

11/12/93
NEWS, 5PM, WKYC
CLEVELAND

THE WHITE HOUSE

Office of the Press Secretary

For Internal Use Only

November 12, 1993

INTERVIEW OF THE FIRST LADY
CLEVELAND TV - WEWS, WJW, AND WKYC

Q -- unique in terms of all (inaudible) basically we are such a world-renowned medical community here. More than \$100 million is spent on research. Thousands of people depend on research for jobs in Cleveland. Your plan doesn't really -- the critics say it doesn't have enough money in it for research. How will that impact jobs, our jobs, for research here in Ohio?

MRS. CLINTON: Well, actually it has more money than we would have if we don't reform the system. There is-- as I was talking to some of the doctors today over at the Rainbow Hospital, there is money set aside for research and to support our medical schools. I feel very strongly about that. Because medical research not only provides good jobs. It also provides breakthroughs that can help save money and save lives. So we are actually supporting, with more funding, basic research.

Q How much more funding?

MRS. CLINTON: Well, billions. The kind of funding that we are talking about will be putting at least four billions dollars more over five years than would otherwise have gone into medical school, research and education.

Q Where will you get the money for that when our country is four trillion in debt?

MRS. CLINTON: Because we are in debt over our refusal to solve our problems. We continue to think we can get something for nothing, and we continue to deny responsibility. We are beginning to see a turnaround now. The President's budget is beginning to turn around the business climate. We are beginning to see jobs. Interest rates are the lowest they have ever been. We are beginning to see the debt go down because finally we have a president willing to be responsible.

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

It's the same thing in health care. The biggest part of the federal deficit is runaway health care costs, just like it's the biggest part of business and individual family spending problems. And if you have everybody in the system, nobody gets a free ride anymore, every employer and employee contributes, then you will have a much firmer funding base than you do now.

And if you have a comprehensive benefits package that stresses preventive care, you will begin to eliminate the kind of expensive care that comes because people don't have insurance for preventive care, so they show up at the Emergency Room, which costs many times more than what it would cost if they had gone to a doctor's office, for example.

Q But you are talking about having employers pay for a part of the care. Small business people I talked to, the little hair shop owner, my brother who owns a small heating and cooling business, he can't afford to pay even a portion, a small portion. He is going to have to close up shop.

MRS. CLINTON: Oh, that's just nonsense. I mean, that's the kind of scare tactics that we are fighting every day around the country. You know, most businesses, who have insured in the past, many of the small businesses, like the small business that I met this morning over at the hospital, who talked about how hard it has been to keep trying to provide insurance because of the crazy insurance market we have, most small businesses that currently provide insurance will save money. Most small businesses that do not, in a reformed insurance market, are going to be given discounts that will make it more than affordable.

I often ask small businesses, if they have been in business long enough, did they ever absorb a rise in the minimum wage. Because we had three increases in the last 15 years. Most small businesses have. And you know what? We are asking small businesses to pay much less, to give secure health benefits to themselves, their families and their employees than we would if we raised the minimum wage. So that's just a scare tactic.

And I want every business person to sit down and really study this plan, look at the discounts that will be available for small businesses, because it will be

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

affordable, and it will give everybody something they don't have now, which is health security.

Q They are scared, though.

MRS. CLINTON: Sure. Change is always a little scary. But there certainly is a lot of room for more information and education. And what I ask is that people get the truth and don't listen to the ten-million-dollar ad campaign against the President's plan, the kind of barrage of literature that comes out of the special interests' lobbies in Washington; ask themselves why are these people working so hard against reforming a health care system that if we do nothing, no matter whether you are small business, big business, self-employed, you are going to have more and more trouble finding affordable health care. Could it be they like the system the way it is because it is the source of their profits and money.

I think once you look at it with a much more objective critical eye -- and we've got lots of people in the Small Business Administration in Washington who stand ready to help explain how this will work -- most businesses are going to be very excited by this plan.

Q What about the people who like their health care the way it is now? They are comfortable with it. Why reinvent the wheel and change the entire system? Why not focus on just the areas that need reform?

MRS. CLINTON: We are not reinventing the wheel. We are building on what works. And most people who are satisfied with their health care, are already paying too much for that health care. We are not changing anything about the health care. The hospitals in Cleveland, the doctors and nurses in Cleveland, they are going to be available to take care of the people of this area.

What we are changing is how much it costs. We think it costs too much, and it's not right. So we are not changing the way the system works at all.

Q Why will most of this plan go into effect after the next election? Are you afraid that it might hurt the President's chances --

MRS. CLINTON: Oh my gosh. If I could have my way

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

I would do it next week. You know, you have to get it passed through Congress. And we hope that will happen in 1994. Then you have got to give every state a chance to get it in place because we are going to be looking at the states and make sure it runs right, so that Ohio is not going to be treated just like Vermont. They have different problems. I think we are doing it as quickly as we can do it. The President would obviously love to see it done sooner instead of later, but getting this kind of reform done takes time if we are going to do it right. And we intend to do it right. So that's what the timetable is.

