

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

September 23, 1993

REMARKS BY THE FIRST LADY
AT HEALTH CARE BRIEFING WITH KATIE COURIC, TODAY, NBC

Q Anyway, thank you for (inaudible).

You're feeling pretty good about Wednesday night, aren't you?

MRS. CLINTON: Yes, I'm feeling very good. I could not have believed just a year ago that we would be at the point where I think we are with the country, and (inaudible) making sure every American has health security. That is so exciting.

Q The plan or laying down the plan is one thing, but actually turning it into law or getting it off the ground is a whole different matter, as I'm sure you're quite aware.

The administration or the administration officials have continued to say that this is merely a framework, that a lot of things are open for negotiation. How much do you think you're going to have to compromise?

MRS. CLINTON: Well, I don't know right now, because there are so many areas of agreement between the President's approach and that of other Democrats and Republicans. There is a long list now that we all agree upon, and I think we're going to be able to hammer out whatever small differences exist upon those kinds of issues. And then we're going to look at some of the other differences that still are between us.

But once we're all committed to arriving at the same goal, a kind of principle the President laid out in his speech, I think that much of the work ahead is dealing with details and making sure we know who is the force for the

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treaty, making sure that every decision we make, that we do rely on the system to make everybody secure and that we (inaudible) quality and choice and simplify the system.

Q Everybody agrees that health care in this country is badly working, as your husband said. Do they think getting there and actually changing it is going to be problematic? Of course, everybody is going to agree on the importance of security and simplicity and choice and savings and responsibility and quality. I mean, that's sort of a no-brainer. But making that leap, actually putting it into effect, there seems to be a lot of disagreement there.

MRS. CLINTON: I don't think so. I think that, for example, if you look at the Senate Republican approach, which has been very worthwhile and worked on by a number of Senate Republicans, they have decided that the best way to handle the funds is through individuals mainly, and individuals bear the responsibility for obtaining their health care.

And we, too, think individuals that should bear some of the responsibility. We believe though that the burden ought to be shared between employers and employees. But at least we are starting from the same basic premise, that everyone needs to be in the system,, everyone should be making contributions and being responsible.

So I think as we move through this, yes, there may be differences in approach, but we know where we're going. And that wasn't true. I mean, this is the first time in our whole nation's history where we as a country are united on basic goals.

And it may be easy now, well, everybody agrees. But until -- really, until Wednesday night, when the United States Congress stood up and applauded the President's commitment to universal coverage, that had not been agreed upon. We are now saying, as a nation, unless everybody has insurance coverage, nobody is insured, and we can't control the costs. I think that's an incredible step forward.

Q You've raised the Senate plan about putting the onus on individuals and then offering the base or a tax deduction (inaudible) for them to get insurance. Could you live with that?

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MRS. CLINTON: We're going to see what that would really mean in practice. There's a lot of analytical work that we need to be doing with the Senate Republicans and their staffs. And we need to make available to them the OMB and the Treasury and all these groups that run all of the economic projections about health care, so that we will see how it would actually work and how many millions of people would be involved and what the effect of the losing insurance from employers who are already insured, and a lot of hard questions. But that's what we're here to (inaudible).

Q. If you adopted that plan, it would seem to me that would remove the employer mandate, which seems to be the cornerstone of the Clinton proposal.

MRS. CLINTON: Well, the reason that we believe that the employer part of the employer-employee responsibility is important is because that's how most people get their insurance right now. And most of us who are insured have a relationship with our employer where they pay something and we pay something. And we think building on that is the right way to go.

And among the functions we'll be looking at in the week ahead is what does it really mean to say that an individual is required to be (inaudible) and not ask the employer to participate? Would that mean that employers who currently help provide insurance will no longer feel obligated to do so? Will that mean that employers will have policies their well-paid employees but let the government pay those costs for the lower-wage employees? Will that mean that wage increases will be buried with the past so that people stay right along level, where the government would pay the costs, as opposed to the employer?

Those are some of the questions that we have. But those are legitimate questions, just as the Republicans have legitimate questions about how our employer part of this would work, how we intend to subsidize small business.

