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HEALTH CARE REMARKS
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May 12, 1994

A Compilation of Remarks by the Clinton Administration on Health Care Reform

Excerpts from remarks by the President, Vice-President, First Lady, Mrs. Gore, and Members of the Cabinet

February, 1993 - May, 1994

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President William Jefferson Clinton
Excerpts From Speech To The National Council On Aging
Washington, D.C.
April 28, 1994

I have tried to reestablish the connection between work and reward...We have somehow got to find a way in this country...not only to generate more jobs, but to give our people who are working and are doing the right thing a greater sense that they're a part of a community in which they can have fairness and security if they do their part.

So a lot of what is behind this health care reform effort is designed to do that. And, yet, in order to do that, as with every community effort, everyone has to pay a part and play a part. Today, millions of working families are being short-changed by this health care system. It is stacked against them. Today, so many millions of Americans are subject to the fine print in insurance coverage -- they are denied coverage because of preexisting conditions; they can have their benefits cut off because of lifetime limits just when they need it most. Three out of four Americans are under health insurance policies with lifetime limits, which is just fine if you have a normal experience in you and your family. But if you have a couple of kids in a row with very serious conditions, or even one who is fortunate enough to live but is terribly ill, you can run out of those benefits when you need it the most.

And no one is immune. Millions of Americans have coverage for themselves at work, but no coverage for their spouses or children simply because their employers cannot afford it under the present system.

Now, keep in mind, nine out of 10 people who have private insurance get it through the workplace. And eight out of 10 people who don't have any insurance are in families with at least one person working. So my proposal is not a government takeover of the health care system, it is to extend the system that we have now that has worked for many, is beginning to work for more as big groups of employers are able to control their costs. I just want to take that and apply it to everyone.

We are going to have to find a way to cover the people who don't have health care coverage now. Under our plan, we do two things. We ask all employers who don't provide coverage now or who provide very limited coverage, to pay a fair share of a comprehensive package that includes primary and preventive health care benefits. We also ask workers who have no coverage now or have inadequate coverage to pay a fair share of that. And for small businesses with low average payrolls, we offer discounts in those premiums so that no business will go broke. Now, it seems to me that is a fair thing to do.

In addition to that, we provide ways for small businesses and self-employed people to join together in big pools so that they can buy health care at the same prices that those of us who work for the federal government or people who work for big businesses can.
I have heard all this business about -- the big attack on our program is that government is trying to take over the health care system, and it's one-seventh of the economy. It's just not so. That is not what this plan does.

All we do is to build on what has worked now by saying, let's have all employers do something for their employees. Let's have the employees that don't have any insurance provide something for themselves. Let's give discounts to people who are most vulnerable -- the small businesses with low average payrolls, and then, let's put everybody in big pools so they can afford to buy health care at decent prices. That is the fundamental outline of our plan. It makes a lot of sense.

What will happen if we don't do this is that you will have more and more people every month losing their health insurance; you'll have more and more people in small business being angry and frustrated because they'll have higher deductibles and higher co-pays and less coverage than others; and the system will slowly, slowly, slowly start to creak. Now, right now there is a lull because medical inflation has dropped so much. Medical inflation has dropped so much because a lot of folks have gone into these big pools and are buying better -- buying health care on better terms and because frankly, medical inflation always goes down when the President starts talking about covering everybody. It's happened every time it's happened, every time this has ever occurred.

If we don't adopt this fundamental statement of our responsibility to each other -- to the working families, to the children and to the future of America --then we won't get to step two. It is setting in place a system in which finally, finally we join the ranks of the other advanced nations and say, we are going to give health security to all families. That little child does never have to worry about whether there will be health care.

This is a great test of whether we are going to sensibly face one of the most significant human problems, one of the most significant financial problems that we will ever face. It is defining us as a people. Do we have the courage to do this? Or are we once again going to say, well, this is something everybody else can do, but we can't figure out how to do it. I want you there when we sign a bill to provide health care security for all Americans.

Vice President Albert Gore
Excerpts From Forum With Older Americans on Health Care Reform
Philadelphia, PA
March 31, 1994

This shouldn't be a partisan issue....We've been reaching out to ask Republicans as well as Democrats to join in meeting the needs of this country. Others seem to want to make it a partisan issue. I hope they'll reconsider.

Some of the opponents try to say there is no health care crisis. How can they say that? Haven't they looked into the eyes of the mother who cannot get health insurance because her child has a preexisting condition?

How can they say there's no crisis when so many small business people have been forced to close their doors because they cannot afford health [insurance] or have been forced to deprive their longtime employees of health coverage because the choice otherwise would be bankruptcy? How can they say there's no crisis when our nation is spending more than 14 percent of our Gross Domestic Product on health care while none of our competitors is spending as much as 10 percent...how can they say that there's no crisis when even after spending all of that money, we still have so many millions of Americans who have no insurance?

Now, here are the three options we have to choose from. This is American's choice. We reject the option that says no guarantee of coverage. That's what we have right now. It doesn't work. That's why we have a crisis. We also reject the option of having the federal government run everything.

Instead, America's choice is guaranteed private insurance that can never be taken away...the President's approach provides health benefits guaranteed at work....Small businesses get discounts on insurance. They will not be discriminated against as they are now....Every job should come with health benefits. Most jobs provide health care benefits today. And yet 8 out 10 Americans who have no insurance are in working families. We want everyone to have health benefits guaranteed at work. That is one of the keys to this plan.

First Lady Hillary Rodham Clinton
Excerpts From Speech at Washington University
St. Louis, MO
March 15, 1994

If you believe, as the President does and as I do, that we need to guarantee health care coverage to every American, then there are only three ways to pay for that. You can either have what is called a single payer system, which means you eliminate private insurance and you raise the tax to substitute for premiums, and you fund the health insurance system that way. And there are many people who support that approach. The single payer approach guarantees that every American would have health care coverage.

The President rejected that approach in its means, although he agrees with the goal, because he believed we should keep the public/private mixture that has served our country well. We should build on what works and fix what is broken, so we should not eliminate private insurance, we should extend it to everyone.

And, if you believe that, then there are only two ways to do that. There is an approach called the "individual mandate," which, like auto insurance, would require each of you to go into the market place and buy your own insurance. That, at least, would on paper get us the universal coverage, if you could enforce that individual obligation.

There are several problems with that approach. One is we don't want to encourage employers who currently provide insurance to stop doing so. And, if we pass the law which said it is an individual responsibility there are employers -- how many it would be difficult to predict -- who will say one of two things to themselves, "Well then I no longer have to do this, because the individual is required to do it." Or, they might say, "Well what I will do is drop my low wage employees, because the government is going to subsidize them on the individual responsibility and I will only provide insurance for people of professional or managerial standing." Neither of those would work very well.

