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Health Care Forum w/ Sen. KERRY

THE WHITE HOUSE

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REMARKS BY THE FIRST LADY
AT HEALTH CARE BRIEFING

Lincoln, Nebraska

MRS. CLINTON: Thank you very much. It is a great delight for me to be here. I am especially pleased to be with your Senator, whom I have known for a number of years since he served as your governor when my husband was also a governor, and have admired and respected his commitment and concerns on issues; but, particularly, his concern and commitment to the issue of health care in this country.

I don't quite know how to take the Navy Seal analogy. (Laughter.) It is a little bit too apt, too close to home. But throughout this process, when I have been treading through very choppy and dangerous waters, Bob Kerrey has given good advice and good counsel and, I think, made my task much easier by the fact that he has been there before. And I am personally very grateful for his lifelong commitment to doing what he believes is right and, particularly, his willingness to put himself on the line in the last couple of years on behalf of better health care for all Americans.

It's a real tribute, Bob. (Applause.)

I'm also pleased to be here with Governor and Mrs. Nelson. They have become friends of my husband's and mine. I always enjoy being with them, and I always learn something. I learned just a few minutes ago about how the Governor is not only enormously popular in this state for a lot of very obvious and strong reasons, but how he handles the bane of all people in political life, and that is the unfair, unjust, inaccurate reporting that goes on from coast to coast, north to south, east to west. (Applause.) And he has given me some tips that I think I'll start putting into effect. I'm not going to share them with you right now. (Laughter.) But I'm very grateful to the Governor.

And I'm also pleased to be here with another governor whom you'll hear from in a few minutes: Governor Howard Dean from Vermont is a practicing physician as well as the governor of his

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state, and has been intimately involved with the work of the President's task force. And it's a remarkable combination to have someone who sees this complex issue from the ground up as a practicing physician whose wife is also a practicing physician, and from the policy perspective of a governor's office. And I know that you will find Governor Dean's remarks as useful and provocative, as I always do, and am delighted to be here with him.

Those of you who are here are obviously concerned about the subject of this conference and wanting to know more about it. I assume from the great size of this crowd there are people from all walks of life and from very differing perspectives -- people who deliver health care, people who receive it, people who study about it, people who are concerned as citizens, as parents, as members of the community that you live in.

That is a very good sign. Because part of what we have tried to accomplish in the last several months is exactly the sort of conversation that this conference represents and which your presence exemplifies. We have to be willing to strip away the years and years of papering over the problems in our health care system, of denying the reality that was all about us and impinging upon us and be honest with one another. That is where we have to start. We have to be willing to talk about our problems, put aside our own personal interests, our own prejudices, our own experiences insofar as that is humanly possible.

Physicians and nurses and patients and insurers, business people of all sizes, working people -- all of us must recognize we are all part of the problem and we will all have to be part of a solution if it is going to work for America.

Starting from that premise, let me share with you some of the facts that have made it impossible to ignore this problem any longer, and which prompted the President to commit himself as he has to trying to make our country provide quality, affordable health care to all Americans.

First of all, there is a lot that is right about our health care system. No one can deny that. We are always proud of the accomplishments and achievements within the various sectors of our health care community. We are secure in the knowledge that we have among the best health care in the entire world, and in many, many respects the very best. And we want to do all we can to make sure that our children and our grandchildren will be able to say that as well.

What is happening, however, is that beneath that statement of fact, there are many other facts that now are breaking

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through the surface that we have to deal with as well. The security that many of us have come to take for granted -- that the doctor, the nurse, the hospital would be there for us in time of care and need -- the fact that so many of us have relied on the kind of care that we have grown accustomed to and that we feel comfortable with, as we look around our country today, that fundamental, personal security can no longer be taken for granted.

