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Rich Sheridan
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THE WHITE HOUSE

Office of the Press Secretary

For Internal Use September 9, 1993

REMARKS BY THE FIRST LADY
IN MEETING WITH SENATE AND HOUSE DEMOCRATIC LEADERS
AND COMMITTEE CHAIRS

Capitol Hill

Q (Inaudible). We welcome you, and I want to turn it over to you (inaudible).

MRS. CLINTON: Thank you very much.

(Applause.)

MRS. CLINTON: It is I who should be applauding all of you and all of your staffs for the extraordinary efforts that so many of you have made over the last months, and I am very grateful.

I'm hoping that this period of challenge will result in very specific suggestions and ideas about what needs to be changed, the kinds of approaches that we look at. We are very serious about consultations. I am very encouraged by the meetings and the input that you've had over the last several days.

What I would like to do this morning is just give a very brief overview, hit some of the issues that I know are of concern to a number of you and then, mostly answer questions and have (inaudible) ideas about where we are.

This plan that we are (inaudible) to you for your response is comprehensive and is (inaudible). There are many elements to it that interact with and support other elements.

We have tried to look at both the political and the substantive realities (inaudible) coming forward with a health care plan. We have tried to be very careful in looking at all alternatives, both those that have been (inaudible) to us and those that have taken (inaudible) form in the past.

As we move forward in the next ten days (inaudible) the President's speech on the 22nd, it will be very helpful to us

if, in addition to giving us whatever reaction you have, to appreciate what the alternatives are so that we not only have your feedback about the plan, but if you think there is an alternative that would work better, we want to hear about it.

We have tried (inaudible) as carefully as possible all the alternatives and all the features that are in this plan, and I think that there will be, very honestly, a period of adjustment, a period of setting, before any of you will feel comfortable with all the features of this, because we are really approaching the health care system in a different way.

We are changing a lot of the underlying assumptions about the possibilities and about financing. As Leon Panetta said to me at the end of a meeting last week, he said, "It's taken about six months (inaudible) finally understand how all the features work yet or how they support each other, how the financing works, what are the tradeoffs in this approach."

I think that, unfortunately, in the glare of the public political process, we may not have as much time as we need for that kind of thoughtful reflection and research, but I think we have to resist as hard as possible any tendency to leap to judgment until at least the entire framework is laid out and the way things work together is understood.

Let me start with a few of the issues that I know are ones on your mind. That is something that (inaudible); these are the ones that have been (inaudible) in the last few days.

Let's start with Medicaid and Medicare because, certainly, the Medicaid and Medicare piece of this is not only important to be understood, but I want to start with the absolute assurance that we believe what we are doing is beneficial to Medicaid and Medicare recipients and that, in the overall comprehensive reform we are proposing, that the changes we are recommending in those two programs do not stand alone. They are part of overall, comprehensive changes, and I want to stress that.

Because we have seen and we will continue to see pressures on (inaudible) Medicaid and Medicare after health care reform. Those pressures will continue. We will continue (inaudible) proposals (inaudible). There are proposals we have that stand alone (inaudible). There are proposals for (inaudible) that are part of nearly every other -- in fact, I think every other bill that I've looked at that anybody has introduced.

So that what we are talking about with respect to Medicaid and Medicare reduction in the rate of growth should be seen in the context of the overall program. We could not, in good conscience, come and say that we would propose those reductions in growth in the absence of the kinds of changes that they are a part of. That is a very important point (inaudible) try to emphasize this morning.

Because what we intend to do is to also reduce the rate of growth in the private sector. Those two approaches go in tandem. We cannot do one without the other.

It would be a great disservice, not only to the recipients of Medicaid and Medicare, but to the private sector, were we only to have (inaudible) in (inaudible) programs, because that would further accelerate the (inaudible) cost shifting out of the private sector.

So these two elements go hand-in-hand, and we will have those -- we already do have those -- (inaudible) cap Medicaid and Medicare without any budgetary constraint on the private sector. That cannot be an acceptable compromise, because that will not only undermine the integrity of the public program; it will undermine the capacity of the private sector.

So if we understand that what we are proposing is part of a whole, we can begin to (inaudible) how this will work.

The kind of benefits that we are adding to the program for both Medicare recipients and Medicaid recipients and the general public in terms of a prescription drug benefit and long-term care infrastructure are absolutely necessary to (inaudible) the entire population but particularly to those populations that are at risk.

We believe that the kind of care (inaudible) so that we can say yes, we are (inaudible) but they are benefits that can be funded if a defensible argument can be made.

Thirdly, when we look at the rate of the growth in Medicaid and Medicare and the reductions that we are proposing, we still intend for Medicare and Medicaid to grow faster than the private sector. So although we are moving in tandem and, in some sense, a balance, we understand that the increase is necessary so those populations, at least for the foreseeable future will continue to be (inaudible).

It's been very significant to us, in our conversations

with a number of the groups who represent the recipients, that as they have worked with us, and many of them have worked continually, that they are (inaudible) for example (inaudible), they understand the tradeoff.

Their primary direction to us is, "Do not only permit the capping of the rate in Medicaid and Medicare. If the private sector is also going to be budgeted, then we will accept what is happening in the public sector."

So that kind of discussion has been going on for months. (Inaudible) them. Their representatives were in my office to days ago. They are supportive of what we are doing and they understand it, so long as all the (inaudible).

Secondly, the big political hot button obviously for many Members will be the way we will require both employers and employees to contribute to their health care. I'm not going to underestimate the political battle that will ensue because of this, but I want to give you some sense of what we have done to prepare for it and the kind of allies that we think we will have, because we do not intend on any of this to leave the Congress on its own.

We have a very well thought-out (inaudible) plan that is coordinated with outside groups. We have the DNC, that will be working very hard to (inaudible) leadership, to provide support, cover, assistance, aid to Democrats. So when I tell you where we are, I want you also to know that where we are and where we can remain (inaudible) a lot of work on the part of a cadre of people.

From the very beginning, we have looked at the alternatives available for reaching universal coverage and what (inaudible) open to us. Obviously, there are those who are very strong single-payer advocates. But, in our conversations, which have been ongoing, it has been very difficult for them to identify those sources of public financing that they really thought realistically could pass the Congress to substitute for the private sector investment.

The amount of money required in the (inaudible) approaches or before that (inaudible) approach seem to us to be politically (inaudible), that we are not about to raise $350 billion to $450 billion (inaudible) to substitute for private sector financing.

In addition, the political issues that we have sorted through suggest to us that more people are comfortable with

their means of financing insurance than those who want to change the way of financing it. Many people want change in the system, but the employer-employee system is a basic system that most Americans who are insured are comfortable with and have experience with.

What we've tried to do is to look at how we then come up with a financing mechanism in which we actually try to lower the cost for those who have been insured, particularly large employers, and require everyone else (inaudible) to the system to do so, with capping the rate of payroll that has to go into premiums and with providing subsidies for low-wage workers in low-wage firms.

Now, what we have come up with is a plan that does that. It is not the simplest plan. It would be a lot simpler if we thought a payroll tax was an alternative and would be politically more acceptable to people than the premium system. But it is not.

(Inaudible) matter of financing to some, but it is deeply-held (inaudible), where people feel much more strongly that they have some control over their premiums than they do if it is merely a payroll deduction.

The President, from the very beginning, has said to us, "This plan cannot leave people who are insured worse off. This plan has to leave them either the same or better off than they would be if the current system continued to (inaudible) they are experiencing and if they know that, by bringing in the 40 million uninsured, they are not sacrificing too much."

It may be an unpleasant fact for some of us Democrats to face, but the argument is not going to be won on bringing in the uninsured. The argument is going to be won on keeping (inaudible) for everybody, including those who are insured, but may not be next year or the year after.

So what we have tried to do is to piece together a program that gives that kind of incentive to employers to be willing to go into this system if they are already insuring and to make it as financially feasible for those are getting a free ride now as we can make it.

And we do a number of things there. We provide 100 percent tax deductibility for the self-employed. That is a major inducement to a lot of people who would otherwise not even be able to insure their own families. We cap the rates

at which the small business has to pay. We cap the entire payroll premium (inaudible) for all businesses.

What we think we accomplish with these numbers is being able to demonstrate to most, not all -- there will still be some proportion of businesses, for whatever variety of reasons that won't fall into the vast majority (inaudible) 85 and 90 percent of most businesses and most individuals will not have the (inaudible) in this plan and, in fact, will be better off.

I know some of you are concerned about, "How do you do this?" (Inaudible) this sounds too much like "Alice in Wonderland" or a fantasy world.

I only ask you to look at the numbers very carefully and (inaudible) a lot of time looking at them, because the (inaudible) we have put into place and the modeling we have done, relentlessly, day after day after day, has not only subjected the government actuaries and accountants and modelers to (inaudible) the iterations and recaps.

We have brought in outside groups of accountants and actuaries to double check and look over the shoulder of the government folks we've been working with .

We have had OMB and Treasury modeling from the very beginning. We have kept the CEOs fully informed about what we are doing. We are putting in more new money into this system. If we get everybody to contribute -- the employer and the employee -- we are putting in about $50 billion to $60 billion new dollars.

In addition, if we cap the rate of growth between both the public and the private sector, we are recapturing a lot of money. We have also an ability to redirect some of the money that we are currently expending.

As we get funding streams attached to each patient, the need for uncompensated disproportionate share payment goes down. We are intending to use that money to help subsidize the entry of the currently uninsured into the market so they bring that funding stream with them.

All of these pieces have been individually tested and modeled, and they do work together (inaudible) for having some skepticism and some questions about it, and that's why I would ask you to (inaudible) into these numbers and to have your staff get into them.

If we've messed up somewhere, if we've overlooked some of the (inaudible), we need to know about it, because we have tried to double, triple, quadruple check ourselves all the way down the line.

The final point that I would make -- and then I would like for the Secretary of Labor and Ira to add a few words (inaudible) questions -- is that because there are so many pieces that fit together in all of this, we are hoping to have as much support as possible from the (inaudible) communities, from the interest group communities, so that we can narrow the base of those who are going to be against us no matter what we do as we proceed with the employer-employee approach that we think is the only alternative available to us.

I hope, as the days go on, you will have your chance to visit with some of those with whom we have visited. I have (inaudible) with the AMA, with the AHA, with the AARP -- with all the acronyms you can imagine that have to do with health care. It is remarkable to me how short their list of changes is (inaudible).

And many of them are technical. They want a little more definition of the alliance; they want the guidelines to be (inaudible); they want to ensure that they (inaudible) how far we are going to on (inaudible). But the issues are really narrow.

You will have a full range of (inaudible) for what will be the politically difficult issues, like the employer-employee features. And then we will have a real fight on our hands.

But if the Republican alternative, as it appears now to be shaping up, at least among the moderate Republicans in the Senate, is an individual mandate, we have looked at that in every way we know how to (inaudible). That is politically and substantively a much harder sell than the one we've got -- a much harder sell.

Because not only will you be saying that the individual bears the full responsibility; you will be sending shock waves through the currently insured population that if there is no requirement that employers continue to insure, then they, too, may bear the individual responsibility.

So this is not a free, easy task for anybody to take on. But I believe we've got the better argument. I believe that

our numbers will be better and more defensible, and that the pieces of this, there will be something for nearly everybody (inaudible) for their particular concerns.

So with that, Secretary (inaudible).

(Inaudible). Individual businesses and individual employees will be paying their premiums into their (inaudible). There will be a (inaudible); there will be (inaudible) for them to take. But they will not be paying to a private insurance company (inaudible). They will make one payment and (inaudible).

Q (Inaudible).

MRS. CLINTON: It will be collected (inaudible) and the other kinds of (inaudible) payments are collected, so that it is as easy as it possibly can be.

After the payments are in then, on an annual basis, the individual -- not the employer for the individual -- the individual then chooses which of the health plans he or she wishes to enroll in.

There will be a financial benefit to the individual if they choose the lower-cost plan, more likely an HMO, because they will be charged with paying 20 percent of their health care costs, but that can be reduced if they choose an HMO as opposed to a more expensive plan, which would be the fee-for-service kind of delivery that we are all familiar with now.

So the individual must make that choice and that choice will be made on an annual basis, so if the HMO (inaudible) to them and they're (inaudible), then they will move somewhere else the next year. But there will not be any additional payments for the comprehensive benefits.

Q (Inaudible).

MRS. CLINTON: There is no payroll tax. For businesses to understand what their costs will be, what we have done is to say "Your premium will not be higher than the equivalent of a percentage of your payroll," so that we can tell them that there will be, for most businesses, better off.

We are capping the payroll (inaudible) at 7.9 percent (inaudible). They can go to this and (inaudible) how much they are going to be paying for insurance. Most people will tell you that and, you know, (inaudible) this for a single

family, for a single person, pay this for a family. (Inaudible) your payroll percentage. And most businesses will tell you approximately what the pay.

We will then say, "We will guarantee you a ceiling for your premium payments. Hopefully, they will be lower. It will be lower for a number of employers even than the ceiling.

And so there is no payroll tax. But we want people to think about what they pay in business as a percentage of payroll and to understand that what we are offering, we believe will be less than what their payroll percentage is now, today.

Q (Inaudible).

MRS. CLINTON: We're calling it (inaudible) because, see, the percentages will also differ, Senator, because (inaudible) --

Q (Inaudible).

MRS. CLINTON: (Inaudible) small employers at even a less equivalent percentage.

Q (Inaudible). We want to reiterate, and I hope you know this is the case. We need specific examples. And if you can name the business (inaudible), that would be spectacular.

If you can name the business (inaudible); in Michigan or Illinois, wherever it might be. We need to (inaudible) feel that they know what happens (inaudible) with John Smith.

Because I think member are now (inaudible) a lot of theory, a lot of what the problems are, a lot of what the political are, a lot of what the rhetoric is, and now (inaudible), so we have this full enthusiasm for the 22nd being a night where every member (inaudible).

In order to get to that, (inaudible), they have got to be 100 percent comfortable with the specifics (inaudible), individuals, uninsured, whoever they might be.

Q (Inaudible).

(End Side 1.)

(Begin Side 2, in progress.)

Q Between small businesses that would have different rates in premiums and secondly, could you speak to the Workmen's Compensation health care-related costs and the automobile health care-related costs which, in our state, would be a major inducement to small business, given the prices and (inaudible) costs in those two areas.

