

215/94
American Legion

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

Office of the Press Secretary

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February 15, 1994

SPEECH OF THE FIRST LADY
TO THE AMERICAN LEGION

MRS. CLINTON: Thank you very much. Thank you so much. I see of my friends from Arkansas in the front row. (Laughter.) I'm glad to see you all. I am delighted to be here with you, and as many of you may know, I had the distinct honor and privilege of representing our government, officially, at the Olympics just over the weekend. (Applause.)

And I am so proud of our young people who are there competing. It just gave me an enormous thrill, especially when I was able to attend the medal ceremony for the young man from Alaska who won the down hill skiing. To see the flag raised and the anthem playing (applause) was just the highlight of my trip.

I am so honored to be here with your Secretary for Veterans Affairs, and, boy, is he a good representative of the veterans community, for all of you. (Applause.) Secretary Brown brings to the counsels of the government, his experience and his perspective, and those of you who know him know that he is not shy about expressing both. And he has been a very valued member of the President's cabinet.

I want to thank the Commander for that very kind introduction, and all of the officers, both current and former, who are here with us today. I especially want to thank the members of the Auxiliary who are here. I had a wonderful relationship with our Auxiliary in Arkansas, during the many years I attended Girls State, and I am very appreciative of all of your hard work. (Applause.)

The work that the Legion and the Auxiliary do on behalf of our young people, is unparalleled, and I don't think that we could have the quality of life that we have enjoyed in our country all of these years if it had not been, in many communities, for the Legion and the Auxiliary. And I am very

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grateful to you.

I am also particularly grateful for the fine work you do with respect to the blood drives every year. You know that we have a shortage of blood in many regions of our country, and in many regions the Legion is the number one organizer for blood drives, and I want to thank all of you for that as well. (Applause.)

It is always a privilege, as it was for me during this past year, to meet with representatives of our various veterans organizations. I want to echo both the words of the secretary and the commander in thanking the officers and staff of the American Legion for the countless hours that you gave, in working with the VA and working with the Presidential Task Force on Health Care.

I came to this task without many preconceptions, but my husband asked me if I would work on the whole challenge of reforming our health care system. But I came with a personal bias in favor of the VA and the veterans health systems, which I think I was able to inherit. It was passed on genetically, by my father, to me.

And I remember many times, as I had shared with Roger and some others in meetings over the past years, that one of the things my father could never understand was why, as a veteran, he couldn't continue to use the VA system all through his life. He had the view that as a taxpayer and a veteran, if he wanted to take his dollars, whether they were private dollars or Medicare dollars, to the VA system, he should have been able to be permitted to do so. So I admit, I came with a bias that my father planted in me very early, and I intended to do everything I could (inaudible.) (Applause.)

As many of you probably know, my father died last year, and in his series of illnesses over the last decade, the constant conversation we would have about his desire to be able to use the VA system, and I think it was as much a sense of his belonging as anything else. But it was one that really made a big impression on me. But it was not only what he told me over the years. It was reinforced many times over as I have travelled the country.

One of the great privileges I have had over this past year is literally to go from Maine to Hawaii, from Florida to

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Washington, and to visit with thousands of Americans, both in person and through their letters. I have now received a million letters from people. I wish you could read even a fraction of them. They are letters from all kinds of Americans.

And I carry this movie in my head of the faces and the stories that I have been told. And I want to start with just one that seared into my brain what my father had told me, and what many of you have shared with me over this past year, about the need for us to strengthen and enhance our VA system, and to make it a possible health care alternative for veterans.

I was in New Orleans and I was visiting with a group of workers at a small factory there. Most of the men I was talking with did hard, manual work, every day. They were good, steady, employees. Most of them had worked for the same employer for 15 years. Some, as many, as I recall, as 28 years. Most of them were veterans.

They did not have any health care benefits through their employer. They did not make enough money to be able to afford insurance on their own. And the stories they told me were ones that have become all too familiar, but they were especially poignant being told by veterans.

I will never forget a young man -- by my standards these days, anyone in his forties is young -- a young man, a vietnam veteran, a hard worker, a taxpayer, a family man, but without much education, so the job that he had, which was his source of livelihood for himself and his family, probably paid him, after a hard week's work, less than \$20,000 -- telling me that he just prayed that his children wouldn't get sick, he just prayed that he wouldn't get sick, and they always postponed going to the doctor.

And when he did finally have to go to the doctor, it was usually at the last possible moment that he would enter our health care system through the emergency room, which is all too common for those working Americans without insurance, who number, now, from upwards in the 30 millions. And he looked at me, and he wasn't asking for any special treatment, he wasn't asking even for sympathy.

