

Natl'l Performance  
Review  
Health Care Financing  
07/11/95

PHOTOCOPY  
PRESERVATION

**NATIONAL PERFORMANCE REVIEW**

**Reinventing Government Event with**

**Health Care Financing Administration**

**Old Executive Office Building**

**Washington, D.C.**

**July 11, 1995**

PROCEEDINGS

SECRETARY SHALALA: Thank you very much.

Mr. Vice President, Mrs. Clinton, this is an exciting day for us, but it's part of a continuum of improvements. With the Vice President, we announced some regulatory change in the FDA, and today, we have some additional contributions to make.

Walt Whitman once said, nothing happens unless first a dream, and our dream for every American has not been abandoned, and that is a quality health care system at an affordable price in which each American has access to. And our leader in that effort is the First Lady of this country, who has led us with passion, with eloquence, and with strength, that this country has not seen before, and I'm very pleased to introduce her to you today: the First Lady, Mrs. Clinton.

[Applause]

MRS. CLINTON: Thank you. Thank you very much. Thank you.

Thank you so much, and welcome to this event. I'm delighted to be here with so many physicians and nurses and health care professionals, and concerned citizens, who are committed to the work of making sure our health care system is both efficient and provides high quality health for all Americans. I'm delighted that the Vice President can be here with

us today, and particularly pleased that he's able to be here, because that means his mother is doing so well in Tennessee --

[Applause]

MRS. CLINTON: -- so it's a special pleasure.

[Applause]

MRS. CLINTON: Last year, when we began the health care reform efforts, I think all of us agreed that, although American has the highest quality health care in the world, that the system that finances that quality health care is too complicated and too expensive. That while we boast of the most talented and dedicated health professionals and advanced research institutions, those professionals and institutions have been overburdened by paperwork, red tape, and needless regulation.

As part of our work on health care reform last year, we looked for ways to simplify the health care system, and we did so within the context of overall health care reform. We are here today in large part because of your ongoing commitment to that simplification effort. Both the individuals here in this auditorium, and the organizations you represent, have consistently worked with us to try to insure that we could eliminate the obstacles that stood in the way for the provision of quality health care.

We owe a particular debt of gratitude to Secretary Shalala, and Bruce Vladock [PH], the Administrator of HCFA, for having taken so seriously, over the last two-and-a-half years, the concerns of practicing physicians, of nurses and hospitals, of technicians, of others who are on the front lines of our health care system. And we are delighted to have with us a

group of physicians and nurses and others, the National Health Policy Council, that, under the leadership of Dr. Steve Gleason, has worked continually to make our health care system both more user and more provider friendly.

At the same time that the overall efforts in health care reform were ongoing, the work of Vice President Gore's Reinventing Government initiative began looking at eliminating unnecessary regulatory burdens in all areas of government. The announcement today represents the perfect marriage of these two efforts, one step in an ongoing effort to free doctors, hospitals, and other health care providers to do what they were trained to do, and to enhance the quality of our health care system, not by micromanaging, but by measuring results.

Hospitals today, as many of you know, hire more administrative staff than medical staff, simply to handle the avalanche of insurance forms and paperwork that comes from both the public and private sectors. Doctors and nurses spend hundreds of hours each month on administration. That's time that has not been spent at the bedside of a patient, or with a child who needs a check up, or diagnosing an illness.

I will never forget talking to a nurse last year who said that she had gone into nursing to care for people. If she had wanted to be an accountant or a bookkeeper, she would have studied that, and gone to work handling paper. Instead, after training to be a nurse, she spent nearly 50 percent of her time filling out forms.

Even worse, many of you have made -- or watched the institutions where you work make

difficult decisions to hire more bookkeepers and clerical people while laying off nurses and medical technicians. That is a very foolish and unnecessary choice, that no physician, hospital, or nursing home should have to face.

We can make a significant start on simplifying the health care system by improving how the federal health programs do business. In recent months here in Washington, the health care debate has centered around the need to reform Medicare and Medicaid, and to get spending under control.

Everyone agrees that those programs can be improved. That was a large part of what we proposed during health care reform. Everyone agrees that federal health spending is growing too fast. Over the next five years alone, almost 40 percent of the growth in federal spending will come from the rise in federal health care costs. They are growing faster than GDP, faster than overall inflation, faster than almost any other item in government spending.