AIDE: All businesses, on average, are going to have to pay about 6 percent. Some will pay as low as 4 or 5 percent, if they have high-wage people. No business will pay more than 7.9 percent.

Now, for firms 50 and under, we phase that 7.9 percent down all the way to 3.5 percent, based upon the average wage of the business. And we're trying to (inaudible), we're trying to smooth that out so it's a natural upturn.

But basically, if you have $24,000 of average wage, or lower, then you begin to phase down from 7.9 to 3.5 in a series of steps. And the purpose there is to try to make it affordable, particularly for the very small businesses, where they would also have difficulty. And we're concerned about what happens when you walk out on (inaudible) going to the different retailers (inaudible).

In many of those cases, they'll save enough on their own family's insurance to pay for the (inaudible) workers (inaudible) this kind of cap. So that's the way that would work (inaudible).

(Inaudible) conduct a survey, and also through the DNC, are developing examples of small businesses in every district and (inaudible). So we will have real life examples of that we can throw out.

The Workers' Comp. thing (inaudible) taking in two steps. We've done some distribution tables that show that at the beginning of the program, for firms that are now providing insurance -- (inaudible) different sized firms -- firms under 25 people, we now pay on an average of 10.4 percent of their payroll. We will pay on average 6.7 percent of their payroll under the reform.

Of course, those (inaudible) pay more (inaudible) and I'll give you that (inaudible).

On the Workers' Comp. (inaudible), we're looking at two

steps on Workers' Comp.

The first step is (inaudible) health insurance so that basically we have one health system instead of two. For the record, that will save about 10 to 15 percent in cost.

The second step, which we have (inaudible), would be to take the rest of Workers' Comp. and blend it in elsewhere, perhaps (inaudible), so that you could eliminate the Workers' Comp. as it now exists.

The problem with doing that in one step is that we got a lot of feedback from both companies and unions that they didn't want to eliminate the Workers' Comp. (inaudible) as it now exists because they felt the health and safety of the workplace (inaudible). There are a lot of problems (inaudible) information. (inaudible). (Inaudible) health will be integrated immediately.

Q (Inaudible).

Q And that's immediate?

AIDE: Yes.

A PARTICIPANT: (Inaudible). We think that the way we're proceeding is addressing the major problem (inaudible).

Q I appreciate the concern for submitting suggestions. But I'm still -- yesterday, our only (inaudible) was received in the "Washington Post" and the "New York Times" and the plan is still not available, generally, to the Members, nor is the documentation and all the econometric work that our staff could review to see how those numbers will jibe with the programs we have (inaudible).

But it is virtually impossible for us to respond to (inaudible) until we can see it. And that (inaudible) a veil of secrecy. So I would say I'm sure most of the members would share with me that we would be very interested in responding but, at this stage, we aren't (inaudible) to respond to that.

MRS. CLINTON: My understanding was we had the 260-page plan, the outline of the plan, available.

Q Not generally accessible. Yesterday was the first time the staff was invited to read it. I've read it.

It's difficult to (inaudible) and see, and you're not allowed to make copies, so it takes a long time to copy the 260 pages by hand. But at some point, I assume the press will have it, as they have had advance notice of most (inaudible).

(Inaudible)'s article was quite accurate and it would seem to me that if (inaudible), when you are ready to disclose it, we would be ready to respond.

MRS. CLINTON: We want to make it as available as possible. We labor under getting about 535 different (inaudible) views on how to do this, and we (inaudible) to do it the best way we can figure out, and we (inaudible) have been working on trying to make it as available as possible, because we're also being very sensitive to this whole bipartisan (inaudible), and it's difficult (inaudible), as you know (inaudible).

Q It's just not available. It may be difficult. But when it's available, it would be reasonable for us to respond. Until it is available, I don't think it's really difficult to respond to.

Q (Inaudible).

Q It would be convenient to have copies, so we could look at it in our leisure and (inaudible).

Q (Inaudible). We had a meeting this morning about this (inaudible) leadership and they decided to make it available to all the (inaudible) and the staff, the 260-page (inaudible) so they could take it home (inaudible).

MRS. CLINTON: I wish we could take credit for strategic leaks (inaudible).

AIDE: It's going to be available to everybody this afternoon. We're making (inaudible) copies (inaudible) for the Republicans as well as (inaudible).

AIDE: We would also be happy to have people come in and look at the backup (inaudible) and so on, and we can arrange to do that and (inaudible) coming up with the data. We've been working with (inaudible) and we'd be happy if you want to have some (inaudible).

Q (Inaudible).

Q I wanted to say (inaudible). In the time I've been in the Senate I don't think there's been as (inaudible) a consultation of Members on any Administration proposal in history, since I've been here.

I think that, for many of us who find this (inaudible) at the Governors' Conference and at other times, most of us know that single-payer or employer-based or individual mandate, that (inaudible) the general thrust is really, I think, most important.

But historically, we've defined the program (inaudible) coverage and (inaudible) cost. I think for most of us here (inaudible) is the substantive program and the other is the politics. And I think, obviously, this is a thoughtful approach to the obvious urgent need.

But I think for many of us who are looking at this from the start, I think that you've been able to make much progress with the kinds of limitations (inaudible), is something which is an extraordinary achievement.

To be able to respond to the particular needs, I know, of our friends in labor, particularly with regards to the retirees and the older (inaudible), is something that is enormously difficult and complex and a very important, urgent need. And that certainly has been done.

When I hear you talking about 50 in terms of small business, that's 94 percent of the American small businesses. And going down to 3.5 percent, I think there are many small businesses in Massachusetts (inaudible) individual family (inaudible) two or three employees and, if what I hear is correct, what they are actually for themselves probably now might even well cover the two or three employees (inaudible).

I hope we don't lose track that this is being proposed (inaudible). (Inaudible) we've heard in other discussions, "We want competition." Now, that's going to work consistent with these other programs. I think that that is a significant factor that we shouldn't lose track of.

I know that some will differ with me, but I think with regards to the elderly, there are some very, very important matters in here with regard to restrictions (inaudible). There isn't a senior citizen group that any of us talk to (inaudible) spend $25 a month on prescription drugs (inaudible). So this is a matter, I think, of importance.

I just want to make a brief observation and get a reaction. (Inaudible) stimulus package and (inaudible) reconciliation. The longer this was out there, the more difficult it became in terms of maintaining the (inaudible) support. (Inaudible).

But given the fact that, just generally speaking, the longer this is out there, the more difficult it is to be able to maintain the cohesion, what is your (inaudible), what is the President's sense about trying to timing in terms of this proposal?

What do you feel is sort of realistic, given the fact that the longer we leave this matter out, beyond getting all the (inaudible) that have been asked, (inaudible) questions which have been asked here, what is your own disposition (inaudible)?

MRS. CLINTON: Well, Senator, obviously our hope is to move as quickly as possible. And (inaudible) unable to define what that is realistically within the legislative calendar.

But the more -- I agree with you -- the more quickly we can move to (inaudible) this and begin to implement (inaudible) the changes, the more likely we are to number one, (inaudible) the more comprehensive changes and, number two, to begin to see some benefits that people will actually realize and live with before 1994 and 1996.

So obviously, the sooner (inaudible), the better. But I don't have any time deadline.

Q Mrs. Clinton, I can appreciate (inaudible) this is a work in progress. And I think you've made a compelling case for the (inaudible) of this recommendation. (Inaudible).

What I'm also uneasy about is that once we move down the road to making this more attractive to Republicans and even some Democrats, that there is going to be pressure to not have those limits on Medicaid and Medicare stand alone, as others try to move us to ease the burden on the private sector, and we'll be left with a (inaudible) Medicaid and Medicare (inaudible) limits on those programs.

(Inaudible).

MRS. CLINTON: Well, Congressman, you're absolutely

right, and I think that that is one of the points we have to keep hammering on. But I think we're going to have some help on that, because much of the support we will have will come from very sophisticated folks, not only the providers, but also from big business and others who are current insuring.

And they know that, without some kind of budget on the private sector, they will end up paying the cost of any reductions in the public sector. So I think we've got to always keep these things in tandem, and we will have help in doing that from those who understand how the system would operate if all we did was ratchet down the rates in the public sector.

You are right, though. We are going to immediately face people who have a different idea about how this should be done, who don't think we should have any kind of budgetary discipline whatsoever in the private sector.

And I think that our argument to them has to be the same of (inaudible) persuasion about what the real consequences are if you follow (inaudible) what they are proposing, and bringing in people (inaudible) will also listen.

I spoke with the Business Roundtable yesterday, and for most of those people, health care is the single biggest cost that they fund, and they understand extremely well if there is not some kind of budget in the private sector and all we do is cap the public, they are the ones left holding the bag.

And they (inaudible) wiggle out of that by abrogating contracts with retirees. But that's not good for them, either. So we're going to have the support (inaudible). We're going to have (inaudible) I guess you would say in this whole effort to keep the whole piece together, and not let it get parceled out.

Q (Inaudible). What they are relying on is that nobody has ever been able to do it. Until you two, there has not been anybody in my almost 30 years in the (inaudible) who ever put their head above the (inaudible) and said, "Let's try it and see what happens."

You have already moved (inaudible) further than any of us ever expected to come. And I hope that my colleagues (inaudible) as I feel about it and realize that it ain't going to be perfect. Not even Kennedy and I can write a perfect bill (inaudible).

(Laughter.)

Q But it's possible that we can do it. Tom and I came here in 1964 promising the senior citizens (inaudible) care and everything, and woke up to discover that (inaudible) Medicaid bill with no prescription drugs in it. We immediately started promising, in order to get re-elected, "We'll have that for you in the next Congress."

(Laughter.)

Q Now, you're (inaudible) bringing in prescription drugs. Unfortunately, most of the people that Tom and I were promising that are dead.

(Laughter.)

Q (Inaudible). I hope that we don't get bogged down in trying to make it a perfect bill to the point where we miss the fact that this is the one chance that we have. The American people may be a little bit leery, as they are leery about anything we do here. But they are beginning to understand that there may be a chance.

If looks like the Congress is moving away behind the President to actually do something, they are not going to expect it to be perfect. Because most of doubting Thomases are going to be all the way through writing letters to the editor explaining to them why it can't be done. And if the Clinton Administration puts this kind of a program on the books, I think it will be (inaudible) history books (inaudible) Bill Clinton for future generations.

Q (Inaudible). If we don't get this done by the close of business next year, if this isn't signed, sealed, and delivered by election day 1994, I think we can forget about us doing very well in the election. (Inaudible).

The other (inaudible) point I would make is this. I'm worried about gearing this too much to the sophisticated people and not enough to the (inaudible), because I have found that sophisticated people oftentimes (inaudible) very well and, you now, when the trumpet sounds, sometimes they are very hard to find. (Inaudible).

I'm much more concerned about the unsophisticated people, congressional district by congressional district across the country, feeling comfortable about what we do. And I think it's very (inaudible) and simplify it and

simplify it (inaudible), get it down to the point where we don't lose the debate (inaudible). The debate isn't waged in any (inaudible), I don't care how many sophisticated people we have. (Inaudible).

So I would just sound that note of caution. I'd much rather have rank-and-file people feel comfortable about this from the start than every CEO in America.

Q (Inaudible). Thank you very much (inaudible).

(End of tape.)

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. transcript	Remarks by the First Lady (12 pages)	09/09/1993	P5

COLLECTION:
Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lissa Muscatine)
OA/Box Number: 20106

FOLDER TITLE:
FLOTUS Statements and Speeches 1/18/93 - 9/20/93 [Binder] : [Republican Leadership 9/9/1993]

Rich Sheridan
2011-0415-S
ms448

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. [illegible] uest.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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THE WHITE HOUSE

Office of the Press Secretary

For Internal Use September 9, 1993

REMARKS BY THE FIRST LADY
AT CONGRESSIONAL REPUBLICAN LEADERSHIP BRIEFING

Capitol Hill

MRS. CLINTON: Thank you very much, Senator, all of you. I appreciate this opportunity. And I especially appreciate the (inaudible) on the cooperative relationship that we have had over the last months.

One of the very first meetings I had after I was (inaudible) with this job, was in this room, with many of you around this table. I'm glad to be back and to have had the opportunity over the last several months to work with many of you (inaudible) to have the opportunity for many of your staff members (inaudible) excellent working with the staff (inaudible) for this project.

I feel very positive about where we are in this process, because it has been a process of (inaudible), and we want it to continue to be so. We are very sincere in our desire to have the continued involvement of members on both sides in both houses, and their staffs, because we think that will make for a better product that will meet the needs of and put this health care dilemma behind us in the nation so that we can provide quality and affordable health care to all Americans.

I would like to just hit a few issues and then mostly listen to each of you and respond to your questions.

We have been struggling, as your various task forces in both the House and the Senate have been struggling, with how to reach what are our common objectives: to provide for universal access to the system, control costs in both the public and the private sector, to ensure quality, and to make the system work better and more simply for businesses, individuals, and the government.

We have looked at, as you have, all of the possible ways to finance this system and to do so in an affordable manner. We have decided we want the system that we propose to look as much like the system that we currently have, to be as familiar to Americans as it can be. So we intend to build on

the employer-employee system.

It is a system that, until recently, with cost-shifting and cost explosions, most Americans were satisfied with. It is a system that they are familiar with. They are used to paying premiums. They are used to having the cost of their health care in some way shared between themselves and their employers.

We think if we make that system universal in the sense that everyone participates and takes responsibility within it, we will not only be able to extend coverage to all those who are currently working but uninsured, but we will be able to lower the cost for all those who currently buy insurance.

One of the objectives that the President directed us to pursue from the very beginning was how did we make this a financial benefit for the majority of Americans who ar already insured? There is no way we could in good conscience go to the American public and present a plan that would either alter their expectations about what the system looks like while at the same time increasing their costs and perhaps not providing the kind of security that they need and they should be able to rely on.

Through a combination, requiring everyone to be in it, with both employer and employee contributions, but by both subsidizing low-wage workers and small employers, and by capping the amount that the premium will cost, we think we have come up with a way of making this system affordable without disrupting the current structure of it, which is has been important to us.

We can go into specific details on that. We are well aware that for those businesses that currently do not contribute at all, and for those employees who do not provide for their own insurance but show up at the emergency room and get the treatment when they need it and shift the cost to those of us who pay for insurance, this will be changed, because we will be asking them to share the responsibility.