He just wanted to explain to me what his life was like. He said, "You know, the proudest years of my life were when I

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served in the military, and I am proud to be a veteran, so that I sure don't understand why I can't get health care in the civilian world the way I could when I wore a uniform." That really made a big impression on me, and his story could be told by countless others.

About six months later I was out at Andrews Air Force Base for their annual air show, and I was shaking hands along a rope line, and a man in uniform grabbed my hand and he said, "I want you to know something: I'm in the Reserves. I don't have any health insurance. My family doesn't have any health insurance. I'm proud to be a veteran, I'm proud to be in the Reserve, but I'm going to have to look for another job and move somewhere so I can get some health insurance for my family." I had never even thought that we didn't provide some kind of support for our Reserve military men and women.

We have a situation in our country today, which, if we leave it untended, will deteriorate. That situation is that we are spending more money than any country in the world, by far. I recently came from Norway. They spend 7.5 percent of their national income on health. We spend nearly 15 percent. They cover everybody.

They also, as you may know, have universal military service. They provide a lot of their people benefits that we probably wouldn't want to because they cost a lot. But they sure do provide health care for everybody at a lower cost than we pay, and don't provide it for people like that veteran in New Orleans or that member of the Reserves out at Andrews. We spend more money and really end up getting less for it. We are not making a good bargain with our health care system.

Over the years, starting with Franklin Roosevelt, a lot of people and both Presidents, and Republican and Democratic parties, believed that providing health security was the key to insuring basic security and stability for people in our nation. Franklin Roosevelt couldn't get it done, although he thought it would be the second chapter of Social Security.

Harry Truman tried twice, in 1945 and 1947. He was strongly committed to it, and strongly committed to veterans, which is one of the reasons why the GI Bill -- which you helped to sponsor and bring about, with Presidential leadership -- became such a gateway to the future for

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literally millions of American veterans. But he couldn't get health care through.

And he ranted and raved, as only Harry Truman could. I've read some of those speeches. They're a lot better than what we're hearing today. I mean, they really -- they just called it for what it was, and didn't let anyone worry about it. But he couldn't get it done.

We finally took care of our elderly citizens through Medicare in the 1960s, and for our very poorest, with Medicaid, in the 1960s. But there are a lot of misconceptions about those programs, too. We do provide basic health care for senior citizens over 65, but we don't provide prescription drug benefits, which is the fastest growing cost for many of our older Americans.

And although we do provide health care through Medicaid for the poorest of the poor, we put working Americans, like that man in New Orleans, into the unusual and, I think, unacceptable position of working and paying taxes to pay for medical care for people on welfare, that he can not get himself.

So we've got a funny kind of situation in our country when it comes to health care. Somebody said, "Well, we don't have a health care crisis." Well, I would disagree with that. It is a crisis if you don't have any doctor you can get to besides an emergency room.

It is a crisis if you want to get off welfare, but if you take a minimum-wage job, which is all you are qualified for, you don't get medical benefits. So you have to make the decision. Do you stay on welfare and get your children medical benefits? Do you get off welfare and go and work, which is what we want you to do, and not get medical benefits.

It is a crisis if you are an older American with a relative, a spouse, who needs long term-care, and the only option available to you is the nursing home when you would rather keep that relative at home and take care of him yourself.

We have the finest doctors and hospitals in the world. We can beat any country when it comes to the quality of health care we have for those of us who are able to use it on

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a regular basis. But we do have probably, the stupidest financing system in the world for health care. (Applause). We spend money on paper work, we spend money on bureaucracy that we shouldn't have to spend.

And what the President's plan is designed to do is to simplify our system, to get it to the point where we can put doctors and nurses back in charge of the system again, where they can be making the decisions, not insurance company executives or government bureaucrats, which is the way it is too often today. (Applause.)

The President's goal is this: to guarantee private insurance to every American. Now, you're going to hear a lot, as you already have, about how the government is going to take over health care. That is not the President's plan at all. That is what other countries have done. Other countries have taken over health care, and basically had it government run.

What we want to do is to provide private insurance for everyone and have a mix of systems, the way we do now. The VA is a public system. It will remain an independent, publicly funded system, open to more veterans than it ever has before. (Applause.)

Every one of their communities has public health facilities; they have public hospitals. Some of you have counties that run hospitals in your area. You have not-for-profits, like the Catholic Hospital Association, which runs many hospitals around our country. And you have for-profit hospitals. We have a mix. We want to maintain and improve that mix. In order to do that, we have to make sure every American has access to that system.

