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4/28/94
Health Care Briefing of Western States

THE WHITE HOUSE

Office of the Press Secretary

For Internal Use Only

April 28, 1994

REMARKS BY THE FIRST LADY
AT A PRESS CONFERENCE
WITH WESTERN STATES
WASHINGTON, D.C.

MS. CLINTON: Thank you.

I understand you've already been welcomed to the White House but let me welcome you again and tell you how pleased we are that you would take time out to come here and have an opportunity to talk with us and ask questions about health care reform so that you can communicate with your viewers, your readers and your listeners back in your States.

I just wanted to say a few words about the three States that are represented here because all three of your States -- Washington, Oregon and Montana -- have been ahead of the curve when it comes to health care reform. Washington and Oregon have taken legislative action and have shown real leadership in dealing with the hard problems posed by the challenges of our health care system. Montana has a commission that I know will be reporting in the fall and has looked at a variety of alternatives about how to deal with the problems in Montana. So it is heartening for us when we visit or talk with people from these three States to know that you, in many ways, understand the problems better than other parts of the country.

There are several issues that are of particular importance to your three States. One of them is rural health care. That's especially important in Montana which has about 75 percent of its population living in rural areas, but it's also important in Washington and Oregon that have hard to reach, inaccessible, rural areas as well.

When I visited Montana last year and learned more firsthand about the problems of rural health care in our western States, I told the people I was visiting with in Billings that there was rural and then there was megarural and Montana was megarural in the way that it had to deal with a lot of its problems. So we have tried to be very sensitive

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to rural health concerns in the President's approach. We are trying in several ways to increase access in rural areas. We think by providing financing for every American to have insurance coverage that will provide a good, solid base for financial stability for health care in rural areas.

We also believe that by providing financial incentives, not only for physicians but for nurses, physicians assistants, and other health care professionals, to practice in rural areas, we will be able to increase the supply of health care providers in our most rural areas.

We also think technology will play a major role. I have now seen how technology can work in rural areas where a doctor's office or a small hospital or clinic is linked to a medical school or medical center, and people in the medical center can actually be in their offices hundreds of miles away and help doctors and nurses in rural areas diagnose problems and deal with the health care needs of the people in that rural community. So we are trying to make sure that health care reform really delivers what it should and that is, not only universal insurance, but universal access.

I am particularly pleased that the leadership on both sides of the aisle in your three States has largely worked very cooperatively and productively with the Administration. We are excited about what's happening on Capital Hill and looking forward to solving some of the problems that you find in your States when it comes to health care.

I'd be glad to answer any questions. If you could, identify yourself and say where you're from. Yes, sir?

Q (Inaudible)

MS. CLINTON: I'm aware of those efforts in Montana. I know that many of the physicians in Montana actually attend medical schools in Washington and Oregon and then come back to Montana to practice. There is a need for more support for primary care physicians, like family practice doctors, and the President's plan provides that support.

We start putting funding into making sure we have family practice physicians, obstetricians, gynecologists, who are often the primary care physicians for women, internists,

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pediatricians, and general practice doctors and surgeons because we think that is important and there will be funding for such programs. I would imagine that Montana would be able to apply for some of that funding for a clinical program of the kind you're talking about.

Yes?

Q (Inaudible)

MS. CLINTON: We don't think that's what reform means. The goal of health care reform, for the President, is to stabilize costs for those of us who are already insured and to include insurance for everyone who is not insured. If you look at what insurance currently costs most people, there is no security at all. There is none of us in this room who is insured who can be confident we will have the same health care coverage at the same cost for the same services this time next year. So the first and most important thing reform offers is security because we want to be sure every person, no matter who you are or where you work, absolutely has affordable health care.

If you look at what the average American currently with insurance pays, we think we can actually provide better health care coverage for the same or less money than it costs today. Why would that be possible? Right now what happens is those of us who are insured, we are basically paying for everyone who gets health care who is not insured.

