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An Address by the First Lady
at Washington University
St. Louis, MO

Thank you. Thank you very much. I am just thrilled to be here. Some of you may remember that this is where one of the debates during the presidential campaign was held, and I can remember walking in the door I walked in a few minutes ago, filled with a lot of anxiety and trepidation over that upcoming debate. And I am so glad to be back, with only a little less anxiety and trepidation, never dreaming we would have so many people here.

I was frankly relieved when the invitation came and they said, "But, you know it is during spring break." So I thought, "Well, gee, you know, I could sit down and talk with a few people about health care here at Washington University, in St. Louis."

But it is a real pleasure to be here and to have this opportunity, because this university and this community, and particularly the health care center that I just visited, is a symbol of excellence around the country. And I want to salute one of the people who has made that possible over the last years, your Chancellor, Chancellor Danforth.
(Applause.)

I know that you will miss him as he retires. I only wish I could have been one of the lucky people who heard him read a bedtime story over the past years. It is such a good idea I am going to suggest that maybe the President try it with some people in Washington. (Applause.)

I also want to thank Dean Peck for opening up his campus, for giving me the tour, and for having some of the representatives of this extraordinary medical system spend

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about an hour with me as we talked through issues of concern and importance to academic health centers.

I want to thank the representatives of the students who made the presentation. You will see the sweatshirt, if not on the front page of the newspaper at least on either me or my husband as we attempt to get the exercise that I now know for sure, having been to the rehab unit, will make me live longer if I really do it. (Applause.)

And I want to join all of you in wishing the Bears great luck in this upcoming championship game. And I will be rooting for you and watching you as you go forward. (Applause.)

I am also grateful to know that the Hot Docs are not a group of angry physicians (Laughter), but instead a jazz band, and I only heard a little bit because we were waiting to come in, but I want to thank them especially for being here and playing, and for the CDs, which I will take home and give with great delight to my husband.

It is exciting for me to have a chance to visit with you for a few minutes about what is happening with health care reform, and what the real attempt that the President is making would mean to you and the various constituencies of people represented here. Because, this is an historic opportunity.

You know health care reform in our country goes back a number of decades. Some have argued that the very first proposal actually was made by Theodore Roosevelt, as part of his platform when he first ran for President and then renewed it when he ran again. But we certainly know that Franklin Roosevelt talked about it being the other part of social security. And your own President Harry Truman was one of the most passionate advocates on behalf of health care reform.

I have gone back and read the speeches that President Truman gave in 1945, and 1946, and 1974. They could be made today. He identified the problem which, as the Chancellor has said, is how do we provide high quality health care to all Americans at an affordable cost. And Truman argued passionately, but unsuccessfully, that the country should move toward providing guaranteed health coverage to all of our people.

And then, of course, we had the changes in the

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1960s, to provide Medicare for Americans over 65, and to provide Medicaid for people who were too poor to provide for themselves. And then President Nixon recommended comprehensive health care that was built on the employer based system, the system by which most of us who are insured receive our insurance benefits.

We have tried to address this issue many times in the past under presidential leadership of both Democrats and Republicans, but we have never been able finally to resolve what has to be one of the most important questions for any society: How do we fairly allocate our health care resources so that every citizen is guaranteed that their health care needs will be met?

This time this historic opportunity is calling us. How can we, as the richest country in the world, be the only one of our industrialized competitors who have not figured out how to provide health care to every one of its citizens?

This time we have enough support in the medical community which recognizes what the needs are; enough support in the business community which primarily pays the bills; enough support from leaders like your mayor who is here with us, and state governments around the country who also bear a huge part of the economic burden; and enough support in Congress and a President who wants to get the job done. So this could not be a more timely meeting for me to give you some sense of exactly what the President's approach would mean in your lives.

There are five major features to the President's proposal for health care reform. The first is guaranteed private insurance for every American, with comprehensive benefits that stress primary and preventive health care, as well as care for our most acute medical needs.

The President has not proposed a government health care system. He has proposed building on the public private system we have in our country today, but making sure that we guarantee private health insurance to all of us.

The second major point is to eliminate insurance practices that discriminate against Americans. And there are a number of those. Some Americans are unable to obtain insurance at any price, because of what are called pre-existing conditions.

