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AFFILIATE
REMARKS

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

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REMARKS BY THE FIRST LADY
TO AFFILIATES

MRS. CLINTON: (IN PROGRESS) -- some of your cities in the last year, and in some, talking about health care. And it is very important to us as we launch this historic effort that people out in the country and those who communicate to them, such as yourselves, have as much information as possible about this system and how it would work, so that questions can be answered and, as we move through the discussion of the next month, people will know what the tradeoffs and the issues at stake are.

One of the striking points to me about the difference between what I have seen out in the country and what is too often taken as conventional wisdom here in Washington is that everything we are proposing in this plan is being done somewhere. There are real-life models. There are doctors and nurses and hospital administrators and insurers and businesses who have been ahead of the curve in figuring out how to provide quality health care for the people in their regions at an affordable cost. And so when we come with the plan the President will outline tomorrow night, it is rooted in the experiences and the real-world approaches taken in some of your states and in some localities and around the country.

There are several basic principles that have guided this effort, and we have stressed consistently that we want this to be a continuing discussion. We are working very hard to make it bipartisan, to put it beyond politics as we have come to know it, unfortunately, as being partisan. Instead, we want this to be beyond Republican or Democrat or liberal or conservative. We want this to be about the well-being in health care individual Americans and the long-term stability of our entire health care system in this country.

There are several principles that will guide the debate for the administration as we move forward. The first is, we must insure health security for every American, and that means we must reach universal coverage for every American as soon as possible.

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In order for Americans to be secure, they have to know they will have health insurance no matter who they work for, whether they are laid off, whether they are temporarily unemployed, whether they move from city to city or state to state, and whether they have ever been sick before. We have literally heard from hundreds of thousands of people during this process, and we've received over 700,000 letters. We have talked with over 1100 different groups that represent thousands and hundreds of thousands of people.

The constant refrain, over and over, is: end the insecurity. And that is not just what we hear from people who are currently uninsured or very much underinsured, it is what we hear from people who are currently insured, but do not know whether they will continue to be so at this time next year. Every month, every single month, 2.25 million Americans lose their health insurance. Now, some may only lose it for a month, but some may lose it for a year. Some may get back on a policy at a higher cost, some may never get a policy again that they can afford in the present system.

So when we talk about health security, we want to be sure that the people who are working in the companies that now provide good insurance know that they are included because, given what is happening in the economy with layoffs and job changes, with employers cutting back on insurance availability, with increasing the costs, this is a security argument for every American.

We want security to mean a guaranteed benefits package for every American, and we want that benefits package to stress primary and preventive health care. We think that is the right policy for individuals and for the country. If we can get people into doctors and nurses when their problems are relatively minor, we can save money. Most insurance policies do not cover the kind of primary and preventive health care that we think is in the best interest of the people of this country, and we want to reverse that and emphasize preventive care. Secondly, we intend to see savings from this system that will be used to fund the kind of secure systems that we think Americans want.

The estimates about waste and inappropriate usage in the system are staggering. People who tell you that we have to continue spending money, whether they're talking about the public systems or the private systems without changing the way we deliver health care are willing to throw more good money after bad. Because we are not now getting the kind of quality health care at an affordable price that we deserve for the money we are spending.

This country already spends far more money on health care than any of our major industrialized competitors. We are at 14 percent of the income of this country. That means the average

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person, as well as the country, is spending that kind of resources. And what we find is that the next highest country is Canada at somewhere over 9 percent. Then, you drop all the way to 8 percent for countries like Germany and Japan, which not only covers every citizen at that cost, but provide more generous benefits than the average American is entitled to under the average insurance policy.

Now, what are they doing that we are not doing? What they are doing is making decisions about how care can be better organized to be delivered more effectively. We see that now in parts of our country where communities are organized to deliver care better. If you go to Rochester, New York, they deliver care at Rochester at a cost much less than what the average in New York or the country is. If you go to Minnesota, you can see how costs in Minnesota have been decreasing. If you go to California and talk to some of the large purchasers there, they are finally getting their costs in line without any sacrifice of quality, because when you have the differences in payments for the same procedures as we do in America, so that, for example, in Pennsylvania, based on data collected by the Pennsylvania government, a coronary bypass can cost in one hospital \$21,000 and another hospital, for the very same operation, \$84,000 with no difference in quality outcome, there's a lot of money to be saved in this system.

The third principle to add to security and savings is quality. We want to enhance the quality available to all of us. Every one of us should feel that the care we get is the highest possible quality. And we're going to increase our commitment to research so that we can improve quality. We're going to start collecting information, like the information I just gave you about Pennsylvania, so that all of you will know what the cost is relative to the quality, so that you can make good decisions when you choose your health care. And that's the fourth principle: choice.