But for the vast majority of businesses and individuals who are currently paying for insurance, we believe this will lower their costs, and it will be a windfall for a number of employers, regardless of size, who have remained in the marketplace and continued to provide insurance, despite the increasing costs.

We are providing tables and scenarios so that each of

you will know how it would affect your congressional district, how it would affect your state, and even specifically how it would affect certain kinds of businesses so that they could be described and they could have the information they would need in order to figure out their own bottom line costs.

A second feature of this is what we do to slow the rate of growth in health care expenditures in both the public and the private systems.

In the public systems, we believe we can reduce the rate of growth in both Medicaid and Medicare, and the figures that we are working with would reduce that rate of growth, but still provide for increases in Medicare and Medicaid at an average rate above what the private sector would grow.

So we want to be very clear that we are not proposing reductions in the rate of growth that we think will undermine services currently available. We think that, by reducing the rate of growth in the public sector and by providing some average cost for a premium in the private sector that should serve as the ceiling on private sector costs, we can have, for the first time, a balance between the public and the private sectors.

I spoke last evening to the Business Roundtable. One of the questions I was asked by one of the CEOs is, "What is this I read about capping Medicaid and Medicare growth?" He said to me, "You know who will pay for that, don't you?" I said, "Yes, I do."

He said, "Well, I'm glad you do because I will pay for that. If all you do is cap Medicaid and Medicare growth, then I will pick it up and people like me, who provide the bulk of the insurance in this country. We will pick up the cost."

I said, "We will not come forward with a plan only to reduce the rate of growth in the public sector because you are absolutely right." We will have the unintended consequence, then, of, in effect, shifting further costs onto those who are already (inaudible) in the marketplace when what we want is to get into a position that is closer to equity between the public and the private sectors.

We can reduce the rate of growth, but we believe that there has to be some kind of budget that is available as a ceiling in the private sector which would not be enforced

except in the event where, in certain regions, they were incapable of reducing the rate of growth in the private sector health care costs.

This is an important issue because I know that, for many of the Republican members with whom I have consulted and worked over the last several months, the idea of a budget is something that they have some problems with. We have worked very closely with a number of the proposals that have been put forward (inaudible) legislation, and we think that keying that budget to the average premium cost is a fair and effective way of trying to set some kind of parameters for private sector growth.

The final sort of preliminary thing that I will say is, we are not interested in creating a new federal bureaucracy. We are interested in creating a national framework that will then provide flexibility for implementation at the local level.

Now, there are some tradeoffs that we have to work with. We have had some very productive meetings with Members and staff people about what is the proper federal-state balance? How do we create the competitive atmosphere at the local level that we think will come from changing the incentives in this system, but do it within a framework so that every American gets a guaranteed set of benefits; every American gets health care no matter who he works for or where he lives or whether he's ever been sick before?

So there are certain federal protections that we are going to have to have. But we want to leave a lot of the decision making to the state and local level. Those are some of the overarching ideas that we have been working with and trying to achieve together, in a plan that takes into account the many different approaches that many of you have worked on for the last several years.

Q No questions (inaudible).

Q I'm intrigued with your cap on the health premium (inaudible) had in their plans.

MRS. CLINTON: That's where we got the idea.

Q But it's an intriguing way of (inaudible) control prices without government controlling prices, as long as you understand how it works.

You to say to the insurance company, "You can only charge $250 a month. Here is the basic (inaudible) you're going to provide." And obviously, (inaudible).

You have to say to the insurance company now, "You can get the profit (inaudible), but you've got to live with that premium." And that, in essence, becomes a method of cost containment, but you leave it to the private sector to argue with each other.

MRS. CLINTON: (Inaudible). What we think is -- it came out of Senator Kassebaum's bill. I mean, I was in a meeting with some of the Republican Members of the House and they said "What have you learned from Republicans?" And I started spinning off (inaudible), but particularly the premium cap (inaudible).

What it does is put the incentives where they ought to be, and removes the layers of micromanagement and regulation where somebody else is second guessing physicians and providers. There is also an incentive, in the way we're looking at this, for the premiums to be pitched at the average level, so that consumers will save money by making cost-conscious choices.

If they choose, as one of us might, to go into the fee-for-service network, which would cost more, that's fine. The employer's obligation would be keyed to the average, not to the high cost, and the subsidy for low-income people would be keyed to the average, not to the high cost, so that there would be incentives in the marketplace for maybe what we view as better allocation decisions, but without the layers of bureaucracy that used to go along with that.

AIDE: One other thing I would say about it is that we're not looking to cap all health care expenses. What people do with their after-tax money is their business. American people (inaudible).

But basically, what we're looking to do is to say Medicare/Medicaid and the nationally guaranteed benefits package which, after all, is tax-preferred in its status, would be within the capped rate of growth, because the taxpayers, I mean (inaudible).

Q I just want to clarify the problems we've identified and you've identified, really, the small businesses, the self-employed, people who don't pick up the (inaudible) costs for themselves or their employees. And, as

you said, they end up in the emergency room, which is very expensive primary care.

Now, you're saying here is a (inaudible). Will all employers be tied to (inaudible), and people like General Motors and (inaudible) have to pay into this (inaudible) and small businesses will pay into that too? So everybody has basically the same package, or do we really have a tax cap or (inaudible)? So you are going to do this (inaudible).

How do you see your (inaudible)? And then, do employees also have, if their employer does choose to give them a fee-for-service system (inaudible) basic benefits package, do the employees have a (inaudible), or is that something that will be taxed?

MRS. CLINTON: Well, we are shifting the choice of plans from the employer to the employee, because we want the employee to bear some of the cost decisions.

Q Say that again?

MRS. CLINTON: The employee will be choosing the health plan.

Q (Inaudible)?

MRS. CLINTON: Yes. And the employee will --

Q Individual mandate, not employer?

MRS. CLINTON: Well, there's employer contributions, but the individual has also to make a contribution.

Q That's very (inaudible).

MRS. CLINTON: Yes. And then the individual will have to make the choice as to which health plan to enroll in, and there will be an annual enrollment. And that's the way we, one of the ways we see the market incentive working, because the individual will realize the benefits or suffer the consequences, both financial and otherwise, by making those choices.

So we will begin to build much, much more cost-effective, informed consumers, which we think is one of the features lacking, currently, in America, where most people don't pay for their health care or they don't understand their own health insurance. We have all of these distortions

in the marketplace because people don't buy health care they way they buy most other expensive products in their lives.

AIDE: (Inaudible) the rest of your question, I think what we're looking at is (inaudible) is that if GM and its workers together want to have a supplemental policy above the guaranteed benefits package, they can go ahead and do that and not (inaudible).

We want to grandfather, for a period of time, the tax preference, because you could argue, I think correctly, that workers are given wages to get those benefits. We need to give them a certain amount of time to work that back to something else.

Q (Inaudible).

AIDE: And then beyond that, then, beyond that period, it would just be the national guaranteed package (inaudible).

Q But they choose the package above the benefits, national benefit package; they also choose the tax liability.

AIDE: Precisely. After the grandfather. Yes. And for those who don't now have something above that package, if they were to initiate a new (inaudible), it would not be tax deferred. So we are just grandfathering this one (inaudible) --

Q For the duration of the contract?

AIDE: No, we are looking at a (inaudible) period.

Q (Inaudible).

MRS. CLINTON: Well, about the year 2000. What we're trying to do is to give them fair warning, because one of the things we have seen very clearly is that -- and you have that in Caterpillar, you have that in a lot of places in the country -- where wages have been depressed or stagnant, while the money is going into health benefits.

To be able to make the switch where, all of a sudden, money is going into taxable wages, and out of health benefits, we think we need to give fair warning. So we look at the full benefits package to be phased in between the year 2000 and 2002, whenever we get this off and running. And that is when the full impact of the tax cap would go into effect.

But, as Ira (phonetic) said, if you started new with a benefits package above the guaranteed, you would start with a tax cap. But we don't want to say to the Caterpillars of the world or the small businesses laboring under the burden now, "We are going to double-cost you." That's not fair. We're going to give them warning about how to phase out and get to what we think is an acceptable level of benefits.

Q What is that acceptable level of benefits?

MRS. CLINTON: It's a pretty decent plan. It's about a Blue Cross/Blue Shield average plan. It's heavy on primary and preventive care. That is the major way it differs from the usual insurance policy, because we really think that if we have a primary and preventive care emphasis, we will end up saving money.

So we have well-child physicals, we have mammograms, we have pap smears, we have those kinds of features in the benefits package. We don't have dental for adults. We don't have eyeglasses. We don't have the full range of mental health benefits that some plans do.

Q On this specific subject, one of the things that concerns me, that Congress ought to (inaudible) would be the (inaudible) of health care to a fixed cost, a flat fixed cost, over which they have no control.

And so those businesses that want to do really remarkable things -- I just visited Prince (phonetic) Manufacturing out in Rapids, Michigan. And they have invested a tremendous (inaudible) health facility for their employees and their employees' families. Their health care costs are a third lower than the other manufacturers in the area.

And they will now get no benefit for that. They will get no reward for that. Their fixed health care costs will be exactly the same as (inaudible) and their care is more costly now.

So, in a sense, we're (inaudible), by converting health care cost to a fixed cost to the company we're going to, in a sense, force out of the system the extraordinary creativity that the (inaudible) has brought, both to the (inaudible).

MRS. CLINTON: Well, of course, we are going to permit employers who have work forces of 5,000 or above to opt out.

Q (Inaudible) 5,000 (inaudible) Pratt & Whitney and maybe one or two others.

AIDE: (Inaudible) nationally figure. Basically, it's not just 5,000 (inaudible). It is 5,000 nationally. So there will be a whole lot of companies (inaudible).

Q I still suspect that (inaudible) those under 100 employees are, according to (inaudible), are 40 percent of the companies and 30 percent of the work force, who have (inaudible). You're really talking about (inaudible) where a lot of your insured employers are.

You are talking about laying off most of those folks and the health alliance, hiring a lot of them, to individually enroll all these people, which is going to be at least 90 percent and maybe 95 percent of all the working people in (inaudible).

That's why I think there is theoretically another good (inaudible) way to get where you want to go. I think converting health care costs to a fixed cost in a market economy is a really dangerous action, and to rely on controls that don't involve private sector creativity means that once you get to a certain point, you'll never get below it, because government doesn't know how to go below it except just to arbitrarily lower it, especially for the average premium, and that (inaudible) arbitrary and harsh approach (inaudible).

AIDE: What would you suggest as an alternative approach to this (inaudible)?

Q Well, that's (inaudible) part of your discussion. But I think a component of it (inaudible) a much greater number of companies involved, so that the mandate (inaudible) -- when you mandate a (inaudible) as opposed to (inaudible).

The (inaudible) cost is different, but it's just a question of whether you force that cost on the small business as a business cost or whether you look at it as a social cost, like we do for school lunches.

School lunches, you say, if you're below a certain income, we subsidize your lunch. And I think you ought to say that, below a certain income, we subsidize your premium, because it is a right in America to have health care (inaudible).

Q Why isn't there an incentive for the insurance carrier? They're not unlike workers. They make their money on (inaudible) safer and safer workplaces (inaudible). Why doesn't the insurance carrier come to the employer and say, "Listen, put in preventive medicine and we can lower your premiums by (inaudible)."

Q (Inaudible). At least in my experience, the most creative things are coming from plants such as (inaudible) plant where 500 employees are having an on-site physician (inaudible) bring their kids in. At the unit level, you are getting far more creativity.

Q (Inaudible) fixed premium, the insurance company (inaudible) settle for less.

Q That's right.

Q (Inaudible).

Q House Members, we have one minute total. Bob, do you want to (inaudible) Senators (inaudible), and we'll come right back.

Q I have two questions, Mrs. Clinton. First, how do you set your tax cap? How do you arrive at that?

MRS. CLINTON: I will shift that over to Ira to answer, because we've looked at several different methods.

Q I appreciate how difficult it is, and I'm really just curious (inaudible).

AIDE: (Inaudible). The (inaudible) way we figured out (inaudible). One is you set a (inaudible) and the other is that you have a set of benefits that are in a package, and these are (inaudible) vary from region to region.

It's those benefits that are covered (inaudible). We opted for the latter alternative, because there is so much regional variation by the hour that you can't just stamp out automatically the whole (inaudible).

So basically, we're just providing a set of benefits in a package (inaudible) and the premium amount for those benefits (inaudible). Benefits that are above that would then be subject to the tax.

So for example, if we don't have eyeglasses in and we

don't have (inaudible) or whatever else, and that is offered as a supplemental package, that package would be taxable.

Q Well, I don't want to dominate this.

Q That's a very good question.

Q Let's say you've got a purchasing alliance, a basic proposal, and they had seven proposals (inaudible). And let's say one is $300 a month and the top one is at $500. What's the cap?

AIDE: What we are doing, which is different than what has been proposed in (inaudible) of managed competition, is that consumer consciousness we are trying to build. We're not (inaudible). We're building it by basically having the consumer pay a (inaudible) different amount to buy that $500 versus the $300 premium.

Because we're (inaudible) trying to do the tax (inaudible) based on low-cost plan, average program, or whatever. Although conceptually it sounds very appealing, when we actually sat down and figured out how to make it work, it was too complicated and people were pulling their hair out because basically, you have different (inaudible) different regions (inaudible). If people said, (inaudible), what happens then if you penalize them? You have to (inaudible) maintenance and so on.

So the way we can get our consumer cost consciousness is not through taxes. It is to cap the (inaudible) benefits, but then to say that the consumer -- the employer pays 80 percent of the average price, and the consumer then, if he chooses the more expensive plan, has to pay more than 20 percent, or a less expensive plan, less than 20 percent.

So they have a real incentive to user the lower-cost plan that is even greater than a tax incentive. It's a dollar-for-dollar out-of-pocket expenditure.

If you find a way to do the other one (inaudible).

Q I don't want to (inaudible) --

Q Could I -- one final question. How do you set your benefit package? As I understood, just from what you've said here, this might well vary across the country.

And, well, let me just say that it's our feeling that

the worst people in the world to set a benefit package is Congress; and, obviously, the Administration can't set it, because it has to come by law, in some fashion, through the Congress.

And our thinking has been to have a benefits commission of some type that would set in, in very general terms, which would give great flexibility to the accountable health plans on how they wanted to provide those services. If they want a podiatrist (inaudible), that's their business. We wouldn't say you have to have it.

