford to keep giving away the kind of care that it was giving as people were brought in like some warehouse receiving sick people at their emergency room dock. It had to break out of conventional thinking about health care and devise inventive ways of dealing with the problems that were destroying the hospital as well as the community.

So Greater Southeast opened a school-based clinic, launched ambulatory care program, organized volunteers to perform blood pressure screenings at Sunday church service, made judicious investments in the kind of technology that would serve the most people in their area -- opting, for example, for a state-of-the-art kidney dialysis machine rather than even pretending it could perform open-heart surgery.

The net result is that costs are beginning to be somewhat put into balance, because so many people are treated at an earlier stage. Yes, they still show up in great numbers at the emergency room, but many more are treated in the much more cost-effective way of providing primary care in the community.

Those are the kinds of unconventional thinking that we need to make conventional -- that all of you know so well. If we do, then we will not only provide health care for all Americans, we will begin to see results in terms of cost savings. We make a promise to you: Not only will we deal with the problems that you have brought to us, like antitrust, with the intrusive micromanagement that just boggles my mind.

I once met a hospital administrator who told me that two of the departments in their hospital were now under 100 percent utilization review without any noticeable increase in quality. We want to get back to doctors and nurses making sound judgments about their patients. We also intend to simplify the well-intentioned regulations that often burden you like CLIA, so that it can be a reasonable approach to a problem.

We will make these promises to you, because we believe we can deliver them. We believe we can change what is currently going on in the federal government when it comes to health care. We also will make promises to our citizens -- not only those who will be insured and those who will have security, but to older Americans, many of whom now come to seek treatment in your facilities. We will increase the options for home and community-based care services and greater protections for nursing home residents. There will be a new federal home care program for disabled citizens, regardless of income. We want to end the travesty of people spending themselves into poverty to qualify for meager government aid, which only paid for nursing home care. (Applause.)

We want people to be able to be treated with dignity and respect in their home and in their community. We want hospitals, like many of yours, to start getting reimbursement for adult day care or for Alzheimer patient care. We want you to be able to serve your communities in a creative, unconventional way that we want to become the standard of practice.

We also intend to provide a prescription drug benefits, because one of the things I learned in the many hours I've spent in St. Vincent's talking with my friends who were doctors and nurses and hospital administrators is that you know very often when someone is discharged with that prescription in hand, either they can't afford to refill it, or they self-medicate because they want the pills to go longer. So if it says take four a day for three weeks, they'll take one a day and try to stretch it out. And then all too often they end up back in your care.

We want to provide a prescription drug benefit that will save us money by keeping people out of your hospitals who don't need to be there because they can be treated well by medication. You

will have to help us with that because it is something that has to be done carefully and cannot be permitted to get out of control in terms of cost. But it is a need that we want to see included in the benefits package.

Now, there are several ways of paying for this system. And really, if you cut through all of the arguments that will come from all directions, there are really three general approaches that the President could have pursued. There is a publicly financed approach where we would substitute for all of the existing private sector funding -- federally mandated tax money to go into financing the health care system. That's often referred to as a single payor system, and many of the countries with whom we compete provide such a system and do it at far less of a cost than the system we have.

For a number of reasons, that will not be the approach that the President proposes, although there are many strong -- (applause) -- there are many strong advocates who believe it is the right way to go. The President, ever since he was a governor and studied this issue at the National Governors Association meetings and all through the campaign, has believed that the strength of that system, like cutting administrative costs and reaching universal coverage, could be achieved without some of the problems that would come with it.

A second approach that will be advocated strongly is putting the responsibility for being insured on the individual, much as what states do now with auto insurance. If you want to drive, you have to have auto insurance. I guess the analogy would be if you want to get sick, you have to have health care insurance. It's a very difficult -- for health care needs.

It would also be difficult to predict how many employers who now provide health insurance would cease doing so because of the existence of an individual mandate. But, again, it has some strengths that we want to be very aware of. The emphasis on individual responsibility is absolutely key. We have to make consumers better informed consumers as they make health care choices.

And the third approach, which is the one the President has always thought would be most promising, is to build on the system we currently have -- an employer-employee system that has given us the best quality of health care in the world, that has placed us at the head of the pack when it comes to research and development and technological breakthroughs, but which, unfortunately, hasn't fulfilled its promise because of the problems of cost-shifting and inability to actually organize the delivery of care.

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But most employers in this country currently do provide some health insurance for their employees. They have been paying the price for the increases in Medicaid and Medicare and for those who are without insurance. And it is appropriate to ask that if some have borne all the burden, shouldn't all of us bear some of the burden? Why should any employer or employee who does not take on the responsibility for health insurance coverage any longer get what amounts to a free ride? Because you and I could go down the main street in Orlando or any street in America and we could point to a store that does provide insurance and a store that doesn't. But when the people who are employed by and work in the store that doesn't get sick, they go to your hospital, don't they? They're there. Maybe they have some coverage, maybe they have some savings they can use. But, by and large, they don't pay the full freight.

So the next year when it comes time to renew insurance, that first store that's trying to provide health care for its owners and its employees has to pay a higher premium to cover the costs of his neighbor's employee. At some point, America once again has to be willing to believe that all of us are in this together, because health care reform is not just about eliminating paperwork and bureaucracy or making the antitrust laws make sense, or reaching universal coverage on paper. Health care reform is about reinstituting a sense of compassion and caring into our society. It is about making common sense, practical judgments about our economic priorities. It is about putting our national house in order.

So we must establish new priorities, new incentives, and new partnerships. We must all take responsibility and we must all contribute. This will not be easy, but we don't have a choice.

Too many times in the past, individuals and interest groups and the government have marched to the edge of health care reform only to cower in fear and shrink away. And our problems have only gotten worse. Too many times we have held meetings and drafted brochures and plans and walked away. Too many times we have watched as one political party blamed the other for a system that had awry. And while they were all pointing fingers, the problems got worse, the pressures on you got harder, and yet we all walked away once again.

Now, after having walked away from this problem like so many others, how many more meetings do we need? How many more plans shall we draft? How many more dollars shall we pile up on the national debt, on more uncompensated care ledgers, on the backs of the people who are really paying the freight?

We need your help. We need you help at the Association. We need your help in your communities as the primary care givers. This is an opportunity that doesn't come often in the life of either

individuals and institutions or in country. This is an opportunity to make a bold stand, to fix a problem, to do it in a way that will work and to move our country forward.

If we are bold enough, and wise enough to meet this challenge now, we can join together not as Democrats or Republicans or liberals or conservatives, or any of those other categories that for too long have not only divided us, but have obscured the real debate about what is at stake. Let us come together as Americans -- as people committed to safeguarding our nation's future health and well-being. Let us join hands in knowing that if we move forward in the direction so many of you have urged for so long, we can be proud of the contributions we have made to fulfilling the American Dream of putting our nation back on the right course, of dealing with its human and economic challenges, and of once again, having a society that truly is a community.

That is what is at stake. That is our opportunity. That is our responsibility.

Thank you all very much.

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