Instead, what we find is not only skyrocketing costs, but the effects of those costs. We find the growing numbers of people who work hard for a living who do not have access to health care. We find that more than 100,000 Americans move into the ranks of the uninsured each month. And more than half of the uninsured in 1990 were full-time workers and their families, and the rest were part-time workers, seasonal workers, people who worked.

Now, that's the kind of statement that, taken in a vacuum, sounds frightening. But if you're not in that group, you wonder to yourself: Well, that's not me and that's not those whom I know. But it could be. Because now more than ever, Americans worry about losing the insurance that they have, that they have taken for granted.

I wish all of you could have come with me on the visits I've been privileged to make around the country, talking to people about health care. It is very hard to explain, as I tried to explain to a group of working people in New Orleans a month ago why they, who had worked for the same employer, some of them for 20 years and 30 years, did not have insurance, could not afford it for them or their families, but lived down the block from people who were poor enough and not working that they were eligible for Medicaid.

It was very difficult for me to look at the woman who worked in the clerical office of that small steel company who could not afford insurance, her company could not afford, they believed, to offer any help to her in purchasing that insurance, but she tried to take care of herself. She was a single woman who had raised a child, and she went every year to have a physical exam. She tried to read what she needed to read, to eat the right things. She said to me she even tried to start exercising a few years ago and tried to walk every day.

But when she went for her physical exam, her doctor found a lump in her breast and referred her to a surgeon. And then when she kept that appointment with the surgeon, she reported to me that following the appointment the surgeon said, you know, if you had insurance, I would biopsy that. But since you don't, we will just watch it for a while.

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It's very hard to look in the eyes of working Americans, people who are really at the backbone of this country and always have been, and to know that some, by the grace of their employer, have an insurance, and some do not. Some women can be referred to a surgeon for a biopsy and some will just have that lump watched.

Or to listen to a veteran in that same group who had worked in that same business for many years but who wasn't eligible for VA benefits because he didn't have a service-connected disability and he was working and wasn't poor enough to access the VA system. So, again, without insurance the emergency room was his physician. And he talked about how he hated to go to the emergency room because it was always so expensive. He tried not to go, but the times that he did have to go often he couldn't pay the bill he was presented. And he felt bad about that as well.

So, there is, beneath the security that many of us still feel, because we can afford insurance, we are lucky enough to work for someone who helps us pay for that insurance, there are millions and growing numbers reaching millions more of Americans who are not so lucky. I call that the "there-but-for-the-grace-of-God-go-I" group, because many of us are one job away, one layoff away from not being able to afford insurance ourselves.

And then there are so many others who are in the position of being self-employed. Many of the farmers and ranchers in this state are like the ones that I met in Iowa when I sat for over an hour and listened to four farm families talk to me about how they could not afford insurance. And these were people who put literally the food on our table. And what they did was despite the fact it made no sense by any accounting measure, they just squeezed every possible dollar out of everything else so that they paid for those very expensive single-family policies that they were able to access.

Or they even went through their local farm bureau; but because it wasn't a very big policy or they had a preexisting condition, they were still paying more and more every year with the cost continuing to escalate.

And I sat there in the living room of this farmhouse thinking to myself: Why on Earth would we want, literally, to drive out of business, which is what we are doing, farm families and ranch families who are still among the most productive workers in our entire country? Why would we want our government to look at their balance sheet when they come in for some kind of loan from some government-supported program and have the government representative say, you know, you're not really in a good position to borrow as much money as you want because your assets are obviously highly mortgaged. You can't really afford much but if you cut out your monthly health

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insurance, we think we can make this work for you? Why are we doing that to ourselves, why are we doing that to the people who work for us?

We also know that in addition to the 37 to 40 million Americans who are uninsured, to the group of Americans who are paying for insurance at extremely high rates for a variety of reasons such as preexisting conditions, there are 22 million more Americans who do have insurance but whose insurance is the barest bones insurance that often when the catastrophe strikes, the accident occurs, the illness worsens, they find they are not covered for all that they expected.

