HRC REMARKS

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 15, 1994

An Address by the First Lady
at Washington University
St. Louis, MO

Thank you. Thank you very much. I am just thrilled to be here. Some of you may remember that this is where one of the debates during the presidential campaign was held, and I can remember walking in the door I walked in a few minutes ago, filled with a lot of anxiety and trepidation over that upcoming debate. And I am so glad to be back, with only a little less anxiety and trepidation, never dreaming we would have so many people here.

I was frankly relieved when the invitation came and they said, "But, you know it is during spring break." So I thought, "Well, gee, you know, I could sit down and talk with a few people about health care here at Washington University, in St. Louis."

But it is a real pleasure to be here and to have this opportunity, because this university and this community, and particularly the health care center that I just visited, is a symbol of excellence around the country. And I want to salute one of the people who has made that possible over the last years, your Chancellor, Chancellor Danforth. (Applause.)

I know that you will miss him as he retires. I only wish I could have been one of the lucky people who heard him read a bedtime story over the past years. It is such a good idea I am going to suggest that maybe the President try it with some people in Washington. (Applause.)

I also want to thank Dean Peck for opening up his campus, for giving me the tour, and for having some of the representatives of this extraordinary medical system spend about an hour with me as we talked through issues of concern and importance to academic health centers.

I want to thank the representatives of the students who made the presentation. You will see the sweatshirt, if not on the front page of the newspaper at least on either me or my husband as we

attempt to get the exercise that I now know for sure, having been to the rehab unit, will make me live longer if I really do it. (Applause.)

And I want to join all of you in wishing the Bears great luck in this upcoming championship game. And I will be rooting for you and watching you as you go forward. (Applause.)

I am also grateful to know that the Hot Docs are not a group of angry physicians (Laughter), but instead a jazz band, and I only heard a little bit because we were waiting to come in, but I want to thank them especially for being here and playing, and for the CDs, which I will take home and give with great delight to my husband.

It is exciting for me to have a chance to visit with you for a few minutes about what is happening with health care reform, and what the real attempt that the President is making would mean to you and the various constituencies of people represented here. Because, this is an historic opportunity.

You know health care reform in our country goes back a number of decades. Some have argued that the very first proposal actually was made by Theodore Roosevelt, as part of his platform when he first ran for President and then renewed it when he ran again. But we certainly know that Franklin Roosevelt talked about it being the other part of social security. And your own President Harry Truman was one of the most passionate advocates on behalf of health care reform.

I have gone back and read the speeches that President Truman gave in 1945, and 1946, and 1974. They could be made today. He identified the problem which, as the Chancellor has said, is how do we provide high quality health care to all Americans at an affordable cost. And Truman argued passionately, but unsuccessfully, that the country should move toward providing guaranteed health coverage to all of our people.

And then, of course, we had the changes in the 1960s, to provide Medicare for Americans over 65, and to provide Medicaid for people who were too poor to provide for themselves. And then President Nixon recommended comprehensive health care that was built on the employer based system, the system by which most of us who are insured receive our insurance benefits.

We have tried to address this issue many times in the past under presidential leadership of both Democrats and Republicans, but we have never been able finally to resolve what has to be one of the most important questions for any society: How do we fairly allocate our health care resources so that every citizen is guaranteed that their health care needs will be met?

This time this historic opportunity is calling us. How can we, as the richest country in the world, be the only one of our industrialized competitors who have not figured out how to provide health care to every one of its citizens?

This time we have enough support in the medical community which recognizes what the needs are; enough support in the business community which primarily pays the bills; enough support from leaders like your mayor who is here with us, and state governments around the country who also bear a huge part of the economic burden; and enough support in Congress and a President who wants to get the job done. So this could not be a more timely meeting for me to give you some sense of exactly what the President's approach would mean in your lives.

There are five major features to the President's proposal for health care reform. The first is guaranteed private insurance for every American, with comprehensive benefits that stress primary and preventive health care, as well as care for our most acute medical needs.

The President has not proposed a government health care system. He has proposed building on the public private system we have in our country today, but making sure that we guarantee private health insurance to all of us.

The second major point is to eliminate insurance practices that discriminate against Americans. And there are a number of those. Some Americans are unable to obtain insurance at any price, because of what are called pre-existing conditions.

Most American with pre-existing conditions -- and there are over eighty million of us -- we can get insurance but at a very high price. And so what the President wants to do is eliminate pre-existing conditions so that all of us, no matter whether we have ever been sick before or have any kind of ailment, will be eligible for insurance at an affordable price. That is one of the keys of the President's approach. (Applause.)

