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CLEVELAND PLAIN DEALER

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INTERVIEW OF THE FIRST LADY  
BY JOAN MAZZOLINI, CLEVELAND PLAIN DEALER

Q Do you think Americans understand the plan yet? And if they don't, do they need to, to get it passed?

MRS. CLINTON: I think what Americans understand very clearly right now is that we need to change our health care system. I think that is an overwhelming conviction on the part of America. And that to me is the first sort of hurdle that had to have been overcome.

I think, secondly, that a majority of people in every poll I have seen support the President's plan. But I think because of our intense interest in health care now in the country, people want more information, which is what I am trying to give everyone the best I can. Because I not only feel this way, but I know, based on my own experience, that the more people know about the President's plan, the more they like it.

Support grows every time people really get into the details about how it will work, and what kind of benefits it will give them. And I guess the final piece of this is that there is a growing awareness that when we reform health care we have to achieve universal coverage with comprehensive benefits. So we are moving in the right direction, I think, in our understanding in the country.

Q With the struggle that's going on with NAFTA, do you think that's going to affect the fate of the plan? Because the administration is having a problem sort of getting NAFTA, it's uncertain if it's going to pass? Do you think that's going to weaken the administration's position and cause more compromise of the plan?

MRS. CLINTON: No, not at all. I think they are unrelated to each other. In fact, the coalitions that are formed against NAFTA will be some of our strongest supporters for health care reform. So I don't really see any direct

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relationship between those two.

Q What percentage of Americans do you think will have to pay more under the plan?

MRS. CLINTON: I am glad you asked me that. Actually, I think when you look at all the numbers and the way that they are distributed, it's about six percent of all Americans.

Q So what would you say to those people like why should they be willing to pay more? They are probably people --

MRS. CLINTON: The six percent?

Q Yes.

MRS. CLINTON: They are healthy young people who have been discriminated in favor of by the insurance companies. They are not paying their fair share. Ninety-three or 94 percent of Americans will pay the same or less for better benefits that can never be taken away. I mean, that's as close to 100 enough an issue in politics as I can find.

The reason I am -- what we really need to do, is, we need to give you the breakdown because there has been so much confusion about percentages, and who pays more, and who doesn't pay more, and all that stuff. And there's a difference between insured Americans and uninsured Americans, and Americans on Medicare and Medicaid. So we probably should give you all of the breakdowns on those. And I'll have Lisa have those faxed to you. Because I think people need to walk it through to find out exactly where they are.

There's about 100 million insured Americans. This is off the top of my head, there are about 100 million. And about 70 million of them will pay the same or less for the same or better benefits. About 15 million of them will pay more but get better benefits. So you can't compare apples and apples. And about 15 million will pay more for the same benefits. But there the younger workers, they are people who have had artificially low rates because the insurance companies have favored them while they have socked it to people with kids and people who had any illness in their family.

Then you've got the pool of Americans that are

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uninsured. Now, what we have discovered in going into this in more depth than anybody ever has, is that a great majority of the uninsured spend a whole lot of money out of pocket every year for health care. They are the ones who go stand in the lines at the emergency rooms and scrape the money together to get their kids an eye exam and all this stuff. Most of them, yes, they will have to pay money now for the first time. But it's money that's going to be in premiums. And their actual out-of-pocket expenses will begin to fall. So they are going to get better benefits and secure benefits for the same or less money.

And you've got the self-insured, those who are not in the employer pool of insurance of 100 million. And I don't know the exact numbers of those, about 10 million probably, somewhere around in there. And they are out there in the insurance market on their own. And they are not only going to get a much better financial deal on premiums, but they are going to get 100 percent tax deductibility for that.

So you take all these different pieces. What's left with the 250 million people in America is about six, seven percent of people who are going to pay a little more for the same benefits, but who will get security. And as they age, or if they get sick, will not be paying a whole lot more than they would have otherwise.

Q You have seemed, in everything that you have said, to be real reasonable to have compromise in the plan. But how much do you think you can -- if there is a lot of taking this out of that, or readjusting things, can the plan withstand? It seems very tightly knitted together. You need one to get the other to get the other.