In Seattle, people show up at the emergency room of some hospitals and they are given care. When it comes time for the bill to be paid, maybe they can pay a little bit, but often they cannot pay anything and how does the hospital or the doctor make up for that? They make up for it by that \$25 Tylenol that appears on your bill or my bill, so that those of us who are insured, our costs go up because the costs that others cannot pay get shifted onto us.

If everybody is in the system and there is no leaking, if you will, people are not left out of responsibility but everybody has to pay something -- even people on welfare, if they are working, have to contribute something -- then you can actually control costs better and lower the costs for those of us who are insured.

I think many people say the beneficiaries of health

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care reform will be those who are currently uninsured. I think that's only half the story. Everybody will benefit but those of us who have been paying the bills will really benefit because we will see our costs stabilize and go down over time.

Q (Inaudible)

MS. CLINTON: No. If it's done right, that should not happen. The reason it should not happen is because right now, the costs for health care are going up every year in both the private sector and in the public sector because of increasing costs in Medicare and Medicaid. Why does that happen? It happens in part for the same reason I just explained because the costs get shifted to wherever somebody who will pay the bill is.

If everybody is in the system and everybody is contributing, there will actually be more money spent on health care in the next couple of years. Why? Because we have nearly 40 million uninsured Americans. If they and their employers all have to contribute, that will be billions of dollars more going into the health care system. We also have advocated a tobacco tax at the Federal level. That will be several billions more coming in.

Hospitals will no longer be paid because they've taken care of patients and have lost money because the patients will actually be able to pay for their care. So we will have Federal dollars that are currently being spent which are called disproportionate share dollars that go to reimburse hospitals that take care of charity patients. That money will no longer have to be spent. It will be able to provide subsidies and discounts for small employers and low wage workers.

So if you look at the Non-partisan Congressional Budget Office, what they have said in looking at the President's plan is that it finances itself and business and individuals will save money. The difference in our analysis and theirs is they think in the very short term, in the next couple of years, the Federal Government's deficit will go up some before it stabilizes and starts to go down. We're going to try to plug that hole with other spending cuts but there isn't any doubt, based on the independent as opposed to partisan analyses of the President's plan, that it is self-financing and it saves money for individuals and businesses.

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Yes?

Q (Inaudible)

MS. CLINTON: We are very conscious of how States like Oregon and Washington have really gotten ahead of the curve with legislation. That's one of the reasons why we view this as a Federal framework in which individual States will be given lots of flexibility to make their own decisions. What's right for Oregon may not be what's right for Florida. We want States to have a lot of authority to make decisions. So in Oregon, for example, we think that much of what has already occurred will fit right in to the Federal framework. Where there are some differences, we anticipate those being worked out in the legislation. There is a difference in the way that Oregon has designated certain services that will be available or unavailable.

We prefer to state what services should be available to everyone and then provide incentives for the costs to be kept down, but it's the same approach basically, trying to control the costs of what is there for citizens. So we don't see much of a contradiction there and we really believe that the plans that Oregon and Washington, and several other States have already adopted will fit very well into our framework.

I would add a word about Montana. Montana's commission, as I understand it, is considering whether a single payer option would be right for Montana. That is also acceptable within the Federal framework that we are trying to set up. There will be a single payer option available. So you could have among your three States, within the Federal framework, every citizen would be entitled to the same benefits, every citizen would be entitled to choice of doctor, and choice of health plan. Every insurance company would have to eliminate preexisting conditions and lifetime limits.

We believe you should have an employer-based financing system, but then each of your three States could have variations on that Federal framework. Montana, for example, could choose to be a single payer State; Washington could take its framework and basically move forward with it; and Oregon, with slight adjustments, could move forward with what it's doing.

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Q (Inaudible)

MS. CLINTON: We ration already. We ration on the basis of who can pay for what in this country and I think it's very important for you to stress that point. Every day in America, Americans are denied health care coverage because they cannot afford to pay for it or they are given less health care coverage than someone with better insurance or more money is able to have.

I have seen so many examples of that as I have traveled around the country and I have so many stories, I have received a million letters. So I think we need to be honest with ourselves and say right now as we stand here, we are rationing health care and I don't think it's right because we're doing it on the basis of who can pay what, and often on the basis of who is employed and what the employer offers as insurance.

