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Minnesota Health Care Conference

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Sabo Health Care Reform Conference, Minneapolis, MN 9-17-93

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REMARKS BY THE FIRST LADY
AT MINNESOTA HEALTH CARE CONFERENCE
SPONSORED BY CONGRESSMAN SABO

Minneapolis, Minnesota

MRS. CLINTON: Thank you very much. I am delighted to be back in Minnesota, honored to be at this university of excellence on this occasion to address this most important subject facing our country. I want to thank Congressman Sabo, in particular, for inviting me to this health care conference and for his dedication over the years to health care issues and his skillful leadership on the budget committee, both of which have made him a very welcome presence in Washington over a long period of time, but particularly in these last few months.

I am also delighted to be here with my friends, Senators Wellstone and Durenburger, whom I have gotten to know since moving to Washington, and appreciate greatly their advice and counsel. I don't think any state has two Senators with whom I have spent more time talking about health care. And it has always been a very important exchange for me. (Applause.) And I also want to thank Congressmen Vento, and Ramstad and Grams for joining me here and also for being part of the many consultations that I have been privileged to take place in the Congress that I have been participating in which they have attended.

We are on the brink of a great national discussion about the direction of health care in our country. And it is particularly appropriate that I would have the opportunity to discuss those issues here in this state, a state whose rich contributions to American culture are undeniable and too numerous to mention.

There are few states, if any, that can lay claim to the kind of pioneering work that Minnesota has done repeatedly over the decades, breaking new ground on the social issues that faced our country. And there is no place in America that can lay claim both to the Mall of America and the Mayo Clinic -- (laughter) -- or the Metrodome and the Copperdome or the Cathedral of St. Paul. And I always believe that everybody in Minnesota is above average, anyway. So, I'm just delighted

to be here. (Applause.)

There is no area of leadership more important than what you have already done here in this state in health care. We see it from one end of the state to the other. We see it, certainly, at the Mayo Clinic, sometimes called the most innovative doctor's office in the world. We see it at the University of Minnesota, which has historically paved the way in all kinds of new breakthroughs, including cardiovascular surgery, the training of primary care physicians for rural areas. And I particularly want to compliment the program at Duluth which has turned out more rural health care family physicians and trained more -- (applause) -- Native American physicians than anyplace in the country. (Applause.) And I always ask myself: If one medical school can do it why can't others? And we need to ask ourselves about that with respect to many of the programs we see here in Minnesota.

In Henopen County, for example, we have a program to provide coverage for uninsured residents. And today when I visited a community health clinic, I heard about the patients whose uninsured care is picked up through the combination of programs -- Minnesota Care, county contributions, local contributions -- that is rather unique in many parts of the country. And, certainly, this legislature's courageous bipartisan efforts to establish a program of health care, to begin to implement it, to set budget targets and encourage integration of the health delivery system stands far and above what has been able to be accomplished in many other states. So, given this impressive history, it is not surprising that we are here in this state to talk about the future of health care.

In just a few days, the President will outline the principles underlying the National Health Security Act. This initiative marks the first time in years that the Congress will have before it a comprehensive measure to provide health security for all Americans. This is an issue that has been considered in Congresses many times before. Many legislators have come forward with proposals ever since the 1930s. Other presidents, starting with Franklin Roosevelt and including Harry Truman and Lyndon Johnson and Richard Nixon, have come forward with comprehensive health care legislation. But there was always some reason, some timing, some excuse why we could not move forward.

When this process began many months ago, the President's goal was to design a program that would fulfill the American promise of affordable, high quality health care for every citizen. That promise is founded on a fundamental belief: that good health is every American's most cherished possession, a source of collective strength and prosperity for our nation. It is also founded on a conviction that every American should have the right to necessary health care. This is not a new idea, nor a revolutionary concept. We have talked about it

for years. But while we have talked, the problems, the challenges, the bureaucracy, the red tape, the costs of health care have continued to accumulate. So it is time to move beyond talk, time to move out of the auditoriums and the clinic offices, the water cooler discussions, into the halls of Congress to establish the basic principle that every individual is entitled to health care security. (Applause.)

