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INTERVIEW OF THE FIRST LADY  
BY PITTSBURGH PRESS

Q Mrs. Clinton, who's going to be the toughest sell for this program? Doctors, insurance people, big business, small business, taxpayers -- who is going to be the toughest sell for you?

MRS. CLINTON: I think that the more people know about this plan and the more they learn about how it really works, more people are going to support it. The toughest sell will be those people who have profited from the status quo in the health care system, and we're changing a lot of that.

We're going to eliminate the options of insurance companies to limit people's coverage. They're not going to be able to write you out of coverage if you've had a preexisting condition. We're going to eliminate lifetime limits, so that no family ever has the horror, as so many do, of realizing they're going to run out of insurance.

So people who don't want changes made because of the fact that they've liked what we've had up until now, they may never support the President's plan. But every other group, whether it's doctors and nurses or families and businesses, they will be better off under this plan.

Q Thank you. Do you agree with the President that cities like Pittsburgh, which are major medical research and resource centers, will likely lose jobs through this process?

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MRS. CLINTON: Oh, no. I think Pittsburgh will be a big winner in this process. Just think of what we're doing. We're going to be adding more money to the health care system, because we're going to be requiring everybody to participate.

That means that individuals who today show up at one of the fine hospitals in Pittsburgh but don't have insurance, but still get treated and walk away from the bill -- which means you and I, who are insured, pay for it -- they will be bringing money into the system.

In addition, we are adding benefits to Medicare: prescription drugs, long-term care possibilities. So we actually anticipate an increase in jobs and employment in the health care professions and the medical systems. So I think that this plan overall will be very good for Pittsburgh because of the way that Pittsburgh has developed into a medical center of excellence.

Q Mrs. Clinton, there are a lot of people concerned about experimental treatments and how they will be affected by this plan, in particular for women and breast cancer. There are some treatments that are not covered today. How might this plan affect them?

MRS. CLINTON: We will be covering experimental treatments that are part of clinical trials. In other words, if the drug or the procedure is being used to determine whether it works for large numbers of people, that will be a covered service.

If it is truly experimental and it doesn't have anyone's sanction to go forward, it will have to prove itself before there would be a requirement that it be paid for. And that will probably be done as it is now, through health plans making the decision to try something that has never been tried before. And that will be encouraged.

And then at some point, if a procedure or a drug has proven to be effective, it may be added to the national benefits package. So we will have about the same kind of approach that we do now, only everybody will be able to benefit from any changes that are made.

Q Yesterday we asked Congressman Gingrich of the chances of an employer mandate getting through the house.

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His answer was, "I think it will lose. An employer mandate is a guaranteed unemployment bill."

You, of course, know this is one of the most controversial areas of this bill. Why do you think you're going to get it through Congress? And why do you not think it will cost jobs to small businesses?

MRS. CLINTON: Well, I think there are only three ways to fund universal coverage that anybody has proposed. And if we don't achieve universal coverage, we will not have achieved health care reform. Most of our problems with rising costs and deteriorating medical facilities in areas that take care of a lot of uninsured people are due to the fact we don't have universal coverage.

So first of all you have to agree we want universal coverage. And there are some in the Congress who think the system we have now is just fine. They don't support universal coverage. They don't want to pay a penny or have anybody pay a penny who is now getting a free ride and taking advantage of the system. The President just disagrees with that.

So how do we get to universal coverage if we think it's the absolute necessary approach to take, not only to be fair to every human being, particularly the people who work hard every day and don't have insurance, but also to save us money.

Well, you can have a big middle-class tax increase where you would replace all the money in the private system with somewhere between \$400 and \$500 billion dollars. The President has flatly rejected that. He has said we do not need to raise taxes on people who are already paying for health care in order to put more money into a system that is not efficient.

A second approach is the one that has been proposed by Republican leaders in the Senate, which believes in universal coverage and says the way to get there is to have an individual mandate. In other words, as some states do with auto insurance, every individual goes into the market place and is responsible for buying his or her own health insurance.

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We think that's at least a very important statement about universal coverage, but we have some problems with the individual mandate, which we will be working out to try to see whether there is something we don't understand.

But an individual mandate would essentially relieve employers who currently provide insurance from continuing to do so. Employers who do so now do so either because they want to and think it's the right thing to do or because they have bargained to do so or because, as a competitive necessity, they want to be able to attract and keep workers.

If we were to say, "Well, the individual is responsible for that," many employers would, we believe, stop insuring, which would mean literally millions and millions more people would be left uninsured, having to go out and get their own insurance.