MRS. CLINTON: It's a coherent plan. There isn't any other plan that answers everybody's questions the way this plan does. And I invite very close questioning and scrutiny on it because we have worked so hard to put together a comprehensive plan. And I also hope that people will look that closely at everybody else's alternatives.

But there are lots of ways to readjust the pieces. I mean, if you do change one piece, you are going to have to make changes elsewhere. But all of that can be accommodated so long as we recognize that the President's bottom line is universal coverage with comprehensive benefits. And that requires some kind of financing mechanism. You don't just

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say, oh, we are going to have insurance market reform and that will therefore lead to universal coverage. We just don't believe that.

So any plan that comes forward, it expects to negotiate with the President about what the final shape of health care reform will be, has to start from a commitment to universal coverage with comprehensive benefits, and a way to pay for it.

Q Well, the way to pay for it seems to be what a lot of experts, outside experts, say is the shakiest. How much it really will cost and how we are going to pay for it.

MRS. CLINTON: I just don't know where that comes from. Several people question the policy assumptions that we believe are necessary. Most notably whether we could convince the Congress to reduce Medicare and Medicaid increases. But nobody has ever questioned the numbers. And as people get in and look at the numbers and -- you know, we have used the best experts in the country.

We have run these numbers literally thousands of times through all of the economic models that are available. Nobody else has done that. We are inviting anyone, who is a credible person, to come and look at all of the work that we have done, based on the assumptions that were used, to create the underlying financial structure of the plan. We are absolutely confident of the numbers.

Now, if somebody wants to say, well, yes, but your health care proposals to provide prescription drugs and long-term care to Americans requires that you decrease Medicare from three times the rate of inflation to two times the rate of inflation, we think that's not going to work, well, then, give us an alternative. What would you do instead? And look at other people's plans who are going to also cut the rate of growth in Medicare and Medicaid without giving anybody anything in return. It's all compared to what?

We have a coherent comprehensive plan whose numbers are absolutely reliable. And the policy is built on those numbers. And if people want to come up with an alternative, then they are going to have to do the same hard work that was done to create the numbers in this plan to show us that they have got that level of credibility.

Q In Cleveland a lot of the hospitals, even ones

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where the CEOs are dead set against the plan, are already moving in anticipation of lots of it happening. The group that seems to be the least moving seem to be the doctors. And I know the administration has come out a lot about insurance companies. And it's probably easy to make them the boogie man because a lot of people don't like insurance companies and feel they are being ripped off.

We had done a poll at the Plain Dealer and it showed that a lot of people are really, really angry at their doctors as well. They think they are looking at profits rather than their -- I am curious, though. You guys seem to have a hands-off. And I think doctors may be really holding out against this.

MRS. CLINTON: Well, it's not my perception. I think that doctors have a lot of legitimate questions about how any reform plan would work. But we have very strong support from the pediatricians, the family physicians, the internists, the Emergency Room doctors, the OB/GYN --

Q Some of the doctors with the least power, though in a --

MRS. CLINTON: Well, from my perspective they are the ones, though, who are at the forefront of providing primary care. They therefore understand the system better.

Dr. Koop said something last weekend. He and I were travelling around talking to doctors' groups just so that we can answer their questions and maybe put to rest some of their unrealistic fears that have been promoted. And Dr. Koop made an excellent point. He said one of the problems is that specialists have gotten very narrow in their understanding of what happens in medicine, and they too often can escape seeing what the Emergency Room physician or the family physician or the pediatrician sees on a regular basis, which is a much broader cross-section of what's really happening in the country. So I think it's like anything else. It's a question of information and education.

And the other point I would make is that even those organized doctors' groups that have a lot of questions, they support universal coverage, they usually support the employer mandate as a way of financing it, as contrasted with either a big tax increase or an individual mandate. So on the big issues they are often with us. But they have some legitimate

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questions about how the details will work to help or hurt them. And that I think is something I am going to spend a lot of time on.

Dr. Koop and I, we have already made two appearances together before the Institute of Medicine and the American Association of Medical Colleges. We will be appearing before physician groups all over the country in the next six months. So we are going to do everything we can to give people accurate information. But there will always be those who are going to oppose reform. Doctors oppose Medicare, doctors oppose Medicaid. But that wasn't a majority. And once the systems were in place, you couldn't pry them out of it with a crowbar.