And I would add, in this great university with its extraordinary medical system, that it is especially important we do that sooner instead of later; because, I was recently at the National Institutes of Health with the new head of that institute, Dr. Harold Varmus -- who some of you may know is a Nobel Prize winner in science, and he was explaining, along with his colleagues, that at the rate by which we are learning about the human gene system every year, we are discovering the genes that we believe are responsible for a number of medical conditions, that pretty soon all of us will know we have pre-

existing conditions because of our genetic makeup. So if we do not reform the insurance industry very soon none of us will be eligible for insurance, because our gene makeup will make us ineligible. (Applause.)

There is another insurance practice that the President wants eliminated, and that is what is called life-time limits. If you read the fine print in most insurance policies you will discover that after you have reached a certain level of insurance coverage you are no longer eligible under your policy for further reimbursement.

Some policies have life-time limits as low as fifty-thousand dollars, others as high as a million dollars, but those limits come into effect when you need your insurance the most. I have sat and talked with families who often to their surprise discover in the midst of a medical emergency their insurance has run out because they have reached their limit.

The President wants to eliminate life-time limits. There is no reason you should be worrying about your coverage when you need it most in your lives. (Applause.)

And the third practice that the President's proposal eliminates is discriminating against older people, in favor of younger people. Now if you are young, as many of our students are today, that may seem like a good deal, that insurance would be much cheaper for you at twenty-five than at fifty-five. The problem is most of you will be fifty-five some day, and in the present system the cost of caring for young people is so much less that many insurance companies want only to insure healthy young people, often leaving older people out of the insurance market all together. So that is another discriminatory practice that the President's proposal would eliminate.

So we will do away with pre-existing conditions, life time limits, and age discrimination. (Applause.) All of which will make insurance more affordable for everyone. (Applause.)

The third point is that the President's approach guarantees choice of doctor and choice of health plan. This has been an issue that has probably received more misinformation than any other. Because, in the current market place, there is a lot of confusion about what kinds of choice will be available to you as a consumer.

In fact, as we are here today, choice is diminishing for most Americans. Americans are being told by their employers, who buy their insurance for them, by their insurance companies if they buy directly, what doctors they can see and what hospitals they can use.

In my discussion earlier today, I talked with a

representative of the children's hospital here, because most children's hospitals that I have visited throughout the country are finding the same thing: that more and more insurance policies are eliminating them from being available for use by patients. Why? Because the childrens' hospitals, which see very sick children, chronically ill children, are expensive. They have to be in order to have the concentration of specialists and technology necessary. So many insurance policies are saying you cannot choose to go to a childrens hospital, just as they are saying you cannot choose to go to a university hospital, or an academic health center because they are more expensive. They have to be more expensive because of the services they offer.

But under the current way health care is both being organized and developing, fewer and fewer Americans are being given choice. That choice is made by somebody else, for you. Under the President's approach you will choose your health plan. Not your employer, not your insurance company, and not a government bureaucrat. It will be your choice, and you will make it every year. And what will be guaranteed is that in your area, all of the physicians will be able to join the health plans that they choose to join, so you will be able to choose among them.

Additionally, every health plan will be required to offer what is called a "point of service" option. In other words, if you are in a health plan and you develop a problem where the specialist is in another health plan, you will be permitted to go to that other health plan.

The real danger for choice is the status quo, because if we do not reform our system more and more of you will be told you cannot use a certain doctor, you cannot use a certain hospital. It is the President's approach that guarantees your freedom of choice for a doctor and health plan, and if you value that, you need to support this reform. (Applause.)

The fourth important point is that the President's approach preserves and improves Medicare for Americans over the age of 65. The Medicare program has been a godsend for older Americans, who when it was passed in the 1960s they were often the poorest of all Americans, often deprived opportunities for health care for financial reasons. Medicare has provided a base level of medical care for our older Americans.

But there are two features that most people I talk with say are missing, that will be included in the President's approach. The first is prescription drug costs which are often much too high for older Americans, on fixed incomes, to be able to afford. And what we find is that many older Americans do not take their prescriptions, do not get them refilled, often end up being hospitalized because they

could not maintain themselves on the medication. Medicare pays for the hospitalization; we think it is time Medicare starts paying for prescription drug coverage for older Americans too. (Applause.)

And the second big problem for older Americans in the Medicare program is there is not support for alternatives to nursing home care. We do not help people who want to keep their relatives in their own home. We want to start providing long term care options, so that families will be able to take care of their own relatives, they will not be forced to put their family members in nursing homes if they can take care of them at home with a little bit of help. It is the right thing to do, but it is also the economically smart decision to make.

Nursing homes are very expensive. Providing a home health aide, providing adult day care, giving some respite care to the full-time caretaker of an Alzheimer's patient, that is all much cheaper than putting the person in a nursing home. So let's start giving alternatives that will enable older people to live with dignity, and not make the nursing home the only place that we take care of older people with medical problems. (Applause.)

And the fifth point that I want to stress is that Americans will be guaranteed their health care coverage through their place of employment, the way most of us get our insurance today.