What the President believes is we ought to take our employer/employee system. This is what some Presidents who have come before him have proposed. Each has looked at what works. Social Security is an employer/employee based system. Medicare is paid for by an employer/employee contribution. Let's extend health care to every one in the work place, building on the employer/employee shared responsibility.

Now how do we make sure that is done fairly? Well there are several considerations that we have looked at carefully. First, for most businesses that currently insure your cost will go down, because you will no longer be paying in your premium for businesses that do not insure and for individuals who get taken care of at our hospitals but cannot pay for themselves. Those costs have to be shifted to somebody, and they usually are shifted to those of us with insurance.

Secondly, even if you are a small business and you currently insure you are now being discriminated against in the insurance market. You pay anywhere from thirty-five to forty percent more for your insurance than a big business, or a government does when it buys insurance. So we can lower the cost of even small business by making everybody share the cost more fairly.

Now if you have never paid for insurance for yourself, and you have never contributed to your employees, yes, it is going to cost something. But you have had a free ride in our medical system. Because, if I go down any street in St. Louis or the surrounding towns here in the county, we could point out the businesses that insure and the businesses that don't. But when someone working at the business that does not insure gets sick, they go to the same hospital, they get taken care of. The doctors are there for them, but they don't pay for it. It is being paid for by those who currently, and in the past, have insured.

So if we provide discounts to small businesses, and if we provide subsidies to low wage workers then we can make insurance affordable for even those who have never insured themselves in the past. Once everybody is in the system then we can begin to get cost under control. Because, right now trying to control cost in a system where everybody is not in it is like holding on to the balloon in one part, it pops out somewhere else. Everybody being in the system means the cost can be lowered for everyone, because there will be no place to shift cost and make somebody else pay for the health care of another person's employee or another individual.

Mrs. Tipper Gore
Excerpts From Remarks at Touro Infirmary
New Orleans, Louisiana
April 21, 1994

Today I want to talk to you about a subject to which I have devoted much of my adult life -- and just about every day during the past year -- changing the way people think about mental illness; and changing policies so that they reflect the tremendous advances made over the past 30 years (especially in the last 10) in the diagnosis and treatment of mental illness and substance abuse.

The President's plan for comprehensive health care reform for the first time recognizes the economic and personal impact of mental illness and substance abuse disorders. Under President Clinton's Health Security Act, treatment for mental and addictive disorders is an integral part of health care delivery in America. I am personally committed to ensuring that comprehensive health care reform provides substantial benefits for these disorders.

The costs of treating stress-related diseases are adding to this country's spiraling health care costs, yet all too frequently, the key underlying psychological causes are not covered. If the primary cause is not addressed, the physical symptoms may continue unabated. We can no longer ignore this important dimension of modern developments in the cognitive and medical sciences. Mental illnesses - like any other physical diseases need to be diagnosed and treated so the process of recovery can begin.

I would like to read a letter to you that is like so many I've received. It's from a gentleman who asked for my help in eliminating the lifetime limits on mental health imposed by most insurance companies. He is a federal government employee, whose wife was diagnosed with a borderline personality disorder 13 years ago. He says:

"... we have suffered extreme financial difficulties because of their. Fortunately, I ... have the advantage of using the many plans the government insurance has had. Unfortunately, we have exhausted the life time maximum of five different companies. We are now insurance poor, even though I make over $50,000 a year... the recourse we now have is the Florida State hospital... We do not qualify for any other benefits because I make to much in spite of the debts."

Public policy must finally catch up with medical reality and bring these people under the health care umbrella. It make economic sense to do it. Researchers at MIT recently found that depression alone consists an estimated $44 billion each year. Employers bear more than half this cost in employee absenteeism and reduced productivity.

We must pass a health care reform package that provides a comprehensive benefit for mental illness and addictive disorders. In the President's Plan, mental illness and substance abuse services will become an integral component of the national system of health care. I am proud

to say this benefit takes an important step toward eradicating the stigma associated with mental illness and substance abuses.

Under the Health Security Act, all health plans must offer mental illness and substance abuse benefits. There will be no pre-existing conditions that have before been used to deny coverage, -- and there will be no lifetime limits on mental health or substance abuse benefits.

Recognizing the contributions of community based care, the mental illness and substance abuse benefit provides coverage for treatment in a variety of settings. It encourages the use of proven, cost-effective treatment alternatives. Innovative services that serve as alternatives to hospitalization are supported -- a full range of intensive, non-residential treatment services are covered. Less expensive outpatient programs are encourages over more expensive and restrictive in-patient hospital and residential services. The President's goal with this benefit is to provide a continuum of care designed to meet a broad spectrum of needs.

Department of Health And Human Services Secretary Donna Shalala
Address to The Committee of 200
Washington, D.C.
April 21, 1994

A non-profit small business called the Women's Resource Center was founded in New York a year-and-a-half-ago. They wanted to provide insurance for their employees. But the standard insurance package had such a high deductible, it made having coverage meaningless for their young, healthy staff. To lower the deductible, they were forced to pay a $2,500 premium for each worker. The cost quickly added up.

The result: when one of their employees left, they decided not to fill the position. That's a job lost. It's bad for the company and bad for the economy. Small businesses currently pay 35 percent more for insurance than large firms. Even so, three-quarters of small firms report that they do buy insurance for their workers. That's an American tradition that we want to strengthen.

The Solution: THE HEALTH SECURITY ACT -- Good for business and good for women:

- Security -- Guaranteed private insurance for every American.
- Comprehensive package of benefits. Primary, preventive, reproductive, and pre-natal care.
- Individual choice of your own doctor and your own plan.
- The plan outlaws unfair insurance practices -- lifetime limits, pre-existing condition clauses.
- The plan preserves Medicare. And adds prescription drugs and starts to cover long-term care.

This administration is very much in touch with the fact that small and medium-sized businesses are critical to our economy. The Health Security Act is designed to help businesses:

- For small firms with low-wage workers -- federal discounts will hold the cost of coverage to 3.5 percent of payroll.
- For the self-employed -- you can deduct 100 percent of your own health insurance from your taxes, instead of 25 percent.

And you won't be discriminated against when you try to buy insurance -- even if your business is very small, or if you have a pre-existing condition. As the Wall Street Journal Says, "The Health Security Act is a Windfall for small business."

Surgeon General Joycelyn Elders
Excerpts From Remarks to the Medico-Chirurgical Society of D.C.
Washington, D.C.
April 29, 1994

This is a hopeful time -- for the Health of our nation....I want to talk not just about health care reform philosophies and strategies, but about moving towards a "healthy America". I hope that you share my excitement and sense of challenge as we try to shape health care reform to redefine what we stand for as a Nation -- to change our current expensive "Sick Care System" into a "Health Care System" which stresses preventive and primary care, and makes health care a Right for all Americans.

