

3/14/94
Health Care Forum w/ Commr. Schneider

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 14, 1994

REMARKS OF THE FIRST LADY
AT HEALTH CARE FORUM SPONSORED BY CONGRESSWOMAN SCHROEDER
DENVER, COLORADO

Thank you very much. Thank you, all. Thank you so much. It is such a pleasure to be here and see all of you, and to know that you are as concerned about health care as we are.

And I want to thank Orville, again, for the institute support of forums like this all over the country. I've had the privilege to appear on many platforms that were sponsored by the institute, and it's been a very good educational experience, and I'm very grateful.

I'm also really pleased to be here with your governor, who has given real leadership to not only the State of Colorado, but the entire country, and certainly the governors of the United States. He's been a thoughtful, stalwart friend of my husband's as they have worked through a lot of the problems that this country faces, and we're just really proud of you and grateful for your continuing support on health care. (Applause.)

And what does anyone say about Pat? There is nobody like her, and we are so glad to have her in Washington, bringing a dose of fresh air all the time. I have to confess, however, that I only wish I had her wit and her one-liners. I'd be in a lot more trouble, but I'd have a lot more fun if I did, you know. So this is a real privilege, and I'm so grateful that you put this together.

Somebody asked me as I came in what this pin was, and it looked awfully big on the screen as I look at it. I was in Boulder, as some of you may know, at the university, and a woman gave this me, and it is a depiction of Chelsea and Socks, so I just had to wear it. And I hope it's not too distracting for all of you.

I wanted to spend a few minutes talking about where we are with health care reform and what the President's approach really is, and maybe clear the air a little bit, try to get back to a factual discussion about what we are trying

to do together, and then have time to answer some questions. Because what I have found in forums all over the country is that once we actually begin to talk, and cut through a lot of the rhetoric and a lot of the smoke that fills the air about health care reform, we have so much more in common.

Those of us who have worked on this issue and worried about it, those of you in the audience who are doctors and nurses, and hospital administrators and business leaders, and political decision makers, and parents, all of you have the same concern. And what we are trying to do is to give some real structure to your concerns and put them in the context of the principles underlying the President's approach.

Because what we have found over the last several months is that although people are rightly cautious about change, are concerned about what it will mean to them and their family, their business, their profession, there is overwhelming public support for reform. And there is overwhelming public support for the principles, or, as you heard Dr. Rheinhart (phonetic) saying this morning, the ethics of the approach that the President has presented.

So what I hope to do today is to continue the conversation I started a year ago -- more than a year, now -- in talking about where we are, where we are heading with respect to these activities in congress, and what this will mean to you in your lives when reform is in place. Let me start by saying that I think the case has been made far more eloquently than I by your previous speakers and by much of the publicity surrounding health care over the past year, about what is wrong with our system and why we need to make changes.

In fact, I have now concluded that in many people's minds, although they fear change, they recognize that the status quo is probably the least attractive alternative, because it is a status quo that is not stable. It is deteriorating.

We have had in the past year an increase in the uninsured. We have had in the past year an increase in premium rates for small businesses and families. We have had in the past year increasing pressure on our public programs, like Medicare and Medicaid. We see some signs of hope in some sectors of the health care industry, particularly when it comes to very large companies and state and federal government being able to control their costs.

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But we have not seen the kind of stability that would lead us to believe that on its own, left unaddressed, our system can fix the problems that are undermining the quality of services, access to services, and leading to increased insecurity among all of us, including those of us with insurance. So if you look at that status quo, and you see what we see who try to follow all these pieces of evidence that we keep accumulating, then the real issue is not whether we reform, but how we reform. And poll after poll supports the American public's awareness that this is the right discussion.

Thank goodness we have gotten beyond the rather false argument about is there or isn't there a crisis. The folks who tried to peddle that have backed off, and they now recognize, along with the rest of us, that there is a crisis. It may not have entered into everyone's life, but it is a potential crisis for all of us, because we all live with the kind of insecurity that comes when you do not guarantee insurance to every citizen.

The President's approach is built on five basic ideas. The first is guaranteed private insurance for every American. Now this is an important point to stress because some of the critics of the President's approach have said, well, you know, he favors government medicine. Well, in fact, that is just not true. He favors the kind of system we have now, but to make it work for everybody.

We now have a public and private system. Those of us who are privately insured achieve our health coverage by either our own funds or in cooperation with our employers. And we have public systems like Medicare and Medicaid to take care of those who cannot afford insurance. And then of course we have the nearly 40 million who fall between the cracks.