If you believe, as the President does and as I do, that we need to guarantee health care coverage to every American, because until every one is covered none of us is secure. And let me just stress that. Every one of us in this room, with the exception of those of you who already are eligible for Medicare, cannot know that this time next month, or next year you will be insurable at the same rate, for the same services that you are today. None of us under the age of 65 has that security.

If you believe, as we do, that all of us should 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. (Applause.) 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 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.

So guaranteed private insurance, eliminating unfair insurance practices, guaranteeing choice of doctor and health plan, preserving and improving Medicare, and guaranteeing insurance at the work place through shared responsibility by employers and employees, those are the major points of the President's plan.

An additional point, I would add because of where we are, is the awareness that the President has, of the important work done by the academic health centers; the research that is done, the application of that research through clinical practice; the education and training of physicians, nurses, and other allied personnel.

This system that we have built up has features that have to be strengthened and protected, and in the President's approach there will be guaranteed funding for academic health centers, because of the important functions they perform for the entire system.

And there will be a requirement that health plans contract with those health centers, so that those health centers will not be eliminated from the provision of health care in an effort to control costs, but will become the centers of excellence so that we will have places in every region where only the services that can be provided at that level of complexity will be available. So we want to preserve and strengthen our academic health centers.

Now this debate, as we move forward, will be filled with all kinds of arguments, and many of them will be engaged in in very good faith, by people who see the problem and know that it has to be solved but have different points of view. That is what the Congressional process is for. And I am very encouraged when I see the kind of work that is going on now in the Congress, often behind the scenes, in the Committees and the Sub-Committees, where Republicans and Democrats of good faith working toward solutions are coming together to

hammer out differences.

But there will always be extremes in these debates, and there will always be interest groups who, frankly, have profited from the status quo and do not want reform to occur. It will be our task, as citizens, to keep the debate as honest as possible, to ask the hard questions, to say how will this affect me? Me as a mother, me as a patient, me as a physician, me as a nurse. How will this change make our health care system work better?

I am very optimistic about where we are in this debate, because I do believe that there are enough people in the country who understand what is at stake. But it has to be a debate in which you are engaged. And I would ask you to follow it closely, to ask what the motive or the agenda of the person speaking is, so you can cut through the rhetoric to try to find out what is really being advocated, to follow it closely in the Congress, to stay in touch with your members of Congress, to give them the benefit of your thinking.

Because, this is not just a debate about how we are going to finance health care. It is bigger than that. It is a debate about what kind of a country we are and intend to be.

In the meeting I was just in there was a medical student who said she had worked in a clinic last summer, where she had taken care of a lot of people who were falling through the cracks, homeless people, runaway teenagers, undocumented workers, the recently unemployed, and she wanted to know what would happen to those people. That is one of the right questions.

Yesterday in Denver, I visited a National Guard unit that was set up in one of the poorest, toughest sections of Denver. We are finally using our National Guard resources for taking care of our own people in situations other than disasters, and I wanted to see it firsthand. And I was led through with a lot of very exciting news from the people who were with me, the doctors and the nurses, about what they had seen in just a week, the people who had flooded in seeking help.

And while I was there, I met a man who got a pair of glasses for the first time in years. I met a young Downs syndrome boy who is 10 years old. He was there with his grandmother, they had just lost their Medicaid card, they were no longer eligible under some change in rules, and she had brought him to the only place that she thought he could get medical care, a National Guard MASH unit.

I visited with the doctors and nurses who were so pleased to be here answering the unmet health needs.

This is not just about those people, but it is about how we treat them and how we think about them, and at bottom, it is about us. If we move through this next year and think about the people who you know, and who you see and you hear about, and if you know that, fortunately, there, but for the grace of God, often go any of us. None of us can predict the state of our health, no one knows when the accident may occur. Then we will ask the right questions, how will we take care of each other? How will be better use our resources? How will we build on what is the finest health care system in the world? By fixing the financing system that is distorting it.

And what I hope is at the end of this debate I can go back to the literally hundreds and hundreds of Americans who have shared their stories with me, who have told me what it feels like to be the mother of a chronically ill child whose insurance runs out, or to be a small business owner who can't afford insurance and has to tell her son not to go out for sports this year because she is afraid he might get hurt, or the woman whose husband could afford insurance for himself and their four children but didn't insure her because he couldn't afford it, and she got pregnant again and now she wonders whether she can afford anesthetic when she gives birth because it would be the equivalent of a house payment for them. Or the woman who had a breast exam and they found a lump, and she was referred to someone and was told that because she didn't have insurance they wouldn't biopsy it, they would just watch it.

I have so many stories, it is like a movie in my head, the people who I see -- and I want to be able to go back to them, I want to go back to this medical student I talked to today, and tell her and tell them we have now provided health care coverage for every American, and we have taken a step toward becoming the nation we should be.

(Applause.)

MR. PECK: Thanks to the First Lady for an inspiring address, and thank you all for coming. (Applause.)