But as the President has said over and over again, there is a right way and a wrong way to slow the growth in Medicare and Medicaid spending. The proposals that are currently being discussed by the majority in Congress to take deep Medicare cuts to pay for tax breaks for the wealthiest Americans is the wrong way. Their Medicaid block grant proposal is also the wrong way. Under the current proposed block grant scenario, seven million children and nearly one million elderly and disabled Americans would lose coverage, and millions more would risk losing vital services, like nursing home care.

Instead, as we begin the debate about how to control health care costs, we need to remember that Medicare and Medicaid have lifted millions of Americans out of poverty and have

helped millions more manage to pay for desperately needed health care services.

The right way is to improve and strengthen these programs and make them more efficient. That's why the President proposed a budget that reaches balance in ten years, but that has half of the Medicare and one-third of the Medicaid savings that are in the Republican plan. That's why the President's budget takes only the Part A cuts needed to strengthen the Medicare Trust Fund rather than playing on fears about the insolvency of the fund to slash Medicare spending to pay for other non-medical priorities.

And, as the President has consistently said, he will take these Medicare and Medicaid savings only in the context of health care reform. That's why his budget proposal takes the first steps toward reform, by making the insurance markets fairer. By helping workers who lose their jobs pay for health insurance, and making insurance more affordable for small businesses and the self-employed. By giving states more flexibility under Medicaid while protecting coverage, and by giving Medicare beneficiaries more choices and investing in new Medicare benefits and long term care.

As an important part of these reform efforts, there are also changes that the Administration can make in the federal health care programs right now, changes that will improve these programs, and improve your ability to work with these programs. We can simplify the system and regulate the right way, without compromising quality.

In the past two-and-a-half years, we've made progress. HCFA has simplified the forms and statements that Medicare beneficiaries get each month. They have improved the system for

processing claims. They have taken the real first steps toward making quality standards more sensible, and the enforcement of these standards more flexibility, just to give you a few examples.

The reforms that the Vice President will outline today are part of this ongoing process. In addition, this afternoon, I will be speaking at a meeting convened by the Koop Foundation on health information infrastructure needs, and there, we'll be able to announce that the Vice President and the Secretary of HHS will be working to try to make sure technological developments are readily available to our health care professionals to expedite treatments, diagnoses, and to also deal more efficiently with the payment side of our health care system.

I know we can build on the work we've done so far, and I know that all of you will continue to be our partners in helping us learn how to do better what is really the most important part of the health care equation. How do we protect, enhance, and support the relationship between the patient and the health care provider? How do we make sure physicians are able to give the care they were trained to give? How do we insure that nurses are there taking care of patients and not filling out forms? How do we make it possible for technicians to provide more and better care, instead of just standing by, making sure that regulations from either private insurance companies, or the public sector are fulfilled?

This relationship between health care professionals and the White House and HHS, not only here in Washington but throughout the regional offices, will be doubly effective if it is joined hand in hand with people working in communities across the country. We hope, with your help, that you will not only take the message of what we are attempting to do here back to

your organizations and communities, but that you will continue to be our partner in identifying unnecessary and burdensome regulations, so that we can work together to simplify and improve our health care system.

It is now my honor to introduce a physician who has been of great assistance in helping us get to this day by bringing the messages from many, many physicians, nurses, and others to the attention of HHS, the White House, the Vice President's REGO initiative, and who, along with all of you, has been a stalwart partner in making sure we don't just talk the problem to death, as it has been for decades, but begin to try to act to solve the problems you have helped to identify

Please join me in welcoming Dr. Steve Gleason.

[Applause]

DR. GLEASON: Thank you, Mrs. Clinton, for that gracious introduction, but it should be me, and in fact, all Americans, thanking you for your courage in tackling these important health issues. You've been a champion for paperwork reduction, for patient choice, for preserving Medicare and, of course, for the uninsured. In reminding us that we are, indeed, our brother's keeper, you have provided moral balance to the health debate.