A PARTICIPANT: -- certainly up to speed with this.

MRS. CLINTON: No. This is what I am here for because I want everybody to ask whatever questions they have, and keep asking them. I feel very good about that.

Q There are a half a dozen or so health plans circulating around Washington, and they have been studied for a long, long time. They are very complex, very confusing. What in the world should the average person do to try and understand the nuances of all of these plans?

MRS. CLINTON: Well, they should read this book that the President is putting out which explains the health care plan. I am going to give you your own copy of it --

Q Oh, great.

MRS. CLINTON: -- because I want you to read it, too. But they should ask themselves what do they want out of health care reform. Because what most people want, is, they want to know they will always have health care coverage. They want to know they will have good, comprehensive benefit; they are not going to be ripped away by the fine print when they need them most. They want to know that they are not going to be eliminated from health care coverage because they have a preexisting condition or a lifetime limit on their policy. They want to know that they are going to have choice of the doctors and the hospitals that they choose to go to when they have a health care problem. And they want to know that this is going to be affordable for them, for the country.

Those are the big questions that I think most people ask. And as they ask they will get information that I

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

think will lead them to conclude that the only plan that really has addressed every issue, and has tried to think through all of the hard questions, is the President's plan. And that's why I am doing as much as I can to help educate people so that they can make the right decision.

Q Let's talk about the affordability just a second. It's linked to business, obviously. Why is it so important for you to maintain the link of employment to health care? Why not create a tax structure that does it through the government? Because it appears that the government should be more solid than businesses can oftentimes be.

MRS. CLINTON: What we think we ought to do is to build on what does work in America. And the employer-based system has worked for a great number of Americans over the years because it provided a good funding stream that enabled both employers and employees to make their contribution. If we were to eliminate all of the private investment in health care, that currently exists, we would have to raise taxes about 400 to 500 billion dollars, which would be a very big tax increase for millions and millions of hardworking Americans.

Instead, if we provide a system that asks every American employer and employee to make a contribution, then we build on what works. We don't disrupt what is familiar for most people. Most people who work are used to getting their insurance at their work place. But we have made some changes in it that we think will make it work better. The individual will get to choose the health care plan. Not the employers. So that the individual will become aware of what the real costs are and will be able to go where that person's doctors and hospitals are. But we think this is the best way to keep what works in the American health care system, but just make it work for everybody.

Q Right now, as proposed, it's an 80-20 split; employer paying 80 percent, employee paying 20 percent. There are a lot of companies out there that say they can't afford a 50-50 split much less 80-20. How are you going to compromise that with some of the smaller businesses that say they simply cannot afford it?

MRS. CLINTON: So many of the small businesses that are concerned are thinking about the health insurance market

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

as they know it today. And they are absolutely right. The way the system works now discriminates against small business. Small business pays a much heavier load of administrative and overhead costs for the insurance they have. We are eliminating those kinds of discriminatory practices.

We are making it a level playing field for the first time so that small business and self-employed people will have the same rights as the largest employers who have been able to bargain for better rates. In addition, we are going to be giving discounts to the smallest of employers, so that in addition to being able to bargain more efficiently, to get better health care insurance, they are going to be able to get discounts.

And I ask small businesses all the time, who come in to see me, because I am very sensitive about this -- my father was a small business owner, very small business, and I think I know a little bit about what the stresses are. I ask them if they have had to live through a minimum wage increase. And most of them have because we have raised the minimum wage several times in the last years.

We are asking less of a contribution than the minimum wage would ask. And many people in Congress have supported raising the minimum wage, and would do so again. We think we can pay less on an hourly basis and get something that the minimum wage can never guarantee, which is health security for everyone. And small business and self-employed businesses get to deduct 100 percent of the cost of health care. So we think it's a very good affordable deal.

Q Well, right now medicine is more or less a commodity. The rich can afford just about any type of commodity they want. The poor people, obviously the larger percentage, can't afford as much. But this is a levelling kind of situation. I wonder if, basically, you are guaranteeing, through your plan, basic coverage, but not the best.

MRS. CLINTON: No. Actually, we are guaranteeing comprehensive coverage that is equivalent to what the best companies, the Fortune 500 companies, have been able to afford and offer to their employees. The reason we can do this is several: First, because we provide preventive health care, which most insurance policies still don't today, we

MORE

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

will catch problems earlier, we will be able to solve health problems at a cheaper cost than we could if we let them get to the point where someone had to go in the hospital. It makes common sense if you provide prenatal care. You are going to have fewer problems when babies are born.

(Tape 1, side B end)

* * * * *

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929