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American Academy of Pediatrics

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Remarks by First Lady Hillary Rodham Clinton To
The American Academy of Pediatrics
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DC Convention Center

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MRS. CLINTON: (Applause.) Thank you. Thank you so much, Dr. Lowe (sp), for that introduction and for your years of friendship and support. This is a little bit like deja-vu all over again, to be introduced by Dr. Lowe (sp), who was introduced by Dr. Pearson (sp) because, as Dr. Lowe (sp) said, my interest in and commitment to children really started when I was at the Yale Law School and took an extra year at the Yale New Haven Hospital and the Yale Child Study Center and even to take a course at the Yale Medical School and began to understand more fully the relationship between the social and legal conditions of children and their health needs. And I'm grateful to the wonderful faculty and extraordinary leadership that was given to that effort at Yale, Dr. Pearson (sp), and want to thank you personally for that.

And then from Yale I went to Arkansas and began to work with a remarkable group of people at the medical school there and particularly at the Children's Hospital: pediatricians who were committed to making sure that children in one of the poorest states in America got the same quality of care they could get if they lived in New Haven and went to the hospital there. And I'm very proud of the work that Betty Lowe (sp) and others did with me over those years, and I never will forget the level of commitment and dedication that she brings to these children whom I knew so well and cared about, that she brought to my own child, who was a patient at the Arkansas Children's Hospital. And I cannot in a fully articulate way express the gratitude I feel to people like Betty Lowe (sp) and Dr. Pearson (sp) for always fighting for children when a lot of people wouldn't in the last 20 years. And I want to thank you. (Applause.)

I also want to thank this academy, and I particularly want to thank your staff. I want to thank Joe Sanders and Jackie Noyse (ph) and Graham Neuson (ph), who have been with us every step of the way. The academy has been one of the strongest voices for health care reform, and the academy has worked with us continually to try to make what we are doing for all Americans, but particularly for children as good as we could make it. There have been a lot of groups that have paid lip service to health care reform. The academy and literally hundreds of pediatricians around this country have gone far beyond the call to help. They have spent countless hours, both here in Washington and around the country, working with us. And behalf of the president, on behalf of the administration, on behalf of the children of America, I want to thank the academy.

But I also want to challenge all of you to understand that our struggle on behalf of health care reform, to take care of the most vulnerable members of our population, is just beginning. We have a long road ahead of us. That should not be discouraging to people in this audience who have

struggled to provide services under difficult circumstances, who have built children's hospitals into institutions of excellence, who have led research, who have done the kinds of things you have done. But many of you have not been in the political arena before. It is not a rational field of combat. (Laughter.) The best argument, the best-presented paper does not always carry the day. The diagnosis can be absolutely clear to anyone with eyes to see and ears to hear, but oftentimes that doesn't get translated into the action that you or I would want to see, unless we are committed to seeing that happen.

There is no group in America that understands better, cares more, or has been as committed as this academy and its members to the simple proposition that every single child in America deserves to be born healthy and to have as healthy a childhood as we can provide for him or her. That should be our stalwart commitment as we move forward in this debate. And when people begin to talk abstractions, when they begin to talk about problems and obstacles, each of you, with all of the children you have seen and taken care of, can respond, think of the children and give specific examples of children whose lives will be better because we will as a nation finally fulfill our commitment to their health care if we can pass health care reform in 1994.

Now, there are many issues that will be discussed during the next months, issues that are important, but let's start with the state of American children now, because if we compare what we are doing to what we have now, it is not even a close contest. We currently have about 9 million children who are uninsured. That means that their parents don't work for people or they cannot afford to have private insurance, or they are not poor enough by whatever the state standard for Medicaid is to be eligible for any kind of assistance for health care -- 9 million children in America.

And if you have been following the recent statistics about poverty, you know that we are back to the level of the early 1960s with the percentage of families and children living in poverty. So the numbers of the uninsured are not a static figure. It is increasing. Every month, 100,000 Americans lose insurance permanently. The path that we are on now, in which greater and greater costs for Medicaid populations are not being borne easily by either the federal government or the state or local governments, will lead to less and less coverage even for the Medicaid eligible, and at the same time, we will have increasing numbers of families who are uninsured.