And I believe bureaucracy reduction is, indeed, a moral as well as fiscal issues. Highlighting that point was the herald event that transformed me into a health care activist.

Frustrated by many conflicting rules and regulations that seemed to be coming from all different directions, I, like many other physicians, tended to address the problem in 1986 by

arguing with colleague in the doctor's lounge, an exercise that was supposed to effect change.

[Laughter]

DR. GLEASON: But in reality, it just reinforced our anger and our political ineptitude, for which we physicians are famous. But when my father went into the emergency room saying that he was sicker than he had ever been, I found the need to find better ways to effect change.

In their attempt to get preadmission paperwork approval, the nurses and physicians and the emergency room staff were struggling with the fact that his chest x-ray, EKG, laboratory data, and vital signs were all normal. In spite of complaints of pain from my normally stoic father, he appeared on paper to be perfectly healthy. It took many hours before we were able to gain the approval to proceed with surgery for what ended up being a ruptured bowel and septicemia.

Following surgery, he went into respiratory arrest, was on a ventilator for the better part of three months before he died. During the short period when he was off the ventilator, I stayed with my father almost night and day, discussing with him life in general. But one particular night, his curiosity led us to a pressing question: why was it that physicians who were charged with the health of a nation couldn't affect and streamline the process by which patients are admitted to the hospital? It was one of his last clearly spoken thoughts.

That's why this initiative is so critical to me. Unnecessary bureaucracy, I believe, diverts time and money away from patient care and at times delays important procedures. Reducing paperwork and health care is, I believe, a moral as well as a fiscal issue. The number of

regulations and rules concerning health care are similar, in some respect, to Winston Churchill's definition of history: History, Mr. Churchill said, is just one damn thing after another.

[Laughter]

DR. GLEASON: And the regulations which have been promulgated on consumers and providers of health care over the past two decades have often been confusing, and certainly, at times, conflicting in their purpose. It has seemed that some Republicans and Democrats have been out of touch with this country's founding ideas. Thomas Jefferson -- the first Democrat, I might add -- fought against government oppression and eloquently defended individual liberty and tolerance.

Burdensome regulations can have a fearsome repressive effect on the quality, creativity, and fiscal good sense necessary for great medical care. By creating a myriad of regulations and forms, each one designed to protect the very few, government has, at times, created a tremendous burden for the vast majority.

It is therefore notable, and refreshing, that this Administration is willing to tackle the issue of reinventing government and regulatory relief. I'm pleased to be here today to participate in this announcement as part of the Administration's ongoing efforts.

I have the job of highlighting just one small piece of the array of recommendations which the Vice President will soon review. And I should add, Mr. Vice President, that we appreciate very much your efforts to move us into the next millennium. Your work on our

behalf to reduce unnecessary bureaucracy and develop new technologies is appreciated more than you know.

The pile that you see before you represents physician attestation statements.

[Laughter]

DR. GLEASON: They really are. That's what they are.

[Laughter]

DR. GLEASON: For those of you unfamiliar with this wonderful form, it was designed during some previous Administration to do several things. It was designed as an additional summary sheet of the diagnoses in the medical case. This form, of course, is in addition to a fully complete discharge summary that already has such information. It was designed to legally bind the physician by requiring an attestation, or truth oath, concerning the accuracy of the dictated discharge summary.

Under Medicare law, some thought this made it easier to put pressure on physicians to dictate accurate medical records. We later found out, of course, that the regular discharge summary suffices fully for that activity.

In the end, the only result was that it added more work to the physician day, most costs in the medical records department, and effectively delayed hospital payments by an additional thirty days. This was mainly trying to track down physicians to do the forms, I might add.

[Laughter]

DR. GLEASON: This pile of paper represents a number of attestation statements signed, in a single year, by a single middle-sized community hospital in Iowa: Mercy Hospital in

Iowa, in Des Moines, Iowa. This particular pile of attestation statements represents 11,127 discharges, which represents one full year at Mercy.

Nine hospital medical records staff spent 6100 hours in one year to prepare the forms. The forms required an additional 927 hours of physician and physician office staff time. Total hospital and physician costs per year for this effort, at this hospital, was \$158,000.00. When Mercy's numbers are extrapolated to the entire nation, this form creates \$136.8 million in unnecessary expense, and \$6.1 million hours in unnecessary paperwork, not to mention the significant delay in Medicare payments to hospitals.