If we do nothing, the costs will continue to rise; the human suffering will continue; and the cycle of higher cost for lesser coverage will spiral upward. Insurers will continue to lack incentives to cover preventive services and early treatment. And access to care, particularly for vulnerable populations -- the poor, the homeless, the elderly, minorities, women and children -- will increasingly resemble a revolving door for patients and become a greater financial and emotional burden for families.

The President's health reform plan is an important step in the right direction toward a comprehensive national health care system. It provides the framework -- to remove the financial barriers and discriminatory practices which have existed in our health care system for decades -- and which have had an especially damaging impact on minority communities. We must finally recognize the enormously high costs to our society of the lack of universal health care for all our citizens -- costs both in terms of dollars and in terms of human suffering. Our track record for improving our health care system and our Nation's health is not good. We've done too little, too late -- but *we can do better*-- opportunity to do so is *now*.

Treasury Secretary Lloyd Bentsen
Excerpts From Remarks at Cactus and Tropicals Greenhouse
Salt Lake City, UT
April 17, 1994

The last time major health care reform passed was under President Johnson in the 1960s -- then, we dealt with Medicare and Medicaid. We've made incremental changes since, especially to help children, but it's time for major reform.

I've visited many small businesses...I've never had an owner tell me that he or she doesn't want to cover employees. But I've sure had owners tell me they can't afford coverage. And I've had owners who are offering coverage say they'll have to stop because of rising costs. What the President wants to do is guarantee private insurance coverage to every American -- coverage that can't be taken away.

The President wants health benefits guaranteed at work. That's where most people get their coverage. Nine out of ten. Today, we have a system where people on welfare get guaranteed health insurance but people with jobs may or may not. That's wrong.

Employers will be asked to contribute. And so will employees. The real key -- the bottom line -- is that we'll cut the costs for small businesses so that they'll be able to afford it.

Deputy Treasury Secretary Roger Altman
Excerpts From Remarks to the Austin City Council Chambers
Austin, TX
April 6, 1994

As a nation, we are paying too much for our health care. This year, health care expenditures will total 14.6% of our economy. Since 1980, health care prices have increased at almost twice the rate of inflation (8.1 % vs. 4.6%). At this rate of growth, health care consumes an additional one percent of our economy every two years. And by the end of this decade it is expected to consume almost 20% of GDP. Think about it. One out of every five dollars we spend (an estimated $1.65 trillion) will be devoted solely to health care. That places us at a significant disadvantage with our competitors in Japan and Germany. Not only do they spend only 8 and 9 percent of their economies respectively on health care, but they have successfully contained the growth rate in health care costs as well. In sharp contrast, we begin by paying almost twice as much and yet our costs are accelerating at a far faster rate. This results in a grossly inefficient allocation of our economic resources and lost income.

The size of these expenditures would at least be understandable if we were getting significantly more, or better, services in return. But, comparing ourselves with most G-7 nations, we see they provide coverage to all their citizens, while almost 15% of our population, or 39 million Americans, live without any coverage whatsoever.

The president opted to create "a system of guaranteed private insurance for all Americans." Under the terms of the Health Security Act, you cannot be denied health coverage. Under this system, private insurers will still provide insurance policies, however, they will do so through regional purchasing cooperatives. This will vastly strengthen consumers' purchasing power relative to insurers -- and will drive costs down.

Small Business Administrator Erskine Bowles
Excerpts from Statement to
United States Senate Committee on Small Business
Washington, D.C.
March 10, 1994

The President's approach, the Health Security Act, is a comprehensive solution that will benefit small businesses and their workers. The President wanted to be sure that his approach would help small business and that it will provide them with real insurance. As a result, for the first time ever, small business will be able to buy quality, comprehensive insurance at an affordable rate.

The Clinton Health Care proposal will control skyrocketing cost of health care, by increasing competition in health care, reducing administrative costs, and imposing budget discipline. By forming buying groups...the Clinton health care plan shifts the power of the marketplace to the buyer of insurance and changes the supply and demand equation from favoring the provider of health care to benefiting the consumer. The Clinton health care plan also reduces the enormous burden of paperwork and administration that currently falls on small business, as well as it regulatory billing and reporting requirements. The cost of administering coverage in small companies declines because they are able to exercise market power reserved only for larger employers in today's system.

Aspects of the plan that the President insisted up to protect small business are as follows:

1. The plan is phased in over a period of years as the cost of health care is brought down.

2. The plan provides caps and discounts to hold down the cost of health insurance so that small business can afford to provide their employees with comprehensive, real insurance coverage.

3. The plan calls for a significant percent of the cost of insurance to be paid by the employee has the same incentive to hold down the cost of health care as does the employer.

4. The plan calls for employees to pay more if they choose more expensive health care plans so that the employee has a strong incentive to choose economical provider groups.

5. The plan is combined with the health portion of workers compensation and brings this skyrocketing expense under control.

6. The plan enables the self-employed to deduct 100% of the cost of health care coverage from their taxes.

7. The plan removes all the hassle that small business now has to go through in dealing with insurance companies and frees up valuable time for the small business owner to manage and grow their business.

8. The plan removes all of the abuses that are currently so rampant in the health insurance marketplace. If one worker in a small business becomes seriously ill, the business will no longer see their rates jacked up beyond belief, or lose coverage for the sick employee or dependent.

9. The plan controls the future rate of growth of health care costs such that the rate of increase of growth of wages, as opposed to the skyrocketing costs that small businesses have incurred in the past.

10. Most importantly, small business gets rock-solid, comprehensive coverage and a guarantee that they will never be in danger of losing insurance again.

11. And each small business will have a happier, healthier, more productive work force.

I am absolutely positive that small business will benefit from the Clinton health care plan. I am absolutely positive that if the trade organizations don't scare off small business by going around yelling about mandates, that small businesses, after looking at the facts of this plan, will get behind it. The Clinton health care plan is good for small business and, as Administrator of the Small Business Administration, I am very proud to support it.

Office of Management and Budget Director Leon Panetta
Excerpts From Remarks at 1994 Colorado Health Care Summit: Rx for Reform
Denver, CO
March 14, 1994

When the President asked his staff to come up with a health reform plan, one of his requirements was that in the long run, his plan should reduce the deficit. To him, deficit reduction was a logical output of health care reform, since any good reform plan must get spiraling health costs under control.

In fact, the President's plan does reduce the deficit by $59 billion over 5 years. It does this by using a combination of savings in the Medicare program ($118 billion); the Medicaid program ($61 billion), which is folded into the reformed system; excise taxes on tobacco products ($6 billion); and other Federal revenues ($93 billion).

The plan spends these saving and revenues on premium discounts for families and businesses ($151 billion); the Medicare Prescription drug benefits ($69 billion); and the new long-term care program ($62 billion).

Commerce Secretary Ronald H. Brown
Excerpts From Remarks to Building and Construction Trades
Washington, D.C.
April 18, 1994

We cannot be a competitive nation unless we reform our health care system. Make no mistake: Despite the propaganda generated by the special interests and the insurance companies, this is what the Clinton plan will do.