What the President wants is guaranteed private insurance with comprehensive benefits for every American. And the benefits in the President's approach have been spelled out.

Alternative approaches have said, well, let's pass reform, and then we'll tell you what the benefits are later. I don't know anyone who would buy an insurance policy and not know what was going to be covered. So from the President's perspective -- we want to know from the very beginning, what

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are the benefits, in terms of hospitalization and outpatient care, mental health coverage, and very importantly, preventive and primary care.

One of the points that is really significant in the President's approach to benefits is to try to move us more toward a system of individual responsibility and wellness, so that we no longer just take care of people when they're sick. We actually try to insure them in a way that they can get help trying to prevent themselves from being sick or getting sicker. So comprehensive benefits stressing preventive health care is a key.

The second point that the President has stressed is, we need to eliminate the insurance practices in the marketplace today that do drive up the cost for some people, and discriminate against individuals and groups of individuals. And there are several of those.

One is the whole idea of preexisting condition. If you have some kind of an illness or other sort of medical condition, you may find yourself ineligible for insurance, or find insurance priced so high you cannot afford it. We want to eliminate preexisting conditions. Everybody should be insurable. Nobody should be eliminated from insurance because they have been sick at one time.

And this is especially important in today's world, because -- I recently was at the National Institutes of Health, where they are doing fantastic research about the human gene system. We are learning every month something more about our human genetic makeup.

We are on the brink -- within the next 10 years -- of discovering genes that cause all kinds of diseases. We all will be uninsurable because we will all have some genetic condition that will make us ineligible. So if for no other reason, we need to act now. (Applause.)

Another thing we have to eliminate from the current way insurance is sold and marketed is something called lifetime limits. You read the fine print of your insurance policy. Most of you will see that you have a lifetime limit. It may be, surprisingly, as low as \$50,000, or as high as \$1 million, but what it means is that if you get really sick and need your insurance coverage the most, if you build those expenses up you may get to the point, as many people have who

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have talked with me, where their insurance company says, we're not paying any more. We are going to eliminate, in this approach, lifetime limits.

And the final practice that we want to eliminate is discriminating against people on age. That is something that I care more about every year that goes by. I am very conscious of how, as I get older, my costs increase.

I have this old fashioned idea that we all ought to be in this together, the old and the young, the sick and the well, supporting each other, because every one of us will someday be sick, and sure enough, we will all be old. So if we eliminate that now, put everybody into the same insurance market, the whole country, we will then all pay less to actually guarantee more insurance for the entire population.

The third point, which is critical to the President's approach, is guaranteeing choice of doctor and health plan. Now there was a lot of concern about this several months ago, and there were some ads run and some other charges made that the President was going to make it impossible under his approach for you to be able to pick your physician.

Well, first of all, what is happening today, is that more and more Americans are being deprived of choice. How many of you in this hall today get your insurance, as most of us do, through the work place, and have been told sometime in the last several years that your employer has picked a different plan?

You can only go to these certain listed doctors and these certain listed hospitals. And you cannot, maybe, use the children's hospital or the academic hospital associated with the university, because they're too expensive. This happens all over the country, every single week, because employers and insurance companies are trying to squeeze their costs down in a system that is letting costs run out of control. So one of the ways they're trying to do it is by eliminating your choice.

And we are going to reverse that, because if everybody is in the system then there isn't any place to shift costs to. Everybody is part of the same insurance marketplace, and therefore we will require all health plans to be available, in a region, to every one of you, and it

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will not be your employer's choice or the insurance company's choice, it will be your choice.

And every year you will choose the health plan with the doctors that you prefer, and every health plan, whether it's an HMO or a PPO, or a traditional fee-for-service health plan, will also have to provide a -- what's called a point-of-service option. That means that if you have some condition, and the best person in the country is somewhere else, you will have the right to go there.

So in fact, under the President's approach we will reverse the decline of choice, and guarantee it to you. So we want to make that point very explicitly. (Applause.)

The fourth point I want to make is that the President's approach preserves Medicare. You know, there are a lot of people in our country who are concerned about Medicare, and those of us who have older family members who are eligible about Medicare are also concerned. But the two big problems with Medicare right now is that Medicare does not cover prescription drugs, and Medicare does not give options to older Americans when they need long-term care other than the nursing home.

Under the President's approach, prescription drugs will be available to the Medicare-eligible population, which will be a huge cost saver for millions of older Americans. I have met people in their 60s and 70s, and 80s, who pay anywhere from 4-5,000 to \$18,000 a year for their prescription drugs, people living on fixed incomes.

