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CRONKITE WALTER
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REMARKS BY THE FIRST LADY
INTERVIEW WITH WALTER CRONKITE FOR PBS

Q Why do you think health care will pass in 1993?

MRS. CLINTON: Because I think the country is ready for it, we have a President who is committed to seeing it happen, and the Congress will respond to that.

Q Now, the first story is the one about the little girl, Nina Rodriguez. Do you remember that?

MRS. CLINTON: Yes, I do.

Q That's the one where they didn't have health coverage; the father changed jobs. How would the Administration take care of a Nina Rodriguez problem?

MRS. CLINTON: There wouldn't be a Nina Rodriguez problem. Her father would always have health insurance for himself and his family. Changing jobs would no longer mean that you lost your health insurance.

The kinds of expenses she has as a result of her illness would be covered by the insurance policy that they could afford to pay for through their employer. So I'm grateful to say that the kind of problem we just saw will not be a problem in the future if we have health care reform.

Q But what about the construction company, the one that can't afford to pay for the medical coverage?

MRS. CLINTON: There will be discounts available for small companies and companies that employ low-wage workers, and, under that kind of discounted premium, there will be an enormous opportunity for businesses like the one Mr. Rodriguez works for to be able to afford that health

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insurance.

We have looked at a lot of the scenarios that have come to our attention over the past year, and most businesses today cannot get into the insurance markets affordably if they're small. That's another problem health care reform will solve, and many small businesses that currently insure will be able to do so at a much lower cost than they have to pay now.

Q Now, the next one we see would be Vaughn (phonetic), the other one in that uninsured category, who, because he was uninsured, could not afford treatment. Mr. Vaughn almost lost his life because he didn't have insurance and, therefore, didn't get treatment. Is that situation going to be taken care of with your plan?

MRS. CLINTON: Yes. And this is another very common problem. He had pain, which he put off taking care of, because he didn't have any way to pay for it, until finally, he had the disastrous bursting of his intestines and had to go into the hospital, where he spent not only an enormous amount of money, but a very long period of time.

Under the President's plan, preventive health care, physical exams, will be covered, so that someone like Mr. Vaughn will have a reason to go in to see the doctor sooner, and a problem like this will be caught at a much earlier and, I say, a much cheaper stage than it was here.

Q Now, the health security card you propose, is that going to insure Mr. Vaughn that he can walk in and get help?

MRS. CLINTON: Well, I brought a copy of it with me, because I wanted to hold it up here again. This will symbolize the health security coverage that every American will be entitled to. It will stand for the fact that every American is insured and insured with a comprehensive set of benefits that includes primary and preventive health care.

What we're hoping is that, through this card, all of us will be able to use it to be billed from electronic billing or the services that you might have to pay additionally for and that it will guarantee the kind of access that right now most Americans cannot take for granted.

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Q And if Nina Rodriguez's father changes his job, nobody picks up his card at that point?

MRS. CLINTON: This is his card. It did not belong to his employer. It is his whether he works for Company X or Company Y. He takes it with him. And I think this is the most important point to make about the health security card. It will not matter whether you are employed or not or by whom you are employed. The choice as to your health care will be the insured's, the person who owns the card, like Mr. Rodriguez or Mr. Vaughn.

Q Senator Dole thinks that the employer mandate clause will cost jobs.

MRS. CLINTON: I know that is a concern that people have. We have no evidence of that. There have been what we have consider bogus studies that have been commissioned by groups that are fighting health care reform.

But the Council of Economic Advisors, the Treasury Department, and the President's National Economic Council looked at this very carefully and I think have been very honest and straightforward in saying that there's no way anyone can predict because, you know, there will be a lot of new jobs created in the health care industry.

There will be a lot of businesses who will find their insurance rates going down, which will, we hope, be put into more jobs or higher wages, with more profit and investment. And what we have tried to do in designing the plan is to make it as affordable as possible for small businesses. And we are aware that many small businesses today do not buy insurance because they cannot afford it.

We honestly believe after we get the system in place the President has suggested, the vast, vast majority of small businesses will be able to afford insurance because of the discounts they will receive.