Now, the third way is to build on what works in America. Ninety percent of the people who are insured in America are insured through employment. And the reason it works is because we have gotten accustomed to, very simply, knowing that, if we have good jobs in America, those good jobs will bring health insurance benefits with them.

What doesn't work is that millions of Americans who have jobs and are working hard for a living don't get health insurance. Now, how can we do this so we don't lose jobs? Because we've looked at that very carefully. We will do it in several ways.

Many businesses -- and particularly in the Pittsburgh area, if you look at your employers there -- spend 10, 15, 18 percent of payroll to provide health insurance. They have basically been paying for the health insurance of everybody else in Pittsburgh, whether they're insured or not.

What we want to do is to say to the responsible employers who have been paying the bulk of the costs, "We're going to cap how much you pay. No business will pay more than 7.9 percent of payroll."

Now, just do the mathematics on that. If you have one of the large employers in Pittsburgh, who is already providing insurance, but doing it at 10, 12, 15 percent of

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payroll -- that amount of savings that they will realize over the next several years will be put to work in new investments, in maybe giving higher wages to individuals because no longer is that money going into health insurance, and hiring people.

So for businesses that are currently insured, regardless of size, we will be saving them money by and large. Now, for the small businesses that do insure, they pay, on average, 35 to 40 percent more in administrative costs than big companies. We're going to be eliminating that. So for the small businesses that insure, they too will be capped. But their caps will be at an even lower level than the big businesses.

For many small companies that currently insure, as the Small Business Administration has pointed out, they will be saving huge amounts of money, because they currently are paying more per capita than anybody else in the system because they are small. So again, where will the money go? Maybe they'll be able to hire somebody else in that retail establishment or in that small printing business.

For those businesses that have never insured before, they have basically gotten a free ride from everybody else. Most small businesses do try to do something with insurance, so they have supported the hospitals. They've supported the ambulances. They have supported all the services that the employers and employees who do not insure have taken advantage of.

We just disagree with somebody who says everybody should not pay their fair share and be responsible. And if we cap how much small businesses have to pay, and if we give them a discount so that they pay a lower rate than they would pay if they were bigger, there is no reason that they should be losing jobs.

And I'll give you one other comparison that I think makes the point. Every time any President proposes to raise the minimum wage, whether it's a Democratic President or a Republican President -- it has happened under both Reagan and Bush -- the Congress votes to raise the minimum wage.

If we don't raise the minimum wage next year, but instead put money into health care, we are actually going to be asking employers of every size, but particularly small

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businesses with low-wage workers, to pay less to give their employees health security than they would pay if they were asked to pay 50 cents an hour increase in the minimum wage.

So I know there will be opponents out there, and certainly some members of the other party will not want this to be a nonpartisan debate that goes beyond politics. They will want to try to stir things up for their own political agendas.

But I don't think the majority of Congress and the majority of people are going to be fooled. If we're going to have universal coverage, which we need to have, you're going to have to pay for it, and there are only a few ways of getting that done.

Q Mrs. Clinton, your role as the head of this task force has set you up as a role model to many people in the United States -- many men and women. However, during the campaign you weren't necessarily seen as that. You were sometimes seen as being very aggressive.

How do you account for that metamorphosis? And was it calculated?

MRS. CLINTON: Oh, goodness. I think that, you know, anytime you move into a new neighborhood it takes a while for people to get to know you. And that's the way I always felt last year is that, you know, people just have to get to know me or anybody else that they've never met before. And I hope the people are getting to know more about me and what I really believe and what I really care about. And I think that's going on.

Q What do you think they like about you?

MRS. CLINTON: Oh, I have no idea. (Laughter)

Q Thank you. Let me ask you this. Pittsburgh is often at the forefront of breaking medical technology. With an emphasis on caps and a primary emphasis on cost control, I've looked -- I can't see any incentive for hospitals or doctors to invest in new equipment and new technology. How will we continue to provide those kinds of breakthrough technologies when the primary emphasis will be on cost control?

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MRS. CLINTON: Well, I think that you're not looking at the whole picture, because what we are proposing is that, number one, we make better use of the technology we have now. Let me just give you a small example.

In the past, most hospitals, thinking that they had to compete with one another, all wanted the same technology. And unfortunately sometimes our legal system interfered with their ability to cooperate even if they wanted to.

Hospitals were afraid even to meet together because of the antitrust laws. So that maybe one hospital in Pittsburgh would say, "Well, we'll buy the CAT-scan and you buy the MRI," to another hospital, "and then we'll share our resources." They were afraid to do those sorts of things.