Who set your package?

MRS. CLINTON: We have gone around and around with that. And what we have concluded is that it will be very difficult to persuade the American public to aim toward a reformed health care system if they don't know what the benefit package is going to be.

So what we tried to do is to outline a benefits package that looks like an insurance policy (inaudible) that leaves that kind of flexibility to the local health plans, and then to take all the changes that might come from that and put them up before the commission.

We in our own thinking have not been persuaded that the American public and Members of Congress will feel comfortable voting for a health care with as-yet undefined benefits. People will say, "How will it affect me? Am I going to get more or less?" So they are going to want to see that their problems will be taken care of, or whatever.

So after a lot of back-and-forth on this, we decided to go ahead and lay out the benefits package with the understanding, then, that we would remove the political pressure by pushing changes (inaudible).

Now, there is a good argument that it would be difficult, even to get that particular piece, because people will be lobbying all of you and arguing about "We want this specifically" and "We want that specifically out," "Why did you leave out infertility treatments?" "Don't you understand (inaudible)?" We are very sensitive to all of that.

But we sort of believe that is a better route to take than to try to say to the American people, "We've got this great, wonderful health care plan and we're not going to tell you what it is; we're going to leave that to some

commission."

In choosing the standard benefits package, we picked sort of a standard plan that (inaudible) and then added preventive care to it. We assumed that the standard package we picked is actually the result of the market working over a very long period of time.

So we think that we've come close to the comprehensive benefit package that a very large number of Americans have bought and that has changed over a period of time as the market has responded, and then we can build on that over time (inaudible), depending on what (inaudible) --

Q Well, we'll say more (inaudible). We do have various bids, we do, on our side (inaudible). And then we let Congress (inaudible) this thing.

And I think it has to be some kind of a system where we keep the Congress's hands off of it. That would make this the biggest (inaudible).

Q Can I ask you a definition question? You talked about the fact that you're going to give the states flexibility. This is my question. Suppose -- I'm presuming that flexibility, some states are going to go to the single-payer (inaudible).

Please tell me how that's going to work with regard to self-insured employers who are operating in a so-called single-payer state? How is that going to work as far as (inaudible) and the low-income subsidy and all that kind of thing? And how does all that relate to (inaudible) --

MRS. CLINTON: I'll make a preface and then (inaudible). This is an issue that really was brought to our attention by governors and state legislators (inaudible). The Republican Governor of Montana, last spring --

End Side 1.)

(End of Tape.)

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. transcript	Remarks by the First Lady in Senate Labor Committee Health Care Briefing (22 pages)	09/09/1993	P5

COLLECTION:
Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lissa Muscatine)
OA/Box Number: 20106

FOLDER TITLE:
FLOTUS Statements and Speeches 1/18/93 - 9/20/93 [Binder] : [Senate Labor Committee 9/9/1993]

Rich Sheridan
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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THE WHITE HOUSE

Office of the Press Secretary

For Internal Use September 9, 1993

REMARKS BY THE FIRST LADY
IN SENATE LABOR COMMITTEE HEALTH CARE BRIEFING

Capitol Hill

Q -- to all of us. And as the Majority Leader indicated earlier today, we will be having a joint hearing with the Finance Committee on September 28th (inaudible). So there is a very, I know, strong desire, at least speaking for myself and, hopefully, for others, to try and find ways that we can work closely together.

You pointed out a wide variety of different pieces of legislation over the course of this year and the past years, and we have reached a remarkable degree of bipartisanship on these measures.

That certainly is true with Senator Bell (phonetic) and Senator Stafford (phonetic) on the whole range of education issues, for a period of some 10 to 12 years (inaudible), and now with Senator Kassebaum. We have worked very, very closely together.

I and Senator Kassebaum have had some areas where we have differed, but I think we have really tried to find common ground. And I think to the extent that we can play a constructive and positive role, I think all of us can look forward to working with you and the Secretary and Ira and the others to find where we have common ground, so we can od what is really important and necessary.

We would be glad to hear from you (inaudible).

MRS. CLINTON: I want to thank you for the invitation and opportunity, and also to thank all of you for the extraordinary help and good advice that we have received all through this process, and particularly for the help of many of your staff who have been involved in trying to make sure that we take into account all the differing points of view and different ideas that have been considered in this body before that (inaudible) have provided quality and affordable health care and contain costs in our entire system.

What I would like to do today is say a little bit about

where we are, to describe the process from this point forward. Because we are very serious about our deliberating together and receiving feedback and ideas that many of you have.

We have made available to your staff a briefing yesterday, and that will be an ongoing process. In addition, we have available here in the Capitol and the Old Executive Office Building the outline of the plan for people to read and to comment on.

We will make available additional information on any particular subject that any of you are interested in. And, already, we have received some very good feedback, both from members and staff, as well as from some of the groups representing constituencies that are very concerned about whatever changes we might be proposing.

We have, as I have mentioned before to you, tried very hard to look at and evaluate all the different ideas that are available about health care reform, and we have, I think it is fair to say, probably gone into a level of analysis, and particularly with respect to the numbers underlying all of the assumptions about health care, to an extent that I don't know that anybody else has had the opportunity to do that before in this country, because we have used both the resources of the federal government by bringing them together instead of having them off on their own, and by putting together teams of outside economists, actuaries, and accountants to double check and look over the shoulders of the government staff people who have been working on this.

We have run these numbers and the assumptions on which they are based through many, many models. Treasury, OMB, outside groups have worked with us on this. And we are really at a point now where, for many of you to be fully versed in this, we ought to give you as much time and opportunity as possible.

Let me say that we are not trying to create a new system. We are trying to take the system we have and make changes in it that we think will benefit all Americans and enable us to reach universal coverage, and the cost containment that follows from universal coverage, because of these changes.

So to that end, we are building on the employer-employee base system. We are not creating some new federal bureaucracy. We are not trying to eliminate competition. We

are trying to enhance it, by making it more likely to occur than what is happening now, because the current system is moving very quickly in a direction that, left unchecked, will continue to insure fewer people at higher cost with resulting impact on both the public and the private sectors.

We are trying to make this system look as much like what Americans are comfortable and familiar with as we can. So that what we envision is that employers and employees would make a contribution, pay a premium.

That premium would be paid into a health alliance, which would be a not-for-profit state level or regional level entity. We can look at what Florida has already done, what Minnesota, Washington, and others are doing, and get an idea of how that is developing.

The individual will be responsible for paying 20 percent of his or her premium cost, the employer 80 percent. But, based on our projection of cost, those people who are currently insuring, whether they be a small business or a large business, will be saving money through the means of accumulating market power through these health alliances and through the cost savings that will come from the system.

We will also be capping the amount of money that any business -- large or small -- will be required to pay for their premium contribution. The individual will have incentives in the system based on cost and quality to choose among the health plans that are available in that consumer's region.

So that, for example, every year, I will make a choice. I am responsible for 20 percent of my premium cost. I may be able to save a little money if I choose the HMO instead of the fee-for-service network. But next year, I may decide I don't like the HMO and I am going to go for the PPO, or I'm going to go for the fee-for-service network.

I will have what we view as an increasing amount of real choice, as opposed to what we currently see in the system, where more and more employers make the choice for individuals and those choices are not necessarily linked to quality or outcome, which we would like to see them related to.

With respect to the business component here, in our work, what we have been doing is gathering real information about real businesses. And we have determined that for businesses that insure, regardless of size, there will be

savings in this system.

Now, some may not insure to the full extent of what we think is a basic benefits package. But nevertheless, the average cost for the insurance that will be available will be less and you will actually be buying more for less than is currently available in the marketplace.

For low-wage employees and employers, their percentage of what they have to pay from their income for this basic benefits package will be less than for a high-wage, high-income, large business. But, because of the economies of scale, the big businesses will also be receiving enormous benefits.

I went to the Business Roundtable yesterday and we talked through, in some detail, with some of the businesses there, what kind of savings will be in the system for them. Many of them will be going from a 15, 16 percent of payroll to an premium that will be capped, if one were to take a direct payroll relationship, at less than 8 percent.

For small businesses, we are gathering real world information for every congressional district, so that we will be able to tell you, "Based on the projections we have, here are how many people will benefit from this plan and here are specific names of people currently insured."

Now, there is no doubt that there will be real concerns raised about the employer-employee combination in terms of paying for this contribution. We have gone very far, and if there are other ideas we welcome them, to try to make this affordable for all businesses but particularly for small business.

It will be a windfall for many businesses who are currently insuring. And for sole proprietors, for the self-employed, we will treat them like businesses, so that their costs will be 100 percent deductible.

The premium cap that will be in effect within an aligned area will be based on what the average premium costs of the plan are. So the employer will not be paying 80 percent of the high-cost plan. They will be paying 80 percent of the average plan.

Through these kinds of mechanisms, we think we will be increasing choice, increasing opportunities for many to get into the marketplace -- and that is another subject I wanted

to mention -- and being able to control costs.

In my conversations with the AMA, with the AHA, with the ANA, with all these A-groups, many of them are now understanding how their forming health-delivery networks, which is what many of us have believed is the answer to creating a competitive marketplace that really works, is feasible for them. And we are encouraging hospitals and doctors and nursing groups and all of these providers to come together to work to be able to do that.

Now, there is also a concern as to how will all this be financed? Describing the system and my contribution and the employer's contribution, how does all that work?

To start with, if everybody is in the system, instead of 40 million Americans getting health care that we pay for, basically -- because the uninsured do get health care in our country; they just get it, usually, at the last possible moment at the highest possible cost, often accessing through the emergency room.

Our comprehensive benefits package will emphasize primary and preventive health care through this competitive delivery network system that we see developing and will be further encouraged by this. There will be lots of incentives for people to come in for primary care, because that will save the whole system money if problem can be addressed earlier.

We see how this will all develop in a way that the $50 billion to $60 billion that will be added to the system through employer-employee contributions will be a major source of funding the entire system and will (inaudible) certain public sector payments that can then be used to subsidize the low-wage employer and employee contribution.

One example is disproportionate share. Disproportionate share now goes to make up for the uninsured who get coverage in hospitals and other settings. We will no longer have to pay that in the amounts we are currently paying them. That money, then, can be used to support the subsidies so that no employer or employee will be asked to pay more than it can reasonably afford to pay for their own health care.

We will bring down the rate of growth in Medicare and Medicaid. I really want to stress this point, because I think it is very important not to let some of the headlines of the last few days upset people unnecessarily.

We are not talking about cutting Medicaid and Medicare. We are talking about reducing the rate of growth. After we've reduced the rate of growth the amount that we think is reasonable Medicare and Medicaid will still be growing faster than the private sector health budget.

So we are talking about dropping the kinds of increases, because we can better budget in the public sector than making cuts. Now, the only way that we can realistically except this system to get under control if we lower the rate of growth of Medicaid and Medicare is also to have some kind of budget backup in the private sector.

Otherwise, the costs will be shifted onto those who currently insure -- namely, the majority of employers who pay for the system. That was one of the first questions I was asked at the Business Roundtable. "What is all this talk about reducing Medicare and Medicaid? I'm going to end up paying for that," of the CEO's asked me.

He is absolutely right. If you do not control costs in the private sector and you only control costs in the public sector, then the private sector picks up the increase in costs that will be shifted onto it.

So you cannot talk, from our perspective, about Medicaid and Medicare reductions in growth without also having some kind of budget backup system that will begin to make sure that those in the private sector are not charged more for the same health care that they are paying currently.

Those are some of the issues that have already been raised with us by staff members of this committee and other committees in both the House and the Senate. But what we really want to do is get your questions and your feedback.

Q Thanks very much. I think really all of us understand that until we get details of the legislation it's difficult, in detail, to respond. But I think most of us who have been in the health care debate understand the general parameters of the different kinds of approaches included in that. And I think you've been very clear in the directions that you're going.

In our conversations, both with Republicans and our colleagues, the matters which have been raised are questions of bureaucracy, the cost to small business, the role of the state, competition. And Jeff (inaudible) had mentioned one thing to me earlier.

That is that, down the road, it's a rather interesting, I think, concept of whether you, as you work through this, you might be able to have some kind of formulation that individual members could take with them as they go out to town meetings, so a particular businessman or woman stands up and says, "Look, I employ five people; will this cost me more or less;" and "I pay X now, will this be more or less," so that, as we move around, we can be responsive.

I thought it was a rather interesting suggestion and maybe (inaudible) could keep that in mind as you moved along.

One of the points that I think has been most positive in terms of business in Massachusetts, as you know is, how do you hope to be able to provide savings to small business in Workmen's Compensation? The President mentioned that, as well as savings on automobile insurance. That would be a (inaudible) to speak for the governor's comments.

It was just a spontaneous fact of applause, and people talking about the very heavy burden, particularly on small business. And I don't know whether you or maybe Ira might want to make a comment about it and then whoever would like to question or make whatever comments they would like (inaudible).

MRS. CLINTON: We do intend to go at Workers' Comp. in two ways. The first is, take the health insurance part of it, which is (inaudible) 50 percent of the cost for most businesses, and fold that into the health care plan. That leaves two other parts. One is the disability-rehab part and the other is the lost wages part.

We would like to have a commission established to come up with a national recommendation on that. The governors are pleading, "Get this burden lifted," because they are having special sessions about it. They are besieged by business over the accelerating costs of Workers' Comp. And we see it as something that we can relieve that burden and do it in a more cost-effective way.

So we would like to proceed on the first front by taking both auto insurance and Workers' Comp. health coverage, putting it into the health care plan, and then coming up with a workable solution to the other problems that Workers' Comp. presents.

Q (Inaudible) Nancy.

Q Thank you, (inaudible).

Q (Inaudible).

(Laughter.)

Q -- I worry about that becoming so large that it, in itself, becomes an entity (inaudible). I am very pleased with what you will do for us on an annual adjustment on the premium cap. (Inaudible).

Have you made a decision on that? I think I've read where the tax deduction would come to the cost of the basic package and, on the other side of the coin, the exclusion from income for employees would only be (inaudible).

MRS. CLINTON: There are two points. On the lat one first, the tax cap, what we have tried to work out with employers and employee representatives is when that full impact would be phased in.

We think it will take several years to get to the point where there will become -- where the benefits package that we are proposing will be fully in place and, when that is fully in place, then the tax consequences. We think that that will be about in the year 2000 or so that it will phase in.