Q What about the new taxes that might be required by the plan? Polls show three out of four Americans think that there will be new taxes and incentives.

MRS. CLINTON: Well, I think that's a concern that people have, because they look at the current system, and

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they see how much it costs, and they can't imagine how we will pay for it by reallocating money, getting rid of the fraud and abuse, getting rid of the unnecessary expenses.

But most of the new money will come from individuals and businesses that do not currently insure themselves. That's not a tax; that's a contribution that they will make, like you and I make when we are employed.

In addition, there will be a tax on tobacco, because that is the only product we're aware of, when used as directed, that causes health problems. And there will be an assessment on those corporations that choose to be self-insured after the plan goes into effect, which will help support important programs like academic health centers. But there is no new broad-based tax in this plan.

Q Now, we're coming up to Gayle Sanchez (phonetic), (inaudible) who had the problems with insurance. What would your proposal do for people like Gayle Sanchez who become uninsured?

MRS. CLINTON: We would eliminate that problem. The whole concept of preexisting conditions, which prevents people from either obtaining insurance or continuing insurance they have or pricing it far beyond their ability to pay for it, will become illegal under the President's plan.

As things stand now, too many people are charged too much for too little insurance or denied insurance because they were sick one time, or they were born with some condition, or they had an accident. It always struck me as odd that when you need insurance most, you're most likely to lose it.

So, among the parts of the President's plan is a prohibition on denying any person the insurance they're entitled to because of this card simply because they or a member of their family had a preexisting condition.

Q What about Christina Milgros's (phonetic) problem, where she needs a bone marrow transplant, but her insurance people don't think she does, so they say she doesn't get it?

MRS. CLINTON: Well, that problem will be

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addressed. I'm not going to say it will be completely solved, because for all of these kinds of experimental or new therapies, there will have to be a period during which they are proven. So, merely because something might appear to work, that won't necessarily mean it's covered under the plan. But what will happen is that health plans will be encouraged to try different therapies that might actually save money in the long run, if we get enough evidence as to how they work.

And the comprehensive benefits package can be amended to include therapies or experimental treatment as we learn more about them, so that if they are proven, they can become part of the benefits package. So there will continue to be some testing period for new therapies, but once we get health plans willing to offer those, then, eventually, they should be covered if they prove themselves.

Q What about the hassle factor with doctors and forms they seem worried about?

MRS. CLINTON: They have every reason to be concerned. Dr. Pelling (phonetic) expresses the frustration that millions of doctors and nurses and hospital administrators feel all over the country. They didn't go into the health care profession they chose to be a paper pusher or a form filler, and yet that's what we have turned our highly trained professionals into.

And so what we're trying to do is eliminate a lot of that red tape and bureaucracy and those unnecessary forms. We're trying to move toward a single-form system. I brought an example to show you, because right now, we have 1,500 insurance companies, all with their same forms.

I was so struck when I started talking to doctors like Dr. Cohen that they were frustrated because they had to fill out the same form information on different forms for different companies, that there was no consolidation.

So what we want to do is come out with a single form that all insurers will use which will have the necessary information on it, so that we can eliminate this paper blizzard that is really drowning our hospitals and our doctors and our nurses.

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Q Senator Dole and some of the public have indicated by the polls they are concerned that the plan may create a greater bureaucracy.

MRS. CLINTON: I don't know that we can design a more bureaucratic system than the one we have right now. If we tried to sit here and describe how it worked and the different forms and the different kinds of checks and balances that are in it, I don't think you could even explain it all in the time that we have left.

In fact, what we're trying to do is eliminate a lot of that micromanagement and regulation. The reason it has built up, as people like Dr. Cohen and Christine know, is because we pay based on the tests or the procedures that are done. That's a piecework kind of a system.

There are very few professions that work like that. You don't get paid by the minute. People have to understand that what we do to our doctors and our hospitals is to micromanage them right now. We want to change that.

We want to say, "Everybody's entitled to insurance; we want you to bid on how much it will cost you, the health plan, to take care of this many people, and then go to it and use your best judgement. You're not going to get paid on the tests and procedures; you're going to get paid on the basis of how well you take care of people who are signed up with you."