There have been some advertisements around which I think have been kind of unfortunate, trying to scare people, when exactly the opposite is what we believe is likely to happen. Choice will be guaranteed to the individual. The choice for most health care plans now does not rest with the individual, it increasingly rests with the individual's employer. The employer decides what your choices will be, and then you choose.

Increasingly, employers are offering only one choice. You want health care for this business? Here is where you must go, here are the doctors you must use. We believe the decision for what health care plan you want to choose should rest with the individual. So actually, this plan will increase individual choice.

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The fifth principle is simplicity. We must simplify this system. And in doing so, we will not only save money, we will free up literally hundreds, and even thousands of hours for doctors and nurses to take care of patients instead of filling out forms unrelated to the care of patients. And let me just give you one example.

When the President and the Vice President went to Children's Hospital here in Washington last Friday, they visited with the hospital staff about how much time they spend filling out forms that aren't patient records that have to do with, for example, Medicaid reimbursement, or "checking the checkers," as we like to say -- checking somebody's reimbursement request to make sure it fits with the requirements of some kind of program.

The hospital staff, which has 200 doctors, sat down and figured out that if they were relieved of what they viewed as the unnecessary paperwork, each doctor could see, on average, about one to two more patients a day. They figured that the doctors at that one hospital could see nearly 10,000 more patients a year. But instead of seeing patients, instead of taking care of children, they're filling out the insurance company forms, they're filling out the Medicaid government forms, they are not caring for the children that I wish they would be able to spend their time on.

And, finally, responsibility is an absolutely essential principle. And by responsibility, we mean we want individuals to take more responsibility for their own health care. We want them to be willing to use more preventive health care so that they can get problems under control more easily and more cheaply and better for their health.

But we also want everybody to make a contribution to this system. And one of the reasons that the President will propose that we build on the existing employer-employee system is that is how most people get their insurance now.

You will hear a lot in the months to come about what is the best and fairest way to finance the health care system that we want to see. And there are some who are firm advocates of the approach that we ought to raise considerable taxes and substitute the tax money for the private contributions. They're referred to as single-payor advocates, and they have a lot of very good ideas about how the system can operate more efficiently.

But the President does not believe we need to raise a huge tax to fund this system. Some people are already paying too much. We need to bring costs down and get everybody in it. Others will argue, as the Senate Republicans did last week, that what we

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need to do is require each individual to have health insurance, just like some states require you to have auto insurance. We applaud the idea of individual responsibility; we think that is key. But we don't think that having the individual shoulder the burden is the right way of doing it for several reasons, including that we are afraid employers who currently insure their employees will stop doing so, which will put an even greater burden on the individuals and, in turn, on the government, which would have to subsidize many workers who could not afford to buy their own insurance.

So we have decided to build on the way most of us know: You get your insurance through work, your employer makes a contribution, you make a contribution, and in a way, it's automatic. It is taken and then applied to the premiums for the insurance that you will have. We think that this is not only a fair way to finance the system, but it is a way that will reward a lot of the businesses that have borne the biggest burden for the longest period of time.

There are many businesses, I would guess, in every community represented here that are paying 10 percent, 12 percent, 15 percent, 18 percent of their payroll for health care. We think those businesses which have not only been paying for their own employees, but have been subsidizing other businesses that have not paid anything, because, just stop and think about it: If you work for somebody that doesn't give you any insurance and you can't afford it, but you get sick, you go to the hospital. And when you're in the hospital and you're discharged and you have a big bill you can't pay and you're not eligible for government assistance, the hospital passes those costs onto those of us who are insured. Those costs then get added to our premium, and the businesses already insuring in the last 10 years have paid for the fact that millions of Americans have been uninsured or underinsured by raising the premiums of people like you and me. We want that to end. That's called cost-shifting. We want it to end. We want everybody to participate.

But we are very sensitive as to particularly the concerns of small business, although the majority of small business offer some kind of insurance, and this will save them money. But for those which never have, we intend to subsidize their payments, we intend to phase them in, and we intend to cap them so they will never have to pay above a certain percentage of their payroll. That's the kind of protection we want to give small business while we ask them to responsibly join the rest of us in funding the health care system that is largely paid for by employer contributions.

We're very excited about the plan and what we are doing. We're thrilled by the level of bipartisan cooperation that we see, and we think this is going to be a very exciting and productive time in our country. We intend to have a health security plan that will

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be available for Americans. We hope it will be sooner instead of later, because every month we wait, 2.25 Americans lose insurance. The costs continue to go up, the federal deficit goes up, state deficits go up, and the whole system is interrelated.

The reason you sometimes now don't have as many police in certain communities as you had in the 1950s is because health care takes a bigger and bigger percentage of city budgets. And I could go down the list of how all these things are related.

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