By offering insurance through the workplace, it will keep fly-by-night contractors from slashing worker benefits and using the profits to undercut bids by union companies. It makes it harder to play workers off one another for the benefit of unscrupulous owners.

We've taken some big steps, making sure the recovery spreads to the working people who were hit so hard in the last few years. Now it's time to take the next great leap: making certain we have the greatest health care system in the world, and making sure it is available to the greatest workers in the world.

Commerce Secretary Ronald H. Brown
Excerpts From Remarks to the Health Industry Manufacturing Association
Washington, D.C.
March 21, 1994

The public policy issue that will have the most immediate -- and the most beneficial --impact on your industry this year is clearly health care reform. No one knows better than those of you here today, there is a health care crisis in this country. It is a business crisis and it is a human crisis.

We already spend 14% of our GDP on health care, more than any other nation in the world and those costs are growing. Health care costs are eating through business profits, constricting growth and hindering productivity. The health care system is complex and it is cumbersome. It is also unjust. In the United States, nearly 40 million people do not have health insurance; more than 2 million Americans lose their insurance every week. None of these individuals have sufficient access to the kind of medical services, equipment and technologies which could make them well. This is unconscionable and it is a financial disaster. And we have to fix it, and fix it now.

Ours is a consumer driven, market based approach. Every one is covered, everyone pays their fair share... Health care reform will benefit business in general--finally we will cut costs and get value for money.

Labor Secretary Robert Reich
Excerpts From Radio Interview with KNOX, St. Louis
March 19, 1994

Under the President's plan, employers are going to absorb part of the cost for health insurance and employees are going to absorb part of the cost. That's only fair.

The present system we have is an employer-based health care system. The President wants to build on the present system because the present system already has employers paying and employees paying. It's a good system. It doesn't need to be rebuilt from ground up, but we've got to make it better. Employees need to know their insurance cannot be taken away arbitrarily. They also need to know that if they lose their job they can continue to receive health insurance. We also want to make sure that employees of small businesses get fully protected. Most small businesses provide health protection to their employees, but because they don't have much bargaining leverage with health care providers, they have to pay much more for the health care they give to their employees. The President's plan would give small businesses subsidies and make it easier for them to give their employees health care insurance.

The President's position is that there's room for compromise, but the basics cannot be compromised. Americans need to have and know they have insurance that cannot be taken away -- private health insurance. Americans have got to have their choice of doctor and provider. We've got to keep Medicare; we cannot take it away from the elderly. We have to have these basics and others in place.

Transportation Secretary Federico Pena
Excerpts From Remarks to the National Air Traffic Controllers Association
Tampa, FL
April 15, 1994

The President's Health Security Plan will answer the deepest anxieties of working Americans -- the terrible fear of losing health coverage when changing jobs, the fear of losing a home to pay for a catastrophic illness.

Now that we have a President who's going to fight for health security every day -- we need you to be with us on this one until we get the job done. It's a once-in-a-lifetime chance to make change for the better happen.

Transportation Secretary Federico Pena
Excerpts From Remarks to UPS Employees
Saginaw, MI
April 18, 1994

We want everyone who works to get health insurance at work, with employers and employees each paying part of the cost. This is the easiest, simplest way to make sure everyone has coverage because it's where the vast majority of Americans with private insurance get covered.

Guaranteeing health care benefits at work makes sense because it means that those businesses that today pay for health insurance for their employees -- and that is most businesses -- will finally have a level playing field. They won't have to pay more for their health insurance to make up for those companies that don't offer their employees health coverage or who drop their health coverage.

Attorney General Janet Reno
Excerpts From Remarks to the National Association of Social Workers
Washington, D.C.
April 10, 1994

All of us have got to reach out together: Teachers, police officers, social workers, nurses, parks and recreation specialists, to reweave the fabric of society around people who feel lost and alone. But none of this will make any difference unless we provide health care.

It makes no sense, ladies and gentlemen, to say to a person 70 years of age, you can have an operation that extends your life expectancy by three years, and then turn to the family of a working poor and say, sorry, you make too much money to be eligible for Medicaid, but you don't have any health care benefits, so you can't get preventative medical care for your children, for yourselves. We have got to change that.

As we deal with the issue of health care reform, we have got to make sure that we address the problems of mental health, that we address the problems of drug treatment, that we address the problems of counseling for our adolescents. Being an adolescent I think is probably as difficult as anything I know. And then you add the terrible burdens that we have placed on them of fear and violence and you understand how imperative it is that we talk about health care -- and that we talk about health care in its fullest and most complete sense.

Housing and Urban Development Secretary Henry Cisneros
Remarks to the Notre Dame Club of Chicago
Chicago, IL
April 15, 1994

Health care reform is vital to the health of metropolitan areas like Chicago. It will mean that millions of inner-city welfare recipients who want to work will be freed from "Medicaid lock." They will be free to seek jobs, and get off welfare, because they will no longer have to worry about losing medical benefits for themselves and their children.

It [the President's health care reform proposal] will dramatically reduce the burden on taxpayer-supported public hospitals, and city and county health programs that must now absorb the cost of treating poor people who do not have Medicaid coverage.

Nationwide, it will save an estimated $39.5 billion in state spending for Medicaid and long term care between 1996 and 2000.

More state resources will be free for public improvements, for aid to schools, for affordable housing, for job training, for a myriad of things that will make this community stronger and healthier.

Health Care Reform is an essential part of the president's strategy to rebuild our urban communities.

Education Secretary Richard Riley
Excerpts From Remarks at the Sepanski Early Childhood Center
Detroit, MI
March 28, 1994

The President's health security plan will have an enormous positive impact on the young children and families of this nation. The comprehensive benefits package of this guaranteed private insurance will provide prenatal care, immunizations, regular checkups and preventive services for children including vision and dental care. This will help all children stay healthy, arrive at school ready to learn, and accomplish more once they get there.

Education Secretary Richard Riley
Excerpts From Remarks at the New Mexico Healthier Schools Briefing
Albuquerque, NM
April 4, 1994

When people start to complain about the President's innovative health initiative, I am happy to remind them that the health of over eight million children -- eight million children who do not have health insurance -- depends on getting this legislation through Congress this year. This statistic says that one out of every eight children on the average does not have health insurance from any source.

Agriculture Secretary Mike Espy
Excerpts From Remarks to the Illinois Rural Health Association
Effingham, IL
March 23, 1994

USDA's historical -- and ongoing -- commitment to revitalizing rural America is inextricably linked to the general reform of America's health care system. One in five rural Americans has no health insurance, including 18 percent of farm families. To make matters worse, fewer physicians are practicing in rural areas, making it difficult even for those with insurance to find care. A total of 21 million people live in rural areas with a severe shortage of primary care doctors.

Farming is a high-risk business. It ranks third in on-the-job injuries, and it's number one for on the job fatalities. When they can find health insurance at all, farmers have to pay top dollar.