Q A lot of people are concerned, like the Christies (phonetic), that they won't be able to get the specialist they want and feel that they need under this type of a program.

MRS. CLINTON: I share Carlie Christie's concern. That's the kind of concern that I have, and I've tried to put myself into the position of all of the people who might find themselves there, because you or I could, too, at some point, so that in order to protect against that, we are requiring every plan offer the opportunity for a patient to go outside that plan. It's called a "point of service option" in Carlie's case.

And so even if you were in an HMO or any other form of delivery system, if you want to, you'll be able to have an

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option that will enable you to go outside that HMO and go to the specialist of your choice. In addition to that, every region will have a beeper service network.

That's kind of the way we do things now, so that any doctor is a member of that network, and you pay at the point where you receive services, so that you will have that option, as well. You won't have to go into any particular kind of delivery service network. And we think that will give people more reassurance that, in the event something were to happen and they weren't satisfied with what they found in the plan they had enrolled in, they would have the opportunity to go elsewhere.

Q Having the opportunity to go elsewhere for some is a money problem. Is that going to cost them extra to do that, or will it cost the insurance company?

MRS. CLINTON: It would depend, and I can't give you a positive answer. In most instances, it probably would cost a little bit more, but nothing like what people now face. Most middle-class families now often don't have the choice to go to the specialist that they might dream of, because they can't afford it. And many, many families, as the Christies, are locked into plans right this minute that don't permit them to be referred out.

So, in some instances, it might be part of the insurance premium already. In some, it might cost a little bit more, but the choice, unlike today, will be there.

Q Enrolling more people in HMOs, wouldn't that mean denying more people the expensive care that perhaps they would find available today?

MRS. CLINTON: There's no evidence of that at all. If you look at cities and states where a higher proportion of the population is enrolled in an HMO, there isn't any evidence of that. Now, there are instances, as with the Christies, that a particular patient might have been denied some kind of treatment, and we're going to take care of that by requiring that special referral be available.

And, in fact, if one looks at the system we have now, we ration care every single day. Dr. Koop has pointed out that if an uninsured patient goes into the hospital with

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the same ailment as an insured one, he's three times more likely to die. And that's the ultimate rationing.

And, similar to the other problems we have already talked about, people not seeking care, that's rationing, or being denied coverage, that's rationing. This system will put an end to that.

Now, there is a lot of room in the system we already have and a lot of money we are spending to do things that we could actually for more people if we do them more efficiently.

There are many regions of our country where Medicare patients, for example, are taking care of that one-half or one-third of the cost that is somewhere else in the country.

Q How would the Administration's plan eliminate questionable procedures like Joel Newman's (phonetic) angiogram?

MRS. CLINTON: That's a very good question, because right now, most doctors will tell you there are too many procedures that they, themselves, perform that they don't necessarily think are required or appropriate. But they're afraid to say no, because by saying no, if something goes wrong, they may end up being sued.

So we need to have malpractice reform in which we send a very clear signal that doctors who are practicing appropriately will once again be empowered to exercise their best judgement.

And we will have many aspects of malpractice reform, but perhaps the most important is to begin to set out what the practice guidelines are that should be followed in certain cases, so that a physician can say, "This patient fits those guidelines; therefore, I'm going forward. But this patient does not, and I am fully in my right to say this is not an appropriate or necessary medical procedure for this particular patient." We have to give that kind of decision making authority back to our physicians.

Q Do you feel, then, that the plan will actually reduce the types of procedures that 80-year-old Fanny Newman

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went through?

MRS. CLINTON: I think they would. And there is a lot of evidence that when patients are also given more information and given the ability to make those decisions themselves, they often turn their backs on what they have read about in the newspaper or some kind of new procedure that sounds good.

There's another element that I would just add, and that is back to what we were talking about earlier about the piecework reimbursement system. A lot of physicians have no financial incentive to say no. If they perform the operation, they get paid.