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FIRST LADY HILLARY RODHAM CLINTON
APPEARANCE BEFORE THE HOUSE ENERGY AND COMMERCE COMMITTEE
SEPTEMBER 28, 1993

TALKING POINTS -- DRAFT

INTRODUCTION

Mr. Chairman and Members of the Committee, it's an honor to be here. Mr. Chairman, I would like to thank you for the time, energy and good counsel you have given me on many issues -- but particularly health care -- in the past eight months.

Mr. Chairman, 50 years ago your father introduced the Dingell-Murray-Wagner bill -- the first national health insurance legislation ever put before Congress.

Your father understood the importance of providing health security for all Americans. He fought vigorously to keep the idea alive in Congress for 15 years. You have continued his fight by introducing similar legislation in every session since you succeeded your father in the House.

You both proved to be men ahead of your time. Although parts of your father's bill have been incorporated into subsequent reform efforts -- such as Medicare and Medicaid -- we have yet to fulfill your father's dream of comprehensive health care for all Americans.

HISTORY OF HEALTH CARE REFORM

Health care reform is not a new idea, not a revolutionary concept. But while most Americans favor reform, our government has failed to make much progress when it comes to providing health security for every citizen. Sadly, health reform in this country is less a story of American can-doism than a story of procrastination, parochialism, and greed.

Thomas Jefferson was the first President to talk about the importance of individual health ~~[illegible]~~.

Franklin Roosevelt hoped that health security would be the other half of Social Security system. But political realities forced him to discard that dream, and the result was ongoing insecurity for millions of hard-working Americans.

When Harry Truman campaigned for a comprehensive health program in 1945, he told Congress that "millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or

security against the economic effects of sickness." But Truman's pleas for health security fell victim to the politics of the day and scares about "socialized medicine."

Dwight Eisenhower came before Congress in 1955 and said that health insurance could be improved "by expanding the scope of the benefits provided." John F. Kennedy proposed expanding coverage to the elderly and mentally ill. By the early 1960s, two more Presidents had watched their hopes of health security get stalled by outside interest groups and partisan bickering in Congress.

Then came Lyndon Johnson, Richard Nixon, and Jimmy Carter. They, too, envisioned reforms that would give Americans more health security. But, like their predecessors, their efforts got nowhere.

THIS IS AN HISTORIC OPPORTUNITY TO ACHIEVE REAL REFORM

So here we are in 1993 -- 50 years after your father introduced legislation -- still wrestling with many of the same issues and same problems. The difference is that today -- and I'm sure your father would have predicted this -- the problems are far worse.

Now is our chance to beat the historical odds and give the American people the health security they need and deserve.

The President's plan may not satisfy every one of your prescriptions for change. But let me assure you that, for the millions who are uninsured, or underinsured, or on Medicaid, his plan represents a far better option than what exists today.

For the past 12 years, this committee has fought to extend health care benefits to every American. For years, this committee has tried to root out fraud and abuse in the health care system. For years, this committee has been ahead of its time.

Now, your time has come. I hope you will help us pass health reform legislation so that we can control health care costs and provide every American with affordable, high-quality medical care. I hope that, during this session of Congress, we will finally give Chairman Dingell's father the tribute he deserves.

Thank you very much.

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THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript September 10, 1993

REMARKS BY THE FIRST LADY
AT STATE LEGISLATIVE CONFERENCE

George Washington University
Washington, D.C.

MRS. CLINTON: Thank you very much. Those of you who have not previously been acquainted with President Bolger, I hope now you know why he is the longest-serving President of the Senate of the Commonwealth of Massachusetts.

I am grateful for this invitation from the University and the Foundation, and particularly pleased to see not only legislative leaders from all over the country, but students and others associated with this university which has a particular emphasis on health care reform and whose faculty has been very helpful to us in the process of the last months in working our way through the many difficult challenges posed by the requirement the President imposed upon us, which is to come forward with a plan that could serve as the basis for making it possible to say in this country that we did provide health care to every American in an affordable way that guaranteed quality now and into the future.

This has been an extraordinary process. And it has involved literally thousands of people, not only those here in Washington, but from throughout the country -- those who minister on the front lines of health care, in our hospitals, our hospices, doctors and nurses and technicians; those are who the recipients of care, the patients, with all of the myriad of problems that we have come to recognize; those who have preexisting conditions for whom insurance is either impossible or out of reach financially; those who want to take more responsibility for themselves, but find it very difficult to figure out how in a system that doesn't stress or even require responsibility from all of its citizens.

We have talked with legislative leaders and governors in every state through your representatives and in person. We have

talked with businesses, those who provide insurance; those who are worried that they will no longer be able to do so because of the costs imposed; those who have had to drop it; those who see their employees suffering under the extraordinary financial and psychological burdens of facing health care problems without any financial security.