One in five American children had no contact with a doctor in 1992. Thirty percent of all children under the age of two, and 50 percent of inner city children have not been immunized against preventable childhood disease. Fewer than half of those Americans who are not enrolled in some kind of managed care receive routine preventive services. And even in the best of the HMO packages, over 50 percent require cost sharing for well-baby and well-child care. And finally, many insurance companies today use preexisting clauses regarding preexisting conditions to avoid prenatal care coverage.

So, the conditions of children, and particularly poor children, but really all children -- because the 9 million uninsured live predominantly in families that get up every day and go to work.

They are the children of the waiters and waitresses of restaurants that serve you. They are the children of the chambermaids and maids in motels and hotels where you stay. They are the children of men and women who go to work at 5:00 in the morning in small factories in order to make the goods and the services that you and I take for granted. They are the children of working parents and they are left out in the cold without adequate health care and it is a disgrace that we should begin to stop right now, here today at this Academy meeting. (Applause.)

Under the president's proposal, every child will have a medical home. The benefits package provides coverage for ongoing continuous care from preventive care through acute care and rehabilitation services. With respect to preventive care, there will no longer be barriers to care, there will be no deductibles and no co-pays for well-baby and prenatal care. The proposal calls for 100 percent coverage of prenatal care services, fully covering the associated testing necessary, such as rubella testing and ultrasounds if medically indicated. The proposal also covers one post-partum visit with no cost sharing. It also covers clinician visits, immunizations, TB tests.

I know that we have worked with you to determine exactly how many visits we can afford to have for free for all children, and we will continue to work on that. But let me make clear, we are talking about some visits for the first time ever being free, and others being available for a very small amount of a co-pay. Those who are poor will be paying no more than $2 for a visit to a clinician for their child or their adolescent once they go beyond what the preventive free schedule is.

In addition to medical care, we are covering dental coverage for preventive and routine check-ups for children and some orthodontic care. We will be phasing-in more comprehensive coverage in the year 2001. We will also be covering eyeglasses and contact lenses for children, in addition to office visits.

Now, the kind of benefits package that we have put together is equivalent to what you will find with most Fortune 500 companies, with the addition of preventive care for children and adults, something which has not been common in most of our private insurance policies. We obviously can always try to improve it, but let's establish the firm basis of positive preventive care in a preventive benefits package in order to make it clear we believe in preventive care. If we do not have a benefits package that provides preventive care, we will not have achieved real health care reform, particularly for children.

Many of the competing proposals you will hear about will not tell you what the benefits package is. They either propose that the benefits package will be set, after the legislation is passed, by a national board to be established through the legislation, so you will not know what is being proposed, or they take the opposite point of view, which is to allow people to put money away in a kind of IRA account, that if they do not use it during the year, they will be able to have it tax free.

Now how in the world that provides an incentive for obtaining preventive care for yourself or your children is beyond me, but those are the two competing proposals. Please, stand for a benefits package that is specific, that in many respects is far beyond anything currently in the insurance market today, and which makes clear that children deserve preventive care that is free even when their parents cannot afford to provide it for them. In addition, we recognize that merely providing a benefits package is not adequate. We have to provide access to high-quality care, and we have to make sure that children with special needs are taken care of.

Each person will be making a decision as to which health plan to join. The information available will help the consumer, the potential patient make that decision. We expect to have what will amount to report cards about health plans so that individuals will be able to determine what is in their best interest.

For children with special needs, we will be expanding community health centers and other community based centers for enabling services like outreach, and counseling, and translation, and transportation, and case management. We know that children and their families often need more support than you and I would take for granted in order to access the services that are there. Children with chronic illnesses or severe illnesses will have access to specialized services through health plan contracts with centers of excellence. Low income children will continue to receive wrap-around services ion addition to the benefits package. Children with severe disabilities will benefit from the new home and community-based long-term care program.

We will continue comprehensive EPSDT benefits for children and families eligible for AFDC and SSI. We will also expand funds for the development of community-based networks of care, including funding the construction of new facilities and clinics to develop new practice opportunities in underserved areas, and we will promote school-based health clinics that will work with children where they will be all day long.