We look forward to sharing that information and asking each other the hard questions, because we think it's done in good faith and it's done in reaching a solution.

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Q In fact, many Republicans oppose the employer mandate, especially with these small businesses, and there are some small business folks who are positively ballistic about this. They say that if they're mandated to buy insurance for their employees, it will break them. They'll either have to raise their costs and they won't be competitive, or they'll have to fire people. And, of course, you've heard all the statistics about the number of jobs that will be lost. Do you have any sympathy for these people and their concerns?

MRS. CLINTON: Of course. And I can understand exactly why they are anxious and scared, because most of them are thinking about what insurance costs small business now and how the how the (inaudible).

And the reason why -- I think, as we work through this with small business leaders, as we are beginning to do, picking up support everyday from small businesses that insure, that would like to insure but have never been able to afford it, what we are offering is a kind of guarantee that has never been available to them before, that small businesses would get the same kind of discounts and support in the marketplace that big businesses have had, that because they will be all be pooled, they will increase their bargaining power, and they will not have to pay the outrageously higher prices for insurance that small businesses now pay.

We will also be capping the amount of money that any small business has to contribute. We will also begin to roll in the worker's compensation part of health care and the (inaudible) insurance part of health care, which are increasing costs on small employers.

So that when you look at all (inaudible) we are trying to do for small business, then I think small business will be able to say, "You know, that's not such a bad deal. They're giving me a discount. They're capping the amount of money that I have to pay. They are beginning to relieve me of worker's comp and (inaudible) insurance health care costs. You know, I can now understand what they're talking about." And so it's going to take some time to work through all those issues.

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Q Despite all those helpful things, would you acknowledge that it really will hurt some businesses?

MRS. CLINTON: Yes, but I would also say it will help a lot of businesses. And I don't know quite what we can say more specifically than that, because a lot of people will be trying to scare folks. And there are a lot of bogus studies out there talking about all the job losses.

What I would say is that if you have small businesses today that are insured and there are -- really, many, many of the small businesses that I'm aware of are paying an exorbitant amount of money to insure their employees. Those small businesses are going to save money. Now, what will they do with that money? Maybe they will hire more people. They may contract with other small businesses. They may make other investments. But they will be saving money.

Big businesses that have borne a huge part of health care increases over the last decade, (inaudible) costs will go down dramatically. What will they do with the money? I would bet that they would hire more people. They might increase wages of their (inaudible) workers. They might make new adjustments. And so how many dollars were created there?

Q A lot of "mights" there, aren't there?

MRS. CLINTON: No, I think there are some very -- I mean who knows how the economy works would have to agree that if we began to reduce the health care burden on those businesses that are already paying, which is the vast majority of businesses, you are going to be freeing up billions of dollars of adjustment money, and that money will go back into the economy.

And one of the reasons there will be so many people standing behind the President, supporting the President's proposal, ranging from the executives of large companies to small companies to these groups that represent seniors and medical associations is because they think is good for the economy.

Now, in addition, we're going to be putting more money into the health care system. Once everybody is insured

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and they are all contributing, that's a lot of new money coming into the health care system. And there's been one estimate already that we'll be creating about 750,000 new jobs in home health and other health care services that we could not have beforehand.

So I would be very cautious of all this talk about jobs, because we believe this will be a big job creator. Right now too many people are locked in jobs, locked into political (inaudible), locked into wages because of health care. And we're going to release a lot of that money (inaudible).

Q Let's talk about financing of this plan, which has been up (inaudible) a lot of various economists and politicians (inaudible). Many are quite skeptical. Daniel Patrick Moynihan said it was pure fantasy, that 300-and -- what is it? \$328 billion -- I'm sorry, let me try that again.

A lot of people are extremely skeptical, including Senator Moynihan, that 238 billable hours can be squeezed out of Medicaid and Medicare to pay for these privileges.

MRS. CLINTON: Well, I think that what we were referring to -- that's leading to layout all of the analysis, the unprecedented analysis behind what we have presented as what we view as a very credible approach towards trying to fund this health care system. We do not need a new broad-based tax to -- for new money to (inaudible) an efficient -- inefficient system. We need to make our system more efficient.