The problem we have encountered -- that is something we need to talk about -- the problem we have encountered --

Q (Inaudible.)

(Laughter.)

Q (Inaudible).

(Laughter.)

MRS. CLINTON: The problem we've encountered is that, for so many people, there are variations in (inaudible). What we are setting forth, I think, is a straightforward benefits package.

There are some things we can't do initially. We cannot do dental. We cannot do eyeglasses. You know (inaudible), we can't do mental health to the extent that some of the current insurance policies do.

We don't want to be -- and it's been very difficult for us to get real good numbers about how many people currently are paying for something that is beyond that. So we decided to give them some notice that they are going to have to pare back.

But we won't get this system up and running -- assuming we get it passed in the near future -- for a couple of years. So it's really not that long a period. It is once we get it passed and once we see the benefits taking place and people have notice that as of this date certain, these tax consequences flow. That's where we've sort of tried to strike the right balance.

Q (Inaudible.) Even if you start immediately and you say anyone entering the system in the next five years will be the last entrants into the system, or something like that (inaudible). And even that is quite a lot.

MRS. CLINTON: Especially since we are going to cover retiree health benefits between 55 and 65, I think we should consider exactly what you're saying, which is to say there will be a phase-in of the Medicare into the health care plan, and we can (inaudible) do that, because we're picking up the retirees, so that they will move into this plan and Medicare would be collapsed into it.

I just want to say one quick word about the size of the (inaudible). We envision at least one for every state, but states will have a lot of latitude in determining what the right size is for them. In talking to the people in Florida, they have already set up 11 purchasing units in preparation for what they are doing and what they see coming. That is perfectly fine.

We are going to try to encourage people to be efficient. But we also want to give the states flexibility to do so on the basis of what makes sense for them. So there is a real opportunity there, I think, to make those decisions.

Q I just want to clarify (inaudible) exclusion for the employee (inaudible). On the business side, if we want to (inaudible) employee (inaudible) bear the cost consequences of a more expensive (inaudible).

Q (Inaudible).

MRS. CLINTON: For the person who had no income, Senator, and who is out of the (inaudible), the Medicaid

program will be folded into the health care plan. And that person will choose among health plans, just as you or I would.

For the person who is employed by uninsured, that person will make a contribution to be matched by their employers and that person, too, will choose among the same health plans that you or I would.

So even for people on Medicaid who are working, they will be expected to make a contribution. They will have to contribute, now, to their health care. So we will have the responsibility shared among everybody insofar as they are economically able.

Q Thank you.

Q Thank you again (inaudible). Has there been any quantification of the costs of currently providing care for the uninsured, whatever number that might be -- in other words, the cost shift, does it show up in doctor's offices or hospitals -- versus what the cost will be to bring that universe under the plan? And I assume that (inaudible).

Is there any quantification of either of those two items so we can have a comparison?

Q Right (inaudible).

AIDE: The cost estimates so far of uncompensated care are (inaudible) to fully bring the uninsured into the system and also (inaudible) the underinsured, people who have a very bare bones policy and bring them up the guaranteed benefits package we are proposing would, for the whole health care system, add roughly (inaudible).

Q (Inaudible).

AIDE: (Inaudible) yes. And what we have tried to do in the program is that there are certain administrative savings also that will occur early on in the program, and we try to set that out. And then there are offsets. I could describe one, for example, that Medicaid people, when they go to work (inaudible), Medicaid continues to pay their health insurance while they work.

Under universal coverage, there will be a savings in the Medicaid system because the employer contribution and individual contribution will replace part or all of the

Medicaid contribution to their health care. So there are additional offsets to that (inaudible).

So those offsets plus the administrative offset bring it up (inaudible).

Q Is there any designated means to review that cost?

AIDE: Yes. (Inaudible). We are capping the rate for the low-wage individuals and small firms to make it affordable. (Inaudible.)

Q (Inaudible.)

AIDE: Yes. (Inaudible.) The uninsured (inaudible) as you know, 85 percent of them are low-wage workers and their family. 95 percent of under-insured are low-wage workers and their families. Most farm workers are covered under Medicaid one way or the other. (Inaudible).

That's why we want to try to make it affordable --

(End Side 1.)

(Begin Side 2, in progress.)

(Laughter.)

Q I'm concerned. (Inaudible.)

MRS. CLINTON: Senator, I think there are a number of things going on that are causing many of the insurance companies to hold their fire, if you will, until they actually figure out how it will impact on their particular companies.

This system will be, in my view, a winner for well-organized, well-run, competent insurance companies who don't want to be in the business of underwriting risk and eliminating people from coverage, but want to be in the business of making their money by really managing care effectively.

This will not be a winner for some companies who have only made their money in the past by that kind of (inaudible) risk selection.

We anticipate having some allies and having some opposition from the insurance industry. Some of the

independent insurance agents are concerned because they won't be (inaudible) and going individually to businesses to sell policies which then have to be put into the base of the premium in order to pay them for having made that call and gone to that business, and they are running a $1.7 million political TV campaign against us right now. I mean, that is going on.

So they have certainly made their presence known by putting their money against this plan before they really even understand it. Of course, they are not running ads which say "This might put me, the independent insurance agent, out of business." They are running ads saying, "You'll lose your choice of doctors." They're doing all the emotional stuff.

So the opposition will be there. But, in general, I think many of the companies we have been talking to are pleased to see the competitive features. They think they can get out there and compete effectively. They are making alliances with hospitals and doctors right now. So I think there will be a kind of natural shakeout of the whole industry.

Q (Inaudible.)

MRS. CLINTON: Senator, what we mean by that is, through this capping of the premiums, by having, therefore, an average weighted value for the premium costs in a region and, through that, establishing what is a fair per capita rate for providing health care and just having it out there, developed through competition, by having people bid for your business through the accountable health plans, and then to have that budget as basically a backup to making sure the system works right.

Now, what we don't want to get into is micromanagement and going in and making individual hospital decisions. What we do want to do, though, is to say to a state or say to an alliance within a state, "Here is what we think the average premium cost should be in a per capita basis and here is what we think the budget should be, and we're not going to do anything if you are perfectly able to meet those targets."

But for some regions, their costs are so far out of line right now that they are going to have a difficult time, unless there is that discipline imposed on them and then, unless there is some kind of enforcement mechanism that can be selectively applied in those areas that are having trouble bringing their costs in line with the rest of the country.

Q So you accept the Medicare cap generated (inaudible) on a per person basis to meet the average premiums?

MRS. CLINTON: Well, the Medicare cap and the Medicaid cap (inaudible), the trouble with the employer-employee contribution, coupled with the public health investment -- that pool of money that will then be allocated, we do think should be sufficient. And I'll let Ira explain.

AIDE: I think the idea of a cap on the rate of growth (inaudible), essentially it is the marketplace and competition that will decide what happens in (inaudible).

So we we're trying to create the incentives to allow that competition to take place and (inaudible) the consumer more choice (inaudible).

In terms of the budget savings, the Medicare and Medicaid programs (inaudible). So what we want to try to do is cap the growth of Medicare and Medicaid (inaudible). When we do that, you do realize savings to the federal government. Medicare and Medicaid obviously (inaudible).

What we have tried to do is phase in our spending to match as much as possible the savings we are getting so that we can have deficit reduction as we go (inaudible).

Q (Inaudible.)

AIDE: Yes.

Q So there won't be any cost shift?

AIDE: Yes. Because basically, the Medicare system will continue to grow faster than the private system does (inaudible).

Q (Inaudible). First of all, I want to underscore something that Senator Kennedy had to say about this committee and about the process you've gone through in putting this package together (inaudible).

Every major piece of legislation that has come out of this committee usually has come out of the White House -- child care (inaudible), family medical leave with Dan Coats recently and direct loans with Senator Kassebaum and (inaudible).

I think what we are trying to do here, reaching out over these fascinating months, to lay the foundation and groundwork for building on that concept so that ultimately we can go before the Senate (inaudible) something that is critically important.

Secondly, if this package pleases absolutely everybody, you have done something terribly wrong. I come from a state that represents the largest number of insurance companies in the world. And my plan is to be supportive of this plan and to work with my insurers.

My hope would be that as we talk about this plan, the points you made and emphasized, and not just regarding insurers, but others as well, that we won't (inaudible) that creates an unnecessarily bad taste in the mouths of those (inaudible).

The fact that there are insurance companies that have done a dreadful job certainly won't go without mention. The fact that there are many, the majority of whom do a very good job (inaudible) is something that ought to be emphasized when their discussion comes up. Certainly the same can be said for the business community and other people.

Too often we allow ourselves to be placed in the position of creating enemies where we don't have to. So I hope we will be able to (inaudible).

I fully expect there will be plenty of people within our respective states who are going to be unhappy with the very essence of (inaudible).

The last point I would make on that is (inaudible) I think preventive case is so critical, absolutely essential (inaudible) because obviously, whether we are talking about that 40 million people, many of whom are children, 15 million of whom are (inaudible).

(Inaudible) the preventive aspects, the question that was raised by Senator Coats about how much more it is going to cost to cover those people, it seems to me the change is dramatic.

And I am somewhat concerned -- and correct me if I'm wrong in this -- that in the area of prevention we are talking about more of a phase-in by the year 2000 in preventions.

If there is one area in this whole package that needs immediate (inaudible), it would be that one, particularly the issue of cost, as it comes out, particularly the uninsured, who are not necessarily even taking good care of themselves (inaudible).

MRS. CLINTON: Senator, we are actually starting with a very good prevention agenda for the benefits package. There are a few areas that are going to be phased in. But they are dental care, for example, eyeglasses for children.

Q (Inaudible.)

MRS. CLINTON: Right. Right.

Q Well, it is (inaudible).

MRS. CLINTON: It's the (inaudible) care, the mammograms, the pap smears.

Q If we put in all the children's, the entire children's package (inaudible).

MRS. CLINTON: Here's one of the dilemmas that we face, is that we believe that if you look at out-of-pocket expenditures on health care, often poor people pay more money over the long run because they don't take care of their primary preventive health care needs.

We really believe by having a package that emphasizes prevention, we are going to save money. It is very difficult to get that "scored," in the parlance of Washington, because it looks like a new benefit. It looks like, oh, we've giving people this new benefit.

We believe that it will save us money and save people's health as we go through the next years. We're very committed to it, and I hope that all of you feel as strongly about prevention as we do, because we think it's the right thing to do but, more than that, we think it's the economically smart thing to do.

Q (Inaudible).

MRS. CLINTON: We are doing a variety of things, Senator, and we do want some demonstration projects on enterprise liability, in addition to everything else.

Q (Inaudible).

MRS. CLINTON: (Inaudible). We have worked very closely with the American Hospital Association and the American Medical Association and (inaudible). We feel very strongly that we need to do that (inaudible). Senator Metzenbaum has been deeply involved in working with us on that.

I think we are going to come forward with a package that both the hospitals and the doctors will support on antitrust (inaudible) organized to be competitive within the system. And we can give you all the details on that.

AIDE: On the antitrust, what we are concerned about is, as we move through the system, the traditional relationships are going to change between insurers and providers, and we want to make sure that what comes out is as competitive a system as it can be.

What doctors and hospitals have asked for, which is legitimate, is the ability to form associations to a greater extent than they have originally, and more flexibility to come together. And they talked to that because of the fear that you could develop a scenario where four insurance companies take over the country and you don't really have competition. And they are looking for a greater balance between themselves and the insurers in that competition that will take place.

So we think that within the scope of the current antitrust laws (inaudible) modify the laws within the scope of what can be done in the way of guidelines that are given and quick turnarounds (inaudible) that we can give the doctors and the hospital the kind of ability they need to cooperate (inaudible).

MRS. CLINTON: Senator, the reason we give the Secretary the authority to negotiate on (inaudible) prices is to protect the trust fund. A new Alzheimer's Disease drug comes out, for example, and the price is so high we couldn't automatically cover it, and need to negotiate. (Inaudible). But our reading is on (inaudible) what we need to do to protect the trust fund (inaudible).

Q (Inaudible).

Q Ira, I did want to say that I read in the paper your comments about antitrust exemption for the medical profession (inaudible). I think some of us might have some serious concerns (inaudible).

Q (Inaudible).

AIDE: We've been working with the Department of Justice on a series of recommendations. But I think the concerns that we've been discussing really come from what the new environment is going to look like versus what exists today, because we are changing ground rules. So some concerns that might be relevant (inaudible) really become different (inaudible).

I think the ability of groups of physicians to come together and essentially assume some better negotiating posture vis-a-vis insurance (inaudible) is what we are concerned about (inaudible).

Q (Inaudible).

AIDE: -- plus (inaudible) hospitals (inaudible).

Q (Inaudible).

AIDE: Yes. Exactly. And I think if we're really talking about integrating care as a way to save money, then we need to allow that integration to take place. On the other hand, we don't want groups of providers (inaudible) to form a monopoly and dictate price. We have to get the right balance here. But we welcome discussion on this (inaudible).

Q (Inaudible).

MRS. CLINTON: We really need this conversation, because one of the concerns we've got is we want to create a competitive, competitive atmosphere. We want people to be basically bidding for these premiums. And we want variety among (inaudible).

Q (Inaudible).

MRS. CLINTON: That's right. Exactly.

Q (Inaudible).

(Laughter.)

Q Our plan includes use of a baseball field (inaudible).

(Laughter.)

Q First, a comment --

Q (Inaudible).

Q -- and a question. And let me just add, I think we are universally impressed with the job you are doing, you and Ira and (inaudible).

I am a great believer that we ought to move as quickly as we can. Some of us have had informal discussions on this, and Senator Kennedy has talked about moving out of committee by the first of the year.

I believe strongly that the President and you and the legislative leaders ought to set a goal of April 1st or whatever it is for passage of the legislation. If we don't set a goal or some kind of a deadline for ourselves, frankly, we're going to be meeting here a year from now discussing this.

You may slip a little from the goal but, if you don't have the goal, I think this thing will just go on and on and on. So I am a strong believer in that.

Second, my question, if I could follow on (inaudible)'s question, in Illinois, we have had 22 hospitals that have folded in the last eight years, almost all of them in impoverished areas: Saint Anne's, on the West Side of Chicago; (inaudible) in rural poor Illinois where, right now if you're on Medicaid and you are pregnant and you're going to have a baby, you're going to drive an hour to Carbondale (phonetic) to have that baby.