And what we want to do is to make prescription drugs affordable, because we don't want older Americans choosing between food and prescriptions, which happens right here in Colorado, like it does everywhere else in the country. And because we know if older Americans get their prescriptions filled, and they're under the supervision of a physician who can monitor those prescriptions, they are less likely to need hospitalization.

So prescription drugs under Medicare -- and to begin to provide some long-term care. We want to preserve Medicare and to use money in Medicare for the people it was intended for, older Americans.

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The fifth point I want to make -- the fifth point has to do with how we finance health care and where we actually will get our guaranteed private insurance. If you believe, as the governor said, that everyone should have health coverage in America -- and I believe that. I hope that we're beyond that debate.

Any reform that does not include universal guaranteed health care for every American will be vetoed by this President, because if we don't have guaranteed health coverage for everybody, we have not reformed our health care system. (Applause.) Now once you believe that, there are only three ways to do this. There's not a million different ways, there's only three ways.

One is to take the approach that a lot of people have looked at, which is to eliminate private insurance coverage and instead substitute for it a tax that would be dedicated to providing health insurance. That is sometimes called a single-payer system. That is, as a matter of fact, something that has a lot of support by people who know that it would once and for all cover everybody.

And for those of you who support that, it is a goal that the President shares. But he believes that we will be better off if we maintain our public-private mix, so that we can retain some competition and collaboration, and some accountability, so that we can keep both parts of the system, public and private, kind of moving along, doing their best, because there are alternatives out there. So he does not believe we ought to raise taxes and substitute tax money for all of health insurance.

The second way to make sure everybody is covered is by having what some argue for, called an individual mandate. That would mean much as we do auto insurance in some states. Every individual would be told they have to go out into the market place and buy their own insurance. Now, the good part of that approach is, it recognizes you have to have either a tax or some requirement, some responsibility to get everybody covered. The President rejected that approach because, from his perspective, it would do two things that he does not think are good.

First, it would send a message to employers who are currently providing insurance they did not need to do that anymore. I mean, if the individual is required, then why

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should any of your employers continue to bear that burden? So we would have millions and millions of Americans all of a sudden becoming uninsured, which is absolutely the opposite of what we want to see happen.

The second problem is that you would have to provide some kind of subsidy for low income people. And if you try to provide an individual subsidy where you had to track each individual, and if you could not predict how many more individuals would be thrown into that pool that would be needing help because employers would be dropping them from coverage, you would have a very big amount of money having to come from the federal treasury that you could not count on or really specify from year to year.

You would also probably have to use the IRS system to keep track of individuals, and I personally am not enthusiastic about using the IRS system to keep track of my health care insurance. So I don't know that that's a very good alternative. (Applause.)

The third way is to build on what works in America, and that is employer-based, shared responsibility insurance. What happens now is that most of us pay something out of our own paychecks, and our employer pays something that is a benefit to us, and the percentages vary. Some have 100 percent employer paid, some only have 50 percent, some have high deductibles, some have low deductibles, but the system in place is guaranteeing health insurance at the work place.

That is an American solution to an American problem that has worked well for most of us. And the President believes that if we build on that system, then for the vast majority of insured Americans, we are not going to see very much change at all. Every year we will still be contributing at the work place, but unlike what happens now, our employer won't decide what health plan we have. We will decide, and we will be free to make a new decision on an annual basis.

Now what are the problems with building on the existing system? Well, first of all, there are some people, employers and employees, who currently pay nothing. They are the uninsured, and that is a very large group of people and one that unfortunately is growing, because many employers are finding that it is not something attractive for them -- in the existing insurance marketplace -- for them to try to continue to provide benefits.

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Small businesses in particular are the most discriminated segment of the business community when it comes to getting fair insurance rates, because they are usually out there in the marketplace on their own, or in very small groups. So we have to do a couple of things to make sure that moving from where we are now, with the employer-employee system, to covering everybody, will work and work fairly.

Number one, we have to provide discounts to small business. We have to cap how much money business would be asked to contribute. We also have to provide subsidies for low wage workers so that they can afford their share. We want them to be responsible. Even people on Medicaid, who work, should contribute something.

Right now we have the rather unusual situation of millions of Americans getting up every day, going to work, paying taxes, not able to afford insurance, not getting insurance from their employer, and yet they pay taxes which go to provide health benefits to people on welfare who are not working. (Applause.) That is wrong.