Most American with pre-existing conditions -- and

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there are over eighty million of us -- we can get insurance but at a very high price. And so what the President wants to do is eliminate pre-existing conditions so that all of us, no matter whether we have ever been sick before or have any kind of ailment, will be eligible for insurance at an affordable price. That is one of the keys of the President's approach. (Applause.)

And I would add, in this great university with its extraordinary medical system, that it is especially important we do that sooner instead of later; because, I was recently at the National Institutes of Health with the new head of that institute, Dr. Harold Varmus -- who some of you may know is a Nobel Prize winner in science, and he was explaining, along with his colleagues, that at the rate by which we are learning about the human gene system every year, we are discovering the genes that we believe are responsible for a number of medical conditions, that pretty soon all of us will know we have pre-existing conditions because of our genetic makeup. So if we do not reform the insurance industry very soon none of us will be eligible for insurance, because our gene makeup will make us ineligible. (Applause.)

There is another insurance practice that the President wants eliminated, and that is what is called life-time limits. If you read the fine print in most insurance policies you will discover that after you have reached a certain level of insurance coverage you are no longer eligible under your policy for further reimbursement.

Some policies have life-time limits as low as fifty-thousand dollars, others as high as a million dollars, but those limits come into effect when you need your insurance the most. I have sat and talked with families who often to their surprise discover in the midst of a medical emergency their insurance has run out because they have reached their limit.

The President wants to eliminate life-time limits. There is no reason you should be worrying about your coverage when you need it most in your lives. (Applause.)

And the third practice that the President's proposal eliminates is discriminating against older people, in favor of younger people. Now if you are young, as many of our students are today, that may seem like a good deal, that insurance would be much cheaper for you at twenty-five than at fifty-five. The problem is most of you will be fifty-five some day, and in the present system the cost of caring for

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young people is so much less that many insurance companies want only to insure healthy young people, often leaving older people out of the insurance market all together. So that is another discriminatory practice that the President's proposal would eliminate.

So we will do away with pre-existing conditions, life time limits, and age discrimination. (Applause.) All of which will make insurance more affordable for everyone. (Applause.)

The third point is that the President's approach guarantees choice of doctor and choice of health plan. This has been an issue that has probably received more misinformation than any other. Because, in the current market place, there is a lot of confusion about what kinds of choice will be available to you as a consumer.

In fact, as we are here today, choice is diminishing for most Americans. Americans are being told by their employers, who buy their insurance for them, by their insurance companies if they buy directly, what doctors they can see and what hospitals they can use.

In my discussion earlier today, I talked with a representative of the children's hospital here, because most children's hospitals that I have visited throughout the country are finding the same thing: that more and more insurance policies are eliminating them from being available for use by patients. Why? Because the children's hospitals, which see very sick children, chronically ill children, are expensive. They have to be in order to have the concentration of specialists and technology necessary. So many insurance policies are saying you cannot choose to go to a children's hospital, just as they are saying you cannot choose to go to a university hospital, or an academic health center because they are more expensive. They have to be more expensive because of the services they offer.

But under the current way health care is both being organized and developing, fewer and fewer Americans are being given choice. That choice is made by somebody else, for you. Under the President's approach you will choose your health plan. Not your employer, not your insurance company, and not a government bureaucrat. It will be your choice, and you will make it every year. And what will be guaranteed is that in your area, all of the physicians will be able to join the health plans that they choose to join, so you will be able to choose among them.

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Additionally, every health plan will be required to offer what is called a "point of service" option. In other words, if you are in a health plan and you develop a problem where the specialist is in another health plan, you will be permitted to go to that other health plan.

The real danger for choice is the status quo, because if we do not reform our system more and more of you will be told you cannot use a certain doctor, you cannot use a certain hospital. It is the President's approach that guarantees your freedom of choice for a doctor and health plan, and if you value that, you need to support this reform. (Applause.)

The fourth important point is that the President's approach preserves and improves Medicare for Americans over the age of 65. The Medicare program has been a godsend for older Americans, who when it was passed in the 1960s they were often the poorest of all Americans, often deprived opportunities for health care for financial reasons. Medicare has provided a base level of medical care for our older Americans.

But there are two features that most people I talk with say are missing, that will be included in the President's approach. The first is prescription drug costs which are often much too high for older Americans, on fixed incomes, to be able to afford. And what we find is that many older Americans do not take their prescriptions, do not get them refilled, often end up being hospitalized because they could not maintain themselves on the medication. Medicare pays for the hospitalization; we think it is time Medicare starts paying for prescription drug coverage for older Americans too. (Applause.)