What we're hoping is that we will have more physicians able to say no because they're no longer paid on a procedure basis. It's more like the Mayo Clinic, where the physicians are on salary, and they're all part of the decision making that goes on, and they're not compelled to go ahead and do an operation because they will put more money in their own pockets and take care of their own overhead expenses.

Q What happens if a Dr. Williams or Fanny Newman want an operation, but the insurance people think it is unnecessary?

MRS. CLINTON: The comprehensive benefits package is going to set out a very broad range of procedures and operations that will be covered. There will perhaps not be the kind of decision making that goes on now by insurance companies that deny people certain kinds of operations, whereas others would permit them to go forward based simply on which insurance policy you have.

There will be a uniform national standard. There will be a national board created that will be looking at procedures and trying to determine as we move forward into the future what should be broadly available, what should be added to the comprehensive benefits package, what procedures, for example, have proven not useful and successful and perhaps should be withdrawn because maybe they cause more danger or bad consequences than helpful ones. So that will be an ongoing review process that the national board will take part in.

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Q Albert Titus is the one who says, "Ask Hillary." So we'll talk to Hillary.

MRS. CLINTON: Well, I wish good luck to all of us in this, but I think there are some lessons that we have learned here. You know, we spend more money than any other country in the world by far on health care already.

And some of it is for what you might say would be excessive or overly expensive care, but much of it is for paperwork. Much of it is on fraud and abuse bases that we need to get rid of.

I think we are spending enough money and, with the additional money that will come into the system from those who will be making a contribution for the first time, that they, themselves, are insured, we will have adequate resources to take care of a lot of the problems that right now are considered too expensive or are not delivered efficiently and to enough people.

This is going to take some time to work out, because I think, as anyone who looks at our system today would have to honestly say, some people do get too much care at too costly a price to themselves and society. Others get very little or nothing or don't get it until it's way too late.

If we have a system that is delivering care more efficiently and getting rid of the inefficiency within it, we're going to have more people healthier than we have now getting high-quality health care at a cost that is much more affordable than it is now. So I'm very optimistic about how these decisions will be made.

And I think if we need to look again at how money is currently spent around our country. You know, people in Miami pay three times what people in Wisconsin pay; people in Boston pay twice what people in New Haven, Connecticut, pay; people in Minnesota are taken care of at one-half the cost of people in Philadelphia; and I could go on and on.

There is absolutely no evidence that the people in those states and cities that are paying per capita less than those in others are less healthy, are less well off, or less well taken care of. So I think there's a lot we can learn

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from each other if we have a system that puts some incentives in learning instead of just paying for the same old medicine practiced the same old way, which is based on procedures and pieces of a system instead of the whole.

Q When decisions like that are made, aren't we indulging a sort of triage where we are going to keep the healthiest people healthy, but some of the sickest will not get full care they desire?

MRS. CLINTON: I don't know that we can at all say that, because right now, that happens. Some of the sickest and the poor, your uninsured, they don't get the care. We know very well that people of minority races in our country with the same kind of illnesses of people who are white and affluent don't get cared for as well as the sickest and the richest, and that doesn't make it right.

Q Senator Dole claims that price caps are really price controls and that, in effect, they end in rations. What's your response to that?

MRS. CLINTON: The way that this plan is designed, I don't think that it's a concern, for several reasons. It is not price controls like what we have now. In Medicare and Medicaid, you have price control systems that tell the physicians and hospitals how much they're going to pay.

Insurance companies have price controls, where they pay a certain amount for a certain procedure. If you go over that, you don't get reimbursed. We have that in our system right now, and it's one of the problems that we have, because we have placed price controls on little pieces of the system, all kinds of different parts of it and different procedures and operations.

Instead, what we're talking about is, let's take the entire system and try to figure out how much as a country we need to spend. And we have got some models around the world. You know, other countries that spend for health care have healthier populations than we do.

Now, we have some population differences. We are more violent, for example, so you have more illness and accidents related to violence. But, by and large, you can look at how much is being spent in a country like Germany,

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which has a private-public partnership for health care, which is what we are looking at here, and you can conclude that putting some kind of budgetary discipline in the system is necessary for physicians and hospitals and others to make more cost-effective choices.