Have you looked -- and these hospitals tend to be 50, 60, 70 percent Medicaid and almost all the rest Medicare. Have you looked -- and I know you can't micromanage, but you ought to look at or have you looked at hospitals in very specific terms? What is this going to do to these hospitals that are so heavily dependent in this area?

MRS. CLINTON: We have. We've looked at it very closely. It's a big concern of ours. But we believe and, and we've had lots of conversations with people like the Catholic Hospital Association and others who are deeply committed to providing (inaudible) and often have hospitals that they heavily subsidize alive and open.

And they are very convinced, as we are, that through this network approach to delivering care there will be

incentives for hospitals that currently are not available in the system, because there will be networks of delivery systems that we're seeing in some of our states that are moving in this direction, where you will have secure funding streams, where you will not have the disparity in payments that currently exists, so that there is a level, a more level playing field because of approaching health care on a capitated basis, based on patients, as opposed to the particular funding stream -- how much the insurance pays and how much Medicaid pays.

We have a lot of information from a whole host of reviews of hospitals, failing hospitals, serving the underserved. We are prepared to foster a (inaudible).

AIDE: We also have, for a transition period, we are recommending an essential provider provision for health care facilities that exist in traditionally underserved areas in order to try to give them a chance to become competitive, because many of them have been underfunded because they serve so many uninsured people or have suffered from Medicaid (inaudible) rates and so on.

We feel, for a period of time, to require the health plans' contractors (inaudible) care for the competition. So we've put provisions there for special assistance.

But as you know, there is only about 62 percent capacity utilization in hospitals across the country now and so, over time, something is going to have to happen for that to rationalize out. But we want to make sure that those hospitals that are serving the underserved areas have a chance to compete (inaudible), that they don't just get wiped out (inaudible).

Q The 60 percent also applies to these hospitals that are in rural areas -- I'm sure they're in Arkansas, too --

AIDE: Yes.

Q -- that, you know, if they close, it would just be devastating.

AIDE: That's right. And that's why the essential provider provision will require the contractor -- they're going to benefit from the fact that in rural areas you have your highest proportion of uninsured (inaudible). As soon as you have universal coverage, there's going to be a tremendous amount of new money in those rural areas, for which that

hospital will be the most convenient location.

The difficulty is that the hospital itself is going to have to be able to upgrade itself. And that's why we want to provide this transition period and assistance for them to be able to do that.

Q And your theory is, even in rural areas, that it will go above 60 percent?

AIDE: Oh, absolutely. Yes, because right now you might have 20, 30 percent uninsured people, who will now be insured. And I think in Senator Kassebaum's bill, there are some special features for assistance for rural areas, which we are thinking (inaudible) as well, which we think, combined with universal coverage, will help that transition to take place.

Q (Inaudible).

(Laughter.)

Q Frankly, I don't know if any of you saw a Harris poll that came out yesterday that said (inaudible). The poll said that 55 percent of us can't identify what is managed care and over 70 percent of us don't have enough knowledge about all the stuff they're talking about (inaudible) in order to do (inaudible) reform. But I just want to thank you for getting it up to 30 percent (inaudible).

Q Is this a poll of Senators or the public?

Q I think it was the Congressmen and the Senators.

Q (Inaudible).

Q (Inaudible).

Q Thank you. I really mean that you have done a lot to raise our level of understanding. I think what I would like to do is make a suggestion (inaudible). Some of these things are happening despite the Medicare, because there are a lot of changes that are taking place (inaudible).

So my suggestion relates to September 22nd, which I assume is the date that the President is going to talk to the country (inaudible). On the basis of that, we have a number of (inaudible) clients out there (inaudible) and other that

have single-payer plans.

Danny and other some people have been talking about Medisave and that kind of approach, and that (inaudible) is out there. The third product, of course, the most comprehensive one, is the one you have.

Next week I have (inaudible) the Republican Task Force are going to have a plan out there, and I hear there is a Democrat who is going to have a plan.

Now, my suggestion is that you and the President take all the things that at least three of these plans have in common. And without reflecting on either my Republican colleague to my right or my Democratic colleague to my left, I think there are three of these plans that have a lot of things in common.

They are commitment to insurance reform, commitment to accountable health plans as a the way to get that reform. We have disagreement on how we do risk selection (inaudible). But there is a whole lot of agreement.

It's an employment-based system. I think we can all agree on that.

Group purchasing. Even though we may differ on the size of the group, we say we have to have group purchasing in order to get the system to change, in order to get the administrative (inaudible).

The emphasis on quality and consumer choice. I think there are some that lap over.

The basic benefits package. We may not agree on the package, but we've agreed that we ought to be comparing apples and apples and not apples and oranges, which the insurance industry has helped us do so far.

So to the extent that we can find good thinking about it (inaudible) listening to all of this stuff, I think it would be helpful to (inaudible) some reality. And that is, despite our press conference differences and that sort of thing and, to some degree (inaudible), there are a lot of things that this process has taught us that have brought us closer together (inaudible).

The areas in (inaudible) price controls. And even among Republicans we have some (inaudible) Nancy (inaudible).

Q I support (inaudible).

Q I think we have mandates by certain clients. (Inaudible). There is very little income security reform in all of this, because they haven't got the guts to take on Medicare and haven't got the guts to take on Medicaid and haven't got the guts to take on the tax (inaudible). But that one we're all in together.

The key one for me, one of the key ones for me, is national rules and local markets. And everything I've seen so far, except (inaudible), does some violence to this. And part of that is done in your plan and part of it is done in the Republican plan (inaudible) by treating states like they (inaudible).

Like all of a sudden states are okay. You can have states set up the health plan. You can have states design what the health alliances are going to do. You can have states deciding this, that, and the other thing.

Just sort of a note of caution here, I suppose, that clarifying this business about national rules for the market and then letting the markets operate at local levels, but not saying -- we can't have 51 different (inaudible). It just can't be done.

I heard from Republicans this morning that, "Well, it's okay to let the states decide about how they want to do it and then we'll get (inaudible) so that employers, you know, are going to have to get taxed or (inaudible) taxes (inaudible). I don't think that's going to work. (Inaudible).

(Inaudible). We have a lot more in common, both sides here, than we differ on it, and I hope that will become clear (inaudible).

MRS. CLINTON: That's very helpful (inaudible).

Q First of all, I'm glad (inaudible) did not have the last word on the prevention package. (Inaudible). You're right. It's hard to score it (inaudible). We have enough bad preventative health care in the past (inaudible).

Secondly, again, I just hope that in the process of putting this package together -- and I know you will pay close attention to this (inaudible) cut some of the increases in Medicare and Medicaid, how they weigh on rural hospitals

and rural providers. They're the most --

(End of tape.)

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quest.

Remarks of the First Lady During United Nations 4th World Conference on Women Briefing; 6/27/95

HRC:

Good Afternoon everyone and thank you so much for coming and welcome to the White House. We are so pleased that you could join us this afternoon to hear about our plans for US participation in the upcoming UN 4th World Conference on Women. And how we hope to be able to include women across America in the discussion of the issues that are going to be on the table at Beijing. We also want to be sure that the US plays a leadership role, both in preparation for the conference, at the conference itself, and beyond. And your concerns already expressed and interest in the issues that are going to be addressed is something that we hope we can take even greater account of and have closer working relationships in order to advance.

This is an important year for women, with this conference. It's something that holds great promise in advancing the agenda for women and girls in significant ways. As I have said on many occasions, and as many of you have said in your various capacities, we do have a stake in how women live around the world. And the issues that this conference should address will

be those issues that are most important to the well being of women and girls.

They are issues about how we provide for educational opportunity, how we assure access to the full range of health services that women need, how we provide more economic incentives and income generating activities for women, how we absolutely assure women's full political participation in their societies, how we address both the general issue of human rights and the special issues that pertain to women, with respect particularly to violence as exercised against women.

Our overall message will be one that focuses on women as agents of change, as active and full participants in their societies, meeting the challenges of today and those that will have to be met in the years to come. I think it is critical for the US to lead as best as we can on the issues concerning women. It is something that I personally feel strongly about, it is certainly something that the president feels deeply about and it is something that makes sense.

When I went to South Asia and had a wonderful trip there with my daughter, I was impressed, over and over again, at the way in which women were taking control of their own lives in those societies. And how that is contagious. It is contagious not only within the cultures where the women are, but its

contagious cross cultural lines. To go to India or Bangladesh and see the poorest women learning how to take some power over their own lives, to be able to make a living to add to the income of their families, to be brave enough to send their daughters to school, to be brave enough to seek out health care for themselves and their children, to stand in the long lines at the family planning clinics, to be able to withstand the pressures of their schools being burned down because the majority of the students are girls, to sit in a village outside Lahore, Pakistan with women who are trying very hard to get even more educational opportunities for their girls in the face of apathy at best, and hostility at worst, makes one feel even more committed to doing what I think we need to do here at home.

So I believe that this gives us a platform, not only to play a leadership role with respect to women around the world, but to remind American women about what is at stake. This is the 75th anniversary year of our having won the right to vote. I think that should be a theme about our participation, moving toward Beijing. In a sense it is a way of both paying back for the contributions of all those women who went before, of acknowledging the sacrifices that women are still paying, all over the world, just to do something as elemental as to have the vote and exercise it. And how we need to be reminded how we take for granted our own opportunities here, and how many women in

this country no longer understand how critical it is for them to exercise their own political participation.

So we hope we can build on, not only the work that's been done in this country and the work leading up to the conference, but importantly, on the commitments made at previous UN conferences. Not only women's conferences, but the important conferences at Rio, Vienna, Cairo and Copenhagen that have taken place in the last few years. We have to ensure that this conference reaffirms human rights for women and we have to be sure that as we reaffirm those basic human rights we don't just do so rhetorically, but we do so with commitments as to what we mean when we say that.

There are also two interrelated objectives that are important. One is preventing violence against women and the other is ensuring literacy for women. Its also critical that we continue to stress a life cycle approach to health and education and to focus on the full range of health concerns specific to women. Including reproductive health, but making clear that reproductive health needs to be seen as a natural part of the entire life cycle. It should not be marginalized or politicized. And we have to continue to stand firm on the gains that were made at Cairo, but we have to take those gains and try to institutionalize them in a life cycle approach to women's health,

so that women have access to the full range of health services that they need.

I hope that as we go forward in preparing for this, we will take advantage of using the energies and expertise of as many NGOs as possible. I believe strongly in the participation of NGOs in conferences such as this, because I think oftentimes NGOs are the groups that will institutionalize the changes and actually move the agenda forward. I know that there will be great participation on the part of American NGOs and, just as I did when I was in Copenhagen, in paying a visit to the women's caucus there, I want to make clear, as all of us do who are working on this, that the NGOs representing American groups are going to have full participation in this conference.

We are putting together a very strong leadership team to head the delegation. I am serving as the honorary chair, Ambassador Madeline Albright will lead our delegation, and Under Secretary of State for Global Affairs Tim Wirth will be our alternate chair. Marjorie Margolies-Mezvinsky will be our deputy chair. We have a number of public members who have participated in the preparatory conferences and we have asked some of the very best people, most of whom are women, in various government positions, to be part of our delegation as well.

We cannot do this conference right if we do not have the kind of support from the corporate and non-profit community that was essential to the success of the Cairo Conference and has been instrumental in continuing to move the agenda forward in the face of some hostility and opposition here at home. So its very important that we continue and strengthen the partnership that many of you have been part of in the past.

I just want to say a word or two about Tim and Marjorie. Many of you in this room have had the privilege of working with Tim Wirth, both in his previous incarnation in the United States Senate and as the Under Secretary of State for Global Affairs. I don't think there is anyone who better represents the kind of visionary synergy - how's that for a phrase - that tries to bring together disparate points of view to put them into some more global context so that American policy can be in some way connected with and furthering global policy on issues such as the environment, and population and social development and human rights. And Tim has done just an extraordinary job and we are very grateful that he will be playing a major role in ensuring that this conference, and our participation, will be as significant as the other efforts which he has overseen.

And Marjorie, I'm very pleased, will be part of this effort. Many of you also know that Marjorie is a former member of Congress, and someone who stood up in Congress for some very

tough choices and was absolutely fearless in doing so. If there is such a thing as a badge of courage, or a profile in courage for standing tall, despite the opposition of many of her colleagues, she certainly deserves it. And bringing both her political experience and her experience in communications to bear in this leadership position is essential because a big part of our job will be explaining what we are doing, what we are hoping to bring about in Beijing to the American public, and equally important will be explaining we are not doing what some people say we are doing for their own political purposes. And we need the kind of spokes-role that Marjorie has played in the past and will continue to play in the future.

And so with that I would like to introduce to those of you who do not know him, Under Secretary Tim Wirth.

Tim Wirth:

Thank you very much Mrs. Clinton. What we'd like to do today is outline for you some of the remarkable opportunities that we think sit in front of all of us as we have two months to go to Beijing and then a long time after the women's conference in Beijing. I had the privilege of working on a lot of the conferences we have done before, and have not seen anything like this. In terms of the wellspring of interest across the country and the extraordinary opportunity that I think this conference, its preparations and the follow-up have for catalyzing that

interest and really advancing the interests of women in the United States of America. And therefore advancing the kind of change that I think this administration and all of us stand for and would like to see in this country.

As Mrs. Clinton pointed out, this really is a conference focused on change. The document itself will be quite a long and lengthy UN document. It will not be the sort of thing that gets read by most people on the streets of America or that you will be asked about at the office; as in "hey did you read the Beijing document?" - that probably won't happen. What will happen is a number of reports about what the conference is all about. And its our job to do two things. To do all we can to shape what that document is about, and to tell the world what is in that document and give them our message about the shaping and why we think this is important.

There are five central themes that we're concerned about and are driving, and our thinking is the result of hundreds of hours of discussion across the country, of meetings held in communities all around the country and lots and lots of inter-agency sessions and other groups with NGOs here in Washington. There are five central themes to this, against a background of previous United Nations documents. The background being, we do not want to see any backsliding from the Vienna human rights document and from the Cairo population and development document, in particular. We

want to maintain where we are today in those documents and move forward.

And second, we want to do everything we can to make those documents relevant to what happens in the United States of America. If we did one thing wrong in Cairo at the population conference, if we did one thing wrong, it was not thinking through what we do the day that the Cairo conference is over; how do we bring Cairo home.