Now many of the problems that you face and that patients face in the current system are addressed in the president's reform plan, because right now, let's face it, most of the cards are held by the government or by insurance companies. Insurers have the ability to grant and deny coverage, they compete on their ability to attract healthier patients. They have so many different insurance policies with so much fine print that we often see coverage exclusions where a family thought they would have coverage. Insurance companies, as you know better than I, second guess doctors' medical decisions and use a black box of utilization review protocols that often are unrelated to the individual decision that needs to be made. (Applause.)

What often happens today is that your choice as a physician, your choice as a clinician is being narrowed and limited every single day by insurance company decisions that will undermine your autonomy and your discretion. And one of the great lies that is currently afoot in the country is that the president's plan will limit choice. To the contrary, the president's plan enhances choice. What is happening right now is limiting choice.

I don't know how many of you have had the experience that we had when I was on the board of the Arkansas Children's Hospital, but all of a sudden long-time patients would call up and say their employers had made another decision: they were going with a different insurance policy and no longer could they access the Arkansas Children's Hospital or the staff there. That happens every single day now to physicians all over this country.

And yet I know you've all seen the ads. You know, the kind of homey kitchen ads where you've got the couple sitting there talking about how the president's plan is going to take away choice and the president's plan is going to narrow options, and then that sort of heartfelt sigh by that woman at the end, there must be a better way -- you know, you've all seen that, right? (Laughter.)

What you don't get told in the ad is that it is paid for by insurance companies who think their way is the better way. They like what it happening today. They like being able to exclude people from coverage because the more they can exclude, the more money they can make. (Applause.) It is time that we stood up and said ''We are tired of insurance companies running our health care system. It is time to give those decision-making authorities -- (applause) -- back to you, who are the physicians in charge of this system, although I know you haven't felt like it in a very long time.

But that's because our whole history has conspired against us. Insurance was originally meant for catastrophic kinds of illnesses. And the original not-for-profit Blues used to community rate: everybody was insured, and nobody was turned away. And then commercial insurers starting in the late '40s and '50s began to figure that they could make money from health just the way they made it from property and fire and life, so they moved into the system. But they figured out that the Blues were going to lose money if they insured everybody. That wasn't profitable. So the more they could limit people, the more they could what's called ''cherry pick'' so that only the healthy would be insured or those who had ever been sick would pay a lot more, the more money they could make. Now, they have the gall to run to run TV ads that there is a better way, the very industry that has brought us to the brink of bankruptcy because of the way that they have financed health care. It is time for you and for every American to stand up and say to the insurance industry ''Enough is enough. We want our health care system back.'' (Applause.)

Now, how do we do that? Well, the way the president believes we ought to do it is the following. What we ought to do is to have health security for everybody. That means everybody is covered, nobody is excluded, it doesn't matter old you are or whether you have ever been sick.

The real litmus test of this whole health care debate is who really believes in health security. Who really believes in universal coverage with comprehensive benefits? And you will hear all kinds of arguments in the next month. Listen carefully:
do not be misled. Excess does not equal coverage. Universal coverage has to be the bottom line, and do not let anyone tell you any differently. Further, comprehensive benefits need to be comprehensive and include preventive care.

The second point the president has stressed is simplicity. Now, there are a lot of folks who go around saying that the president's proposal is awfully complicated. I always ask those people to tell me, if they would, how our present system operates. (Laughter.) Just explain it to me. Explain who gets insurance, how much they pay for it, why some are excluded, why some have to pay more, where they go to find their health care under what conditions. We could not design a more complicated system than the one we have now. The trick is to build on what is working and right in American health care and fix what is wrong. And one of the things that is wrong is that we have too many insurance companies with too many different policies demanding too much paperwork from all of you in order to get somebody taken care of.