The process of drafting the plan that the President will propose has involved literally thousands and thousands of people from all walks of life and from every corner of every state. We have listened to those who tend to the sick, the doctors, the nurses, the technicians, the employees in hospitals and hospices. And we have listened to those who receive care. The patients who know firsthand the benefits and pitfalls of our current system.

We have listened to those who thought they were secure, but lost that health insurance and joined the 2.25 million Americans every month, who for some period of time, lose their health insurance. We have listened to the stories of job lock. We have listened to the excruciating tales that come from people being denied insurance coverage because of pre-existing conditions. And we have heard from businesses large and small, and from insurance companies that provide health insurance coverage.

We have talked to governmental leaders at the local state levels to talk to them about what challenges confronted them. And we have especially enjoyed the counsel and advice of people from Minnesota -- people like Lois Quon, who is here on the podium and others who are in this audience who have given of their time away from their families, away from their businesses, away from their practices, to spend countless days in Washington helping us make sure we got it right.

Now, what we are coming forward with out of this process is the beginning of a planning effort that will involve, we hope, everybody in this country. One of the first conclusions I reached is that there are not just experts in health care who sit in medical schools or other places around our country. There are 250 million of us who are experts in health care. All of us have some experience that we will bring to this national discussion. And what we want is a solution that solves the problems we face and gives people the security they deserve and they currently lack.

But those of us who have worked on this plan don't think we have all the answers or that the answers we come forward with are coming down in tablet form. We think there's a great deal of opportunity for us to work in a bipartisan fashion to hear the responses, to begin to make sure we come with a plan that will get it right and will assure people that we have listened.

But there are some principles that we have to insist on. We may be able to discuss the details together and come up with better ways of accomplishing these principles than the ones that our process has produced. But there are certain bedrock principles that I think all of us should agree we need to meet.

The first principle -- the most important -- is security. That means we have to reach universal coverage as soon as possible. (Applause.) This is a principle founded not only in the human tragedies that come too often to our attention because of the denial of health care. But in the economic realities that until every American is insured and does have health security, there cannot be the kind of cost-effective approaches to providing health care that we expect to achieve savings so that as we move through the system, we can begin to enhance quality while, indeed, we provide security.

When we talk about security, however, we are not just talking about giving people a health security card, although that will be done. We are talking about what that card will entitle a citizen to. We must provide a comprehensive benefits package so that it is guaranteed to every American. It is not enough to have coverage and access unless that coverage and access takes care of your medical needs when they arise. And it is our firm belief that the package of benefits should emphasize primary and preventive health care.

It has been for too long that we have had our system rewarding the wrong kinds of behaviors. We have not encouraged people to seek well child care. We have not encouraged people to seek the diagnostic tests that could point out a problem early. We have not encouraged the diabetic to be able to go and afford the kind of scans and tests that are needed to make sure that her condition doesn't deteriorate. But we have paid for the operation, we have paid for the chronic illness. It is time we put primary and preventive health care at the head of the list of what people need and deserve. (Applause.)

The second absolute principle is, we have to simplify this system. We cannot permit it to continue unchecked, spewing out more forms and more regulations in both the private and the public sector every year that goes by. This morning, I spent time visiting with a nurse who helps patients eligible for assistance to fill out the forms that those patients face. And she went through the list of forms that "as a patient," in her words, "might confront without adequate education or understanding, I was, as I always am, overwhelmed. Stack after stack of paper came my way." And I know that is the situation for so many people, confronted by government programs with forms and confronted in the private sector with insurance forms.

But it is even worse in our hospitals and doctors' offices. In the last 15 years, hospitals, on average, have hired four administrative

and clerical employees for every doctor. We have turned nurses who went to nursing school to care for patients into bookkeepers. We have watched as we have tangled our hospital administrators and those who work in our hospitals in a web of paperwork that there is no relationship to the care that you and I expect when we walk in the door. (Applause.) We have the opportunity now in reform to reverse and eliminate that paperwork jungle that has beset our health care system.

This morning in Washington, the President went to the Children's Hospital there, along with Vice President Gore, to present the kind of single form that we hope to be able to move toward so that all who provide care will be spending their time doing that instead of hiring people to fill out forms in the future.