Farmers don't have the bargaining power of a large business operation. They need to be assured access to insurance coverage and they need to be insured at rates that are comparable to the rest of the nation.

I'm excited about the President's Health Security Act of 1993 because it recognizes the special needs of rural America.

National Drug Control Policy Director Lee Brown Ph.D.
Excerpts From Remarks to the National Association of Alcoholism and Drug Abuse Counselors
Washington D.C.
February 28, 1994

Unlike other proposals, the President's Health Security plan offers specific benefits for substance abuse treatment. Even in its early stages of implementation, Health Care Reform will improve access and remove certain obstacles to substance abuse treatment for most Americans. Many more substance abuse benefits will be eligible for coverage under the American Health Security Act than is presently the case; those with "pre-existing conditions" will no longer be excluded from coverage; those who require and use treatment services will no longer face the "lifetime limits" common to many policies.

In general, health care reform is designed to encourage community treatment in the least restrictive environment. To accomplish this, the States are provided with maximum flexibility and challenged to make full, coordinated use of all available treatment resources.

Veterans Affairs Secretary Jesse Brown
Excerpts From Remarks to the Young Presidents and World Presidents Organizations
Washington, D.C.
April 19, 1994

The VA was deeply involved in helping formulate the health reform proposals. So the best interests of veterans were built into the plan. For instance: VA hospitals will be maintained as an independent system; service connected and low income veterans will pay nothing for their care; all veterans will have access to the health care plan; and, for the first time in history, VA will be allowed to provide full, comprehensive health care.

It is very important to note that the President's plan is the only one that addresses veterans and provides a new funding stream of $3.3 billion to improve VA facilities.

National AIDS Policy Director Kristine Gebbie
Excerpts From Remarks on the President's Health Security Act and the HIV Epidemic
Washington, D.C.
May 2, 1994

For people with HIV or other serious medical conditions, the security of comprehensive health coverage is essential. Today, an estimated 30 percent of people living with HIV are uninsured. Another 40 percent depend on the Medicaid program for coverage. Many of the 30 percent with private health coverage live in day-to-day fear that their insurance will disappear or their coverage is inadequate to meet the very real needs of their health status. For all Americans, but especially for those with life threatening conditions such as HIV/AIDS, enactment of the President's health Security Act will provide the peace of mind and financial protection of private health insurance that can never be taken away.

The Health Security Act guarantees coverage for a comprehensive package of benefits for every American. For those with HIV, that will mean coverage of the cost of doctor visits, hospitalization, laboratory tests, and prescription drugs.

The private insurance market will be reformed in a comprehensive manner to eliminate the inequities of the current system. Health plans will no longer be able to deny or curtail coverage to people with pre-existing conditions, including HIV. It will be against the law for plans to "red-line" communities by refusing to sell or market their coverage in areas perceived to be at high risk for expensive care. There will be no annual, lifetime, or disease-specific caps on coverage. And there will be an annual limit on patients' out-of-pocket costs to prevent medical catastrophes such as HIV from becoming financial catastrophes for individuals or families.

People living with HIV/AIDS frequently prefer to receive medical care in their home or community. Yet current rules often force them into institutional care. The Health Security Act will create a new federal/state program to provide assistance to the severely disabled to obtain home and community-based long term care.

The Health Security Act will protect the vital network of HIV/AIDS service organizations that have so ably served people with HIV by requiring all private health plans to contract with "essential community providers", including Ryan White recipients and community health centers, to provide care.

Interior Secretary Bruce Babbitt
Excerpts From Health Care Reform Discussion at Mesa Seniors Center
Mesa, AZ
February 15, 1994

Everything relates back to the health care issue. What we need to do first is do something about the health care costs. We are capable of building a system that caters to every American.a basic universal safety net.

Environmental Protection Agency Administrator Carol M. Browner
Excerpts From Speech at the Kennedy Kriger Institute
Baltimore, MD
April 22, 1994

Preventing pollution -- not waiting to clean it up -- is the very best way to protect public health and our natural resources. And prevention is of the highest importance in health care delivery as well. The President's Health Security Act includes preventive care which will help protect millions of children from lead poisoning. In our country today, virtually all children are at risk for lead poisoning. Yet more than eight million children don't go to the doctor.

At EPA we deal with health problems every day -- protecting the public from lead and other toxic hazards; cleaning up the air to keep children from getting asthma; protecting our drinking water supply to keep people from getting sick; encouraging less pesticide use to protect our food supply. Environmental protection is health protection and the President's Health Security Act is what we need to protect the health of American children and their families.

file

THE WHITE HOUSE

WASHINGTON

May 26, 1994

Connie Bruck
New Yorker Magazine
20 West 43rd Street
New York, NY 10036

Dear Ms. Bruck:

I am writing to correct some of the misinterpretations and inaccurate descriptions about the development of health care policy which appear in your New Yorker article of May 23.

1. It is inaccurate to say that the Cabinet was not involved in health care decision-making. Cabinet and senior White House officials participated in over 20 decision-making meetings on health care during the spring of 1993. The decision to halt these meetings from June to mid-August was made so that the Administration could focus on winning the budget battle. In addition, the decision to withhold circulation of drafts of the health care plan during this period to Cabinet officials was not made by the First Lady as you state. In fact, she was in Japan with the President at the time. The decision, which was made by senior White House officials, was driven by legislative concerns that health care issues not muddy the budget debate.

2. The task force process was not insular. Thousands of people played a role in forming, reviewing and critiquing the plan. Some may wish that their views were accepted to a greater degree, but all views were taken seriously. As you acknowledge, the First Lady held hearings all around the country and we consulted experts, practitioners and ordinary people of varying points of view and background.

3. The mistake I acknowledged is that we should have involved the press on a more frequent basis from the beginning, to keep reporters more fully informed about our progress and to respond more openly to questions. The decision not to be more open with the press was a communication decision, not a decision by or involving the First Lady.

4. My quip describing the task force as "managed chaos" related more to the difficulties of organizing such a large effort in such a short period of time in the context of a newly forming government. The specific context was a discussion about the long waits people had to endure to clear security every morning, the problems associated with scheduling rooms for meetings, the inadequacy of the phone systems, the difficulty in securing equipment such as computers to do our work, etc.

5. The Congressional Quarterly calls the congressional outreach effort on health care one of the most serious outreach efforts to Congress ever attempted as an administration formulated its policies. The regret which I expressed on congressional outreach related to the fact that I did not have the time to forge closer relationships with key members and staff of health care committees. I did not have previous relationships with these people and should have spent more time building them.

6. It is incorrect to say that all legislators advised us to send a "skeleton bill." We received mixed advice on this, some advising us to send a detailed bill and others to send concepts only.