Eliminating this form is a very important step on our road to recovery from bureaucracy. It helps return physicians to the bedside, and cuts bureaucracy-related costs. And this represents only one of many different kinds of forms which consume 20 to 30 percent of our health care professional's work day throughout the nation.

I cannot leave today without offering two further thank yous. First is to Secretary Shalala for initiating this particular effort; Bruce Vladock and HCFA for the monumental effort they've given to making HCFA a customer-friendly organization and addressing these administrative hassles.

Standing next to Bruce, I feel a little bit like the fly in Longfellow's famous line, "And so we plow along, the fly said to the ox."

[Laughter]

DR. GLEASON: You're waiting to see if I was going to say, Vladock was a big ox, right?

[Laughter]

DR. GLEASON: I've been on -- I can't talk, right? I've been on this diet. I call it the Bill Clinton diet. Every day, I jog two miles and eat five Big Macs.

[Laughter]

DR. GLEASON: Don't tell him I said that.

[Laughter]

DR. GLEASON: Anyway, HCFA is, indeed, the force plowing through this mound of paper, and we thank them for that change in direction.

I also want to thank those of you in the audience, most of whom have been instrumental in bringing this important work to fruition, and thank you very much, Mrs. Clinton, for allowing me to share in this announcement. I look forward to working with the Administration in the months to come on this effort.

In caring for patients, it is always wise to apply a little common sense. The same is true about government. No individual has dedicated more time and more effort to insuring that our government's rules and regulations make sense than the Vice President. His work on reinventing government is transforming the way Washington works. It is my pleasure to introduce the Vice President of the United States, Al Gore.

[Applause]

VICE PRESIDENT GORE: Thank you very much. Thank you very much. Thank you very much, Steve, and ladies and gentlemen, thank you.

I would like to say to the First Lady a word of thanks for the partnership we have enjoyed

and the work that leads up to today's announcement. I want to thank Donna Shalala for doing such an outstanding job on so many things -- and we recently returned from Moscow, where we were working on the binational commission there. To Bruce Vladock and his staff, many of whom are represented here today, my thanks for the very hard work that went into this. To the members of the National Policy Council, thank you very much for the recommendations, the hard work, the good ideas, the encouragement, and the enthusiasm that make today possible.

I want to also thank Dr. Steve Gleason. He and I go back aways. He was a member of an elite group of Iowa Gore supporters in 1988.

[Laughter]

VICE PRESIDENT GORE: And -- it's no secret I ran for President in 1988, although it seemed like one at the time.

[Laughter]

VICE PRESIDENT GORE: I learned a lot. It was a character building experience.

[Laughter]

VICE PRESIDENT GORE: I learned a lot of new jokes.

[Laughter]

VICE PRESIDENT GORE: If you use a strobe light, it looks like Al Gore is, moving.

[Laughter]

VICE PRESIDENT GORE: Al Gore is so boring, his Secret Service code name is "Al

Gore."

[Laughter]

VICE PRESIDENT GORE: It's all right. I, I'm used to it by now.

[Laughter]

VICE PRESIDENT GORE: I've heard most of them. Every time I hear a new one, I always have the same reaction, though. "Very funny, Tipper."

[Laughter]

VICE PRESIDENT GORE: In any event, Steve Gleason was part of that hardy band, and really deserves a lot of credit for my whole campaign strategy in 1988.

[Laughter]

VICE PRESIDENT GORE: I want to thank the members of the National Performance Review staff, our Reinventing Government Operation who are here, and the First Lady's team, which has worked so hard, who have worked so hard on this. And I'd also like to acknowledge one other person who is present, one among you, a doctor who is very close to me and my family, and when I was growing up, he took care of me and my sister, and he used to give me a choice when I came in, three, four, five years old. He said, "I have two kinds of shots here. You can have the kind that hurts or the kind that doesn't hurt." Which did I choose?