And so, you will hear words thrown around like "access" and "coverage," and let me make sure that we understand the difference. As a friend of mine said the other day, "Everybody in America has access to a Cadillac, but you may not be able to afford it." We have access to health care right now, if you can afford it. What we don't have is the guarantee that every American is covered, to be able to afford health care.

So listen carefully when this debate picks up over the next month. [Some will talk about universal access; some will talk about universal coverage.] We want coverage. I

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want to go back to New Orleans, to that factory, and be able to look into the eyes of those men who were working and paying taxes, and tell them: "You will now have coverage, because you will be able to afford private, guaranteed insurance."

Now, in addition to that, we have to change the insurance market and the way it operates. I don't know how many of you have ever read the fine print in your insurance policy. I haven't. I don't think most of us do, until maybe it's too late.

But 75 percent of policies have something called lifetime limits. What that means is, if you get really sick and you spend whatever that limit is -- and some policies have limits as low as \$50,000, others have \$1 million -- but once you hit that limit, you are not insurable any more, unless you pay a huge, huge increase in your premiums.

I have talked to families. I remember so well a family that had two healthy children and a third child born. And I think to myself, "There but for the grace of God go any of us." This little baby was born very ill. Within six months the million dollar lifetime limit was used up.

And here is a family where the father makes a very good living, and he cannot afford to buy insurance to take care of that baby. And so by the time I met this family, that baby had been in the intensive care nursery for 15 months. The baby had been put onto the welfare Medicaid program so the hospital could get some money.

The father couldn't find anybody to insure them to be able to bring the baby home, which is what the family wanted to do. But they needed help to be able to pay for round-the-clock nursing and equipment. So here's a family, which, by any standards, would be a very well-off family, totally destroyed by something called lifetime limits. Under the President's plan there will be no lifetime limits on insurance policies anymore. (Applause.)

Second, many of you know that under the current insurance market, if you have something called a "re-existing condition, you pay more, or you may not be insurable at all. There are only 81 million Americans who fall into that category. There are a lot of us with pre-existing conditions.

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The scary thing to me is that I had a scientist tell me the other day that in the future -- we are learning so much about the human gene system and what genes cause various diseases -- that by the turn of the century every one of us is going to have a pre-existing condition.

If we don't hurry up and get this health care system reform, none of us will be able to afford insurance at the rate we're going. Under the President's plan, everybody gets insurance, and you do not get charged more because you have a pre-existing condition. And that's the way insurance should operate for all Americans.

And then, finally, most insurance companies charge older people more than they charge young ones. Looking around this room, all of us are in that category. We're going to be charged more than 20-year-olds who think they're immortal and don't think they need insurance anyway. But you know what? Those 20 year olds have a funny way of turning out to be 40- and 60-year-olds, don't they?

We have this old-fashioned idea that the young and the old ought to be in the same insurance pool together. So we do not want to permit the insurance companies to charge people in their fifties more than they charge people in their twenties. We ought to have insurance go back to be what it used to be, for all Americans across the board.

Now how will we get insurance under the President's plan? The same way most Americans get it today, at the work place. That is where we get our insurance. That, in fact, grew up during the Second World War as the favored means of insuring workers. What that means is that employers and employees will make a contribution to health care.

There are only three ways to achieve universal coverage. You can do what countries like Canada does, and basically have a big tax that eliminates all the private sector investment and have the government run the health care system. We rejected that. You can try to do it through an individual mandate which says, "Everybody in this audience: You're on your own, you've got to go out to the insurance market and you buy health care insurance, just like you do with auto insurance."

Only problem is, a lot of people never get around to getting their auto insurance, even when they have to go to

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get that license. Somehow they evade responsibility, don't they? It's very hard to determine which individuals are actually paying what they should pay to be insured. And the other problem is, employers who already help insure employees would drop a lot of their employees, because if they didn't have to contribute, many of them would not.

What we think is the better way to do it, is to take what works in the American system, build on that, and provide discounts to small businesses and discounts to low wage workers. And if you change the insurance market the way I have just described, the cost will go down for everybody.

The most discriminated part of the insurance market today is the part that is small business. Any of you who are small business owners, you know what it is like to try to buy health insurance on your own. You don't get the same bargains as the big employers get. You have to pay 35 to 40 percent more. We will eliminate that, and the cost for small business will be dramatically reduced.

