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INTERVIEW OF THE FIRST LADY
BY DANA PRIEST OF THE WASHINGTON POST

Q Well, I thought you still needed -- I still need to write more about the process. I find people don't understand it, have lots of questions, and that sort of thing.

So actually what I'd like to do is work from the present backwards. I'm really interested in what is happening right now. If you could characterize your briefings and your role in that.

MRS. CLINTON: Well, we have -- first let me say that I am very proud of the people who have been involved in this process. In addition to the 500-plus who put their lives and other responsibilities on hold, there have -- at this point, I would guess, it is fair to say thousands -- at least two -- others who have been intensely involved in this in some way, plus the thousands and thousands more who have been in the hundreds of meetings we've had and who have written letters and all.

I don't know that there's ever been any process like this, because usually legislation is written by a very few people, whether on the Hill or in the Executive Branch. And it starts with a preexisting point of view. And then experts might be called in to provide assistance and citizens might be asked for a response. But it is largely a process that is driven by a particular individual's or agency's point of view.

And what we have tried to do when the President started this was to bring together the resources of the federal government, including both the Hill and the Executive Branch, in addition to resources from the public and private sector outside -- to ask every question and to review every relevant piece of information and idea that could impact on creating a more efficient and equitable quality health care system.

And I don't know of anything like this. I mean, Senator Rockefeller said to me one day -- he said, "I don't think there's ever been this kind of an effort since they planned the invasion of Normandy." You know, it has that feel to it.

MORE

It has been remarkable. The people who have been involved in it have worked harder than any group I've ever seen. And the result is that we are now at the point where I don't think you could ask a question that has not been asked, and I don't think you could raise the name of a study or a point of view that has not been evaluated. So the narrowing has started. And we are in intensive meetings with people primarily from within the government who are responsible for administering health care programs, would be responsible for implementing any changes in hammering out every last possible question and point of view.

The biggest underlying issue that we confronted was getting credible, believable numbers. Because when we started, the agencies within the federal government responsible for some piece of the health care system did not even agree about the economic models and the assumptions that were being used.

That was my biggest surprise. That has been, in many respects, the biggest challenge. Because you've got at least five major sources of actuarial and economic information and models that have to be reconciled. And we have a process that has been going on now since the beginning in which all of these government actuaries and economists have had to hammer out the differences in how they view the health care world. We've had a board of independent health actuaries and economists who have been reviewing the work of the government people. And we will have a third layer of presenting these numbers to economists and others who have been outside that process to make sure that when the President comes forward with a plan, he's got the best possible numbers.

You know, the 1990 budget deal fell apart in large measure because the estimates about the increases in health care costs were inaccurate. And it's understandable now why, because there hasn't been the kind of effort, until we did it, to make the government itself understand all of the assumptions and to come up with a coherent economic view about what health care is doing and will do to the country.

Q So you have come up with that now?

MRS. CLINTON: We think we are very close -- so that we get Treasury and the Department -- and Human Services and CBO and CRS and all these various entities to agree on fundamental assumptions and economic models that we then can run iterations through about what these various projections of cost, given certain changes, would mean.

MORE

Q Do you find that the agreement has pushed the numbers up or down from what you very preliminarily expected?

MRS. CLINTON: It's not so obvious in a gross way as it is if you take certain pieces of it. Like the simplest one is, if you take a proposed benefit package and you ask people to price that -- what will it cost us to provide every American these guaranteed benefits -- and you get back different costs ranging over \$500 or \$600, that in the aggregate is a huge difference. So you've got to go back and say, well, what is it that made you think this would cost X amount, whereas over here you in this other agency said it would cost Y amount? On what assumptions are you reaching those conclusions? All right, then let's look -- where did you get those assumptions? What are they premised on? Where is the data underlying them?

And so what we've done is to ask questions and to create a climate of honest conversation among all of these agencies so that we begin to know what are the real assumptions? We're not saying that anybody has been wrong before, but we're saying that they may have looked at it somewhat differently and didn't take everything into account that somebody else did. And so that's what we're trying to get clear.

Q But did you get involved in looking at the different methodologies that these groups were using?

MRS. CLINTON: No. I had a briefing on it. I am not an actuary and I am not an economist. I had a briefing on the process. I have had lots of briefings on the results of the analysis as it moved along. But the people who have been doing it from both the government and the outside groups are people who are expert at doing this.

Q So it sounds like one of the problems also -- because the direction that you're going in is, as the CBO testified to Congress, managed competition -- let's just take it in the pure form -- really doesn't exist on wide scale enough to track it through their analysis. But were you able to do that in pulling your groups together and getting them to think broader about it, perhaps, or --

MRS. CLINTON: We have looked at all of the potential savings that we think would come from changing the system. I don't think anyone believes that there is any single answer to how we will deliver health care in every part of the country. Different population groups and different geographic challenges and different cultural expectations require that we have some degree of flexibility within the national framework that the states would have. So that, for example, you could look at a state like Minnesota, where managed

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competition is further advanced, more people are enrolled in it than on average per capita in other states, and make some pretty good projections about how it is used and how it can be budgeted. It's much more difficult to do that in a state like Texas where there isn't very much of it. So we have worked with the figures we've had available to try to come up with accurate projections.