I think actually once we have health care reform and everyone is included and individuals get to choose their health plan, we will have much greater access to health care and far less rationing than we currently do today. That's one of my personal goals because I feel very strongly about it.

Yes?

Q (Inaudible)

MS. CLINTON: Yes. Violence is a public health epidemic right now. It not only costs lives and is tragic in its impact, but it is costing our health care system billions of dollars. The President is continuing to move aggressively to try to eliminate or at least reduce as much violence as possible. That's what the Brady bill was about, that's what the crime bill which is currently being negotiated in the Congress is about, that's what his strong support for banning certain assault weapons is about. We have got to remove the instruments of violence from the hands of teenagers and others who are prone to commit violent acts.

As a member of Congress said the other day in announcing his support for the assault weapon ban, which is in the discussions in the crime bill, he said, there isn't any argument any longer; the level of violence has increased because of the weapons that are now readily available. Yes,

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there's always been violence in America but when you had violence largely resulting from fists and knives and single shot guns, you did not have the amount or the severity of the violence we currently do.

So our efforts are aimed at getting guns off the street, getting them out of the hands of criminals and teenagers, making sure that people with records don't have access to guns and putting more police on the streets, which the crime bill will do by adding nearly 100,000 more police officers. So those are the steps we are trying to take to try to prevent and, in some way, stop this epidemic of violence that we're living with.

Yes?

Q (Inaudible)

MS. CLINTON: I think that based on my experience so far working primarily on health care, the Congress has been very focused and hardworking in dealing with an extremely complicated issue. I'm not sure anybody would have predicted that a year ago we would have a consensus on the need for guaranteed health care, universally available, which I think we now have. I don't know that anyone would have predicted that the committees would be moving as quickly as they are trying to deal with the severity of the problems posed by doing this right.

There is still a great deal of confidence in the Congress that they will have a bill to the President by the end of summer, which is remarkable given the fact this issue has been kicking around for 60 years and never gotten to the point it is today. So from my perspective, the congressional process seems to be working well.

I do believe that when the President first got to Washington, one of his biggest challenges was breaking gridlock. There had been a terrible set of I guess feelings and behaviors that had grown up over the last decade where people dug their feet into the sand and they wouldn't cooperate and they were very partisan and wouldn't deal with a lot of hard problems that we faced. I think if you look back on the last 15 months, the budget, everything from family and medical leave to motor voter, to Brady, to national service, to NAFTA, to GATT, to the crime bill, to landmark education bill, all of that is a result of a

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President who really works hard on domestic issues and a Congress that is willing to bite the bullet and make some tough choices. So it's been a very productive 15 months and I'm very pleased by what we've accomplished.

I think it is going to be hard to hammer out all of the issues around health care reform, but I am extremely optimistic. I see lots of movement and hard work going on. I do believe that the prediction that the President will sign a bill this year is going to be met. I think it's important though that the bill be comprehensive enough that the main goals are all met in the legislation. I don't think it is wise to incrementally do the legislation. I think we want to have the whole framework set.

As we move through the years of implementation, we need to learn and make sure we do it right, but I think that framework has to be set in the original legislation.

Yes, sir?

Q This is a two-part question. I'm interested in knowing why the Administration decided against going the single payer route (inaudible) and decided to go (inaudible)? Two, if in fact the single payer does have strong momentum on Capital Hill, whether or not you will be able to (inaudible) signatures (inaudible) will add fuel to the single payer (inaudible)?

MS. CLINTON: We believe that States should have the option to go single payer, so California's efforts to put an initiative on the ballot for a referendum vote is what we would predict would happen under the President's plan if a State wanted to go that route. Either the State would do it by referendum or by legislative action. So I don't think that any of us are at all concerned about that one way or the other because we think States should have that option.

There were two basic reasons why the President's approach did not rely on a single payer system for the entire country. The first set of reasons are substantive. Although we share the goals of single payer and really believe that it is important -- in fact, absolutely required -- that every person be covered and single payer does that and single payer also reduces the administrative waste and inefficiency in the system by eliminating a lot of the forms and the other regulation that goes along with it. We believe we can

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achieve that goal as well through the President's approach.