Once everybody is in the insurance system they will be given a health security card, and they will be entitled to certain comprehensive benefits, with a special emphasis on preventive health care. We have done this all backwards for so long. We will pay for the surgery, but we won't pay for the test that could determine, early, if you have a disease, so that we can try to stop it from advancing to the point of surgery.

For years insurance companies wouldn't pay for women for a mammogram, but they would pay for breast surgery if the woman developed cancer. We don't have insurance companies that pay for well child care or immunizations, but they will pay if the child gets measles or has some other disease that puts them into the hospital.

Now, where I come from, that is a very bad way to run a business. We ought to be paying for prevention, we ought to be taking care of people when they are at least able to be cured, instead of when we have to do the most extreme and expensive kind of surgery and chemotherapy on them at the very end of the ride. (Applause.)

The comprehensive benefits will also include home health care and hospice care and rehabilitation, which are especially important for veterans and for older Americans. I

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am so tired of women particularly -- some men, but mostly women -- whose husbands are struck down in their sixties or seventies with Alzheimer's or stroke or some other kind of debilitating disease. And these women want to take care of their husbands, and they are given no help and no support to do so.

And what they're told is: If they spend themselves into poverty, then there will be a nursing home waiting for their husbands. They don't want their husbands in a nursing home, they want him at home. We want parents and spouses and children to be able to take care of family members at home until it is absolutely impossible. And the President's plan begins to provide that opportunity. (Applause.)

The benefits also include mental health benefits and treatment for substance abuse. Now, this is controversial. Many people say, "Well, you know, we should not include that." But, you know, mental health is a huge cost to our nation. You've seen the homeless people talking to themselves on the street corners, sleeping on the grates in 20 degree weather, many of whom are veterans.

You see our prisons filled with offenders who are there because of drugs or alcohol or some mental illness. This is not just a health care issue. It is an issue that runs across our entire society.

And for any member of a family in this audience who was suddenly struck by a young person in their late teens or twenties developing schizophrenia, or watched a family member undergo the pain of clinical depression, you know that those are as serious and disruptive illnesses as diabetes or cancer or any other.

We need to begin to provide benefits and it will save us money if we do it in a cost effective way. So those kinds of comprehensive benefits, being available to all, will be especially important to older Americans because we will add coverage for long-term care and prescription drugs to Medicare. For less than \$10 dollars a month, Medicare recipients will have their prescription drug benefits paid for.

I am so hopeful that we can get that passed. Because, you know, for many older Americans, the choice every month comes to: Do I buy food or do I pay for my prescription

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drugs. And I have talked to pharmacists all over this country who tell me when they work in a hospital or in their retail pharmacies, that they know that their older patients come in, clutching those prescriptions, and it says, "Take four a day for two weeks."

And their older customers say, "What if I only take one a day, will that last longer, will that work?" And of course it doesn't work. So often that person ends up back in the hospital, which Medicare will pay for, but they won't pay for the medication that would keep you out of the hospital. So we need to have prescription drugs.

Let me say a few words about what exactly we intend to do with the VA system, because I am so excited about what we have worked to create in this health bill, with the help of the Legion and other veteran organizations, and with the VA. Today, you know better than most citizens that the VA system has to overcome numerous statutory and financial obstacles. That is just to be able to maintain this service to our veterans.

The current VA system must contend with funding resources entirely from Federal appropriations, and in today's tighter and tighter budgets -- although in this budget that this President has presented the appropriation for VA goes up, that isn't true for most other departments.

And with the kinds of pressure for deficit reduction, in the absence of strong support for those Federal appropriations for the VA, I am afraid we will see cuts unless we have real health care reform that includes strong provisions for the protection of the Federal appropriations and other sources of income for VA. And that means removing the prohibitions on the VA receiving Medicare or insurance.

You also are confronted with confusing and complex eligibility rules that confuse both veterans and their care givers, and other problems that we have looked at. The President's Health Security Act embraces the VA system as a chief component of national health care, and we expect it will provide high quality, affordable health care, and we're going to give you some advantages to be competitive, that we have never been able to provide before.

The first is that under the Health Security Act, the VA will become a potential provider for health care services for

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millions of Americans who are veterans, without regard to the old eligibility rules. (Applause.) We will always give first preference to service-connected disabilities and to our poorest of our veterans.

But there is no reason why many of you in this audience should not be able to choose the VA system if that is your choice. And under the President's plan, you will make the choice. You know these television advertisements that they spend about \$20 million on, saying that we're going to take away your choice? [Well that is just flat out untrue.]