And the second big problem for older Americans in the Medicare program is there is not support for alternatives to nursing home care. We do not help people who want to keep their relatives in their own home. We want to start providing long term care options, so that families will be able to take care of their own relatives, they will not be forced to put their family members in nursing homes if they can take care of them at home with a little bit of help. It is the right thing to do, but it is also the economically smart decision to make.

Nursing homes are very expensive. Providing a home health aide, providing adult day care, giving some respite

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care to the full-time caretaker of an Alzheimer's patient, that is all much cheaper than putting the person in a nursing home. So let's start giving alternatives that will enable older people to live with dignity, and not make the nursing home the only place that we take care of older people with medical problems. (Applause.)

And the fifth point that I want to stress is that Americans will be guaranteed their health care coverage through their place of employment, the way most of us get our insurance today.

If you believe, as the President does and as I do, that we need to guarantee health care coverage to every American, because until every one is covered none of us is secure. And let me just stress that. Every one of us in this room, with the exception of those of you who already are eligible for Medicare, cannot know that this time next month, or next year you will be insurable at the same rate, for the same services that you are today. None of us under the age of 65 has that security.

If you believe, as we do, that all of us should there are only three ways to pay for that. You can either have what is called a single payer system, which means you eliminate private insurance and you raise the tax to substitute for premiums, and you fund the health insurance system that way. And there are many people who support that approach. (Applause.) The single payer approach guarantees that every American would have health care coverage.

The President rejected that approach in its means, although he agrees with the goal, because he believed we should keep the public/private mixture that has served our country well. We should build on what works and fix what is broken, so we should not eliminate private insurance, we should extend it to everyone.

And, if you believe that then there are only two ways to do that. There is an approach called the "individual mandate," which, like auto insurance, would require each of you to go into the market place and buy your own insurance. That, at least, would on paper get us the universal coverage, if you could enforce that individual obligation.

There are several problems with that approach. One is we don't want to encourage employers who currently provide insurance to stop doing so. And, if we pass the law which said it is an individual responsibility there are employers -

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- how many it would be difficult to predict -- who will say one of two things to themselves, "Well then I no longer have to do this, because the individual is required to do it." Or, they might say, "Well what I will do is drop my low wage employees, because the government is going to subsidize them on the individual responsibility and I will only provide insurance for people of professional or managerial standing." Neither of those would work very well.

What the President believes is we ought to take our employer/employee system. This is what some Presidents who have come before him have proposed. Each has looked at what works. Social Security is an employer/employee based system. Medicare is paid for by an employer/employee contribution. Let's extend health care to every one in the work place, building on the employer/employee shared responsibility.

Now how do we make sure that that is done fairly? Well there are several considerations that we have looked at carefully. First, for most businesses that currently insure your cost will go down, because you will no longer be paying in your premium for businesses that do not insure and for individuals who get taken care of at our hospitals but cannot pay for themselves. Those costs have to be shifted to somebody, and they usually are shifted to those of us with insurance.

Secondly, even if you are a small business and you currently insure you are now being discriminated against in the insurance market. You pay anywhere from thirty-five to forty percent more for your insurance than a big business, or a government does when it buys insurance. So we can lower the cost of even small business by making everybody share the cost more fairly.

Now if you have never paid for insurance for yourself, and you have never contributed to your employees, yes, it is going to cost something. But you have had a free ride in our medical system. Because, if I go down any street in St. Louis or the surrounding towns here in the county, we could point out the businesses that insure and the businesses that don't. But when someone working at the business that does not insure gets sick, they go to the same hospital, they get taken care of. The doctors are there for them, but they don't pay for it. It is being paid for by those who currently, and in the past, have insured.

So if we provide discounts to small businesses, and if we provide subsidies to low wage workers then we can make

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insurance affordable for even those who have never insured themselves in the past. Once everybody is in the system then we can begin to get cost under control. Because, right now trying to control cost in a system where everybody is not in it is like holding on to the balloon in one part, it pops out somewhere else. Everybody being in the system means the cost can be lowered for everyone, because there will be no place to shift cost and make somebody else pay for the health care of another person's employee or another individual.

So guaranteed private insurance, eliminating unfair insurance practices, guaranteeing choice of doctor and health plan, preserving and improving Medicare, and guaranteeing insurance at the work place through shared responsibility by employers and employees, those are the major points of the President's plan.