The first theme focuses, as Mrs. Clinton pointed out, on the full cycle of health needs for women. And that's a whole life cycle approach to this, reproductive health being one part of it, but ranging all the way from early childhood health through senior citizen status and the special needs of women.

The second major theme of what we want to try to accomplish coming out of Beijing and bringing this message home focuses on human rights and violence. With special attention to the issue of violence against women. Violence against women institutionally, personally, violence against women in a violent society, violence against women in a home network. That is the second major focus.

The third is women's economic empowerment. Ranging all the way from women's roles in status in the business world in this

country to engagement of women in specific economic endeavors. Focusing, for example, on access to credit, small enterprise, engagement of people at the grassroots of America and how we can build that up. What can we learn, as Mrs. Clinton has pointed out over and over again, from the Grameen bank. That extraordinary model and what is transferable from that to the United States.

The fourth central theme that will be, we hope, moving out of this, is women's political involvement. How do we get more people involved in public life. How do we get more women involved overall in power sharing in the country. And the fifth theme is education - access to educational opportunity throughout life.

So there are five central themes. Health, violence and human rights, economic engagement and political participation and education. So that's the way in which we're describing our goals, what we want to see, and how we want to shape the document. And we're moving along pretty well in that direction in terms of negotiations with the UN.

One of the most interesting parts of the UN document is what is called the commitments document. Each country is going to agree to make commitments to bring the document from Beijing home. What are we going to do domestically to implement what is

in this international document. What we want to talk to you about is the process of leading up to Beijing and then, most importantly, the implementation of the Beijing document. How do we go about setting up a series of mechanisms for getting this message out and for developing these themes all around the United States of America. We had great success - many of you involved in the Cairo population conference - we had great success with a series of town meetings across the country. We had eleven or twelve of them and also engaged all kinds of other fora around the country of involving people in all walks of life in what Cairo was all about.

We've done some of that for the Beijing conference. Marjorie just got back from Boston. She was just in Seattle, a couple weeks ago. We're doing a number of things like that. We have to set up a further process of responding to the great number of requests around the country for people to come, and speak to community groups and engage them, and tell them what we're doing, why we're doing it and where we are going. We have to set up and implement a speaker's bureau. We have to set up a way in which we can mail out to the thousands of people writing in and asking us, "what are you doing and why are you doing it? How can we help, what can we do?" We have to set up the capacity to reach out, both in terms of traditional mail, and now, and during Beijing, electronically, How do we get back to communities who are very interested in what we are doing?

We have hundreds of women across the country of remarkable talent who want to be delegates to Beijing. We can only have 45 delegates. So everyone can't be a delegate. What kind of network do we set up - and we've had the idea of creating a kind of home team. So that the women who want to be delegates, can't be delegates that they be part of a process where they represent the United States at Beijing in their communities. Both in terms of helping us hone this document going up to Beijing and then carrying it out after Beijing.

We have a series of things that we want to do between now and the conference, which will be the 4th to the 14th of September. Probable the really interesting work starts on the 15th of September after its over. What are we going to do with this? We think it will be a good document. We know that the themes and the ideas will be very powerful and very strong. And then the question is, how do we go about implementing those across the country. How do we find each of the people that have written in and catalyze them using the Beijing document, keep our goals, using this set of commitments. For example, on the economic side of it, how do we find out where all the models are around the country, where the mircoenterprise, community development activity has worked. What do we learn from those, how do we bring people together, how do we get financial institutions engaged in that, how do we get banking institutions engaged in that, to see what has happened so that we can put

those two resources together? We can't tell people what to do, but we can certainly seed a lot of that process.

How do we, in terms of the health care issues, make sure that women understand what is possible, what is being done in one community or another. The Georgia project that Ted Turner and Jane Fonda are doing is an example of that - really exciting to see that community come together and start to understand what the empowerment is of picking up and moving that on a community base.

Violence against women. The President established a new office against violence against women. We want use that as a catalyst; how do we use that as a catalyst and move from there, to be working with state governments and local governments and police forces and so on, to really work on this issue which is pervasive in this country and for which we have gotten a very significant and moving input from women in the country about how important it is that we do more work on this.

We have a wonderful opportunity. We have the extraordinary resource of this document and what the US stands for around the world, and the leadership we can give to this internationally. We also have a great opportunity for bringing that home, for making sure that this has a real impact in the United States of America. And we have extraordinary resources with which to do

that, not the least of which is the First Lady, and her great commitment. Mrs. Clinton, I think that your trip to South Asia probably got more, not only great attention, but people are still talking very much about the leadership and commitment that you as a person stand for and that this country stands for, if we stand behind these kinds of issues. Its a very powerful set of themes, internationally and here at home.

You all are here today because we would like to engage you in this process. Those of you who are potential donors in all of this, we would like to be able to get back to you, to tell you specifically what we'd like to do and to ask of your financial help. We could not have done Cairo without this kind of public/private partnership. We certainly can't do the lead up, even in the final months to Beijing without this partnership, and I know we can't do the commitments and the follow-through without this partnership. So we are here, one, to tell you what we're doing, secondly, to get you excited about it and third, to say we want to get you involved in it. So that's where we are.

Q: How much of our money do you need from the private sector and why have you waited until the first of July to try to get it, only a few months before the conference?

A:The last part, you would have to talk at the lawyers at the State Department - the process was very bizarre
Q: Ordinarily, the money and organization was handled much earlier than this, it seems like.

A:That is true. We had an enormous amount of difficulty getting clearance to do this. For reasons that I do not fully understand. When we could go to and how we could go to people...

Q:How much do you feel you need to have this conference - how much are you looking for?

A:We don't need anything "to have the conference." To lead up to it, Lynn Cutler -

Lynn: Maybe it would be helpful and legal to say that we can discuss that in greater detail once we have a longer [?] and I will be calling you to talk about what some of the needs are. We know that what some of the pieces cost...

Q: What do all the pieces cost put together?

A:About 900,000 dollars

Tim: And Lynn, that's between here and Beijing, or between here and the end of the year?

Lynn: Its between here and Beijing for the first piece and then post Beijing. Its going to take resources to move around the country - there are thousands of meetings going on and will go on after the conference. They want to hear what happened and we need resources to go out and tell that message and to send some of the people in the administration. If I may, Tim, the office of Domestic Violence has been filled at the Justice Department and its new head, Bonnie Campbell is here...[can't hear]

Q: Can foundations make a donation to this cause in the [can't hear] stage of...

Tim: Yes. That was the central funding that we had for Cairo was foundation funding and setting that up. We also had a good deal of corporate funding in the Cairo process in terms of reports and mailings that went out and that sort of thing. And there were ways that corporations could become engaged in parts they were interested in and sponsoring various events. Particularly, I think that is something we could do post-Beijing. To follow up on reports that could be sent out, and corporations could sponsor that. Is that right, Lynn?

Lynn: Yes, and let me also say that we have some foundations who have agreed to receive funds for this purpose and to handle a lot of the work. The speaker's bureau, for example, would be run by the Communications Consortium, which is a 501C3 organization. The mailings, we can do in a mail house outside of the State Department but there are some things that can be directly funded through public affairs at the State Department. One of the things that we really wanted to do very much is a report from the President to the Women of America on the occasion of the Fourth World Conference. And we know how to do that as well.

Q: Is this controversial at all with the Beijing government?

A: Well, that's a good question. We do have - the United States and China have a very troubled and difficult bilateral relationship right now but we are describing this as a United Nations Conference that happens to be held in China. And it is going to go on. There have been a number of, kind of bumps in the road. One of those has been: how are a lot of grassroots, community groups going to be treated from around the world. And I think we've sorted through that process. Another is the Taiwan and Tibet issues, which are sort of nerves like the Palestinians we nerves for us at various times. Remember that they are nerves for China and I think we've got a strategy for sorting that through. I think that the Chinese had no idea what they were doing when they agreed to host the conference. They thought it

was going to be kind of a nice, polite shopping trip coming to Beijing. And little did they know that there are going to be tens of thousands of women in Beijing. Its expected that 35-40 thousand women from around the world. Probably ten thousand of those will be American. And these, I think, will not be shy and retiring individuals who want to shop. Right? I mean, its not that. I think the Chinese have really, since Theresa Loar and I went to Beijing last fall, to kind of alert them to all of this, and that didn't really, I don't think that they really caught onto this until the middle of the Spring. What a major thing this was. Suddenly, they've sat up and I think it is going to take them a while to understand this. This is a totally different role. What happens when people protest? How are they going to handle this? What are the rules going to be and how does that get worked out? In many ways, as some of the China experts say, it's going to be great for them because it has a way -- while some of the human rights committees says "don't go because the Chinese are bad people" most of the human rights committees are saying, "hey, this is going to be good for them because its going to engage them in a lot of the processes - what goes on every place else in the world". So within China, I think this is manageable. Who knows what happens in the next few months and how it might sour, I don't think it will. I think we're over the worst of it, I think that that's right. But who can guess for sure. There will be some great controversies from the outside from some around the world who want to role back some of the

basic human rights commitments that were made in the United Nations declaration human rights. We went through a major fight in Vienna in 1993, where the savory [?] group of people: the Cubans and the Iraqis and the Iranians and others were trying to make some basic changes to commitments to the equality of all peoples. And we fought that back in 1993. We'll have another assault on that front from some, including the Chinese. But I think that will be alright once it gets out into public light. As Ted Turner says about CNN, " Cast some light upon the darkness, and people behave in a better way." I think that will happen here - "cast some light upon these issues and they'll probably get sorted out.

We'll have, finally, some problems from those who did not like the Cairo document, which was in many ways a very important major step forward in terms of women's roles and women's reproductive health in particular. But I think those will be handled. We've met with some of the Vatican representatives and had a lot of discussions. And we've all learned a lot from each other over the past year and a half. So I think that will get sorted out. So right now I'm feeling relatively benign about it, compared to where it might have been a month ago or six months ago or even a year ago.

Marjorie: Tim, let me add something to that. There was quite a bit of controversy over moving the site to Huairou in [?] and

they went with a list of suggestions, demands, sketches. And in fact, the Chinese gave into every one of them. Including the number of NGOs, which was rumored at about 20,000 [?]...the fifth or the sixth thousand. There has been a lot of - what everyone wants to call it: "face saving" - but on both sides. So I think we're moving in the right direction.

Q:You mentioned that your fourth theme was political empowerment, but you also said something about bipartisan support. Is that involved in that particular theme, and if so, who are the people who will be involved?

Tim: The delegation will be partisan in nature. That should be announced in the next week. Republicans and Democrats on it. But when I talk about, in each one of these areas we are going to flesh out what are the step by step commitments that we want to take. In economics and in health, what are the things that we want to do at home. And we certainly want to do that on the political side as well. How can we reinforce women's networks to have women running for public office, at all places across the country and at all levels. How can we encourage that? Are there ways in which that can be done? Are there ways in which we can do a great deal more to get women appointed to boards that govern public enterprises.

Now most of that is bipartisan or non-partisan in nature and should be. And we'd like to keep it that way as much as we can. The delegation will be named in about a week and as Mrs. Clinton pointed out it will be a very, very strong delegation. About half the people will be senior officials from the government who have to do all of the day in and day out negotiating. As in, "what does the language mean, why is this comma there, what does that phrase mean?" It is like being a lawyer. I'm not a lawyer and that is why I have enormous respect for the people who do this negotiation. That was not to imply that I have enormous respect for lawyers.

But anyway, about half the delegation will be ones working on the document and about half will be public members. And among the public members, Veronica Biggins, who was assistant to the President for personnel. Veronica is back here. Veronica is from Atlanta. And Veronica is going to take the responsibility as Vice-Chair of the Delegation of coordinating all of the public members and making sure, for example, that we are going to assign to all of them various countries. So that in a very short period of time we will know all of the delegates very well who are going to be in Beijing for this process. And that we can then, when we get down to the last few days of really tough negotiation, we'll know who is where and have a whole network of contacts. We expect as well that there will be about twenty members of Congress going and that is always a surprise because you don't

know who is going and what their interests may be, and so on. But we have people who will be working on events with them and having them engaged in the process. I think Donna Shalala is going to go, Carol Browner is probably going to go, Hazel O'Leary is interested in going, members of the cabinet going, members of the delegation. We are going to have a very high profile delegation and a very powerful delegation making, I think, some very powerful statements about the importance of this conference. But more importantly, about the product of this Conference. And the product of this conference is what we're here to talk about. How do we bring the results of that conference back to the USA. We have some wonderfully interesting things that we can be doing and we will be back in touch with you on that front.

We're being circumspect about this, Ted. There are a number of legal constraints as to what you can and can't do as a member of the administration, asking people for funding. So if we are sounding a little awkward about it, we are because the rules are not totally clear. So we'd rather leave a broad line between us and the rules, than try to shave it narrowly.

Q: The representatives of "Self" magazine, Alexandra[?] is here - could you explain what you're doing - because that is one of the already existing Corporate contributions. And we have someone from Footlocker too, so maybe both of them could explain. Do you want to come up here, just quickly?

Representatives: Yes. We were very interested when the United Nations called us, at the end of your "Self" magazine, and asked us to help, because we had been involved with breast cancer and we went to the Rio Conference. And we got about one quarter of a million signatures for women, in support of breast cancer and then we brought them to Mrs. Clinton. And she's been very gracious in kicking off the campaign that we've started.

We've written a pledge. "I pledge to support efforts to ensure that all women and girls have a chance to achieve their just and rightful place in the world." This is a pledge that we plan to get a million American women, and around the world, to sign in support of women's rights around the globe. We would like to give these pledges to Mrs. Manguela and Mrs. Clinton to take with them, to show our support of women around the globe. We're going to put this out on the internet, we're going to put this out on the WH Web Site. We have 7 million readers. We've already gotten everyone from Ruth Bader Ginsburg (uh, Mrs. Clinton, sorry, first signature), Jodie Foster, Bono of U2. We've gotten tons of signatures and the magazine has just come out in the past few days. And Gavin Porter.

Gavin: I work for Lady Footlocker and in our six hundred stores across the country we are going to have pledge books, and all our associates are going to encourage shoppers - hopefully driven in by the magazine, but even if not, we're going to tell our

employees to have buttons on, to encourage signatures. Each store will carry a book and I think there is [noise]..to send faxes in.