I don't think anybody argues that said we can decrease the rate of growth in Medicare and Medicaid. I think the argument would be how much and how fast. And I think that's a fair argument. But we intend that in the next year the amount of money the federal government will spend on Medicare will increase 11 percent over the billions we currently spend, when our older population eligible for Medicare will only increase about 1 percent. So even if we add an increase of population and you add inflation, what is a fair rate of return, and the cost of health care and add a little bit more on top, it doesn't come anywhere near to 11 percent. I just don't think people inside of Washington

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sometimes understand what is already being done out in the country.

You know, in Minnesota, for example, health care is provided to people I met there at one-half the cost as in Philadelphia. In New Haven, Connecticut, just one-half as in Boston. There is no evidence whatsoever that older people in places like Minnesota or New Haven have less care or less quality care. Why does it cost so much less? We think because in some places in our country they are better organized, they are delivering care more efficiently.

And Dr. Koop said the other day that he thinks there is \$200 billion worth of unnecessary costs in our health care system. The President believes that. So do I. And we want to do this in a very careful way, but it needs to be done. We need to better use the money that we have.

Q And what about those who might acknowledge that those savings can happen and can occur, but that they should occur before you implement an active health care reform package, that they should be realized, not simply predicted?

MRS. CLINTON: Well, there's a couple of problems with that. And one of them is that if you reduce the rate of growth in Medicare and Medicaid without beginning to have some kind of budgetary discipline in the private sector, what will happen is what has been happening over the last years. Those businesses and individuals who are currently insured will pick up the difference in the deductions and costs. cost. So you'll take out of one hand -- out of the federal government Treasury, but you will give back out of some private sector business-related costs. We don't think that's a good approach. We think these things have to be done at the same time.

Secondly, we need to get everybody in this system in order to have the kind of savings we're talking about. If we wait to insure everyone, we will continue to have what is called "cost-shifting" occur, because uninsured people will continue to show up at the emergency room at the latest possible time, they will continue to get treatment, and we will continue to pay for it, because we won't have everybody in treatment at the same time.

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So we think these things need to go in, really, tandem. Let's realize saving; let's increase assets and responsibility, make everybody be part of the system; and then we will increase the savings even more, because everybody will be paying something. And it will have a snowball effect.

Q I guess they say that, because it's sometimes hard to predict, you know, the costs of things. For example, some policy wonks will say that in the '60s, when Medicare was established, it ended up costing six times as much as people predicted it would. And I guess there's a fear that it's going to cost much, much more.

MRS. CLINTON: But the reason that happened is because that was only one part of our (inaudible), and it was a government-run program that was trying to provide health care to our older citizens. Whereas the rest of the economy in health care was just growing by leaps and bounds at the same time. So that the expectations and cost increases and inflation affected both sides of the public and private sector.

But I would ask you to look at the States and regions that are already doing what we've been (inaudible) of -- you know, Rochester, New York, or the Mayo Clinic in Rochester, Minnesota, or the State of Hawaii, where everybody is covered. Those State and localities are already saving huge amounts of money, far beyond what we are even predicting. They -- for example, the Mayo Clinic, their cost increases are below the rate of inflation, less than 4 percent. Nobody doubts their quality. But what you have there is a well-organized, efficient delivery system.

Our incentives now are absolutely hectic. You give physicians incentives to run more and more tests. You have malpractice hanging over their heads, which makes them also more defensive. You have form upon form that drives up the cost of practicing medicine without making anybody healthier. We have too many parts of our system that we know right now don't add any value to our health care dollar.

Q What has really been done in this proposal about malpractice, medical malpractice? It's counting lawyer's fees; is that right?

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MRS. CLINTON: That's right.

Q My husband -- I should point out that he's a lawyer -- said that that might be considered unconstitutional.

MRS. CLINTON: Well, I'm a lawyer, too.

(Laughter)

Q I know you are.

MRS. CLINTON: (Inaudible) Washington lawyers might make that argument.

Q What do you think?

MRS. CLINTON: Well, it has been done in some States. And --

Q Hasn't it been held unconstitutional in some States?