When we looked at the single payer system, we were concerned about two aspects of it that we thought we could do better than they have been able to do. The first is that if you take the American system where it is today, it is a varied system across the country. There are different cost levels, there are different practice styles of physicians, there is a different acceptability of HMOs around the country. You've got Puegot Sound which is one of the best in the country in a State like Washington but in many parts of the south, for example, they hardly have any so they don't know what it is you're talking about. So you've got the different kinds of health care systems already operating in the country.

We didn't know how you would move from that to a uniform, national system overnight that would basically say there's only one way to do it and here's how we are doing it and we're going to impose the same system on the entire country. We didn't think that would be a very efficient way to proceed.

We were also concerned that if you were to come up with prices in a single payer system where you currently have such differences around the country -- it costs under Medicare, which is a single payer system -- Medicare is a taxpayer, government-financed health care system -- and we have not yet figured out under Medicare how to get a more uniform cost structure. Under Medicare, a physician taking care of an older American in Miami is paid three times what a physician taking care of that same person for the same problem in Minneapolis would be paid. So if we haven't yet figured out how to do that in Medicare, we didn't see how we could move to the entire country and do it efficiently.

We want to bring down costs and we think retaining competition in the public/private sector will help us do that. If we give the States the single payer option, then any State ready to do it can choose that for itself.

The second set of reasons are political. We do not see a majority of the Congress voting for single payer on a national basis but we do think there is very strong support for single payer, primarily among States that order Canada or are close to Canada where you actually can see firsthand what happens. Those States can very well make the decision on

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their own and have the political support to do so if that's what they chose.

Yes, sir?

Q (Inaudible) description in the newspapers, it seems like a lot of the issues the Federal Government tries to wrestle with eventually get settled in Federal courts. What's the likelihood, if any, that this health care crisis will be solved by the Federal courts and not by Congress?

MS. CLINTON: Oh, I hope none. I can't imagine a worse situation than to be tied up in Federal courts over a national health care reform plan. I hope to goodness we don't face that. I think Federal courts are very useful in pointing out problems and inequities and analyzing constitutional issues, but they cannot -- they are not equipped to run systems. That's not what they can do, so I hope that's not even a remote possibility.

Yes?

Q (Inaudible)

MS. CLINTON: Under the President's plan, every individual will have to get insurance, but the cost will be less because if you are an individual insuring yourself, you will pay the individual rate. If you have children, the two spouses can choose which employer will help to pay the childrens' costs. If you are self-employed for the first time ever, you will be given 100 percent tax deductibility, which is now only available to businesses, not available to solo practitioners or solo entrepreneurs. So it will actually work out, I would guess because I've looked at a lot of the figures, that a person who is self-employed and his spouse together will pay less than what is now being paid for their insurance and the individual who is self-employed will get the tax advantage which now primarily would go to the employer of the spouse. So all in all, it should be a net saving for many people in the situation you describe.

Yes, ma'am?

Q (Inaudible) What bouts on managed care and other kinds of formulas always going on in the private sector, those will continue without (inaudible). How effective have they been and how effective would they be if

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there were no other reforms?

MS. CLINTON: Well, you know, there is good managed care and bad managed care just like anything else and what we are trying to do is set up a system where the individual, each one of you not your employer, gets to choose your health plan so that if you choose managed care through an HMO or what's called a PPO, which is a prepaid organization or some other new alphabet organization that's created, you will have the opportunity, in effect, to vote with your feet every year. If you are not satisfied with your health plan, you don't enroll in it next year. So all of a sudden managed care and every other health care provider will be competing for your business based on price and quality, not cutting deals with employers to give the lowest discounts, telling you that you can no longer see your doctor because he or she is not on the list, and the other things that managed care does today to drive costs down.

