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INTERVIEW WITH THE FIRST LADY
BY PETER JENNINGS OF ABC NEWS

(Unrecorded question)

MRS. CLINTON: No. I am doing this today because tomorrow the President will be transmitting the legislation, the Health Security Act of 1993. And I know that this is an issue that millions of Americans are following very closely. And we are excited that we are now taking this next step from actually talking about presenting a plan to actually presenting a piece of legislation. And I am very pleased that we are at this point.

(Unrecorded question)

No. What he has done is to say that in this plan we have, we believe, more than enough funding to fund the subsidies that low income, low wage workers will need to fund the discounts, that small businesses will need, and to keep the expenditures for both individuals and businesses below capped amounts so that a business would not spend more than 7.9 percent of its payroll; or a small business, 3.5 percent. Most individuals would be in the area of about one, one and a half percent of their income. Some might be as high, depending upon what their sources of income would be, around 3.9 percent.

But what we are trying to do is to provide everyone with enough detail so that they can understand what the caps on the amounts that we are expecting people to pay will bring in, and how much money this plan will actually have within it, which we think will guarantee quality care.

(Unrecorded question)

Well, Peter, what we are trying to do is have a graduated number of businesses qualify for the discount. We had a number of small business supporters of the President's plan point out that a business might move from 20 to 21, or

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plan point out that a business might move from 20 to 21, or from 50 to 51, and still need some assistance in meeting the health care obligation. So we have tried to smooth that out so there will be some continuing discounts above the 50-employee level until there is a gradual move toward the larger size businesses that will have also a cap on how much they have to spend.

(Unrecorded question)

Well, I think that the more people actually study the numbers, as opposed to reading in the newspaper what is reported, the more comfortable they will be. This is a complicated matter, trying to make sure that the numbers that we are presenting are very credible and are well analyzed. For the last month we have done very little but have the Treasury Department, the Office of Management and Budget, other actuaries, go over the numbers over and over again and build in some supporting funding so that in the event the kind of contingency that might occur, could occur, there would be sufficient funding in the plan.

And I think that if people are willing to look at this carefully, they will find, as have those who have worked on it, that this is a well put-together plan, and that the financing is not only credible, but sufficient to cover the needs that we are talking about.

(Unrecorded question)

Well, the first thing I would say, is, if you are a small business person now, who is already paying for insurance, even for your own family, you are likely to see an immediate drop in how much you have to pay for insurance once the plan is passed. You will also have written into the legislation a guarantee as to how much you will have to pay for insurance. So unless the legislation is changed, you will be guaranteed that. And I think it will be clear that once everybody is covered, and all small businesses are participating in a responsible way, the cost should go down.

Now, if you are a small business person, who has never provided insurance, if you are the smallest of businesses, say you are self employed, you will immediately see a benefit because you will be able to deduct 100 percent of the cost of insuring yourself and your family. And, in addition, you will have this cap that I referred to earlier,

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of 3.5 percent, so that your cost will not go above that level.

(Unrecorded question)

Well, because, Peter, one of the things that we learned back in the 1960s, moving over the last decade, is that if we only wrote a blank check, whether it was blank check from the government or a blank check from an insurance company, the system's costs would continue to rise and even get out of control. That's not what we are proposing. In fact, we have learned a lot about the costs of health care from studying the Medicaid program and the Medicare program and looking at private insurance costs and how they have gone up.

And what we have learned is that if we have more competition and a better system for delivering health care if we hold people accountable for the decisions that they make, if we have some kind of budget in both the public and the private sector, we won't make the same mistake that we made in 1965. But a country, just like a person or a business, learns. And what we have learned is that we need a different approach toward financing and delivering health care.

We have seen it work around the country in small-scale models and cities and in some private businesses and in plants. And we know enough now to be able to change the way health care is financed to provide different incentive so that we will be able to save the kind of money that we are talking about.

(Unrecorded question)

I am, Peter, because I have seen and read all of these studies. And the problem with all of them is that they use a very traditional economic model. And they don't take into account, for example, all of the new jobs that are going to be created in health care. They don't take into account what it will mean to a business that all of a sudden saves money because it no longer pays an outrageous premium for health insurance. And it can use that money for new investments, for raising wages, for hiring new workers.

In fact, the Council of Economic Advisers took a very hard look at every one of the studies that were out there and said that they were all inadequate because they did

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not take into account every single factor that is going to be needed to be analyzed with this health care plan. And I think the fair conclusion is that in the current atmosphere what we are currently doing is not only losing jobs, undermining our competitiveness, forcing more people into part-time work because nobody will pay for the full-time benefits that come with full-time work. We know that the road we are on is costing us jobs and locking people into them.

And if you look at the various features of this plan, we think there is job growth as well as some job loss. But ultimately we think this is very healthy for jobs in the economy.

(Unrecorded question)

Well, I think what we are going to be able to say, and we can say this confidently, is that nobody else has done for their plans what we have done. There are several bills out there that have never analyzed a lot of the issues that we have analyzed. They have not run any of their plans or their cost projections through any kind of economic model, or had actuaries look at them.

I am very confident that when it comes to financing in numbers, there isn't any other plan that will have the kind of detail and analysis that we have. And we are happy to help others to try to analyze what is in their plan. But that's what we ask. We ask that they be given the same scrutiny and the same level of questioning that we expect to have. This is an important issue. We want it to be debated honestly and fully.

Thank you. Thank you very much, Peter. Oh, thank you very much.

(The interview was concluded.)

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