7. The large mandatory alliance idea was not ours. It was originally proposed in the first Cooper/Breaux bill of August 1992. That bill proposed that all companies of 1,000 or under be required to join purchasing cooperatives and that states have the ability to raise the requirement to 10,000. This bill was backed by Jackson Hole advocates. These advocates also originally backed universal coverage and employer mandates.

8. The health care bill is complex because health care is complex, not because I or anyone else likes complexity. As the Congressional Budget Office says in its evaluation of our plan:

"The Health Security Act is unique among proposals to restructure the health care system, both because of its scope and its attention to detail. Some critics of the proposal maintain that it is too complex. A major reason for its complexity, however, is that the proposal outlines in legislation the steps that would actually have to be taken to accomplish its goals. No other proposal has come close to attempting this. Other health care proposals might appear equally complex if they provided the same level of detail as the Administration on the implementation requirements."

We took 60 pages to define a benefit package so that the American people would know and be able to debate openly what was being proposed -- we took 90 pages to define subsidies so that people could understand, scrutinize and critique the type of subsidies and the mechanisms we proposed. We thought it was the responsible thing to do. The details are important in health care.

As the accompanying articles on Social Security show, charges of complexity always plague new social initiatives.

Hundreds of people went through tremendous sacrifices and worked long and productive hours for the task force to advance health care reform in this country. The materials they prepared are being used every day as we work with the major committees in Congress to seek political consensus on health reform. We always knew that our bill would be rewritten by Congress which is why the President emphasized principles in his September speech introducing the health care initiative. We presented a detailed bill because we wanted the debate to confront the difficult questions which must be answered to initiate successful health reform. The legislation which will eventually pass has a far greater chance of working as intended because of the serious work done by the many people involved with the task force.

Social change is rarely a pretty process. After 60 years of trying and failing, we are on the brink of achieving universal health care. Our ability to come this far is testament to the courage and leadership of the President and First Lady and to the commitment and talent of the many people who worked during the task force process.

Your story would have been more accurate had it reflected at least some of this.

Regards,

Ira C. Magaziner
Senior Advisor to the President
for Policy Development

ICM:dpr

Alliance for H Reform

→ Pack

speech

Remarks by Sen. Jay Rockefeller
at the primary care conference
"HEALTH REFORM'S FRONT LINES"
sponsored by the
ALLIANCE FOR HEALTH REFORM
Washington, DC
July 15, 1993

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Good afternoon. I can't tell you how pleased I am to be with you today -- thanks to the vagaries of today's Congressional schedule, I could not join you this morning as I wanted to. But my news is that we held the first meeting of the conference deliberations on the President's economic package this morning, and that's almost as important as primary care.

I am extremely proud to be here as chairman of the Alliance for Health Reform, an organization I set up two years ago to help educate the country about the urgent need for reform. If all of America's opinion leaders and policy makers were as well educated as this audience on the need to reform our health care system, a mission like ours wouldn't be necessary.

Today's program could not be more timely. Our country stands on the brink of comprehensive, fundamental reform of its fatally flawed health care system.

For the first time in a generation, we have a real chance to defuse the ticking bomb of health care costs that threatens nothing short of an economic meltdown in just a few short years.

We have a real chance to make quality, affordable health care a reality for the tens of millions of Americans who now lack it -- and a real chance to bring peace of mind to the majority of Americans who have coverage, but rightly fear that they, too, could lose that security any time.

But there is a secret about health care reform that we have to let out: there is no reform plan that can succeed unless it reverses the current imbalance in our health professional work force. You in this room understand that. You probably even know that only one American physician in three has a primary care practice, and only one American medical student in seven even plans to have one in the future.

And it's not simply a question of raw numbers. We may be heading for an oversupply of physicians, but the physician-to-population ratios in rural counties are only about a third of those in urban areas. West Virginia is a vivid example of how people are suffering -- and occasionally even dying -- because doctors are quite literally too few and far between.

In our anxiously awaited new health care system, it seems certain that there will be an even greater demand for well-

trained primary care professionals. And there is the dilemma: demand for primary care practitioners is going up, but fewer students are choosing this career path.

You understand the reasons. Many of you have spent your professional life writing and speaking about them. There is the culture of specialization in medical schools -- few generalist role models on the faculty, and virtually no experience providing care outside of hospital settings. There are the crushing debt levels, and the higher relative incomes of specialty practice.

Having led the battle to reform Medicare's payment system for physicians, I am doing my best to reshape this part of the equation, but the Medicare system still rewards high-tech procedures better than it does more cognitive services.

We are gradually recognizing this need to change. The array of groups that have endorsed the goal of having half of our physicians engaged in primary care is large and growing. The tough part is getting anyone to agree that, in order for us to make a palatable primary care omelet, some status quo eggs will need to be cracked open.

This is not a theoretical concern for this Senator. For years, I have been confronting the way these trends affect West Virginians. Even though we support three medical schools, our small state doesn't have enough primary care providers where our people need them.

As chairman of the Senate Medicare subcommittee, I am more determined than ever to chart a different course. That means working hand in glove with the Administration to incorporate the right steps into the health reform plan they are putting together. If you have listened to Hillary Rodham Clinton, you know she understands the importance of this aspect of the proposal.

And as you will hear from Henry Waxman later this afternoon, he and I are hoping to provide a bright line of guidance to the Administration and our colleagues in Congress with legislation we will introduce next week. It draws heavily from the recent recommendations of the Physician Payment Review Commission, then chaired by our wonderful new Assistant Secretary for Health, Phil Lee.

Because the health care system is not yet reformed, our bill is crafted to fit current law. It would redirect the money Medicare spends on graduate medical education -- and how many people outside this room understand that Medicare will spend $5.5 billion this year on GME? -- to reflect better the needs of the people for more generalists and fewer specialists.

Our proposal will set a target of a 50/50 mix of generalists and specialists among residencies, and caps the number of

residents overall. It sets up a national health work force board to implement the new work force policy, and requires the board to work with the physician community to make sure the right decisions are made.

We encourage Medicare payments for services in non-hospital settings, and suggest a closer examination of how -- and to what extent -- Medicare graduate medical education dollars could be spent to educate nurses and other providers.

We propose to revitalize and fully fund the National Health Service Corps. We will act to make primary care practice more attractive, including further steps to reverse the disparity between reimbursement for procedural and non-procedural services, and help eliminate the "hassles" and administrative costs of practice.

And while it's not part of our Medicare-related bill, I can tell you that I support -- and look forward to supporting in the context of health reform -- the concept of having all payers, not merely Medicare, share in the cost of health professional education, just as all payers share in the fruits of that education.

As I talk to my colleagues in Congress, I am enthusiastic about the reception this proposal will receive on Capitol Hill, from both Democrats and Republicans. As I talk to Mrs. Clinton and others working on health reform for the Administration, I am confident that we are blazing the trail in the direction the President will propose as part of his plan. And I hope we can tap into the thoughtful good will of many of you directly affected by this issue.