I always wonder when people start playing with the numbers, when they say, well, this is really just a problem of the uninsured if they have not talked to same people I've talked to, if they haven't talked and looked into the faces of people who are uninsured, who are barely insured, who are insured at extraordinary costs that never seem to reach an endpoint. And then if they don't talk with the rest of us who worry that it could happen to us next.

If we do nothing, if we just say to ourselves: this is such a complicated problem, we really don't think we will ever come up with a comprehensive solution to solve all of the aspects of it, then here is what we can look forward to. Experts estimate that the annual cost of health care for an American family will more than double by the end of the decade to approximately \$14,000 per family. Workers will lose about \$655 in income each year if health care costs are allowed to continue to eat up wage increases.

So, if we just keep our focus on the individual and on the household and think about what is at stake, we can see how big an issue this is for most Americans. But it is not just an individual and family issue, it is also a business issue. And it is a business issue in a number of respects. Right now, two-thirds of small businesses do provide their employees with health insurance. Many small businesses do so at great cost and at sacrifice. And about the most poignant meetings that I think I have personally had in the last months have been with small business owners who have told me in great detail the struggle they have gone through to try to continue to insure their two or five or nine or 10 employees.

Some have been able to continue to meet those costs by doing all kinds of things. Certainly, by doing the obvious of increasing copays and deductibles and all. Some by taking members of their families off the health insurance and putting them on another health insurance that another member of a family had. There have been enormous efforts made by so many small businesses who do provide insurance to keep doing so.

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For many others, they have not been able to. And I can recall, particularly, sitting in a small restaurant in a suburb of Boston talking to a group of small business people who told me in excruciating detail the struggles they had undertaken to try to provide and continue health insurance.

One man who owns a small family bowling alley has one employee. That one employee had a son with a serious illness and the illness was one that was difficult to continue to insure for and the costs continued to go up. And the owner looked at me with tears in his eyes and he said, look at the choice I'm asked to make. This man has worked with me like a member of my family. And now I'm either going to have to make a decision to just cut him and his family off of health insurance or to tell him to see if there's any other place he can go to work where he might get it, but I've checked for him and I don't think that's possible. Or to continue to try to pay the insurance when we don't make all that much money. What am I supposed to do?

The human side of the business story is one that is filled with tales like that. There's another side as well. And that is that small businesses because they are small pay premiums that are one-third higher on average than large employers and those premiums have continued to increase 50 percent faster than premiums for larger employers.

So, it's a never-ending cycle. It's not enough just to make it one year. Given the history we've had in the last several, it keeps getting worse. There's also a competitiveness issue here with business. Our large businesses very often have a tradition of insuring their workers; and not only workers but their retirees. As a result, they have paid out millions and by now billions of dollars in both premium and costs that they will never recover in terms of investing in more jobs and opportunities for Americans.

In 1990, for example, General Motors spent \$3.2 billion in medical coverage for its 1.9 million employees and retirees -- \$3.2 billion. This was more money than the company spent on steel to build new cars.

Health care costs add \$1,100 to the price of every car made in America. How can we expect to revitalize the manufacturing sector of this country if we basically have told our large employers: Fight the global economic battles with two arms tied behind your back. So it is not just the human side when it comes to business, insurance, and health care costs, it is a question that every American needs to be aware of because it impacts on our quality of life and the economy of this country.

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In addition though to business, we have government. But governmental costs for health care are the primary reason behind the increase in the government deficit. I want to stress this point because so many people when we hear about the enormous deficit that has swallowed up so much of the investment potential in this country, it is such a big number, it has grown so much in the last 10 years that it's almost hard even to grasp.

But right now we are currently spending 14 percent of every dollar that your country produces -- and that's referred to as the Gross Domestic Product -- 14 cents out of every dollar is spent on health care in this country and the government's share of that is growing faster than the private sector's share of it. If we continue at the same rate of growth, then we are likely to see that in seven years almost one dollar out of every five dollars earned by Americans will go to health care spending, and more than half of the increase in federal revenues that we hope to see in the next four years because of economic growth will be absorbed by health care cost increases.