Now, I've also understood why a lot of the people who have worked on health care for a long time have encountered obstacles because they keep coming up with solutions that create unintended consequences. So we have tried to lay out as best as we are able to imagine all the unintended consequences.

Q Can you give me an example?

MRS. CLINTON: Well, I'll give you two examples. The most well-used method of controlling health care costs up until this point in time has been the regulatory model. The regulatory model has created a system of checkers checking checkers, primarily in the Medicare and the Medicaid systems because that's what we have created in an effort to control government expenditures in health care.

And one example would be you've got in the Medicare system an effort to control prices, and you've got a lot of rules about how those prices will be controlled. But you then have the unintended consequence of increasing the volume of services delivered, because you're still paying on the basis of procedure or test. And you have the additional unintended consequence of having people who deliver services figuring out ways to bundle their services so that they can get higher reimbursement. I'm sure that in thinking through the system people thought, well, that might happen. But it has happened to a considerable degree, so that if you saw a bar chart, for example, with prices being held steady and even decreasing in the Medicare program, you'd see a big bar next to it with volume going up.

Another example would be that in the Medicaid system, you've got a lot of people who have access to services financially through Medicaid, but because they do not have an adequate mix of services available in their community, they use the emergency room. So they get service at the most expensive point of entry. So that if you look at the Medicaid costs for people who are just like the insured or the employed uninsured in terms of how much they spend on medical care because we don't have a good infrastructure that helps to manage the care of the Medicaid population, they cost more because they use the most costly services very often.

Q So if you look at what your goals for health care are and then the two things that you've just explained, which is

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really focusing on the numbers and looking at what's real, and discovering and then evaluating unintended consequences, and you keep your goal in mind, has your expectations for achieving your goals in a certain time frame changed at all, given what you've discovered in the process that you're going through now?

MRS. CLINTON: No, because I think that the complexity of this task that all these hard-working, committed people have undertaken is a given. Everybody knew it was going to be complicated. If it weren't complicated, we would have done something about it. Everybody's been talking about it for 50 years.

And I think that the nature of the process which really set a deadline, give or take a realistic range of days, and put some momentum behind it and push everybody to work as hard as they could has actually sharpened the focus that everybody's brought to this. So my expectations are still as they've always been -- that the task force will report to the President in May and the President will determine exactly what he wants to do and go forward as soon as he can after that, and that we will do everything we can to have health care passed before the end of this year.

Q I guess what my question, though, was whether or not giving everybody universal access by a certain point, being able to finance it, things that you calculated during the campaign like everybody else did without having the benefit of looking at this problem -- has that changed at all, have your expectations of being able to do what you thought you could do?

MRS. CLINTON: No. What has not changed is there's an absolute relationship between controlling health care costs and universal access that entitles everybody to health care, ends cost shifting, and does it within a reasonable period of time and within an affordable budget. What has changed is our understanding of a lot of the issues we have to address in order to be able to accomplish that. I actually think that because of this process we know so much more now about how all of these issues are interrelated. We are less likely to miss something. Now, we very well will and we, too, will have unintended consequences that's the nature of any human enterprise. But that given what we now know we are more likely to be able to cover all the issues that will have a major impact on whether or not we achieve our goals within a reasonable time period.

Q But the reasonable time period and the resources hasn't changed in your --

MRS. CLINTON: No. Not in my mind, no. Because I still believe the sooner we can move most people into a comprehensive system the better off we will be, and the sooner we can show the

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American people that they are secure and can count on having health care the better off they will be. So it still is the primary driving goal. And what we're struggling with now is, given the change-overs that will occur just by the nature of this system that we are proposing, how do we do it efficiently; what is the least amount of time necessary to create, for example, the standard reimbursement form.

I mean, we want streamlined reimbursement for physicians and hospitals. We think that will save them money, it will save the system money, it will be better for patients. Well, how do we go from where we are with 1,500 insurers and thousands of checkers checking checkers to that streamlined process? So that's what we're struggling with now, because we're trying to come up with an understanding of the realistic time frames that will require for us, assuming we can get something passed, how soon then we can begin to implement the pieces of it.

Q So if you were -- so universal access is still --

MRS. CLINTON: Absolutely.

Q When do you think you can achieve that given what

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MRS. CLINTON: That's where we are right now, hammering out all those specific issues.

Q Can you talk about your role in that process? What

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MRS. CLINTON: I view myself as a facilitator, basically. That what I have tried to do -- is to encourage a lot of people to get involved in this process and to work very hard to convey information to citizens groups and other interested parties, to be available to go up to the Hill to brief members of Congress, internally to put together a schedule that will meet the President's needs to get information to him so that he could begin a decision-making process. And, you know, if asked, I have opinions, but I view my role more as a facilitator and implementor of this project.

Q Now that I have a better sense of what Ira Magaziner is doing -- he could do -- I mean, he could pass on information, in a sense. So you're doing something much beyond what he's doing and your relationship with the President is different. So can you describe the difference between what you do and what he does vis-a-vis the President?