We need to eliminate the kind of paperwork hassle and bureaucracy that is unrelated to patient care. In this town alone -- (applause) -- at the Children's Medical Center here in Washington, DC, their staff of 200 doctors did a survey. They looked at all the paperwork they had to fill out. They separated it between those papers necessary for patient records and quality that was directly related to health care and everything else, mostly related to financing. What they found is that each physician on that staff, if he or she could eliminate the unnecessary paperwork, could see between one and two more patients a day. Now, multiply that times 200, and then multiply that times the number of days in the work year. Just one children's hospital alone could have seen 10,000 more children if they were not burdened down by the kind of nonsense that you and your nurses spend time doing now.

We have to say this system can be simpler. We know it can be. The president's plan calls for moving toward a single-claim system -- single claim for physicians and providers, single claim for patients. That simplicity will not only save you countless hours and money for those of you in practice; it will also free up your time, the most precious commodity we have. We don't have enough pediatricians. We don't have enough pediatric specialists. We need your time spent with children, not filling out forms and chasing down insurance company bureaucrats to determine whether you will get paid for the care you have already delivered. You have to stand for a simpler, better system than the one we have now. (Applause.)

We also know that this system has savings in it that we can realize, and pediatricians who have in the last several years seen their earnings stay fairly constant in comparison with the earnings of others in the medical profession know that there are savings but also know that those savings have to be carefully obtained. There are a number of things that we propose. One is to change the antitrust laws so that you can cooperate with one another. Every hospital does not need its own CAT scan and its own MRI. Every community may need one of each, but there should be collaboration and cooperation, and the only way to get there is through using the kind of community-based approach toward delivering health care that too often has been stymied by the antitrust laws which needs to be changed.

Physicians also need to be able to negotiate in the new health

plans so that you can go forward into your community and present a network of physicians as one of the alternative health plans. You cannot let this opportunity go by. As pediatricians, as members of staffs of medical schools and children's hospitals, you have to be right now looking for ways to network with others in the community to present a good, coherent health plan that people like me can look for to sign up for. I will be much more inclined when it becomes our turn to sign up for a health plan to look to those institutions and practitioners who have been mission-driven and who have been community-based. If my choice is between some large insurance company's health plan and my local community network of physicians, it's not even a close choice. But you have to be there as an alternative in order that I and others can choose you.

So the savings that will come that will come from increased efficiencies made available by changes in the way that we organize care. We know that if we provide more pediatricians and more primary care physicians that, in itself, will help reduce the inefficiencies that are in the system now.

The fourth principle is choice. This is an obvious one that people feel strongly about and which the president's plan has taken into account and actually increases. Because, as I said, right now choice is diminishing for millions of Americans who have insurance through their employment because it is the employer's choice. We are making it the individual's choice. That is a huge difference. But there's another aspect of this choice that I want to mention. For many people today there is no real choice because there are no practitioners in underserved urban areas or underserved rural areas that are available to them. For too many families on Medicaid, there are no choices because there aren't sufficient numbers of practitioners who will take them as patients.

Although many of you have not had direct experience or you have had perhaps unpleasant experience with what is now called managed care in some regions, many of the rest of you have had very positive experiences. There is good managed care, and there is bad managed care, just like there are good and bad in everything else. What we have to do is to put in the right kinds of incentives so that managing care is good for patients and physicians. I have seen this work for the poorest among us. I have been in the South Bronx, the poorest area in America now. And their efforts to move Medicaid recipients into managed care is working, because in the old fee-for-service system a Medicaid card was practically meaningless. The only place available for primary care or for any other kind of care was the emergency room of the local hospital. There were not enough physicians or other providers to whom a Medicaid card either meant something or it would be available as a form of payment.

Under a managed care system for Medicaid, I had mothers telling me for the first time they had their own doctor. They had a telephone number they could call. They were able to get good information. They needed management. Their wandering around in the fee-for-service network did not work for them. The emergency hospital room is not a family doctor. We can make good managed care work for all Americans, but particularly for

low-income Americans whose choices have been so severely limited up until now. And we also need to make sure choice is available for the physician. Unlike today, where you are often told that if you join one plan you cannot join any other plan, under the president's proposal you will be able to join whatever you plans you want to join. Nobody will tell you, you cannot. That is a key difference between what is going on now and what we see in the future.