I have traveled throughout our country. I have sat and talked with men and women who have worked hard for a living for years and years often for the same company, and yet cannot find their way into the insurance market. I have talked with physicians who treat our most vulnerable populations and who tell me repeatedly that a sensible health care policy would not only be humane and moral, but economically significant because we could prevent problems before they deteriorated.

You all know the stories that are legion that have brought us to this point. And what I hope we will do as a nation in the next months is not just to continue talking and wringing our hands, sharing the anecdotes, worrying over the future, but to roll up our sleeves and together solve the problems posed by a country that spends more money on health care than any other in the world yet does not provide quality, affordable health care easily accessible to all of its citizens. That is the framework into which I hope we will move the debate.

I have been gratified by the outpouring of involvement from people in all walks of life and all political persuasions. In my consultations that have gone on repeatedly since last February on the Hill, I have found an extraordinary range of interest and support from both Democrats and Republicans. And I am particularly grateful for those members of Congress in both parties who have moved beyond rhetoric on this issue, who have been willing to get into the very difficult detailed analysis necessary for us to make the right choices.

Let me start today by outlining for you what we view as those principles that we wish to retain and stand upon as we move forward into the final details of the blueprint that the President will be presenting and what will be guiding the administration in its continuing negotiation with members of Congress and others who are dedicated to achieving the kind of result that I think all of us would like knowing how difficult that will be to do.

We intend to stand by six basic principles. First, security. Every American should have health security regardless of where he or she works, whether or not he or she has ever been sick before. Regardless of any circumstance, that person should know that they are entitled to having their health care needs met. That

requires that we achieve universal coverage in America, not just universal access with continuing financial barriers, but coverage that actually will result in access being realistically available to every American.

Now when I talk about health security, I am not merely talking about those nearly 40 million Americans who currently are uninsured. That is a significant issue that has to be addressed. Most of those Americans who are currently uninsured, 85 to 90 percent are workers and their families. Those are the people that I met in places like New Orleans, who had worked often 15, 18, 25 years for a firm; and at the end of that length of employment were making $15,000, $18,000 a year; could not afford in the current marketplace health insurance and yet had health problems that were often then either unaddressed until they deteriorated or which left us paying the bill because services would be delivered, but there was no insurance and the people were not eligible for public financing so the costs were shifted onto us.

In addition to those nearly 40 million uninsured, there is a significant portion of the population that is underinsured -- insurance policies that don't pay for primary and preventive health care -- a very pennywise and pound foolish approach to health care. Why don't we pay for the well child physical exam, for the mammogram, for the pap smear instead of paying for the operation or the chronic debilitating condition? If we can shift our focus to primary and preventive health care while we provide security, we will not only be taking care of health problems earlier, we will be saving money.

I will never forget sitting down, talking to a woman who was a bookkeeper for this company in New Orleans, who said, "I try to be a responsible person. I go every year for a physical exam. I pay for it out of my own pocket. This past year I was told by my doctor that he found a lump. I paid for the mammogram. I was referred to a surgeon. The surgeon said to me, if you had insurance, I would biopsy it; but since you don't, we will watch it.

Imagine how you would feel if that happened to you or someone in your family. But imagine further what will happen when that woman, if she does, God forbid, develop cancer, does get the treatment that even the uninsured get, and we pay for it instead of paying for something easier for her psychologically and physically that will save us all money.

But security is also not just about the uninsured and the underinsured. Security really is about all of us. Any one of us who is currently insured cannot predict how much that insurance will cost next year. We cannot predict if we are employed and the employer pays some or all of our insurance, even whether that

employer will continue to do so; whether that employer will be in business; whether I will be laid off. There is no security even for the insured in this system. So when we talk about security, we are talking about making sure we provide health care that is always there for every American. That has to be a bedrock principle. And the sooner we can achieve that, the more we will be able to control the costs in the entire system.

Now security also means that every American should have access to a guaranteed benefits package that sets forth what they are entitled to with respect to health care. And it is our very strong belief that benefits package should emphasize primary and preventive health care. We are very committed to that. We want people to seek care earlier to get problems taken care of more cheaply. We want more physicians and nurses and others providing primary care instead of taking care of conditions that can only be treated by more expensive specialty care.

Second, we want a simpler system. You know, I have heard many discussions about how complex reform will be. I sat down a few months ago and tried to write out what our current system is. Try that sometime. Sit down and try to write out what is America's health care system right now. Describe who gets what benefits under what circumstances and what insurance markets according to what underwriting practices, who gets financial help from the government and who doesn't. Just write it out. And if you can write it out and think you've totally described our system, please send it to me, because our current system is a nonsystem. We do not have one that can be described in any simple term to anybody. We have a patchwork that has grown up kind of willy-nilly over the decades and which has gotten increasingly more difficult for people to understand.