[Laughter]

VICE PRESIDENT GORE: I always wondered what the kind that hurt really did feel like --

[Laughter]

VICE PRESIDENT GORE: -- if the kind that didn't hurt felt like that. But --

[Laughter]

VICE PRESIDENT GORE: When my mother suffered a heart attack last week, he was there, very quickly at the hospital near our home town to help save her life, and she went down to the -- to Nashville to the Vanderbilt Hospital for a series of tests at his direction, and he's a very person to our family, and I want to acknowledge Dr. Gordon Petty, who is here. So -- stand up, Gordon. I want you to --

[Applause]

VICE PRESIDENT GORE: Thank you.

He -- we flew in this morning about, between 1:00 and 2:00 a.m. I have spent the last six days in Vanderbilt Hospital with my mother, and I appreciate your kind words, Mrs. Clinton, and I want you all to know that the President came by my mother's hospital room yesterday morning when he came down for a conference in Nashville, and on strict instructions from the First Lady he worked into the hospital carrying a container of my mother's favorite soup that she had had at the First Lady's luncheon a few weeks back, and she's been bragging on it since then, and the First Lady found out about that, and said, "You have to take that soup," and he did, and it was great.

[Laughter]

VICE PRESIDENT GORE: And she's -- she's been enjoying that. And, incidentally, when I told her after the President called and said he was coming to visit, I told her he was coming,

and the first thing she said was, "Well, now, son, will he have had breakfast before he gets here?"

[Laughter]

VICE PRESIDENT GORE: And she started looking around the hospital room to what -- where she could fix -- and she had some sliced peaches waiting for him. They swapped soup for peaches.

I want to -- I want to thank the First Lady also for the heroic work that identified so many of the problems that we are beginning to address with the announcement today. I read an interesting magazine article, incidentally, a couple of weeks ago in the New Republic, a magazine that received an award, partly based on a huge article lambasting the President's health care plan that Mrs. Clinton presided over.

And in reviewing the award, the magazine went back and looked at the article that had earned the award, and in a rather remarkable mea culpa, devoted a great deal of space to admitting that most all of the criticisms and charges in the original article were wrong. And that there had been a lot of misunderstandings, and so forth.

Anyway, the more people look at a great deal of the work that was done by many of you, and others who helped the First Lady in analyzing the problems facing our health care system, the more they say, "Hey. This really needs attention." And what our Reinventing Government Task Force did in this area was to look at a lot of the problems they had identified, look at a lot of the solutions they had suggested. We talked with many of you, and this is one in a series of results that come as a -- as a consequence.

You know, the description of -- your description, Steve, of the attestation form reminds me of the Henny Youngman joke, about the man who goes to his doctor, and he says, "Doc, it hurts when I do this." And the doctor says, "Don't do that."

[Laughter]

VICE PRESIDENT GORE: Well, that's common sense at work, and --

[Laughter]

VICE PRESIDENT GORE: So when you tell me that signing the physician attestation wastes time and money and makes you mad, my response is, "Don't do that."

[Laughter]

VICE PRESIDENT GORE: That's the common sense cure. Don't sign it any more. We are officially cancelling the regulation that requires these forms. You don't have to fill them out any more. It's gone. It's history.

Last year, HCFA cancelled the regulation, saying that doctors had to sign a similarly irritating form every year. It acknowledged the penalties for cheating on Medicare, and now it is time to get rid of the so-called attestation form for each Medicare patient who is discharged from a hospital. So we're, we're doing that.

The doctor is supposed to certify that one of his diagnoses or charges are fraudulent before the hospital can send in the claim. Now, is that crazy, or what? Do we really think that if -- for purposes of argument --

[Laughter]

VICE PRESIDENT GORE: -- if, if -- if the doctor were a crook, do we really think that he would, having been confronted by that intimidating physician attestation form --- an, the very name makes a charlatan shudder.

[Laughter]

VICE PRESIDENT GORE: Do we really think that this doctor would suddenly have a change of heart and say, "Aha. I'm going to come clean now. It's all over. It's all over."

[Laughter]

VICE PRESIDENT GORE: And more to the point, is it really the official opinion of the U.S. government that the vast majority of doctors and hospitals in this country are crooks? Well, I know a lot of doctors, and my view of doctors is shaped by my experience with Gordon Petty, as Americans know their own doctors. My family has trusted him with our lives, most recently in the past week.