So if we provide discounts and we provide subsidies -- we have looked very carefully at how much this would cost. This will lower the insurance cost of the vast majority of business that already insure. If you are a big business, a medium sized business, or a small business, and you already insure, we can show you how your costs will go down, both in the short run, and then, importantly, in the long run.

In fact, one of the conclusions of the nonpartisan congressional budget office study was that business particularly would be saving a great deal of money under the President's approach. Now if you do not insure at this time, yes, you're going to have to pay something, and your employees, who currently do not have insurance, are going to have to pay something.

We will do everything we can to keep the cost low. And if we reform the insurance market, and eliminate the experience rating and the cherry picking, and all of the activities that have come to make your costs much higher than they should be, it will be affordable. And again, the nonpartisan independent studies that have been done have demonstrated that is the case. It has also demonstrated there would not be net job loss. So the two big arguments

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about cost and job loss are ones we are very sensitive to, but think under the President's approach we will be able to address and provide a base of financial support to businesses and to workers with lower income.

Those five points: guaranteed private insurance, outlawing insurance practices that are discriminatory, guaranteeing choice of doctor and health plan, improving and preserving Medicare, and guaranteeing health insurance at your place of employment, are really the underlying principles of the President's approach. There are details that will be debated, and should be, as the governor said, exactly how all this will be put into practice.

But the net result when we get through with this debate is: if we have done our job right, health insurance will be guaranteed. You will never have to worry about losing it. You will find it far more affordable and accessible than you ever have before. And the country, and our business sector in the country, will begin to save money that they have had to spend on health care that they then can turn around and invest in more productive uses.

So this is an approach that has been thought out. It borrowed from a lot of different approaches to try to come up with a solution for the problems we have in this country.

I am confident that as the debate moves forward in congress, as people really have to focus on what the alternatives are, what the costs are, and how much like the President's approach your insurance situation is now, that we will end up this year passing comprehensive reform and once and for all make good on a promise that every one of us should have, going all the way back to Franklin Roosevelt and Harry Truman, as Pat said, to guarantee that no matter where you live, how old you are, who you work for, or whether you've ever been sick, you do not have to worry about having your legitimate health needs met. And that's what we're trying to make sure happens this year. And we need your help to make that come apart.

Thank you very much. (Applause.)

A PARTICIPANT: Now we'll take questions from the audience, and I'd like to ask Eduardo Canallis (phonetic) to address the first question.

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MR. CANALLIS: Welcome to Denver, Mrs. Clinton. I'm a member and an organizer with the Service Employees International Union. SEIU, as you know, is one of the largest proponents and supporters of health care reform in this country because we are the largest health care workers' union in the country also. We're very concerned with immigrant bashing in this country because we're organizing service workers.

My question to you is: Are undocumented workers and nonresidents, legal residents -- noncitizen legal residents -- covered by the health care security act?

MRS. CLINTON: Under the President's approach, citizens and legal residents are, undocumented workers are not. (Applause.) And what we will do -- what we will do is to continue to provide the public health and emergency medical services that any person is entitled to have, and that we want to be able to provide.

But we do not believe we should extend this kind of privilege and right, that carries with it comprehensive health care benefits, to people who are not citizens or legal residents. We need to take care of our people right now. (Applause.)

A PARTICIPANT: Our next question comes from Barbara (inaudible).

A PARTICIPANT: Instead of being melded into the various state alliances, why can't the federal employees' health benefit program, which serves over 9 million federal retirees, employees and their families, have a separate alliance of their own? Could you and President Clinton support that?

MRS. CLINTON: Well, under the current plan, for those of you who are not acquainted with the federal program -- which you should be, because you pay for it -- so let me tell you a little bit about it. Under the federal employees' health benefit plan, the federal government acts as the employer of people like my husband and the congresswoman, and workers throughout the country, and it acts as an alliance or kind of a buyers' club, if you will.

It goes out into the marketplace, and it says to insurance companies and doctors' networks, and other health

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providers, would you like to have a chance to have the business of federal employees -- because the federal government pays 75 percent of the health care costs and the employee is responsible for the remainder. So every year, everyone from my husband on down gets to choose what health plan we will join, and then the money flows into that.

The federal government doesn't make the decision. It does not decide what kind of health plan we want. We do that, but they provide the 75 percent employer match. We are in effect asking that something similar be done for every person in America, where the employers provide an 80 percent contribution, and the employee provides 20 percent.

That is a good model for what we are trying to do, but we do not believe there should be a separate system for federal employees. We believe the President and the congress ought to live in the same system that every other American lives under. (Applause.)