If we do not deal with the costs of health care in the federal and the state and the local government budgets, we will bankrupt cities and counties and states. They may never go to a bankruptcy court because we don't have a system big enough even to comprehend that. But they will continue to do what they have done for the last years -- run enormous deficits which will never ever quite get closed and the federal government will be in a position, as it has been in the last years, of pretending that there is an answer to a budget deficit that grows by leaps and bounds because we will not face up to the role that health care costs play in keeping that growth accelerated.

When my husband made his announcements about what he wanted to do with the budget, and he spoke to the Joint Session of Congress, he made it very clear that what we were facing was a budget deficit that had to be addressed on several fronts at once -- had to be addressed by cutting spending, which is being done dramatically and honestly for the first time in a very long time. But it also had to be addressed by reining in health care costs in both the public and the private sector.

Now, these are the facts that, no matter how much we would like to deny them and wish they would go away, are really framing the debates about what we should do in health care. And you have heard in this conference, and will continue to hear, from people who have spent a lot of time thinking about the best answers.

What the President did when he established the Health Care Task Force was to say, look at everything everywhere that might

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work. Make sure every issue that has an impact on health care, its cost, its quality, its availability, is pulled out to the light of day and evaluated.

To that end, hundreds and hundreds of Americans have been spending countless hours trying to make sure that the President's charge to them has been met. People from all over the country, all walks of life, more than a hundred medical practitioners, nurses, others who are on the front lines of health care, many people who have studied the issue from a different perspective, whether it be the VA's problems or the Indian Health Services problems; and countless others have given of their time and energy to be consulted with on an ongoing basis.

And one thing that is clear from having looked at the extraordinary range of issues is that any attempt to try to rein in our health care costs cannot just attack one part of the problem. To do that would be leaving opportunities for explosions of costs and continuing growth in other parts of the system. So the President has called for recommendations of a comprehensive approach to try to reform the health care system, put it on a sound financial footing for the future, retain the qualities of choice and opportunities that currently exist, and be sure that all Americans have access to health care.

And to that end, a number of different programs and potential models have been examined in an effort to come up with an American solution to an American problem, to make sure that what was proposed would provide flexibility to states like Nebraska or Vermont, because the people in different localities might need different approaches if they were to solve their own health care problems.

The costs associated with trying to provide a comprehensive solution are ones that we have to also be honest about. We believe that there is money in the system now that can be reallocated and used to meet a new system's more realistic requirements. We believe there is money to be saved in ridding the system of unnecessary paperwork and bureaucracy and red tape and micromanagement that has stood in the way of delivering health care. We believe that insurance companies like the great one that is headquartered here can help a great deal by coming up with uniform reporting forms and making it possible to move toward a computer-based information system that would save in the future billions of dollars.

We also believe that changes have to be made in our laws as they currently exist -- laws like antitrust laws that prohibit physicians or hospitals from cooperating instead of competing. There

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are communities in this country that tried to bring their hospitals together so that they could work out sharing arrangements of expensive equipment like MRIs or CAT scans. And we're told that if all the hospital administrators met in the same room, they would violate the antitrust laws. So instead, they all went out and bought their own machines. And that's one of the reasons Tylenols cost \$50 when you go to the hospital, because you have to amortize the costs of those machines. You have to make them pay for themselves, even though the volume demand may not warrant it.

So there are so many issues to be looked at, all of which are being considered, evaluated, and serving to make recommendations for the President.

But I want to say something very clearly about the principles that need to underlie whatever the President proposes. The first principle has to be that Americans will be secure in knowing they will have access to quality, affordable health care, no matter who they are, no matter where they live, and no matter what their health status is. They also have to be given the security that the costs that they pay for health insurance will not continue to skyrocket, but instead, will be controlled in some way by the marketplace so that they will understand that they can budget for that, businesses can budget for it, that will not be hit by surprises on a yearly basis, and not be able to deal with the costs.