MRS. CLINTON: Not in a State, no.

Q But in some, I think.

MRS. CLINTON: Well, I think in one or two, but that's -- you know, that's in the days of (inaudible), because we want to protect victims of malpractice, but we don't want to do it at the expense of driving up doctors' fears or doctors' fees.

And we need to get some (inaudible) system so that we don't eliminate worthy cases that have to go to court, but we try to prevent them from going to court by having alternative dispute resolution and by having certificates that say "This is a worthy case. It should go to court." And then (inaudible).

Q So more selective about the cases that actually go to trial?

MRS. CLINTON: Yes.

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Q I'm going to ask you about taxes, and then I want to get to something else that involves things that I think really the general public wants to know more than some of these inside-the-beltway issues.

In terms of taxes, Mrs. Clinton, your husband talked about a tobacco tax, and (inaudible) told me that it may be anywhere from 75 cents to a dollar. What about a tax on alcohol? Has it been ruled out?

MRS. CLINTON: I think at this time it has. And the President has decided to concentrate on tobacco and also to assess corporations that want to continue to be self-insured with up to a 5,000-employee level. (Inaudible) will also contain something in the new system as well.

Q So no alcohol tax for (inaudible).

You have repeatedly said you don't want to make the same mistakes the administration made and a bunch of babble. What kinds of mistakes do you think the administration made (inaudible)?

MRS. CLINTON: Well, I think that part of what happened if we did not explain very clearly what we were trying to achieve and we didn't maybe listen as well as we should have.

Q To a lot of Republicans?

MRS. CLINTON: No. Republicans, Democrats. You know, it was a good budget, and it's very important that it passed in terms of our country's economic future. But it could have been done, in my view, in a much productive way. And I think the President believes that.

Q Do you think he (inaudible) things differently now?

MRS. CLINTON: Well, what we're trying to do is make sure the entire country is involved in (inaudible) discussions. That's what I want (inaudible).

Q Let's talk about HMOs. A lot of people are worried about HMOs. They're worried about long lines, the lack of a relationship with a physician, the fact that they won't be

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able to see the same doctor every time. It's going to be sort of a luck of the draw. Are some of those concerns valid?

MRS. CLINTON: Well, they are maybe valid in some instances, but part of what I have learned is something very unique, you know -- response. You know, if you live in Minnesota and you're part of the large numbers who care that are up there, including HMOs, or if you live in California, where you might belong to one of their very large citizens -- consumer satisfaction is very high. People do have the same doctors year after year. And many of my friends who have been members of HMOs for their birth all the way up into their current age are very pleased and feel strongly that it's a well-organized way to deliver care.

But there are parts of our country, like my State of Arkansas, for example, where that has not been common at all. So the new people who don't know what a good HMO is like will say, "Gee, I'm not sure about that." That's why in this climate, every region where you have a health alliance will have to have the same kind of network of doctors we currently do, the so-called fee-for-service method. And every doctor will be permitted to be a member of that. We're going to stop this discrimination against doctors which is going on now, where doctors are told who they have to practice with if they expect to be given insurance reimbursement. And I think that will relieve a lot of people of their anxiety.

Q There are some people -- actually a health economist I spoke with who believes that the (inaudible) as a kind of caste system, that poor Americans were going to be using HMOs. And the only people who could really choose their doctor in the traditional sense of choice, but who could afford fee-for-service, would be wealthier persons.

MRS. CLINTON: I don't think that's at all the case. I think that, first of all, the minute we see the (inaudible) bidding on health services in places like California and Florida, the bids are coming in way below what people anticipated, 30 percent. So I think there's going to be a gradient of choice in a very affordable level of the plan.

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Q But people are going to have to pay more for fee-for-service, aren't they?

MRS. CLINTON: Well, probably. But we don't know for sure. The way fee-for-service runs now, yes. But I anticipate doctors and hospitals being very creative and coming up with all different kinds of ways. You know, the Mayo Clinic keeps its rates below 4 percent. Then you're paying less for that kind of quality care because of the way they're organized. The doctors there are on salary. They're on its staff. Nobody would doubt the quality of the Mayo Clinic.