Tim: Do they have addresses, when they sign their name too, do they put addresses in? [Laughter]

Representative: No, we did not do that. But we feel so strongly, as Mrs. Clinton said, women as agents of change. We know from these seven million readers that they are tremendously activist and socially responsibly. And with the new electronic age, in addition to the quarter of a million that we got before we had internets and all of that (and this was just two years ago), we feel this encompasses, obviously breast cancer and reproductive rights as you said, and the environment. So we are absolutely committed, obsessively, in every way that we can be. And if any one of you has any ideas for us, we're committing pages to this, Mrs. Clinton's interview, in this particular book that Nancy Smith, our executive editor wrote and I'm talking too much. But anything we can do, we will do. And if you want to talk to me, please let me know, and we will try to get as much of this to American women as possible.

Tim: Thank you very much. We have also had a really great interest in editorial pages across the country. And that is just

going to hit, you know, and it is going to hit much stronger the closer we get to Beijing. Sissy?

Sissy: [can't hear] implement has been the key to the success of [can't hear] When we implement, we want to really touch the people who are going to be able to push the agenda forward. I'm talking about youngsters who are between 8 and 12. At what point do you impact on them the importance of what is going to be happening in Beijing. What kind of information do you bring back to them, and who will be communicating with them so that they begin to feel power.

All the book that you read talk about what happens, what is the change that takes place with girls. Why do they go from being very self-confident to not at all. And when does it happen? It usually happens at seven, eight and nine. So, it sounds early, but its not early. And to build that kind of confidence, to give them that information, to build that kind of confidence, that is implementation. So educators are going to be talking about that.

Is a financial institution going to be talking about that? Are they going to be sharing that kind of information with young women who very quickly will be in decision-making positions?

Tim: Marjorie, do you want to take that?

Marjorie: Yes. In one of the areas we discussed just that. You take the words out of the document. Those are the key times. And one of the things that we're trying to figure out now...We've asked all of the departments to come up with ideas for implementation, we're also reaching out the NGOs. When you put all that together, and incorporate it in that, there will be this concept, this idea. And how to do it is what we're trying to figure out right now. How we get it to schools, how we let young girls know of the importance of what we're doing at this Women's Conference. So you are fitting into exactly what we are trying to do.

Tim: We've set ourselves as the end the first of the year, for putting together the commitments, and how do we do it, and in that process one of the things that we want to do in the lead up to Beijing and then in the four months after Beijing is engage the best ideas and the best people who will get uncovered in this process or who are already interested and want to really participate. What works and what doesn't work? And then see if we can help to stimulate that across the country and have a follow-up manual say, by the first of the year. And then keep building on the momentum of Beijing. Veronica?
[second side]

Veronica: It is very important that they are there, that they are looking to fully participate, and if I'm not mistaken, quite a

few of those organizations were talking about taking young women with them as part of this process.

Tim: As will our delegation. Arnold?

Arnold: Let me just say, one of the options that we have for everybody is to partner with the National Education Association which has already made a commitment of some resources to do a video about the Fourth World Conference on Women, which would contain some historical material about Mexico, etc. Hopefully done with the First Lady, which the NEA would then distribute to all the junior and senior high schools around the country, with a booklet that talks about the Conference.

Tim: Nyald Hyatt, Boston? [?]

Nyald: I wondered, you've talked about implementation here, in this country. Which is a handful of women compared to the populations beyond our borders. I wonder if you have any plans for implementation on a international basis. Like, [can't hear] for example, a country that was a signatory, but merely paid lip service to the [can't hear] that she reached.

Tim: We have not in this political climate and this budget climate resources that are disposal, in terms of the US moving in and funding a large project here, there and everywhere. So there

are a number of things that we are trying to do instead. Knowing that there are some things we can do in terms of child survival and in terms of early childhood education - closing the gap between boys and girls. And that we can do in terms of family planning programs. There is some funding leftover or still in the pipeline for those projects. We'll continue those and try to target them even more particularly on girls. The other thing that we're going to try to do is to develop networks around the world, using the extraordinary growth of NGO networks. In the population area, for example. In talking to each other, the electronic revolution has been wonderful in that way. People talk to each other, reinforce each other, understand each other and therefore can in turn be empowered and hold their governments accountable for what their governments have signed up to do. There are a number of things like that that we are embarked upon. We learned some of it in Vienna, more of it in Cairo, and I think we'll learn more how to do that in Beijing.

Mrs. Clinton: I just want to answer that because I feel that your question is really important. We have tried to create a climate with a number of other countries as well as NGOs, here and internationally. So that we will have a network in place that can be used to communicate. And, in effect, to be used as some measure of accountability, about how things are getting done. I don't in any way underestimate the difficulty of trying to

monitor what goes on in some of the countries that will be present. But I do think we have advanced further in creating some of those connections than we had a few years ago.

One of the reasons why this conference is so important is that there is a real tension - you can feel it in our own country but it is exaggerated abroad - between forces that either want to stop or turn back advances on behalf of women, and others who want to keep pushing forward. This conference is being held in a country that practices infanticide. Girl babies. This conference is being held in a country where you can go and adopt a girl baby any time, because they don't want them. There are some very real tensions that are going to surface at this conference. And part of what I hope we can try to stay focused on is to continue to emphasize those areas where the US can exercise leadership, where our aid programs in the past have made a difference, and where, because of this network, that I think will be greatly enhanced by media attention, we can begin to have some way of having a checklist, if you will, about what is and is not being done of behalf of women.

Now, I do think it is fair to say - and some of you, I'm sure, have read between the lines - there is some hostility in our own country toward this conference. And there is some hostility within the Congress toward this conference. And part of the reason, Ted, that we've been so careful is that everything

we do is being scrutinized to the nth degree. So what could have been a decision that could have reasonably been made two months ago has turned into a much more difficult decision because of the pressures against the UN, against women's issues, against reproductive rights issues. So this is a very explosive situation. And I want to just say that because there may be some of you who are concerned about that.

But having said that, I want to emphasize how important it is to be engaged in this. Because people of good will, whatever their partisan perspective, have got to pay attention to these issues, not only here but around the world. They are integrally connected with our own agenda for social and economic development. So this is not by any means a controversy-free endeavor we are asking you to become part of. But I cannot think of a more important one at this time. For the very reason that you allude to. There will be people who will pay lip service, there will be people who try to subvert what we're doing - which suggests to me that what is afoot is very important. If it were not, they'd stay home, they wouldn't care, they wouldn't expend the energy. So that is why we need you even more than we might for the average, run-of-the-mill international conference. Because I think so much is at stake.

Q: One of my company's [can't hear] Sarah Lee Corporation used to always say [can't hear] and I was wondering what steps will be

taken to look at evaluations of this conference, and some way of measuring what the impact will be here in this country.

Tim: That's a good question. You know, if one had a specific measure at these large, sort of awkward United Nations conferences we would probably - the United Nations would not be in the kind of trouble that it is in. Just as a side bar, because United Nations machinery doesn't work as well as it might, these conferences have come along. There is no other forum at the United Nations, no set of hearings, no way of moving a bill, no way of focusing on an issue. So that is why Rio occurred. You have the Conference in Rio on the environment. You have the Conference in Vienna on human rights. You have Cairo on population. So they have these large gatherings, and they bring people together.

The ultimate measurement is two things. One, how good is the document. Does the document have a real edge to it? And the second piece is; does the document say something or is it all State Departmentese? Is it rounded words, or words that have some edge and some direction to them? So that is one way of measuring it. I think we knew coming out of Cairo that that was a very good piece of work, it had a lot of edge to it. We think that this document, if we can contain the attacks against the good parts, and maintain a push, particularly on the violence side and the economic side, will be a good document.

The second measure is, how well do you do getting individuals and groups, as Arnold suggested, to hold their governments accountable to what they have signed up to do? And that is what we are about here, in many ways. We want to stimulate the people of the United States to hold this government accountable to do more things. At a federal, state and local level.

Q: But the other piece of it is what actions will be taken, and will there be any steps to gather this information together, to say "this is what the document looked like." As mentioned earlier, people will not actually look at it unless they are told about it, and explained what this means to people in this country. There must be some way to capture, then, the essence of what happens.

A: That is one of the things we want to be able to say happens. Whether or not we have the resources to bring that about is one of the reasons we are meeting this afternoon. One of the reasons I wanted you to hear about what "Self" Magazine was doing is that one of my hopes for the Conference was that we could distill, down to one page, what was in what will be, I'm sure, hundreds of pages of UN documents. That could be then used as an organizing tool. That you could translate into a number of languages, and that you could hand to people.

So that the women I saw in India could have, written in Urbdue, or whatever their language was, what the essential points were, coming out of the UN conference. And you could go throughout the world; NGOs and activist women, helping women to understand what we have reached as a consensus was part of what they were entitled to. To have a fair and just place in society, and some specific goals. Now some of those goals might sound rudimentary to us, but they are significant in the countries that we are talking about. A goal that every girl child should be able to go to school, through secondary school, is a revolutionary goal in most of the world. A goal that every women should have access to health care, appropriate to every stage of her life cycle, is one that we don't have here. So it is not rudimentary if you live in lots of places that I've visited in the United States.

So that part of what I'd like to see happen, and if we can't get the entire conference to do this, I think that we could organize enough country delegations to do it, so that we would be able to have such an organizing document. And then, off of that, you actually have additional actions paved, and people could measure - and there will be people who say it is too simplistic and it's too self-evident but a lot of what we need to get done really starts at that level. And that is where we have to begin.

Tim: Jane?

Jane: The other important thing, I think, is that so many people will say, "What is this document? How many people know about it.." These documents become markers for governments. And the more the governments and the people in their countries know about the existence of the majority [?] of the documents, the more important they become.

In Nairobi, they had to fight to get the words "domestic violence" in the document, they appeared twice. Domestic Violence has become very important in the past ten years. Those two words. And why are they important, they are important because governments say it is not an issue of a husband, and in many countries, his child [? charge?] It is an issue that governments have to deal with and police departments have to deal with and the like. Now, in this document, there was not question with regard to those two words. They are laced to the document. And these pieces of information have to be shared with countries and governments. That is the information that we have to get out.

Tim: Jane? [?]

Jane: I just want to say two things real quickly. Because we are in Atlanta actively trying to implement Cairo, I feel acutely aware of this sort of process. Those of us who were concerned pre-Cairo about population growth didn't think of it in terms of

economics, microenterprise development, involving men. Just to take two examples. After Cairo, we came back here thinking, hmm, this is important, and what we discovered is, that in various parts of the country, there are models like the Grameen bank, that work. Models of involving men, that work. Foundations, for example, that are involved in population stuff, have a whole other section over here, doing economic development, and they don't realize that it connects up.

So the combination of having - you know, sometimes you think, am I doing the right thing here? and then you remember Cairo, and you think, four hundred women from around the country institutionalized the fact that this works and this works, so you begin to find out what are the ways in the United States that we can apply that? So that, as an organizing tool, I can't say enough about how important it is for that to be real, real concrete. So that we can come back and find out what are the culturally developing things in this country that can make it happen.

In May, at the World Report Conference in Atlanta, where Mrs. Manguela - someone spent some time talking to her, and she of course she was very interested to know, how do you get the media involved in this? And how do you make it media-friendly? And someone came up with an idea that I just want to throw out here. Do you remember when there would be March of Dimes

thermometers that would show, OK, if your just summarized four main topics - I'd like to suggest education, which was left out there - so lets just say there were five of those major things, OK? And the United States would take the lead in saying, "Every country, and every town or community adopts a; "we're going to try to be the ones that raises that graft from here to here." Like that thermometer idea, that you keep the media - if you show it, it is visual and it is something that a community can get involved in. "We are going to reduce domestic violence or we are going to reduce teen pregnancy or maternal deaths", or however it is phrased, that it be done in that way. So that someone, if we committed ourselves to it, and we got other countries to, someone would have to be responsible for tabulating. It would be an interesting process. It may not be workable but it seems like a good idea.

Mrs. Clinton: I think it is a terrific idea. We had a conference this morning about the role that national service is playing in health care. And we had program after program, all of these terrific young people stand up and say, for example, when we started working in this small town in Texas the immunization rate for two year olds was 27%. Now it is 73%. So you had real evidence that the kind of organizing effort around a certain goal made a difference. And I think, to go back to both of your points, that that is really key. It's key to avoid terminal

frustration, you know, for most of us, who don't need to go to any more meetings as long as we live, but keep believing that we can push this ball forward.

And I think that it is important on two levels. It is important on the symbolic level. To be able to say that we are coming out of this not just having talked and having exchanged ideas, but with a plan of action, that has, we believe, some measurable components to it. And then it is important because that is the best communication tool. It is better if Marjorie, or any of you, can go out and say here is what we decided, and here is what everybody can do, anybody can make a difference in trying to move the situation forward. So I think the accountability and the sort of measurable progress is exactly what we are trying to achieve. And we really need the help and advice of any of you, to try to do it right.

Q: I'd like to just extend an invitation and inform people about a target date, maybe, that some people could work with in November. I'm with the Stanley foundation which has had a lot of support over the years, for the UN and human rights issues. And we are planning on talking with, in cooperation with a number of foundations and NGO groups at the international and national levels to try to bring people together at a national level, but looking at international, national, state and local, grassroots. To say, "Lets start the process, lets try to bring people

together." And we intentionally decided to do that not in New York, or Washington, but in the middle of the country. And we're based there, that is not lost on us either, that it would be a good place to bring people together, to really look and say, "Lets get everybody." Starting the process of implementing and thinking about that. So we have that in the works, a number of people here have already been informed of that. I've got some preliminary flyers, if anybody is interested. But we see it as a kick off place and including some of the international organizations that are even thinking a year from now and kind of leading up to a series of regional meetings and then bring together people on the international level next fall to kind of say, what has happened, amongst, especially the NGO communities.

Mrs. Clinton: I also think, to go back to Jane's point to, and what you are going to be doing at the conference is that at this conference in Beijing there are going to be so many NGOs talking about programs that work, that there is going to be a great opportunity for learning and cross fertilization and for shining the spotlight on models that could be replicable in other settings. And we need a way of getting that information out more effectively. So that someone working in Atlanta knows about microcredit, just like somebody working in Bangladesh knows about what is happening in Atlanta. There needs to be more of that. so that is another one of the measures of accountability that I would look to, is, how do we better disseminate information about

programs and ideas that are working elsewhere. Well, we've kept you a long time and we are so grateful, and there are going to be follow up calls....etc.