If we can begin to tackle and finally conquer this paperwork complex system that we have created, we will save billions of dollars and free up, literally, thousands and thousands of hours for doctors and nurses and others to do what they were educated to do.

The third principle is choice. More and more, the current system is limiting choice for consumers. Employers who bear the cost for most people's insurance who are insured make the choice as to what plans will be available and increasingly limit that choice. With the health security act, individuals will choose from among the plans in their area. They will decide whether they want to join an HMO or a PPO or a fee for service or, yet, some uncreated network that will deliver the care in the way, at the price, at the quality that they want.

If we preserve choice, what we have done is not only to give the power for making that decision to the individual, we have given the responsibility to the individual. We need better informed consumers in health care. Most people know far more about the car they buy than the health insurance plan they subscribe to. They don't know how to make distinctions among the varying kinds of services that are offered. We need to provide incentives for them to do so, and choice is the principle that will lead them in that direction.

Fourth, we have to realize savings in our new system. We now spend, as many of you in this audience know, 14 percent of our national income on health care. We spend as much money on health care in America as the entire economy of the country of Italy. And if we do nothing, if we do not insure one more person, we will be spending 20 percent of our national income on health care.

What that has meant is not only an extraordinary explosion of commitment of resources to health care, but it has been a major factor in slowing down and stagnating the wages of working people. Any of you who work for a living, like most of us do, any of you who represent workers, you know that the battles of the last decade have been over how

much money could be pushed into benefits as part of the total compensation, taking it out of wages. This has not been good for our economy, nor for our workers. It has particularly hit hard middle-class families that have struggled to keep up with other costs in their household expenses.

Other countries in the world do a much better job than we do with their health care expenditures. Canada is the next highest to us, at about 9.4 percent. But our other major industrial competitors, like Japan and Germany, are between eight and nine percent, and they cover every one of their citizens with a more generous benefit package than we do on average here at home.

If we do not attempt to get savings out of this system as we reform it, we will only be freezing in the inefficiencies and cost structure that are such a problem for us now.

There are some who say: How can you ever get savings out of this system which is so complicated, and how can you come with a reform that will achieve savings when there is so much work to be done, like insuring the uninsured? We have studied this very closely, as many of you in this audience who have been involved in the health care system know, there is not anyone I have spoken with -- doctor, nurse, hospital administrator, technician, patient, advocate for patients -- who does not tell me stories about the ridiculous decisions they confront because of costly bureaucracy and regulations that affect how they can make decisions.

I was home in Arkansas recently, and an ophthalmologist whom I know came to see me. He said, "I've been following what you've been doing, and I wanted to give you some evidence as to why I think you're on the right track." And he produced for me hospital bills from some of the patients whom he serves. And he explained to me how he performed the same procedures in various hospitals to the same kinds of patients, and hospital charges would vary from $900 to $2300. We are caught in a system that rewards those kinds of differences, because we have not been willing to face up to how we could provide health care more cost-effectively.

There are some who will argue we can't get savings out of the public system, out of Medicare or Medicaid, and we cannot get savings out of the private system. And, to them, I ask: Are we less efficient? Are we less able to deal with our health care problems than every other country with whom we compete? I don't think so. We may have to change the way we think. We may have to let go of some cherished myths about what care costs and start thinking about what it can or should cost. But there is no way we can justify spending the amount of money we are currently spending. And one of the President's goals is to set in motion a process where we will begin to save money that can be better

utilized to provide real benefits to people who are left out of the system now.

The fifth principle is, we have to preserve and enhance quality. And we can accomplish a lot by collecting data and comparing standards and outcomes, and then publishing what we know. If we are truly going to have informed consumers, then we need to have what some of your health care providers are now beginning to do: report cards about quality, so that consumers can make comparisons and make decisions.

Without quality standards, we will continue to see wild variations in prices, too many unnecessary procedures, too little emphasis on primary and preventive care, and too little consensus about the most appropriate treatments for many common illnesses.

I go back to my friend, the ophthalmologist in Arkansas. He was the one who performed the surgery on each patient. The outcomes were the same. There was a relatively minor cataract surgery in those instances. There was no difference in quality, only difference in price.