Under the President's plan we are encouraging hospitals to cooperate so that they all don't rush out and buy the same technology, but instead we try to judge what technology is needed for the whole population. We think that will save hospitals and physician groups money.

Secondly, we need to use this technology more frequently than it is. There's no reason, for example, that that kind of equipment can't operate around the clock. Hospitals are open around the clock.

And some enterprising hospitals and clinics now are saying, "If you want to come in for your CAT scan or your MRI or your mammogram at 10:00 at night, we'll give you a discount." The people have to be there, the machines are there, so we can therefore pay for these machines more quickly than we can now.

And thirdly, when we have a more efficient health care system so that we are not spending money on things that don't make people healthy, like the thousands of forms that are filled out, we will actually have more money for research and technology.

Think of the amount of money, as the President has said, that is spent on just unnecessary administrative costs -- about \$90 billion dollars. If we're not spending that on administrative costs, then we can spend some of that on better research and development and technology. So I think all of this has to be seen as a whole.

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Q Now, if I can follow up on that, you're talking about better use of current technology, and yes, we're going to save some money. But still there's not really an incentive there to invest in new technology.

MRS. CLINTON: That is just wrong. I mean, we have research money. We are supporting academic health centers. That is just wrong. I mean, the whole plan works together to support research and technology, but not the way we have in the past, where everybody was free to go out and buy whatever and charge us whatever it cost. They're going to have to make sensible decisions that truly will help people get healthier, not just their profits get bigger.

Q Mrs. Clinton, the President this morning spoke about the connection between health care and crime. And unfortunately Pittsburgh has seen an explosion of violent crime, even just this past year. Can you speak to that?

MRS. CLINTON: Yes. I mean, as the President has said, part of the reason we spend more money on health care than other countries is because we are a more violent nation, and we have to start acting on that.

I mean, it is no longer even just in big cities like Pittsburgh. In outlying areas around Pittsburgh, out in the countryside, we're seeing an explosion in crime. And the President believes you have to address that through the crime bill that is currently pending in Congress, through passing the Brady Bill that will finally get us some kind of waiting period on the purchase of weapons, and trying to do something about assault weapons and other kinds of guns in the hands of teenagers and other impulsive, irresponsible people.

So there are many issues related to health care reform that are not strictly in what some would think of as the health care arena, but which impact -- that if we do something about those issues, like violence, we will be lowering our costs as well.

Q Mrs. Clinton, there are some people on the Hill who argue a go-slower approach. In other words, there are five, six, seven things where everybody agrees on: small market reforms, some type of malpractice reform, some type of affordability of insurance, and in that way you could reduce that chunk of \$37 million down to a far, far smaller

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number. Why do you reject that and perhaps go for the whole thing?

MRS. CLINTON: Well, because I don't think that marginal changes in this system will work for several reasons. Let's just take the Medicare system. You know, we have a universal health care system for Medicare recipients. But within Medicare, we have big discrepancies in cost differences. And we know that until we change the whole system, we're not going to be able -- fairly -- to change what we find there.

Or take the State of Pennsylvania. Pennsylvania has been collecting information about costs for several years now. And you can find, as I have cited on several occasions, that the same operation, like the coronary bypass operation, can be performed in different hospitals in Pennsylvania at a cost anywhere from \$21,000 to \$84,000, and oftentimes with no increase in quality or outcome, the more expensive the operation is charged.

It does not help us to deal with costs if all we do is provide people the ability to buy more health insurance if they're not required to do so, which means therefore there will still be great gaps in coverage and cost shifting to those who are paying, and if we don't change the incentives in the system so that everybody is trying to provide better quality care at a cheaper price.

So if you look carefully at the things that are not working in our health care system, they are all interconnected, and it is very difficult to say we can get the results we want unless we address them all at the same time. And that's why the President's proposal and the other credible proposals that are on the Hill are comprehensive in nature.

Q So you're ruling out any chance if next fall you're stuck, and you know -- you know as well as anyone that there are a number of things you could pass out even tomorrow -- you're ruling that out unless you get a comprehensive plan.

MRS. CLINTON: If we do not get a comprehensive plan, we don't have health care reform. And that means universal coverage with comprehensive benefits for every American, no matter who they are, where they work, whether

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they've ever been sick, because none of us sitting at this table can predict whether we'll be employed next year, whether on the way home from work, tonight you have an accident that busts your lifetime limits, or any of these other issues.

Until every American is secure, no American is secure, because we cannot get the system under control the way it needs to be.

INTERVIEWERS: Thank you very much.

MRS. CLINTON: Thank you.

(End of interview.)

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