I commend to you all the outstanding work of the Alliance for Health Reform study panel, chaired by my good friend Reed Tuckson, and its report on this topic, "Commanding Generalists." I can tell you first-hand how seriously the study panel took its work. When I stopped by one during lunchtime of a study panel session, I had just come from a long meeting with the First Lady on this subject, and I shared with the panel members some of what we had talked about. Reed let me go on for about five minutes, and then he said, "Are you about finished? We have some work to do here." So I finished my story, and my sandwich, and let Reed and his colleagues get on with the task.

And to all of the study panel members, congratulations for a spectacular job. The report will be extremely helpful as we try to educate Congress and the American people on why this issue is so central to our broad health reform effort. The fact that so many well-informed and well-respected people have taken the time and trouble to lay out a comprehensive list of options for action sends exactly the right signals to those who need to decide what

actions to take.

Many words of thanks, also, for the W. K. Kellogg Foundation, and Ron Richards, for helping to fuel this debate. I know the Community Partnerships Initiative is making a difference in West Virginia. With the Kellogg funding as the catalyst, and the active support of the Governor, we are hoping literally to reshape how -- and where -- health professionals are educated in our state. This study panel project is a good way to make sure the excellent track record these initiatives are building doesn't get lost.

Make no mistake, this is one of the thorniest tasks in all of health reform. It affects important interests and values. It proposes to alter existing relationships and funding pipelines. But unless we succeed in making these changes, we risk allowing health reform to become a hollow promise -- proclaiming universal coverage for care from professionals who are nowhere in sight.

You have already heard from the study panel, and you will soon hear from Henry Waxman and the Administration, in the person of my former Pepper Commission staff director, Judy Feder. Listen closely to their presentations, and the panel of stakeholders.

And then I ask for your help, today and in the weeks and months to come. Voice your legitimate concerns about their weaknesses. But don't let the advocates for the status quo take center stage. You can stop them better than I. And I repeat, if we fail to reform our primary care machinery, we will eventually fail in our larger reform task

Let us seize this moment for deeds, for real change. That means outmaneuvering the guardians of gridlock. That means making reform a reality. Thank you.

THE WHITE HOUSE

WASHINGTON

May 27, 1993

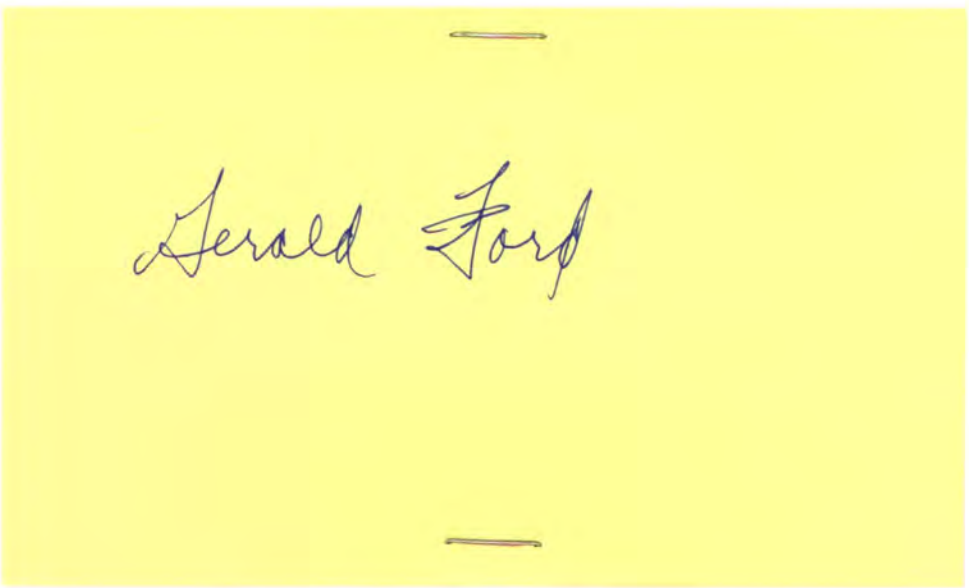
MEMORANDUM FOR JEFF ELLER, BOB BOORSTIN, MELANNE VERVEER, IRA MAGAZINER AND LISA CAPUTO

FROM: Mike Lux

SUBJECT: Speech By Gerald Ford

Attached is a speech by former President Ford, the last two thirds of which deals with health care reform. Overall, it is a very helpful message, and it makes me hopeful we can pick up Ford's endorsement of our health reform package. In the meantime, quoting liberally from Ford advances our non-partisan message on this issue. From the bottom of page 4 to the end of page 8 is all excellent in terms of being very much on our message.

We should also consider bringing Ford in to meet with the President and Mrs. Clinton on health care before we announce the proposal.



REMARKS BY FORMER PRESIDENT GERALD R. FORD

AMERICANS FOR MEDICAL PROGRESS

MAY 18, 1993

It is a pleasure and privilege to honor one of America's great leaders of science.

Think back to when you were a kid. Polio was a scourge that terrified every family. During the last 14 years, there has not been a single case of polio reported in the United States thanks to the work of Albert Sabin. Dr. Sabin's effective oral vaccine made it possible to do mass immunization without the necessity for inoculation. Dr. Albert Sabin was truly a hero of science.

Today, we make heroes out of baseball stars, rock stars and movie stars...but never scientists!

Americans for Medical Progress created the Heroes of Science award to foster a better understanding of research and its impact on the American public, and to provide a vehicle for recognizing the scientists and researchers who have contributed so much to our health and well-being.

There have been tremendous strides made during the last 50 years in curing many of the diseases that used to ravage mankind, thanks to animal research and dedicated scientists.

Cures for rabies and smallpox would not have been discovered without animal research. Treatments which control diabetes and breakthroughs which may save victims of cystic fibrosis would not have been found. Today, to most people, diphtheria is just a word. Life saving organ transplants are almost routine and virtually no one dies from influenza.

Last year, 500,000 Americans underwent laparoscopic gallbladder surgery, returned home from the hospital in just one day and were back to work within a week. Surgeons tell us that this same operation performed before animal research made gallbladder laparoscopy a reality, required a five to seven day hospital stay and six to eight weeks of painful recovery at home.

Today, much of the quality of life that we enjoy is directly related to animal research and the dedicated scientists who continue to seek cures. Unfortunately, there are those who would curb the responsible and humane use of laboratory animals with the misguided idea that these animals have the same rights as humans. We cannot permit them to succeed.

Despite the tremendous gains researchers have achieved, Alzheimer's, cancer, diabetes, heart disease and the new scourge, AIDS, are still with us. If cures are to be found for the diseases that still afflict us, if America is to continue to lead the world in research, it is essential that we create an environment in which our young people perceive research as an exciting and rewarding career that will provide a fulfilling way of life.

Youths' paths to the future can often be influenced by an exposure to past events. As an illustration, I would like to share an anecdote about Dr. Sabin.

