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WOODRUFF, JUDY
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Interview with First Lady Hillary Clinton
correspondent, Judy Woodruff
September 23, 1993 -- 6:00 p.m. (EDT)

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MS. WOODRUFF: President Clinton said that his health care reform plan needed a navigator with a rigorous mind, a steady compass, and a caring heart. Well, the person he chose was none other than Hillary Rodham Clinton, who joins us now.

Mrs. Clinton, we thank you for being with us.

MRS. CLINTON: Thank you for having me.

MS. WOODRUFF: Secretary Donna Shalala was quoted, I believe, just yesterday as saying that this whole reform plan, most of the important decisions were made before the administration even got underway and that all you've been doing since then is ruffles and flourishes.

MRS. CLINTON: (Laughing.)

MS. WOODRUFF: Is that the case?

MRS. CLINTON: No. I think that what she was pointing out, though, is that this plan is something that the president feels very strongly about, and it comes out of his long study of the health care system as a governor and as a concerned citizen. He brought with him to the White House, as he did during the campaign, some very specific ideas, like the fact that we could get more savings out of this system and that we really had to figure out a way to get everybody covered in order to save the costs in the system.

But we've worked very hard over the last eight or nine months try to go hammer out what all that means, you know, because the health care debate has stayed on kind of a rhetorical level -- people have talked about a particular model or what should be done, but nobody, until this process started, had ever had a president say go figure out what all of it means and do the necessary analysis, and that's what we've been doing.

MS. WOODRUFF: Well, I asked about the lack of vigorous internal debate since it was announced because there are a few -- (simultaneous conversation) -- economic advisors in the administration who seemed to be somewhat cool, like Secretary Bentsen, to some of the details in here.

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MRS. CLINTON: Oh, I don't think so. There was a lot of vigorous debate. The president participated in a number of meetings where there was incredible vigorous debate, which he invites and which I think is terrific. I like people to debate what are very important issues. But I'm very pleased that the result of all that debate is a plan that is going to accomplish what the president said Wednesday night.

But I also fully support the president's decision, which is that what is important is a principle; and how we get there and a lot of the details, we're going to be hammering those out and we're going to be very open to all kinds of better ideas.

MS. WOODRUFF: Well, that openness is what I want to ask you about. Just to be clear on this, you all have said that one issue specifically is not negotiable, and that's universal coverage. Is that fair to say, that everything else is pretty much open for discussion?

MRS. CLINTON: Well, I think if you take what the president said Wednesday night, all of his principles are not negotiable. Now, how we get to achieve them -- that's what we want to talk about. So universal coverage, that can't be negotiable. Simplifying the system has to occur. Saving the money that we think can be saved -- you know, Dr. Koop said the other day that he thinks there's \$200 billion of unnecessary costs in the system that can be better used and saved.

We cannot compromise on quality, and we want to preserve choice, and we want this system to be more responsible. But there are some good ideas from Democrats and Republicans that are going to be discussed over the next months, and what's important is that we agree on those goals and we will achieve them.

MS. WOODRUFF: And that discussion is what I wanted to ask you about because there already is what seems to be sort of a consensus forming out there that you're going end up with a plan that is really more incremental, that phases in benefits more slowly, perhaps not quite the amount of greater benefits that you're talking about now, while at the same time cutting back on some of the mandatory features of the plan, not cutting as much out of Medicare and Medicaid expenditures.

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Is that the direction that you would say it's fair to say you're heading in?

MRS. CLINTON: Well, we don't know yet, Judy. We're going to start congressional hearings next week, and we're going to see the exact direction we move in. But, you know, if we could, at the end of the Congress, sign a bill, as the president said, that guaranteed universal coverage, guaranteed a good solid benefit package for every American, made the kind of reforms and simplifying the system and getting the savings that we need -- you know, I'm not sure the details are so important as the fact that for most Americans, their health care will be pretty much secured at the beginning of the implementation period. And that, we think, is very important.

MS. WOODRUFF: Is one of the details employer-mandated coverage? Because, again, one of the things that's being talked about out there is that maybe it's some sort of a compromise between what you all are talking about and what some of the moderate Republicans like Senator Chafee are talking about whereby the large business firms are required to cover all employees but smaller firms have the option of saying no, individual employees have to cover themselves with some assistance from the government. Is that a possible scenario?

MRS. CLINTON: Well, that's one of the things we're going to be exploring. We were very impressed by the Republican proposal in the Senate because it did recognize that we had to get people into the system and that everybody had to make a contribution. Now we need to get down and really analyze what that means because, as you point out, in the Republican approach, individuals would be required to carry insurance, and those individuals who could not afford to do so would be subsidized.