A PARTICIPANT: Our next question comes from Father Neil Dow (phonetic).

FATHER DOW: Yes, I've been wondering if you have specific targeting for helping people with chronic diseases, and even more notably than that, multiple chronic diseases.

MRS. CLINTON: Yes, Father. One of the things that will help people with chronic diseases more than anything is guaranteeing them insurance. People with chronic diseases are often locked out of the health insurance market today, or have to pay an exorbitant rate, and particularly if they have multiple problems overlapping the primary diagnosis.

So what we are attempting to do is to make sure nobody is eliminated from coverage, and that there are services in addition to the ones that you or I, if we did not have chronic diseases, would be entitled to. So we do have rehabilitation services, long-term care, not only for the elderly but for those under 65 with chronic problems that lead to disability.

So we are very aware of what needs the chronically ill have and have tried to build that into the benefit package the President has proposed, because that is a group of people that have special needs that are expensive and need

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to be addressed. And so we have tried to do that in the way we have approached this whole issue.

A PARTICIPANT: Steve Berringer (phonetic), question?

MR. BERRINGER: Thank you. Mrs. Clinton, on behalf of region 11 of the AFL-CIO, I want to thank you, for all of us, for your leadership on the health care issue, and let you know that we support your and the President's efforts on behalf of the health security act.

During the health care debate, workers have repeatedly expressed a concern; that concern is the fear that their health care benefits would be subject to taxation, as some others have proposed. My question is: Under the health security act, to what extent will, or perhaps won't, health care benefits be taxed?

MRS. CLINTON: Under the President's proposal, they would not be taxed, because what we do not want to do is penalize people who have insurance. What we want to do is increase insurance availability to everybody. So we do not propose taxing benefits in the President's approach.

A PARTICIPANT: (Inaudible.)

A PARTICIPANT: I'm with the Denver department of social services and the coalition on long-term care, and I'd like to know your views on long-term care and how it's incorporated into the national health proposal.

MRS. CLINTON: You know, the whole long-term care issue is one that we are hearing more about every day because the fastest growing segment of our population are people over 80, and -- I was laughing. I ran into Willard Scott a few months ago, and I asked him how he was doing. He said, well, one of his problems was that he had so many people who were having a 100th birthday that he was thinking of having to up it to 105. (Laughter.)

You know, so it's a problem that we're going to have to face, because we are aging. And I think we are all grateful we're living longer, but we want to treat people with dignity as they age, and we also want to treat people with chronic disabilities who need long-term care with dignity. (Applause.)

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What we have done -- what we have done is try to listen to people, and what we hear all over the country is that people want alternatives to nursing homes. They want to be able to stay in their own homes, with their own family members, and get some home health aids and other kinds of help. (inaudible) -- going to do, but it will save us a lot of money if we do it.

I just want to end with a story. I was in Philadelphia, in a hospital, and they were running an adult day care for people in their neighborhood. It was in a kind of working neighborhood, a neighborhood of people who worked, didn't make a whole lot of money, but a stable neighborhood. And they were finding that a lot of the folks in the neighborhood were trying to keep their parents and their aunts and uncles at home.

But they couldn't watch them because both parents were working, so they would take them to the hospital, to this adult day care. But the hospital had to charge something, so it charged \$35 a day. Well, that was too much for a lot of people. They could maybe pay \$15 a day, but not \$35, so the hospital saw a lot of families being forced into having their parents and grandparents go into nursing homes, because they couldn't afford \$35 a day, whereas the state would pay thousands of dollars a month if you had somebody in a nursing home.

What we want to do is to provide, on a sliding scale, some financial support so you can keep people at home. And you can keep them in adult day care and not put them in nursing homes, which would save us a lot of money and be a more effective way to take care of more people. (Applause.)

A PARTICIPANT: (Inaudible) we're running short of time. We'll have to make this the last question, I'm afraid -- from Brian Sullivan (phonetic).

MR. SULLIVAN: The health security act is clearly far reaching, and in some areas controversial. While there are a lot of differences in the federal reform movements, there is a lot of commonalities. To avoid deadlock, would the administration support a plan that included some of those commonalities so we could fix much of what needs fixing now? Or would the millions of Americans who could benefit from some of the changes, such as insurance reform, have to wait?

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MRS. CLINTON: Well, if you're asking if we would be willing to look at different ways of reaching the President's goal, the answer is yes. But if you're asking if the President would be willing to sign a bill that gives you something but did not put us on the track to guaranteed health care coverage for everybody, the answer is no. (Applause.)

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