Additionally, in every community there will be a fee-for-service network. So, even if you are the member of a closed panel HMO, if you choose also to be in the fee-for-service network, you will be entitled to do so. That is a huge improvement in choice for physicians. Don't let anybody tell you that we are taking choice away. The real people who are taking choice away are the ones advertising that we're trying to take choice away. We intend to give you more choice and to give patients more choice. We also know -- (applause) -- (audio break) -- the absolute most important part of this whole effort: If we don't enhance quality, then what we will have done is not to the good of any of us. And as all of you know, we have the finest quality in the world if we can get to it, if we can finally take advantage of it.

We are putting more money into academic health centers, we are putting more money into training, we are putting more money into research because we believe in quality. And we're going to be trying to better disseminate information about good quality so that you on the front lines will have the most up-to-date information available. Quality has to be the standard by which we judge what we are doing, but only you can help us make sure that we hold the system accountable so that it produces quality. We're going to be trying to give you more tools to do that.

And finally, as you heard the president say and as we have all said repeatedly, responsibility is one of the key elements of this plan. And I think about that in a variety of ways. I think about the responsibility that will come when there is true preventive health care, and you can honestly tell a young mother that she can bring that child back in because it's either free or it will cost only $2.00 if she does so. I think about the responsibility that has to come for all of us taking better care of ourselves, but also, we have to think about how we will finance this system, and that's another one of these issues that you will see batted around quite a bit in the next few months.

If we believe in universal coverage, there are only three ways to get there: you can raise a big tax, substitute it for all of the private sector investment, and move toward a single payer system. One of the great advantages of the single payer system is it gets to universal coverage that is absolutely the way that it works because we have a tax dedicated to pay for universal coverage. For a lot of reasons, that is not an option that the president chose, although the primary goal of universal coverage is absolutely his bottom line.

The other approach to getting toward universal coverage is

through an individual mandate. The individual mandate would say to every individual you have to go and buy health insurance. The president decided to build on the employer-employee system. By doing so, we are building on what most Americans are familiar with and what works. Ninety percent of most insured Americans are insured through their workplace -- (audio break) -- costs have been going up too fast for too many employers and too many employees, so we have to control and contain costs.

Another is that some people don't participate at all. They take advantage of our system, but they don't contribute to it, so we have to make sure that any system fairly covers everybody and everybody pays their fair share.

Under the president's proposal, the amount of money that any business would pay would be capped. Particularly for small businesses, this would amount to a discount. And for individuals, the amount that they would pay would also be capped. In this book that is going to be widely distributed this week throughout the country to libraries and bookstores, there are charts which show how much the average American pays.

Now, let me just say a word about this because this will be the next big ground of attack against the president's proposal because obviously people are concerned about what they are paying. The problem is that what people pay now is very hard to compare because they have all different kinds of benefits packages. Some people have good packages; some people do not. More than 60 percent of all Americans, 60 percent, will pay the same or less immediately -- not when we get savings, immediately -- for the same or better benefits than they have now. Very few policies have the preventive coverage that this policy has. So, 60 percent of Americans will pay the same or less for better benefits, except for those few who have the kind of preventive and mental health benefits that we are proposing.

Now, about 25 percent will pay a little more, but they will get a lot more because you know who those people are? Those people are the ones who have been sold the bare bones catastrophic policies with the $3,000 deductibles, which they can't afford, half the time, to use. So those people, yes, they will pay a little bit more, but it will be for much better benefits and for health security.

Now, about 15 percent of the people will pay more for the same kinds of benefits. Now, who are they? They are predominantly young and single Americans who have insurance at a very low rate because they are the cherries that the insurance companies love to pick. I mean, if you're 24 years old and you're a vegetarian and you work out three hours a day, you are an insurance company's dream, and you will only have to pay about $20 a month for good insurance because they don't think you will ever get sick. Now, if you have a motorcycle accident on your way to work out, you may find that your insurance policy isn't that good, but then, you know, that's the kind of chance you take in today's current insurance market.

Instead what we're saying is, yes, you're in your 20s, you're

going to pay a little bit more, but you're going to get good, solid benefits that can never be taken away, because we have this old- fashioned idea that everybody ought to be insured -- the old and the young, the sick and the well -- because even though the 24-year old may not believe it, he or she will also be old, and he or she may eventually be sick, and they will be grateful that they have health security when that occurs.