If you can charge whatever you want, and there's no reason for you to charge less, you're going to continue charging whatever you can get. And, in health care, people are scared not to pay whatever is demanded.

Yet we know, if you look at other places in our country or other kinds of systems, like the Hawaii system, or back in Minnesota with the Mayo Clinic, or the California pension system, if you say, "Look, we're only going to spend so much money, and we know you can deliver quality health care within that -- but we're not going to tell you how do it. We're just going to put some kind of fence around this system. But whatever goes on inside it, that's your decision."

We think that's a necessary backdrop to letting the market finally work like a real market, which you have, because insurance companies and the government have basically set the prices. And we want to eliminate that. And we think having a budget as a backdrop will help move the system to be more efficient, and that's what we are all trying to get into here.

Q Dr. Vaughn of Harvard and others suggested there are four principle concerns about the program: fear of job loss, fear of depression, fear of loss of choice of doctors, and new taxes. Can you wrap up an answer that covers those fears?

MRS. CLINTON: I would say that certainly the first three are already happening right now. People are losing jobs, they're being laid off because health benefits are no longer available for them. They're being locked into jobs. We know that's already happening in our current system.

We also know that the kinds of rationing that go on today is based strictly on who you're insured by, whether you're insured, whether you can afford the increasing deductibles in the copayment and all of the other financial barriers that are put in the way of health care delivery.

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And we also know that choice is being eliminated every single day from our health care system, because employers make the choices, insurance companies make the choices. This plan intends to solve all of those.

We have had all kinds of distortions in our labor market for years now because of health care. Most people have seen their wages held stagnate because there was no money to put into increasing wages if health benefits were going to be paid for. We're going to eliminate that and put us on an even playing field.

Why should the companies that pay for health care indirectly subsidize those that don't? Why should uninsured people show up at the emergency room, get the care, walk out, and then your premium and mine goes up because the hospital has to get that money from someplace?

And why should we say that we're going to have rationing in a system where all of a sudden, for the first time, we have everybody in it, and everybody will have consented to be more efficient which, in my view, will lead to more goods and services, not less? And why should we worry about choice in a system where we're going to guarantee choice, guarantee it for a referral out of an HMO, guarantee it with a fee-for-services network?

And the fourth fear, about taxes -- right now, people are scared to death that their insurance premium will continue to go up, because they are going up. And most businesses and individuals don't know how to deal with that. What we have designed is a system that does not need a new broad-based tax, because we think we can get everybody into it if we build on what works, and that's the employer-employee system.

So I would say those four fears are founded right now in the kind of system -- or really nonsystem -- that we have. We have looked at each one; we intend to address each one; and we're very optimistic that we will have a much better system than we do now in dealing with those and other fears that people have at this moment.

Q How do you feel the plan addresses the stories we have seen on this broadcast?

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MRS. CLINTON: It addresses them very well. I was impressed when I saw how well you set out in these vignettes the problems that I've been hearing about now for 9 or 10 months.

The basic principles of this plan will take care of all the problems that we have seen. It will guarantee health security for every American, with comprehensive benefits packages. It will make the system be simpler and, therefore, eliminate a lot of the paperwork and the red tape and the bureaucracy built in.

It will result in savings, because we will for the first time have incentives in the system that don't rely on piecework practice of medicine or on making sure that the Is are dotted, and the Ts are crossed but, instead, how well we take care of people by getting rid of the fraud, the abuse, and the inefficiency. It will guarantee choice, whereas today, that is not a guarantee for many people in their insurance plans.

It will enhance quality. We're putting in a lot of safeguards to make sure quality is enhanced, including malpractice reform. We're also looking to our medical schools as leaders in making sure that quality is guaranteed.

And, finally, it will insure responsibility. Everybody will contribute, everybody will be in the system, and there will be incentives for health care professionals to act more responsibly and make decisions based on their clinical judgement, not on what form needs to be filled out, or who's looking over their shoulder.

So I'm very pleased that the plan, as we are designing and proposing it, will address the problems that we heard about last night.

(The interview was concluded.)