The State of Pennsylvania, as have other states, have been collecting information about how much certain procedures cost and then correlating that cost with quality. You can get a coronary bypass in Pennsylvania in one hospital and pay $20,000, and you can get it in another and pay $80,000. Based on careful analysis, comparing the same kinds of patients at the same state of disease, there are no discernable quality differences. But without that information that enables us all to make informed decisions and enables those within the system to consider alternative ways of performing medical services, we will not know whether what we are getting is good quality or not.

The sixth principle is responsibility. Responsibility should permeate the system, and for too long it has not. Too many people have not taken responsibility for their own health. And we need to insure for the first time ever that everyone pays their fair share in the health care system. Everybody must pay something, because everybody must assume responsibility for their health care.

The way the current system operates, some people pay a lot -- some employers, some individuals; some people pay some, and too many people pay nothing. We have to put an end to the free rides in the medical system. Everybody should be responsible to pay something. (Applause.)

Individual citizens have to bear responsibility, and there are only three ways that can be used to finance universal health care coverage in this country. There is the way that many in Minnesota and Senator Wellstone favor, which is a system which transfers away from the

private sector wholly onto the government the total costs for health care through taxes; there would be ways to replace both business and individual contributions in the form of insurance premiums. (Applause.)

There is also the way that we've introduced just last week by a number of Republican Senators, to require an individual mandate in which individuals, much as we do now with auto insurance, would be responsible for buying health insurance, and low-income individuals below a certain level of income would be subsidized with vouchers. (Applause.)

Now, both of these approaches would move us toward more responsibility than we currently have. And we and the task force looked very carefully at both of these and learned a lot from each. We considered the single-payor approach. But the task of raising taxes to replace all that private sector investment, plus other considerations, seemed to us that we ought to focus instead of on the way a single payer system is financed, on the qualities that it contains, namely universal coverage, administrative simplification, and the like.

So the strengths of the single-payor approach, including the savings we believe will come, have been continued in the President's approach.

We also explored the possibility of requiring individuals to buy health insurance, but we had a number of questions that we are still exploring with Republicans in the Senate as to how that practically would be done.

How, for example, would we insure that individuals will really go out and buy the insurance, and what system will we use to require that they do so. How would we prevent employers from suspending or eliminating coverage for employees, particularly low-wage employees who would then fall into the subsidy pool that the government would pay for. And that would require increasing subsidies that a growing number of people that might be thrown into that pool, which would, in turn, raise the government's involvement, both financially and administratively, because to keep track of the amount of subsidy each individual would require to track that person would, we believe, necessitate a rather complex administrative structure. But we also believe as that approach sets forth that the key is individual responsibility.

What we would like to do is to build on the system we already have. An employer-employee based system in which everyone is responsible for contributing. That model allows us to achieve reform without compromising the core principles that we believe in. If we do that, then we know that for those employers who are currently insuring at the level of benefits that we think should be the guaranteed level, there should be savings -- and we believe there will be -- savings even in the first year.

That will represent savings to the vast majority of businesses, both small and large, which currently insure. We also want to be sensitive to businesses that are currently insuring but not at the level of benefits that we think are necessary. And we have worked out a system to subsidize businesses that would need some assistance financially to meet those requirements.

But of course, there are businesses that now do not provide any health for their employees whatsoever. For many of those businesses the idea that they would be required to do so poses grave problems to them. But on the other hand, those businesses now are taking advantage of a system both through their owners or through their employees that the rest of us pay for.

There is no easy answer as to how we finance a system that includes every American. But we have, since World War II, used the workplace as the location for assuming responsibility would be met. By building on that, we do not dislodge what has become the accepted means of thinking about insurance in America. You would get your insurance through your workplace, if you are unemployed you would be subsidized by the government.

We also believe that the Medicaid program as we know it now should be ended. (Applause.) And Medicaid recipients should be eligible for insurance along with their friends and neighbors through large purchasing pools. And they should not be identified in the system as being any different from you or me. (Applause.) So that we will have, we hope, a seamless system in which everyone, including those currently on Medicaid who work, everyone who works will contribute something bases on their ability to pay to their health insurance. And all businesses will contribute something on behalf of their employees.

Now, what will this initiative mean for Minnesota? First, let me say that many of your state innovations guided us in developing this plan. We know from what you have done that this cannot happen overnight, it must be built in stages, but that we must have goals and principles that we do not detour from.