I won't embarrass anybody by doing this, except myself, to say how many of you have every actually sat down and read every word in your insurance policy when you signed up for health care? Very few people do. This is a system that has gotten out of control for the average American. We want a simpler system that people can understand. And it is not only going to be simpler to understand, it must be simpler to administer. There is no reason why this country should be spending the amount of money we currently do on administering a system that not one of us can adequately describe.

If we take seriously simplicity, then what we want to do is to take our existing system, which does provide health care now for most Americans, although without the security that I think should be there, and we want to begin to take away from it the complexity and the insecurity, but to keep what is good about it, the best health care in the world, if you can get there and pay for it. We all know that. But what we want to be able to say to Americans is,

this system is an American solution to an American problem.

We intend for you to continue to pay premiums for insurance and we intend for you to choose your health plan, but we will make you better informed consumers in this simpler system. And we will cut from it the kind of administrative costs that only add to our financial burdens in providing health care.

Third, we want choice for consumers. We want individuals to be able to choose, to make an informed choice about the health plan they intend to be part of. What we currently have in this non-system that we are all laboring with is an increasing trend toward limiting choice. Employers make the choice for most individuals in insurance plans that are employer/employee based. Employers are being driven more and more into making those choices based on bottom line considerations. Individuals, whether they have first dollar coverage or make some contribution, have no stake in making cost-conscience informed choices.

In the system that we are proposing, there will be large purchasing units that will be available for the premiums to be paid into. Health plans will be bidding for the right to sell their health services to individuals. Each individual, not the employer, but the individual, each year, will choose from among the health plans in his or her region. So I, as a consumer, will be able each year to decide do I want the HMO. Granted, it will be cheaper for me. They can deliver health care more cheaply in this model. Or do I want a PPO, or do I want the fee for service network that will be mandated to be available in every region. Or maybe an as-yet undeveloped form of delivering health care because we want the market to help create new and efficient ways of delivering health care.

And then the next year, suppose I enrolled in one group, and I decide that for whatever reason I'm not satisfied, then I, not the employer, not the government, I make the choice to move elsewhere. There will be some financial considerations that I will take into account, that I will decide whether I wish to spend more of my share of the 20 percent premium on the cheaper, the average, the more expensive form, but that will not be a choice dictated by anybody else. It will be made by the individual on his or her experience. And over years we will begin to have consumers who know about health care and take responsibility for it because of choice being theirs to make.

Fourth, there will be and will have to be savings in this system that can be better utilized. This is one of the most misunderstood aspects of health care in America right now. We are currently spending around $900-plus billion. That translates, for all you policy wonks, into about 14 percent of our Gross Domestic

Product. There isn't any other country even close. The closest is Canada with about nine percent. Most of our other industrialized competitors are between eight and nine percent. They deal with cost pressures. They deal with technology and demands from populations. But they have a better base from which to make those decisions because they are not already spending so much money in such a disorganized way.

If we do nothing, if we just throw up our hands and say oh my gosh, good try, but just like Franklin Roosevelt and Harry Truman and Lyndon Johnson and Richard Nixon and everybody else, we just can't deal with this problem, it's just too much for us, then we can look forward to spending increasing amounts of our out of pocket wages on health care. We can look forward to having 20 percent of our Gross Domestic Product by around the year 2000 being spent on health care without insuring one more person, without assuring security, without changing the system toward primary and preventive health care. The status quo in this instance is not static.

Now what do we do with the amount of money that we currently spend? Well, we spend some of it from state and federal government revenues for Medicaid and Medicare and additional services that the government provides. We spend some from the employer/employee contributions that make up the bulk of the financing. But much of that money goes to propping up an inefficient system. We believe that there is the capacity to reallocate the money in both the public and the private sector in efficient ways that will enable us to reach universal coverage and do so more cost effectively.

Now many of you have read in the newspaper in the last few days that we believe there are additional savings to be realized in both the public and the private sector. We do believe that. In both the Medicaid and the Medicare systems; even after budget reconciliation, the rate of growth in both of those systems was 16 and 11 percent, respectively.

Now if you are continuing to grow a public program at 11 percent, when your population, particularly your elderly population, is not growing that fast on an annual basis; when it is far above our current rate of inflation; and even allowing for differentials and the cost of delivering services, that is an enormous amount of money on a very large base. We think in both the public systems, you can reduce the rate of growth. We are not talking about cuts. We are talking about reducing the rate of growth to inflation plus, population, plus some give.

But even cutting that in half, from 11 to 5.5. percent to 6 percent, when we are also in the benefits package we are

proposing, adding prescription drugs for the population, including the Medicare population; adding a long term care commitment, so that we can begin to build up a home-based and community-based infrastructure that will roughly relate to the amount of money by which we are reducing the rate in the growth of those programs, that seems to us to be a more efficient way and frankly a better deal for the recipients of those programs because there is savings to be realized in there.