We also have to recognize that there are values in our health care system that we need to promote and some we need to introduce. Individuals will have to be more responsible for their own health care. They will have to behave in ways that will promote health care. Now, how can we do that? We can't write a law that says go out and be responsible and take better care of your health, but we can put incentives into our system to try to promote certain kinds of behavior and discourage others.

We also need to value the full range of health care professionals. We have subsidized through the Medicare system the creation of many subspecialties in medicine. Those are important. But we have now 70 percent of our physicians who are specialists and only 30 percent who are generalists. You cannot run a system of health care that will tend to the primary and preventive health care needs of Americans when only 30 percent of the physicians currently in practice and only 15 percent of those attending medical school now will be there to provide primary and preventive health care. So the incentives that have traditionally gone into medical education to promote specialists now have to go into medical education to promote generalists.

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We also need to expand the work force composition in health care. We need more nurse midwives, we need more nurse practitioners and other advanced practice nurses. We have to have a health care profession that reflects the broadbased needs of Americans.

So the kinds of values that we are struggling with, the kinds of issues that you live with, whether you're in a household or as an individual or in a business or part of the health care system, are all being looked at so that we can come up with answers to what we think will be the best American response.

Now, how will this program affect your life? We hope it will not change much about how you actually access and receive medical care. We do hope that you will have a card which is your passport, as Senator Kerrey has said, to health care in America. We hope that you will continue to have choice in the doctors and other health care professionals whom you choose to go to to receive care. And we hope that the states will be willing to take on a lot of the responsibility for making sure that the system actually fits the needs of the real people in a region.

Before coming out here, I was privileged to meet with representatives of the Lancaster County Medical Society and the local public health and social services offices and representatives from the state who have innovated a program here in this county to be able to care for Medicaid recipients by using private physicians through a referral system run by the public health system.

That is the kind of partnership and cooperation that we have to have if we're going to have a true comprehensive system that provides a continuum of care.

I like the word "cooperation" when I think about the health care system in the future. We have spent too much time in the past arguing and fighting over shrinking dollars that are creating barriers to access instead of expanding opportunities and removing those barriers.

When the President comes forward with his proposal, it will be based on extensive and lengthy and thoughtful suggestions from literally hundreds of thousands of Americans. But we will need you to take a hard look at it and to continue the process of consultation and suggestion through your senator, through your governor, because there is no magic bullet out there. There isn't any one simple model that can take care of Alliance and Broken Bow and Omaha and Lincoln, or Little Rock and Los Angeles. We need a national system with state and local opportunities to make sure that differences can be adequately met.

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We're looking for a chance not only to change our health care system, but to reassert some fundamental values in this country that have been forgotten -- values like individual responsibility, values like community. We want to restore some of the compassion and caring that we took for granted when I was growing up and which have been lost, not just because of the pressures of change in our society, but because of big institutions and bureaucracies and the distance that they create between people.

When I was meeting with the Lancaster County Medical Society representatives and the other folks, they told me that one of the reasons that this innovative Medicaid treatment program worked is because the people behind it had been humanized. Private physicians could see real faces of real people. Social workers paid calls on physicians and on patients. People began to help one another and once again to identify with each other as human beings, not as numbers, not as insureds, not as providers, but as people.

This is an incredible challenge and opportunity for our country. It's not going to be easy. It's not going to be done overnight. But it has the promise, not only of providing health care in an affordable, quality way to all Americans, but reasserting some of the common values about what it means to be members of a community where people are joined together in caring and commitment. Because we all have a stake in the future, and the surest way for us to realize a better future is through cooperation and a commitment to making a health care system that really works so that Americans can once again be secure.

Thank you very much. (Applause.)

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