When Susan Paris, President of Americans for Medical Progress, met with Dr. Sabin she asked him if he had ever heard of the book, Microbe Hunters, by Paul De Kruif. Dr. Sabin replied that, not only had he heard of it, but after reading Paul De Kruif's book... that made heroes out of Louis Pasteur, Robert Koch and
Walter Reed, Dr. Sabin as a high school student, decided that he, to, wanted to become a microbe hunter.

It was this introduction to these great researchers that helped shape the future of one of America's greatest scientists.

There is no more fitting recipient or role model for our youngsters to emulate than Dr. Sabin.

If our children and grandchildren are to live free of the diseases that plague us today, we must energetically and proactively ensure that the cream of our bright young people go into research.

Tonight's tribute to Dr. Sabin is an important step in that direction.

Dr. Sabin's career exemplifies the best of the American health care system. The United States is at the forefront of medical research--and we have to make sure that as we consider how best to reform our system, we continue and increase our commitment to research that can help medicine help people.

But I am convinced that the time has come to make fundamental changes in the enormous, and enormously important, aggregation of organizations, rules, providers, patients, and payers we call--with less than complete accuracy--a system.

I've been around long enough to have some perspective on the problems of our health care system. Yes, I was in Congress when Medicare and Medicaid were enacted with the assumption that these programs would solve the health care problem. Now as I look back on more than forty years of sporadic political debate about fundamental health care reform, I think two lessons are clear.

The first is that in the health care system, as in health care itself, if you don't attend to problems early on, they tend to get worse--and more difficult to deal with.

The second is that we need to remember always that progress can be frustrated by the quest for perfection.

In the early 1970s, for example--the last time we seemed to have a good chance of achieving major reform--reformers in both parties couldn't agree on what strategy would be the very best and, as a result, didn't coalesce behind any one of them. If we had acted then, our health care system--and the people served by it--would be a lot better off today.

The cost crisis of our health care system is making it harder to grow our economy.

The cost crisis is making it harder for American firms to compete in world markets--against companies in Germany and Japan, where the per-employee cost of health coverage is less than half of what it is in the United States.

And the cost crisis is making it harder for millions of Americans to get coverage--because small businesses, pressed for capital, stop providing it and individuals are less able to afford to buy their own.

But cost is only one part of the health care crisis. There are two others.

It continues to astonish me that with all the money we spend on health care, 37 million Americans are still without health coverage--and many more have inadequate coverage.

And we must not forget that behind the currently uninsured and underinsured stand all those who worry that they too may lose all or most of their coverage. The polls show that the one thing that the public most wants from health care reform is the assurance that every American will always have coverage. We should not settle for reform that falls short of that.

The third issue that has to be front and center in the health care reform debate--and it's the issue that gets the least attention--is quality.

American politicians are fond of saying that Americans receive the best health care in the world--and some of us do. But the quality of care in this country is enormously variable.

I can't help but worry when studies find four - and five fold variations, from surgeon to surgeon and hospital to hospital, in death rates during heart bypass operations.

As we consider our options for reform, let's not forget quality--and the need to advance it.

We have our work cut out for us, those of us who hope to reform the health care system. But what effort could be more important than one that affects the lives and fortunes of all Americans?

I don't propose in these brief remarks to set out a detailed proposal for comprehensive health care reform. But I do want to put before you a few reflections on how we ought to think about, and debate, the options we have.

First, it's essential that we try to put partisan politics aside. Years ago, Senator Arthur Vandenberg, from Grand Rapids, Michigan, the home town of Betty and me, made an eloquent case for bipartisanship in foreign policy. Politics, he said, should end at the water's edge. As a Republican Senate leader he cooperated with President Truman in saving Western Europe with our post WWII Marshall Plan.

It's time to apply the Vandenberg principle to health care reform: Politics should end at the hospital door.

I urge my former colleagues in Congress, Republicans and Democrats alike, to work together, not against each other, on health care. I urge the new President and his Administration to work with members in both parties.

Who in Congress really wants gridlock to keep children from getting health care when they need it?

Who in Congress really wants gridlock to kill our chances of getting health care costs under control?

Who in Congress really wants gridlock to stand in the way of improving the care that Americans receive?

I hope that political leaders in Washington will prove to the country that, in the spirit of Senator Vandenberg's famous principle, they can once again put politics aside in the national interest.

Second, we need to have a no-fault debate. It makes no sense to waste time and energy arguing over whom to blame for the problems of our health care system. It makes no sense to generate antagonism when what we need is cooperation.

Third, we need to act as though we face a genuine crisis, because we do. That means coming together soon behind a reform strategy.

Reform has to take on all three aspects of the crisis--cost, access, and quality--because we can't solve any one of these problems without tending to the other two.

If we put all our emphasis on cost control, quality and access will suffer. If we focus just on making sure that everyone has health coverage, costs will soar and quality will erode. If we do nothing but improve the quality of care, fewer and fewer people will have access to more and more expensive services.

We need to be prudent. The stakes are too high to put all our faith in an untested theory or model. Reform should be built on and around mechanisms and ideas that have been used, and proven effective, in the real world.

Can we do all this--work together in a bipartisan manner, focus on solutions instead of the allocation of blame, develop a plan that will make a difference soon, take on all three pieces of the health care crisis, and be sensible and prudent in the pursuit of reform?

I believe we can, and I'll tell you why.

For the past three years, I have been Honorary Co-Chairman, along with former President Jimmy Carter, of a group called the National Leadership Coalition for Health Care Reform. The Coalition is the largest alliance on these issues in the country--and, I suspect, the most diverse.

It includes

* scores of major businesses.
* large labor organizations.
* consumer groups.
* and provider groups.

Three years ago, when these organizations came together to try to develop a health care reform strategy jointly, it wasn't obvious that they would succeed.

But they agreed to operate in a rigorously non-partisan--indeed, a-political--manner, they agreed to deliberate in a no-fault environment, and, in the end, they agreed on a plan.

The Coalition's proposed reform strategy is different than what any one member of the group might have developed unilaterally. But that is one of chief virtues: It is a tough, comprehensive plan that has the support of an extraordinary diverse alliance of organizations. No other plan, at least at this stage, does.

I commend the proposal to you. It deals head-on with all of the major issues. It includes tough cost controls, it would guarantee health coverage to every American within three years of passage, and it calls for major research initiatives to improve the quality of care. It incorporates mechanisms that have proven effective in real-world trials.

In the final analysis, America needs a health care reform strategy that is moderate in everything but impact.

I hope that our political leaders--and our society--will close ranks on health care.

The White House promises its proposal soon. The Congress, as a co-equal branch, must then respond with Committee hearings, floor debate and action in the House and Senate. All viewpoints must be considered, but a responsible consensus is mandatory. On this issue, as on foreign policy, we have a better chance of success if we stand together and work together. I trust we will.