So I think there's a lot of myths that go around, and I hope that people would really try to get good information. What I find now, talking to many people around the country who are in HMOs, is that they are very satisfied. They might have been a little fearful at first, because they had never had such an experience. But a good HMO for most people is a very good alternative. And so I think you'd have to go (inaudible).

Q Let's say a woman selects an HMO and she goes there for care, and one day she discovers she has a lump in her breast. What does do if there is no breast cancer specialist within her HMO?

MRS. CLINTON: Oh, she's not going to have (inaudible). I think there are so many misconceptions.

Q Well, clear it up. That's what I'm hoping you can do.

MRS. CLINTON: You know, HMOs provide primary care through specialty care and referral services to specialty care. So what would happen is what would happen now. The primary care physician or the ob/gyn who discovered that lump will refer either to a physician within the HMO who's a specialist or outside the HMO, because there will be point-of-service referrals in all of these networks.

You know, most people will see so little difference between how they get their health care now and how they've always gotten their health care. And I think it's very important that if you talk to people who live in Minnesota,

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talk to people who live in California who are part of these large networks, ask them what happens, and ask them how they get the kind of quality that, for example, puts Minnesota at the top of our list of States that have good health care, where more of their citizens in the Twin Cities are in HMOs than probably any other urban area.

Q A lot of people outside HMOs though don't really understand, so I'm trying to explain to people how it works. So would this woman -- getting back to this woman with the lump in her breast -- have to go to a specialist chosen by the HMO, or could she -- and just bear with me for a second -- could she do some research, find out who she thinks is the absolutely best breast cancer doctor in her area, and could she go to that doctor and still be covered by her insurance, or would she have to pay out-of-pocket?

MRS. CLINTON: It would depend. It would depend. Most of the HMOs have referral opportunities, but some have a staff of specialists. And if you go to specialist for the first time, you don't know what to expect. Now, (inaudible) ever been in that situation. And I think there will be opportunities for people to leave and go elsewhere if they want to.

But what we're talking about, with these networks of physicians, are providing primary care all the way to specialty care. It's the same now in what's happening out in the world as we know it. Most employers are restricting the choice their employees have. That is a fact. It is happening right now.

We think you'll have more choices if we stop this trend where insurance companies are determining what doctors you can go to and how many times you can see them. We think we will be (inaudible) more choices. So that in your example, the fact is right now many, many company policies, the woman would be limited as to who she could go to and have to pay more. We hope she will have more choices (inaudible).

I'm getting a (inaudible) call from the secretary. (Inaudible.)

Let me just ask you, how are you going to go about educating the public and explaining this very complex -- I

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mean, this is tough stuff to understand. You know, Rockefeller will say it's simple, but I think it's complicated. How are you going to go about talking to the public and educating them, because, according to the polls, a lot of people don't understand it.

MRS. CLINTON: We're going to do what I'm doing right now. We're going to do as much as we can to talk to people and to communicate.

But I would ask everybody who thinks what we are proposing is complicated to sit down and try to explain America's health care system right now. What we have now is complicated. You don't know where you're going to get coverage; you don't know if you'll have coverage; you don't know who is going to take you this time; you don't know where to go. What we have now is a maze of complexity.

This is different, but when we get it done, it's going to be simpler. And people will be making the choices that are now being made by for them by government or by employers. So if people will really take the time to tune in to you and to others who are trying to explore this and get as much information as we can put out, I think the end result is that conversations with the country will make a change (inaudible).

Q Tim Russert (phonetic) think the end result of all of this is going to be a plan that looks dramatically different than the one the administration has proposed.

MRS. CLINTON: We'll just have to wait and find out. But we're not going to compromise on the basic principles. We cannot accept a plan that is not guaranteed that every American will be secure they always have health insurance no matter where they work, whether they have a job or not, whether they've ever been sick before. We will not be able to compromise.

Q Okay. Mrs. Clinton, thanks.

MRS. CLINTON: Okay. (Inaudible) to help me.

Can I just do one reverse question? Was that against what law?

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Q I can get you the (inaudible) Journal. I think
it's --

(The interview was concluded.)

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