And so when I talk to Gordon Petty about unnecessary paperwork, I think of the amount of paperwork that has to be done in connection with cases like my mother's case. Doctors ought to be able to spend more time with the patients and less time with the paperwork.

So we're relegating the physician attestation form to the trash heap of yesterday's government. From now on, we will start with trust, instead of mistrust. We'll start from the assumption that the vast majority of America's doctors and hospitals are honest people, and reputable institutions, not dens of thieves.

And, by the way, each year, America's doctors have had to sign eleven million of those forms, and even if each one only took one minute to look over and sign, that would still add

up to 200,000 hours of doctor time that can now be devoted to patients instead of paperwork. And of course, much more than one minute is involved when you count all of the people that have to be involved in the process.

Hospitals will save time and money, too. They used to have messengers driving around town with the forms, tracking down signatures. One hospital I heard about held an occasional physician amnesty day --

[Laughter]

VICE PRESIDENT GORE: And enticed the doctors with free brownies to come in and sign the forms. And I -- I'm sorry if our common sense regulatory reform is messing up a good thing there. I don't know.

[Laughter]

VICE PRESIDENT GORE: A few weeks ago, President Clinton announced the progress that we have made with regulatory reform. When he informed the Congress and the country that sixteen thousand pages of federal regulations are being eliminated outright, and another 31,000 pages are being dramatically changed and infused with a new spirit of partnership and common sense.

That kind of regulatory reform is the right way to change government, and not the wrong way. Public opinion poll after public opinion poll shows that most Americans do want less government interference, a smaller government, yes.

And we're making it less intrusive, and smaller. In fact, because of President Clinton's

initiatives, by the end of next year, we will have a smaller bureaucracy in the federal government than at any time since President John Kennedy's Administration. We're downsizing by more than ever in history.

But it's equally true that most governments do -- most Americans do not want to give up completely on government. There is a difference between getting rid of it and fixing it. It's a little like the difference illustrated in the story that Lloyd Benson used to tell about the veterinarian and the taxidermist who went into business together and put a sign outside the establishment that said, "Either way, you get your dog back." There is a difference. We want to fix it, and not stuff it as a trophy.

Most Americans believe, as President Clinton and we believe, that government is the way a free people work together to solve the biggest national problems that cannot be solved by individuals working alone. But if government does not work well, if it never seems to solve the problems that it sets out to solve -- problems like crime or poverty, disease or ignorance, threats to our security, our economy, our environment -- then Americans lose faith in government. And when we do that, we're losing confidence in our own ability to work together as a free, self-governing people.

And that is the crisis of confidence we face today. Thirty years ago, when Americans were asked by pollsters if government could be trusted to do the right thing most of the time, 75 percent answered yes. Today, less than 20 percent answer yes to that same question. And the change from 75 to 20 has been among Democrats and Republicans, conservatives and liberals, members of every ethnic, racial, religious group, and every age group. It's across

the board.

So we have to restore America's faith in self-government, our faith in our own ability to solve national problems. That's why we have to make government work better, and cost less. That's why President Clinton has insisted on the work of reinventing government.

And, of course, listening to the First Lady and Dr. Gleason describe this particular problem rings a lot of bells with me, because two years ago when President Clinton asked me to undertake the challenge of reinventing government, we heard similar problems identified in many areas of government activity. Lots of attention to red tape, but little interest in results. Lots of mistrust and confrontation, but very little partnership and teamwork. Long on rules, but short on common sense.

And just as the First Lady learned about the real problems and how to fix them, from physicians like Dr. Gleason and his colleagues who are kind enough to join us here today, our reinventing government team has also found that the best ideas about how to make government work better and cost less come from the people on the front lines who do the real work day in and day out. We've listened to them carefully about reinventing the rest of government, and we are listening to you doctors and other medical professionals about how to fix government's role in health care.

The parallels are really striking. Take on the job worker's safety, for example. Government regulation has helped to make the work place safer, but our new approach is making big improvements for workers, with fewer costly hassles for business owners. It's based on

partnership among labor, management, and government, with the common goal of healthy workers in a growing economy.