You've heard a lot of talk, a lot of loose talk frankly, about capping entitlements for deficit reduction. But if all one did were to cap entitlements in Medicaid and Medicare for deficit reduction without doing something about the whole system, particularly what happens in the private sector, you would have an explosion of cost shifting in the private sector put on the backs of the states, local governments, and employers, which will further increase in security because those costs cannot be handled. So what we are advocating is reducing the rate of growth using most of that to provide new benefits and at the same time beginning to provide some budgetary framework for the private sector as well.

Now those are not easy concepts, I grant you that. But stop and think about how much money we are already spending, about our public system's growing at 11 and 16 percent a year with very little understanding of how we can better utilize that money.

I was home in Arkansas a few weeks ago and a friend of mine who is an opthamologist came to see me and he brought with him two bills. And he said, you know, I've been following what you've been doing and I'm very committed to it because I have become more cost conscious; and I understand now what the President has been saying all these years about the need to get savings out of the current system that can be better utilized. Those two bills were for the same procedure that he performed on two different patients, using his nurses, at two different hospitals in Arkansas, 10 miles apart, neither of them a teaching hospital, neither of them having any particularly special needs for larger reimbursements than others. But even saying that one did, the difference in the hospital bill to his two patients was $1,400. One patient was billed about $900, the other was billed $2,300.

He laid those bills in front of me and he said, "I performed the surgery; I brought my nurses; I prescribed the same kind of surgical supplies; I had the same procedures run. He said, I've looked closely; there might be a little difference -- maybe $100 or so difference -- but there is no way to account for this discrepancy in the service that was given to the patient. Medicare and the secondary carrier paid both without a question.

Now, in the public and private systems there has to be some budgetary framework. But we cannot -- and let me repeat -- we cannot just reduce the rate of growth in Medicaid and Medicare and expect to have a system that will perform efficiently. What we are proposing is that we set a capitated rate in states and regions within states, and we permit the private sector, through the market, to bid on these health plans. There may be some variation between plans because the cost starting out may be higher in one region than another. And what we do then is to have a budget as a cap or a discipline over the private sector that will not have to even be invoked or enforced if the market works the way we all believe it should.

Those of you from Florida know that in the recent bidding in the health care plans that are being set up in Florida on regional basis, the bids came in considerably below what the prognosticators had predicted. We think that is the way to keep these two systems in balance. So the savings that will be realized from budgeting both systems and from beginning to squeeze out the administrative costs, being much tougher on waste and fraud and abuse, being able to find that out -- right now there are so few incentives for providers to turn in what they consider to be practices that should be stopped. Now, in a budgeted system there will be every incentive to be more efficient and to keep an eye on what the bills are, because it will all come out of the same pool. And people will have to make more realistic allocations of how they deliver health care.

Fifth quality: You cannot have a reform system that does not not only provide for but require quality standards and quality outcomes. That is a statement that I think everybody would agree with, but we need better ways of making it happen. We need better information.

I have been particularly impressed by what some of the states have done in collecting information about quality outcomes. A couple of states have for the last several years gone into their hospitals and collected information about procedures and then compared outcomes.

And the most striking conclusion to me from several of those states is that if you take a procedure, take a coronary bypass, it will be charged to the patient, and therefore either to the insurer or to the public sector, at a range that is literally thousands and tens of thousands of dollars. You might have a coronary bypass in one hospital in a state costing $20,000, and a hospital down the road or across the state costing $60,000.

And when outcomes have been carefully compared, the more

expensive operation doesn't necessarily have the better outcome. But if there is no budget, if there is no incentive to make good decisions about how procedures like that can be performed at high quality with good outcomes, more cost effectively, why should the second hospital worry whether they charge $60,000? Or in the case that my friend in Arkansas, $2,300.

Quality has to be the key to everything we do. We have to ask ourselves, will this be good for patients? Will this be good for physicians, nurses? Will this make quality better? I will not want a health plan that you can't answer that question in affirmatively. The federal government and the state government will have to take more responsibility for collecting information about quality and for disseminating it, so that both physicians, hospitals, providers, patients, all of us know so we can make more informed choices.

I'm very excited about some of the proposals that we will have for quality because the kind of quality we're talking about will change the way we practice medicine and how we take responsibility for ourselves.

And that is the sixth principle: responsibility. We want everybody to take responsibility for their own health. That means we want everybody in the system contributing to it. We have looked at a number of ways of financing this system. There aren't any real secrets, there are only a couple of different ways of going about doing it. We could move toward a single payer system where the government would raise taxes to replace the private sector investments and take over the financing of health care. There are a lot of qualities about single payer systems that are important: universal coverage, administrative simplification, provable savings, that we think we can get in our plan, as well.

But it seems both substantively and politically hard to imagine that we would replace all the money that's currently in the system and create a government funded one. And so for a number of reasons, that is not the way the President chooses to go.