In fact, we're going to give you more choice, because the choice is not going to be your employer's, and the choice is not going to be the government's. The choice is going to be your to make. The only choice we're trying to take away is those insurance companies that are funding that ad, so that they can no longer choose to disqualify you from health care because they want to do so, or charge you more than they would have otherwise. We do want to take that choice away. (Applause.)

So under the Health Security Act, the VA remains an independent system. All veterans can choose the VA plan and its special expertise on health issues related to military service. Veterans with service-connected disabilities and low income veterans who choose the VA as their health plan will receive comprehensive hospital and out patient care, with no co-payments or deductibles.

All veterans become eligible for the comprehensive package of national health care benefits that includes access to comprehensive out patient health care. The Health Security Act provides for a \$3 billion investment fund for medical care to improve the VA's medical delivery system and to make it more competitive.

Service-disabled and low income veterans remain eligible for free VA benefits such as long-term care. The unnecessary reporting requirements and inspections that currently burden VA institutions and providers will be reduced, freeing VA providers to concentrate on patients instead of paperwork. (Applause.)

The VA will be permitted to retain funds that are recovered from both private insurance companies and Medicare. And, we believe, with more funds coming in, the VA will be

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able to offer even better care to more veterans.

We want VA managers to be allowed to control their budgets on site, so that we can delegate more flexibility. You know, a VA hospital in Montana may have a different need to meet in their patient community than a VA hospital in Florida, and you cannot run that from the top down. We've got to give the VA --

(End of side 1, tape 1.)

MRS. CLINTON: -- most extraordinary medical care going on. I've been out to the Washington Center. I've been seeing things that I haven't seen in the most advanced private hospitals. I've seen how they've begun to use technology, so that the VA Hospital in Washington and the VA Hospital in Baltimore can communicate by satellite about a single patient who lives in between and may go to both.

We have some of the finest quality physicians and health care in the VA system, but they have been held down and they have not been given the support they need to really do the job they're capable of doing. And we need to give them that kind of help. (Applause.)

There will no longer be any means testing. If you choose the VA benefit package, you will be eligible for the VA benefits package. (Applause.) And so what we are trying to do is to create in the VA system what you would want from the best quality health care system in America. We want the VA system to compete for every one of the veterans' dollars that will come to it.

Now, that doesn't mean you have to. You can still choose a different health plan. But what we have talked about with the VA is for them to begin to partner with other facilities in their region areas. A VA Hospital in conjunction with a children's hospital, a women's hospital, a community hospital, is going to be a very powerful provider.

So that you can sign up for a health plan where your wives will be taken care of, your children will be taken care of, and you will be able to use your benefits at the VA Hospital. That's the kind of creative use of both our Federal and our private dollars that we want to see done. And finally, the VA will continue to provide Chapter 17 benefits, beyond the comprehensive benefits package, to all

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veterans who are currently eligible to receive them.

This is something we believe in very strongly in the Clinton Administration. We feel that we owe all of you a great debt for what you have done for our country in fighting external threats. We honestly see our health care system, and the financial drain that it's placing on families and businesses and governments, as an internal threat, but one we are fully up to meeting.

We do have to make some changes, but we need to make changes that make common sense and build on what we think will work. The Legion has been a champion on behalf of veterans for many decades. Many of these changes that we are incorporating come from that gold book, and come from the kinds of proposals that you have made for years that fell on deaf ears. Nobody wanted to deal with the health care system.

Now, Richard Nixon proposed a health care reform plan very similar to what my husband is proposing, building on the employer-based system. So both Democrat and Republican Presidents have tried to get beyond politics on this one.

But you know and I know that we're going to have to really convince the people on the Hill, that not only do all Americans deserve secure health care -- because none of us has it, even those of us with the best insurance in the world, we don't know that we'll have the same insurance, at the same price, this time next year.

So none of us can be sure in our system. And even those eligible for Medicaid, with the pressures on cutting the budget, you can't be sure you'll have the same benefits, at the same cost, this time next year.

So we have a considerable challenge ahead of us. But just as you have met challenges in the past, help us meet this one. Listen carefully to this debate. Ask hard questions. Find out what will really happen to you and your loved ones and your fellow veterans. Because the only plan that has tried, in a comprehensive way, to deal with every American's needs is the President's plan.

And we have welcomed your help in creating it, and we would welcome your help in trying to bring it to reality. Because I want to see every American, but particularly our Veterans, get the health care they deserve to have. Thank you very much. (Applause.)

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