So we have some questions, and we're going to be exploring those, like, for example, what will happen if employers who already, in small business or medium-sized businesses, insure decide they no longer have to? How many more people would then fall into the government subsidy pool?

Or another question we're going to explore is would that mean that corporations would have two kinds of employees,

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those employees that they would pay for and the others that they would put into the government pool? And, in fact, would that lead to keeping wages down so that individuals never got above the level of the subsidy? So these are the kinds of technical issues we want to talk about. But we are so pleased that the Republicans are talking in those terms with us.

MS. WOODRUFF: Is it possible that you could reach some sort of an accommodation, a deal with the Republicans before this legislation even goes to the floor?

MRS. CLINTON: We don't -- I don't have any idea about that. I'm just very grateful for the kind of cooperation we've gotten; and the spirit of the debate moving forward, I hope, will be the same.

MS. WOODRUFF: Let me ask about some of the financing of the plan. There are a lot of people who agree with you that if you have to raise taxes, a good place to go is tobacco -- cigarette taxes, because there's a clear connection with health, smoking and health. But they also say the same thing is true of alcohol and beer. Why not, if you're raising taxes on cigarettes, raise taxes on beer and alcohol?

MRS. CLINTON: I think there are a couple of reasons why the president decided to focus on tobacco, and that is that, you know, tobacco is the only product that, if used as it is supposed to be used, leads to health problems. You can't say that about alcohol. You can say it about excessive drinking, and alcohol is, as you know, taxed now. But I think that tobacco is such a big problem in our health care system, and we want to limit the growth of tobacco use among young people, and so that is why the president decided to do that.

MS. WOODRUFF: As you know, there are a lot of questions out there on the part of many people about the quality of care and what will still be there. These regional health alliances -- if there is a cap on what they can spend, inevitably doctors aren't going to be able to provide some of these expensive procedures that they now are providing, like the MRI scan.

Now, it sounds fine to the rest of us to say you don't have to do all these expensive procedures, but if you're the one with a life-threatening illness, the cost doesn't matter

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to you.

MRS. CLINTON: Well, that's just not going to happen. I mean, that is one of those scare tactics that is out there. It's just not going to happen.

If you look at regions of our country where health care is delivered at high quality at less than the cost in the rest of the country, that just doesn't happen. Take the Mayo Clinic, for example. Everybody in the world believes it's some of the highest quality health care that you could find, yet their cost increases were below 4 percent last year.

Take the other kinds of examples -- in Rochester, New York, or in California or in Hawaii where health care is provided at less than the cost of the national average with no decrease in quality. I think there is so much misinformation about what health care should cost that people have a lot of educating to do.

For example, Pennsylvania, which has done an excellent job in collecting information about how much health care costs, has demonstrated clearly that if you take an operation like the coronary bypass, readily available in Pennsylvania -- it will cost \$21,000 in one hospital, \$84,000 in another hospital, with no difference in quality. Now, if we bring that cost down closer to \$21,000, we will actually be able to perform more coronary by passes, not less.

So this is an argument that I think anyone who has actually studied what happens in the health care system just doesn't believe we're going to be reducing quality or access if we provide more efficient health care.

MS. WOODRUFF: I asked that though, as you know, because so many people keep asking.

MRS. CLINTON: Yes.

MS. WOODRUFF: The other question out there is, all right, the president said last night people will be able to choose their own plan, they'll be able to choose their own doctor. But in fact if the health plan you can afford is a plan -- maybe a plan that the doctor you want, you don't have access to unless you pay extra money; so isn't there a price

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tag to the choice in this case?

MRS. CLINTON: But there is right now. There's a price tag to choice, and in fact what's happening right now is that choice is decreasing, not increasing in our medical system because more employers are making the choices for their employees as to what health plan they can belong to and what doctors they can see.

For uninsured people, there is no choice. For many people on public assistance, there are very few choices. There are fewer doctors who will even take some patients. So choice is actually diminishing.

What we believe will happen is with health plans that do not discriminate against doctors, so that they can belong to more than one health plan, and with different kinds of health plans that are competing on the cost of the health care, not on the quality or the accessibility, there will be a very narrow range between what these different approaches to providing health care in these plans will cost, and doctors will be found in more than one of them. So we think that putting the choice in the consumer's hands will actually give more choices to consumers.

MS. WOODRUFF: But it's simplistic to say you can just have choice, absolute choice, in who your doctor is, is it not, because there will be a price tag if you want a certain doctor, if that's your favorite doctor?

MRS. CLINTON: But there is a price tag now, and what we're doing is actually lowering the price tag. We are going to be decreasing the amount of money that will be required to see whatever doctor you want; so we do think we will be increasing choice.