So, let's stop this nonsense about who pays and who doesn't pay. Under the president's proposal, most people will pay less or the same for much better benefits, some people will pay slightly more for much better benefits, a few people will pay more for the same benefits, but they will be satisfied because they'll have security, and when they get as old as I am, they will be paying less. Now, that's the kind of fair, responsible financing system we deserve to have in America. (Applause.)

As we learn more about this and as you see how this system develops, you will also hear that the president's system is just too bureaucratic, it has too much government in it. What that means is this: the only way we can compete against insurance companies is to get big. The reason the largest businesses usually have lower rates is they're so big insurance companies really want their business so they cut them a better deal, then they put the excess cost onto the small business and the individual and the non-group market, where they make it up. Those people pay 35 to 40 percent in administrative costs.

Well, what we're saying is, we need Americans banded together. They need to be in what we're calling health alliances where the rich, the poor, the small business, the individual -- everybody is in it together, just like we used to do insurance when the Blues did it before they tried to become commercial insurers, too. We need everybody in the same pool. That's how we're going to be able to take care of the chronically ill child and also the well child, because the risk will be spread across the entire population.

This is not a difficult proposition, but it is very threatening to those who currently control the insurance market. If we have big alliances in which all Americans put their money through those alliances like purchasing cooperatives, we will get the lowest price insurance.

And we will still guarantee choice because most of us when we write our check to the insurance company, we are not thinking about who our doctor will be at that moment, we are thinking that the money will be there to pay for the doctor we choose. This way the money will go into the health alliance and it will be there to pay for the doctor we choose because we will have more choice because no longer will employers and insurance companies be determining just because you pay the money in here's who you have to go to to get your care. But you've got to have enough responsible people in big enough purchasing pools in order to get that kind of low cost insurance.

Now, as we go into the next months, you will hear a lot about this. I would ask you always to think about what truly is at stake. The perfect all too often is the enemy of the good in politics or anything else in life.

This is not a perfect plan. There is no such thing as a perfect plan. But certainly it is a plan that addresses the major concerns of people who really care about what is happening to our children in this country. It is a plan that will move us forward to a time when you do not have to look into the eyes of a mother who asks you how much that X-ray her child needs will cost while she tries to figure out whether she can pay for it. You will not have to know as you send a mother and child out the door that the prescription you've handed her probably won't be filled, or if it is filled it may be filled too late or it may lead to some self-instruction like ''Well, he told me to take four pills a day, but if we only take two it'll last longer.'' You will no longer have to wake up every morning with the weight on your heart about the children that you know are not being taken care of in the richest country in the world.

Now, if we were a poor country or if we were not spending enough money on health care we would have a very different debate. But we already spend more than other country with whom we compete and we don't even cover all of our children.

How can we any longer justify that we don't take care of our children, that we don't have the lowest infant mortality rate in the world, that we don't have the highest immunization rate in the world because we spend so much money. It is not just a question of money, it is how it is spent and who it is spent on, and children have not been given their fair share.

This plan will make it clear -- (interrupted by applause). This plan will make it clear that the days of giving lip service to our children are over. They've had all the lip service they need. What they need are adults, parents, physicians and nurses, business people, elected officials who move beyond lip service and who know that our most important obligation is to the next generation.

I know that this is not going to be an easy debate for anyone because it is complex. But sometimes the complexity can obscure the most important features. And if we stay absolutely committed to universal coverage with comprehensive benefits, then details can change. That doesn't bother me at all as long as they don't undermine universal coverage with comprehensive benefits that take care of children, because at the end of the day, each of us will have to pass the mirror test. Can we stand and look in the mirror and say that we have supported health care reform that will take care of children? If we can say yes to that question, then the Academy's work all these years, so many of you in this front row and all of these rows who have worked so hard, will finally be realized. And that's my most fervent hope, that those of you who have taken care of our children and for too long been lonely voices crying about their needs will be heard. With your help, we can make that happen.

Thank you all very much. (Applause.)

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