So we think this will be a great opportunity for good managed care to expand and get more business, and the kind of managed care that frankly is kind of fly by night and doesn't take care of patients, and doesn't really give consumers what they want. You won't give them your dollars and that will be the way the market will help to eliminate health plans that are not working effectively.

The Federal Government, as an employer, pays for health care for 9 million civilian employees, including every member of Congress, my husband and everybody who works here in the White House, and the employer -- namely the Federal Government, pays 75 percent, we pay 25 percent. Every year, we pick our health plan. At the end of every year, you get a bunch of brochures, you can go to meetings and you can ask questions about what the satisfaction was with a particular health plan. The Federal Government, as our employer, doesn't say here's who you must choose, we make that choice. If we choose the highest priced health care, we pay a little more than if we choose an HMO but that's our choice. That's what we want to give every American so that you make the choice and if you're not happy with the health care plan and your neighbors aren't happy, it's not going to get any customers. That's what we think the best way to proceed is.

Yes?

Q (Inaudible)

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MRS. CLINTON: Well, the budget for 1995 for IHS is a budget that we think will enable IHS to continue providing services while we see what happens with health care reform because under health care reform, there will be new dollars going into the IHS and that's been our goal all along, which is to give IHS the dollars and the opportunities to be competitive and to really upgrade facilities, and be there for the people who are eligible for its services.

Under this current budget, in the absence of health care reform, there have had to be reductions across the board in every service that is available and that's what the 1995 budget reflects, but we are hopeful that we will have health care reform and IHS will benefit, as we think it will, dramatically. During the day tomorrow, there will be a number of briefings and other discussions with the tribal leaders who will be here about health care and about every other issue that affects American Indians. That will be on the agenda for tomorrow. If you all are here tomorrow, I'm sure there will be additional and very specific information available.

Q Can I ask (inaudible) a majority of Americans no longer support your plan? Is it just the health care (inaudible)?

MRS. CLINTON: No. I think what you'll find in every poll that I have looked at is that people are confused about all the plans, the so-called plans. It's not just the President's plan, it's any plan that you say you support this. There is not majority support for any plan if it's described as a plan.

If you break down the principles of the President's plan and ask people if they favor the principles, there are majorities that favor every one of the President's principles. Most Americans favor private, guaranteed insurance as opposed to government insurance, that's the President's plan. The majority of Americans favor outlawing insurance practices that charge people with preexisting conditions more or impose lifetime limits, that's the President's plan. A majority of Americans want their choice guaranteed for a doctor and health plan. That's the President's plan, despite the opposition ads and some of the propoganda that has been put out.

The President's plan will actually guarantee choice

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more than our current system will if we do not change it. Most Americans favor improving Medicare by providing help for prescription drugs and long-term care options so that older Americans and Americans with disabilities are not forced into nursing homes, but can be kept at home or can be helped in an adult day care center or community care. And most Americans favor getting their health insurance through their workplace because that is where they have always gotten it and that is what is familiar to them. Most Americans favor having the employer and the employee both contribute to health care.

So if you take every one of the major principles of the President's plan, you will find majority support. But if you call it a plan, and if you've seen some of the scare tactics -- the direct mail, the radio, the newspaper, the TV ads that have been run against "the President's plan" -- it scares me to death. If I didn't know what was in it, I'd wonder, my goodness, what is this. I've been surprised by it; I shouldn't be because the same people who oppose social security, the same people who oppose Medicare are opposing health care reform and they're using pretty much the same arguments.

What is very heartening to me is that ever since September when the President first announced his plan, and people have learned more about the elements of the plan, we have sustained very high support. So what we want to do is get the information out to people about what really is in the President's plan because once we do that, that is what people support.

In fact, I don't know if you saw a headline a few weeks ago, I think it was in the Wall Street Journal, which said with some surprise, "It's the President's plan that people support even though they often don't know it." So that is our challenge, to get better information out to people so that people know that it's the principles. I have to be real honest with you, the President doesn't care who gets credit for it, we don't care whose plan it's called as long as it guarantees health care coverage for every American. That's our bottom line and that's what the President intends to fight for, and that's what we believe will be in the bill he signs.

Thank you all very much.

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