MS. WOODRUFF: All right. Another major area of concern, questions being raised out there, and I know you've heard all of these, but not so much about the integrity of your numbers but about the political calculations. You're talking about cutting \$238 billion in Medicare and Medicaid, give or take, when Congress struggled mightily this past summer just to cut, what, \$63 billion? Not only Senator Moynihan called it a fantasy, but I believe Secretary Shalala said she wasn't sure that it was realistic.

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But the point I'm getting at is this: How can you say you're going to cover everybody, have better care for everybody, and reduce the budget deficit? A lot of people say it's sounds like Ronald Reagan in the early 1980's when he said we're going to cut defense spending and we're going to cut taxes but we're going to balance the budget.

MRS. CLINTON: Because it's not like that. What we have now is a country that spends more money on health care than any other country and doesn't even cover everybody. We are on a disaster course. We keep pumping more money into a system that just doesn't work.

If you take Medicare, for example, even after the budget, we will see Medicare increase 11 percent next year. Now, people in our country aren't getting old that fast to be eligible for Medicare; the population increase will only be about 1 percent. So if you take that population increase and you add inflation on top of it and then you add a little bit more to be absolutely careful, you don't get anywhere near 11 percent. Why are we doing that? Because the way we fund Medicare now puts in a lot of incentives for the kind of unnecessary costs that we're going to try to eliminate so that we don't in any way undermine care but we deliver it more effectively.

Let me give you an example. In Minnesota, where more people in Medicare are part of organized delivery networks because when they worked they joined an HMO and they liked their HMO and they stayed in their HMO, Medicare patients are taken care of at one half the cost of what is paid in a place like Philadelphia, which is not as organized at delivering health care. There is not a person I can find who says that older Americans on Medicare are taken less well care of in Minnesota than they are in Philadelphia, but the cost is one-half --

MS. WOODRUFF: But you're assuming that can be done everywhere --

MRS. CLINTON: Of course it can be done --

MS. WOODRUFF: And with the same efficacy --

MRS. CLINTON: Of course it can be done. There is no

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reason why it can't be done. But if we don't get started in moving toward that direction, it won't get done. If we continue to just pump more money in, it won't get done.

And the other point is that as we decrease the rate of growth in Medicare, we are increasing the benefits that older Americans are entitled to -- a prescription drug benefit which is absolutely essential to millions of older Americans and the beginning of long-term care that is absolutely essential. So we are enhancing the benefits by squeezing down what we view as the way that we can save money because we will better organize the delivery of health care. And I think that will be beneficial to older Americans.

MS. WOODRUFF: Let me ask you about one last thing that has become -- you fully expected this was going to be the case, and that is abortion, and the question is simply: Are abortion services going to be provided for in every plan, as you envision it?

MRS. CLINTON: Abortion services will be available in most plans, as they currently are in most insurance company plans; but there will be plans that, for conscience exemption reasons, will be exempt. We are not increasing the availability or decreasing the availability of abortion. We are trying to really strike a balance so that we provide what is available now.

But we are also doing something else that I think is very important. We are increasing access to preventive services like family planning because I think most of us in this country, whether we are on one side or the other of the abortion debate and the right of women to make that choice with their physicians, would like to see abortion less common than it is. I believe in legal abortion; I believe in safe abortion; but I want abortions to be rarer than they are now. And we think through this plan, which emphasizes family planning, we will get to that point which is also very important.

MS. WOODRUFF: And if there's an amendment proposed on the Hill, legislation proposed to require that no abortion be covered, as Representative Henry Hyde is talking about doing, apparently, will the administration get actively involved in lobbying against that?

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MRS. CLINTON: Well, we think that would be taking away what is available currently in the private insurance system. But there may be an amendment offered that it has to be available. I imagine that we won't make people on either side of this issue 100 percent happy. I don't think there is a way to do that. What we've tried to do is to be as fair as we could to make sure we didn't increase or decrease the availability of abortion and to make it available, as it is now, in most insurance policies.

MS. WOODRUFF: Mrs. Clinton, we thank you, but I have to ask you, what is your next project --

MRS. CLINTON: (Laughing.)

MS. WOODRUFF: -- now that this one is behind you, so to speak?

MRS. CLINTON: Oh, I don't think this is going to be behind me for a while. I think this is going to continue to take up a lot of my time, and I'm very excited to be part of this. I want to see it happen in our country; I want to see people get rid of these fears about whether they will be insured and their health will be taken care of if they lose their job or they move jobs, or if their child is sick. We shouldn't have to worry about that any more.

MS. WOODRUFF: So no decision yet on the next project?

MRS. CLINTON: No, I'm going to stay with this one till it's done.

MS. WOODRUFF: Mrs. Clinton, we thank you for being with us.

MRS. CLINTON: Thank you, Judy. ###.