And the new focus is on results. How do you reduce the number of accidents on the job? The focus shouldn't be on how many fines are levied, how many penalties are assessed. That's the wrong measure.

And the same kind of results-oriented partnership needs to be used in every aspect of the government. President Clinton, the First Lady, and the entire Administration are making that kind of change in the area of health care, because we agree with you, that government should be in your corner, and not in your face.

We don't, however, agree with the majority of Congress that the only solution is a meat axe. In short, we don't need what the butcher ordered; we need what the doctor ordered.

And so here are some of the new ideas that we're putting into practice at the Health Care Financing Administration. HCFA is spending less time writing rules and more time listening to its customers, and understanding their problems; reaching agreement on common goals. In other words, their new method is, "Communicate, don't dictate."

HCFA is going to stop mailing its customers reams and reams of bewildering data. If you're ever been on the receiving end of Medicare or Medicaid, you know what I mean. And instead, HCFA will make sure that people get only the information that they need, and that they get it in a way that ordinary human beings can understand. In other words, they will attempt to educate, not inundate.

And instead of just regulating, HCFA is going to innovate. And by that, I mean that

government is going to focus more on getting better and better results, which come from innovation. We will stimulate innovation, and we will reward innovation. We'll be paying less and less attention to making sure that processes conform with the regulations, because we believe that results are more important than red tape.

We've already told you that the physician attestation form is history. Here are some other examples of the changes HCFA is making.

HCFA will be changing the way they make sure that laboratory tests are accurate. For example, instead of scheduling regular, on-site inspections, we will turn attention away from the labs with consistent, solid track records of high quality and concentrate more instead on the labs that need improvement. That's a common sense change.

Also, we will stop wasting money regulating lab tests that are done by machines that we know have a consistent record of producing the same results over and over and over again, without mistakes. We will count on the time tested technology, unless there is some evidence of a problem. There's simply no need to fill out paperwork and undergo time-consuming procedures to check machine outcomes that are -- that never vary.

And HCFA has come up with better ways to insure that Medicare patients get top notch care, ways focused on results rather than red tape. Instead of holding frequent inspections to make sure that all the proper procedures are being followed, and all the paperwork is being filled out, and all the workers have the specified experience and college degrees, we'll start checking to see how the patients are doing, whether the results are being reached, or not.

And we'll let everyone know which facilities produce excellent results. That way, government can help consumers make informed choices.

For example, there are some procedures, like dialysis, where the results can be measured by products in the blood, by looking at the blood chemistry. That is a better measure of the results of how the institution, how the procedure is working, than whether or not all of the individuals attempting to produce that result have filled in every form and all of the paperwork that is -- that is required. Just go straight to the results.

Again, comparatively, we -- to use the example of job safety -- we found that we were measuring the number of fines, and we were getting a lot of fines. When we started finding ways to measure a reduction in the number of injuries on the job, the fines became irrelevant, in many cases, and they started focusing on the results.

We want health care professionals and individuals, when they have to be held accountable within government programs, to be held accountable for the results, not for the process, and the paperwork, and the bureaucracy, and the red tape.

For nursing homes that care for the mentally ill, we're cutting out the duplicate requirements for initial and annual patient assessments. One regulation requires the assessments if funding comes from Medicare or Medicaid. Another regulation requires states to do a second set of assessments, just because the patient is in a nursing home. We want states to spend their health care money on first-class care, not on federal second-guessing.

And to make life simpler for doctors and their administrative assistants, we will have all insurance companies that cover federal workers use the standard Medicare claim form. You

don't -- you won't need to learn yet another different set of paperwork rules for each different company, and there may be 300 or more involved.

So these are some of the changes that we're making. But this is not the end of it. We will keep listening, and keep changing, keep learning, and keep restoring faith in government.

As the First Lady pointed out, when it comes to reinventing government, health care is no different from any other national problem. We need faith that we can solve our problems together working, where necessary, through self-government. And in order to regain that faith, we need to make government work better and cost less. That's what President Clinton's team is all about: making government work better and cost less. That is, and always will be, the right way. Thank you for making it work. We appreciate it.

[Applause]

SECRETARY SHALALA: Thank you.

[End of proceedings as recorded.]