Q Medicare, I would agree. Medicaid, I hear a lot of doctors don't want it.

MRS. CLINTON: Well, in the absence of Medicaid, most of our city hospitals, including those in Cleveland, would be even more bankrupt. Because unless they just turned away literally thousands of people, their uncompensated care load would be more much than they could bear.

Q What kind of realistic timing do you see?

MRS. CLINTON: 1994.

Q That will be the year?

MRS. CLINTON: Absolutely.

Q Another question about doctors. It's something I am working on right now. A lot of these specialists are more than doctors. They are business people. They look at the whole medicine as a business. They are in machines, and labs, and equipment. And in the plan it talks about limiting doctors from self-referral except if it's their own private office, which a lot of people would say is a huge loophole because they build big imaging centers. And they add one little office, and they say it's my private office. But it's in reality a machine to make money.

How important is, sort of controlling who owns what, to keeping health care costs down?

MRS. CLINTON: Well, unfortunately, I think it's

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pretty significant. Obviously there will have to be regulations that will make it clear that we are not going to let that be a loophole. But I think many doctors are being, perhaps -- what is that?

Q We are going through an area where there is little different parts, and each one has like a nationality.

MRS. CLINTON: How neat.

Q And so they feel like adopted by different groups. Cleveland has got a lot of different ethnic groups.

MRS. CLINTON: I think many doctors don't understand how financially beneficial reform is likely to be for them. Because, look how much money they spend now on accountants and bookkeepers and clerical help to keep track of insurance company forms, to hire people to argue with insurance companies about what is and isn't reimbursable. That is going to be gone.

So, for doctors who, as you describe, are interested in the business side of this, this is the best deal they are every going to get. Most doctors now are seeing 48 to 50 cents out of every dollar going to overhead. And that overhead is driven by the insurance and other paperwork requirements that have nothing to do with patient care. If we eliminate that, they are going to have a windfall.

So we want to avoid the abuses that impact on health care. And, frankly, the sort of self-referral and self-dealing that has begun to be addressed in legislation in the past is something we don't think is good for either the medical community or for patients. But to help eliminate the kind of paperwork bureaucracy costs, that most physicians struggle with now, we are all in favor. And if it results in an economic benefit to physicians, that doesn't bother us because we want physicians freed up to use their time and resources taking care of patients and not arguing with insurance companies.

Q You know, a lot of people would agree it's great to get rid of the incentive, to give more medical care, and that can be just as dangerous as too little. But then the flip side is, how are you going to make sure that there isn't an incentive to withhold care, not pass someone on, if we are

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all seeing our primary care doctors first, and they may lose money if we see some kind of specialist, gastroenterologist or something like that?

MRS. CLINTON: Well, in fact, that's what happens now. And what we are going to do is change that by moving toward a capitated system so that you are going to get paid based on the number of patients in the health plan that you are a member of. And your pay is not going to be so much increased or decreased depending upon who you send people to or whether you try to run up more tests on them.

That, I think, is going to have a huge and positive impact both on the efficiency of medical decision making and the honesty of it. Because what I am told over and over again by physicians is that different people don't want to refer folks out because it takes money out of their pocket.

Whereas if they are in a system that is a capitated system, then they don't have any incentive either to inappropriately keep or refer a patient. I really think it's going to put the patient's medical interest back in the center of the health care system instead of what now often drives decision making, which is the reimbursement system.

This idea that somehow our financing system should control who gets and gives care, and how much, is just so backwards to me. When you look at some place like the Mayo Clinic, I mean it's a staff -- oh, what is that?

Q New building. I think it's a business building for them.

MRS. CLINTON: And I bet it had to be built because they hired four times as many administrators as doctors if they are on the national average. That makes my point. You don't need that kind of a business building to run a health care system of any rational dimension. I mean, if it is a business, though. We don't know.

Q I think it's probably one of the college, the university buildings.

MRS. CLINTON: Well, education is fine.

Q But they are building a lot of new buildings for the docs and their offices as well, too.

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MRS. CLINTON: I appreciate it, thanks. Good questions. Thanks for your studying up on this. It's a pleasure to be interviewed by you.

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