We know from your forward thinking health plans that emphasizing primary and preventive care leads to lower expenditures and significant savings. We know from the Minnesota State Employees Group and from AFSCME's leadership in this area, that families can get better, more affordable health care by purchasing coverage through large groups. We know from recent efforts in places like Willmar and Chicago City that integrated health care services can be established in rural areas.

And we know that if we put our minds to it, as I already mentioned, with the University of Minnesota Medical School at Duluth,

with the right incentives, medical students will go into primary care and practice in underserved areas so that we will have the manpower we need to make good on the promise of universal coverage.

We have seen what can happen here in Minnesota by the changes that you have already accomplished. You have also showed us how the federal government too often has been an impediment to reform. That is not the way it should work.

Let me assure you that the President's initiative will give states more flexibility to move forward with reforms that are appropriate for each state. For example, regional health alliances will create a mechanism for covering all citizens, and will, therefore, eliminate the need to get waivers or changes in ERISA. We hope that the kind of flexibility that will be given to states will enable Minnesota to pursue what is best for Minnesota and permit Texas to pursue what is best for Texas.

Reform will benefit Minnesota in other ways, as well. Because you are further along than most states in organizing integrated delivery systems and setting budget targets, you will move toward lower costs more quickly. That puts you in a much more competitive situation than other states could claim.

If we begin the process of considering the President's plan now, and move forward in the Congress with the assistance and help and guidance of people in places like Minnesota, we should be able to reach consensus on the kind of health care plan this country needs in time for us to begin implementing it over the next few years. Every year that we delay, we continue to increase the problems we will face when we finally meet the challenge. Back in 1977 Hubert Humphrey sounded this prophetic alarm. He said we don't have any health protection program in this country. We have a sickness program. You have to get sick before you get anything. (Applause.)

We need a program on how to prevent disease. Otherwise there will be no end to the costs of health care. Hubert Humphrey was right when he spoke those words 16 years ago, and unfortunately he would be right if he were here with us today saying them again.

Now, I don't want to underestimate how difficult the challenge ahead of us will be. There are many who are already filling the airwaves with scare tactics and fears about what reform might mean. There are a lot of people who stand to make a lot of money if the system doesn't change. And there are a lot of people who stand to lost a lot of money if it does. One of my hopes as we move forward in this debate, is that every time you hear a charge, every time you see an ad, every time you listen to someone talking on the television about what reform will bring, you ask yourself: Am I hearing someone who is giving me his

honest opinion as objectively presented as he can? Or am I hearing someone who either is or represents some interest who is likely to suffer financially if we make the changes that need to be made? If we insure every American, for example, there will no longer be need for people to sit furiously figuring out how to eliminate people from coverage so that we don't have to pay for them. (Applause.)

This debate will require the best that America has to offer. But if we can agree on the principles, then I am absolutely confident there are enough people of good faith and of informed opinions and of compassion and good sense in the United States Congress that we can work out the details. That is my fervent desire. I just want, at the end of the day, however we struggle over the technical parts of this, to know that we are all moving in the same direction together, that we are not giving up the goal of universal coverage or on the hope of choice and enhanced quality.
And based on my experience over these months in the Congress, I have every reason to believe that will be the outcome of the efforts we will undertake.

And I have to confess, that as I sat on the White House lawn on Monday watching representatives of two ancient enemies come together to sign a Declaration of Principles of Peace, and then to shake hands, I thought to myself: there were people all over the world who, every single day, against dangers and obstacles we cannot even imagine, got up and worked for peace, who believe that, someday, the leader of Israel and the chairman of the PLO would have to meet and agree to end the war.

But that would never have happened without people who believed it would. Now, surely we in America, who have more blessings and more security and a brighter future than has ever been dreamed of in most of the world for most of history, can put aside the divisions that for too many years now have kept us apart. Can get beyond part of the wrangling and ideological name-calling and come together around what makes this country what it is. And one of the most important challenges facing us is to achieve a health care system that includes every American for which we, then, can be proud to have done our part. That's what's going to happen in the months to come -- but only if you all help make it so. Thank you all very much. (Applause.)

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