An additional point, I would add because of where we are, is the awareness that the President has, of the important work done by the academic health centers; the research that is done, the application of that research through clinical practice; the education and training of physicians, nurses, and other allied personnel.

This system that we have built up has features that have to be strengthened and protected, and in the President's approach there will be guaranteed funding for academic health centers, because of the important functions they perform for the entire system.

And there will be a requirement that health plans contract with those health centers, so that those health centers will not be eliminated from the provision of health care in an effort to control costs, but will become the centers of excellence so that we will have places in every region where only the services that can be provided at that level of complexity will be available. So we want to preserve and strengthen our academic health centers.

Now this debate, as we move forward, will be filled with all kinds of arguments, and many of them will be engaged in in very good faith, by people who see the problem and know that it has to be solved but have different points of view. That is what the Congressional process is for. And I am very encouraged when I see the kind of work that is going on now in the Congress, often behind the scenes, in the Committees and the Sub-Committees, where Republicans and Democrats of good faith working toward solutions are coming together to hammer out differences.

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But there will always be extremes in these debates, and there will always be interest groups who, frankly, have profited from the status quo and do not want reform to occur. It will be our task, as citizens, to keep the debate as honest as possible, to ask the hard questions, to say how will this affect me? Me as a mother, me as a patient, me as a physician, me as a nurse. How will this change make our health care system work better?

I am very optimistic about where we are in this debate, because I do believe that there are enough people in the country who understand what is at stake. But it has to be a debate in which you are engaged. And I would ask you to follow it closely, to ask what the motive or the agenda of the person speaking is, so you can cut through the rhetoric to try to find out what is really being advocated, to follow it closely in the Congress, to stay in touch with your members of Congress, to give them the benefit of your thinking.

Because, this is not just a debate about how we are going to finance health care. It is bigger than that. It is a debate about what kind of a country we are and intend to be.

In the meeting I was just in there was a medical student who said she had worked in a clinic last summer, where she had taken care of a lot of people who were falling through the cracks, homeless people, runaway teenagers, undocumented workers, the recently unemployed, and she wanted to know what would happen to those people. That is one of the right questions.

Yesterday in Denver, I visited a National Guard unit that was set up in one of the poorest, toughest sections of Denver. We are finally using our National Guard resources for taking care of our own people in situations other than disasters, and I wanted to see it firsthand. And I was led through with a lot of very exciting news from the people who were with me, the doctors and the nurses, about what they had seen in just a week, the people who had flooded in seeking help.

And while I was there, I met a man who got a pair of glasses for the first time in years. I met a young Downs syndrome boy who is 10 years old. He was there with his grandmother, they had just lost their Medicaid card, they were no longer eligible under some change in rules, and she

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had brought him to the only place that she thought he could get medical care, a National Guard MASH unit.

I visited with the doctors and nurses who were so pleased to be here answering the unmet health needs.

This is not just about those people, but it is about how we treat them and how we think about them, and at bottom, it is about us. If we move through this next year and think about the people who you know, and who you see and you hear about, and if you know that, fortunately, there, but for the grace of God, often go any of us None of us can predict the state of our health, no one knows when the accident may occur. Then we will ask the right questions, how will we take care of each other? How will we better use our resources? How will we build on what is the finest health care system in the world? By fixing the financing system that is distorting it.

And what I hope is at the end of this debate I can go back to the literally hundreds and hundreds of Americans who have shared their stories with me, who have told me what it feels like to be the mother of a chronically ill child whose insurance runs out, or to be a small business owner who can't afford insurance and has to tell her son not to go out for sports this year because she is afraid he might get hurt, or the woman whose husband could afford insurance for himself and their four children but didn't insure her because he couldn't afford it, and she got pregnant again and now she wonders whether she can afford anesthetic when she gives birth because it would be the equivalent of a house payment for them. Or the woman who had a breast exam and they found a lump, and she was referred to someone and was told that because she didn't have insurance they wouldn't biopsy it, they would just watch it.

I have so many stories, it is like a movie in my head, the people who I see -- and I want to be able to go back to them, I want to go back to this medical student I talked to today, and tell her and tell them we have now provided health care coverage for every American, and we have taken a step toward becoming the nation we should be.

(Applause.)

MR. PECK: Thanks to the First Lady for an inspiring address, and thank you all for coming. (Applause.)

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