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MRS. CLINTON: I don't know if I'm the best to describe that difference, but Ira and I have worked together in the past. It's not the first time we've worked together. We understand each other. He is an extraordinary analyst. I'm sometimes a better translator about what it is that is being analyzed. And we have a great working relationship, which I value very much. And I think the fact that he has been so immersed in the process has been valuable. And the fact that I have been more involved in trying to develop these concepts in ways that people can understand and relate to and in going out into the country and bringing back real world information -- so it's been a good balance between the two of us. And then we both have something to contribute to the decision-making process. I understand well, I think, a lot of the complexities, but I don't have the depth of knowledge that he brings to it because he's been so immersed in it. But I may be able to put into context some of the issues that he's analyzing. So that's kind of how we work together.

Q Someone told me the other day -- and this is totally meant to be a compliment -- that they saw you as the administration's Jim Baker on health care and probably more than on health care, but we were just speaking about health care, in the sense that you bring a certain discipline and, obviously, an intellectual grasp of the issues and the ability to translate into politics, which I guess is going to carry the whole thing.

MRS. CLINTON: It is the bottom line. (Laughter.)

Q What do you think about that assessment?

MRS. CLINTON: I really -- I don't know what to think about it. But I am very committed to helping bring about results that will benefit the American people. I know that sounds hopelessly kind of old-fashioned, but that's really the way I feel about it. I like working on projects with people. I like helping to bring things to some resolution, but I mostly like seeing things getting better. I mean, that's what motivates me. And so that's what I bring to this whole enterprise, what I've done all the time in my adult life on a lot of issues.

Yes, Miss Maggie?

MS. WILLIAMS: The schedule's running a little tough so we need to move it.

MRS. CLINTON: There's the enforcer. (Laughter.) Where's your whip? Have you not met?

Q No.

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MRS. CLINTON: Oh, Maggie Williams.

MS. WILLIAMS: I am the enforcer.

Q Okay.

MS. WILLIAMS: How are you doing.

MRS. CLINTON: She has that little smiley face. Disciplinarian. (Laughter.) Okay, be right there.

Q Okay, this is my final question. Do you debate some of these issues with the President? I mean, in the sense that you come with some strong feelings, he may come with some strong feelings and you actually debate some of these?

MRS. CLINTON: We haven't gotten to that stage, yet. I have debated internally with people working in the process. We've had some wonderful debates -- real honest, lay it out there find of conversations which I value. I like people who will tell you to your face what they think and be able to marshal their arguments and stand their ground, but then look for some consensus that moves us all forward. I mean, I admire that and I like to see that.

And that's part of what we've tried to create in this process, because we have people who came to this from all different points of view -- strongly held points of view. We've got -- you know, and I mean, all this talk about we don't have -- we have physicians involved, we have advisory commissions of physicians. We've got so many people with strong feelings and front-line experience, and I think that has been a big benefit to the problem.

I imagine that as we move -- I mean, right now we're engaged in some very good discussions about the information that will actually be presented to the President. You know, can this point be supported; can this argument be sustained. And then when it gets to him I imagine that -- and he's been in a lot of meetings, but he hasn't been in most of them -- he will provoke some of this debate because these are hard issues and he wants to be sure that what he goes with has been well-thought-through.

Q So you want to tell me about how you're going to finance this? You don't have a lot of alternatives. (Laughter.)

MRS. CLINTON: We've laid everything out, you know. I don't know that there is -- what are some of these latest ideas? Here's what we should do. We should tax liquor, cigarettes, gambling and then require everybody to do all three. (Laughter.)

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MS. CAPUTO: Was that Ira? (Laughter.)

MRS. CLINTON: No, that was not Ira. I thought that was pretty good.

Q Yes. So there's nothing that is really, really off the table, yet, that we can talk about? (Laughter.)

MRS. CLINTON: Everything is still mushing around on the table, right, and being massaged greatly. But we are -- I feel really good about where we are. I had a good meeting with the Finance Committee yesterday and talked a lot about these numbers issues because that is -- when push comes to shove those are the projections on that -- impact on the deficit -- those are really the big issues.

Q When you talk to them, are you trying to find out already what their no-compromise issues are or are you trying to let them --

MRS. CLINTON: No. What I'm trying to do is to explain to them in detail the process and to answer their questions. So that I talked yesterday about our numbers process in more detail than you and I have had a chance to talk -- all of the acronyms and everything that goes. And then I answer their questions and they went all the way around the table, every member, alternating Republicans, Democrats ask me questions. And I answer their questions and gave them the best answers I could.

Q How do you feel you've been received by them in general? I mean, what's the vibes in the room when you walk in?

MRS. CLINTON: I have been received very courteously and positively on both sides of the aisle. I am grateful for the cooperation and help I've gotten on both sides of the aisle. I sense a real willingness that goes beyond partisan politics on the health care issue to try to come to some bipartisan agreement if possible that would help the country. And there are some Republicans who have worked very, very hard on this issue for a long time, who have a lot to contribute, just as there are Democrats in the same position.

MS WILLIAMS: We've got to go.

Q Okay, I'm sorry. We'll have to do this again sometime.

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