There are also variations on individual responsibility, where individuals are required to buy health insurance, whether it's through a Medisave or an IRA or some other approach. And we've had a lot of very constructive conversations with those members of Congress who believe that that is the route to go. We have some differences in how that would work, and we are continuing to discuss and consult with them. But our fear is that if we only had an individual mandate, like auto insurance in some of your states, there would be two adverse consequences that we can't figure out how to get around.

The first would be that for many people for whom insurance is currently unaffordable, the fact that they would be individually mandated to do so will not make them go out and do it. And even with subsidies, which is part of, at least, one of the plans that is proposing this, it's difficult to know exactly how we would get the subsidy level at the right point in order to support that kind of individual requirement.

The second problem, and one that deeply troubles me, is that in an individual mandate, all those employers who are currently providing insurance would no longer feel compelled to do so. So at what level would we see an increase in the uninsured? Because if you're out there providing insurance now and we pass an individual mandate, how do we prevent people from shedding employees off of their health insurance or never offering it in the first place? And then how do we subsidize increasing numbers of people who would be thrown into the marketplace?

Those are difficulties we have that we don't quite see how to get around in order to get to universal coverage, which we think is essential.

The third way, in general, is to build on the system that we have, an employer-employee based system in which everyone is responsible for contributing. Right now we have a lot of free riders. You can walk down the main street in any town in any of your states, and you can go to the business that is providing insurance in whatever degree it's providing it, and next door, the one that isn't. But when the employees of the second store get sick the ambulance comes for them, the hospital takes them in, the doctor comes to their bedside, the nurse provides the therapy that's required, and then they walk out of the hospital. And maybe they can pay something, and maybe they leave a big bill that they get sued over. But the bottom line is that there is more uncompensated care in that hospital, which then gets shifted to the rest of us who pay, and then gets picked up by the public sector in some way as well.

It's just fundamentally unfair that some businesses have borne the burden for the health care system and others haven't. Now having said that, we need a system that is fair. We need a system in which everybody takes responsibility, everybody makes a contribution, but they do it in an affordable way. And what we believe should be done is that low wage workers and small firms should be subsidized so that they are able to purchase insurance in a reformed insurance market. You can't put them out there in the market as it is now and say, go get it; they couldn't afford it. But where we have large purchasing alliances, they will be able to afford it. And they will therefore make their contribution.

We also believe people on Medicaid and Medicare who work should make a contribution. We think everybody needs to know that their health care is their responsibility. But if we establish a system in which we protect small business you will see two things happen. For most large businesses who have borne the cost of health insurance in many regions of the country, their costs will drop dramatically because we will cap the amount of money that any business has to pay for health care. And we will cap it significantly below what the average employer pays now.

So imagine, if you will -- and go back and talk to employers who provide insurance -- how much they are currently paying and how we will lower their costs. We think that will be an economic stimulus, because if you no longer have to pay as some do, 19 or 20 percent; as most do, 13 to 14 percent; as many do, 10 to 12 percent; and instead have to pay no more than 8 percent, that's a lot of money that can go into wages, profits, investments in this country if we get the burden of health care off the necks of the employers who are currently paying.

And if we say to small businesses who have been paying, you will get the same break, and then we say to all of those businesses who have not paid and all of those employees who have not contributed, we expect you to make a contribution but we will cap how much you have to pay and subsidize you so that it is not financially burdensome to you. And we will say to the self employed, we will give you a 100 percent tax deductibility for health insurance. And we will further say to business, we will roll in the health care part of worker's compensation into this health plan; we will roll in the health care part of auto insurance into this health care plan, I don't think there are many businesses -- if they get beyond their ideological opposition to having to do it, who if they look at the bottom line and project costs into the future in the auto insurance, worker's comp and health care systems in this country -- will not find that this is a good deal.

Now, there may be exceptions, but we're talking about making a plan for the vast majority of people and businesses in America that will be affordable and will give them the chance to have a health care system that works.

Now none of this comes without controversy; none of this will be easy. But we are very excited by the level of cooperation and assistance that many of you, through your organizations, have already given us. We intend to continue that. We do not believe we have all the answers. We do not believe that we have the tablets that we have brought down and here they are. We believe the President will present a blueprint with these basic principles. If there are better, more efficient, less costly, quality driven ways of

doing any of this that we haven't thought about or have overlooked, we are open to that.

But what we are not open to is a stand pat negative, nay-saying opposition that will not recognize the reality of the problem facing this country, both in human and economic terms. We have to get beyond politics as usual. There is no Republican or Democrat or liberal or conservative answer to this. This is a moment in history which we have to seize in order to take care of ourselves. Who would have thought a month ago -- certainly who would have thought a year ago -- that on Monday the President would host the Israeli government and the PLO? Who would have even dreamed that were possible?

Some people did. Some people never gave up. Some people knew, no matter how dangerous and difficult and politically explosive it was, that that kind of sustained effort to solve what could be one of the most difficult problems in the history of the world was worth going after day after day after day.

Our problems pale in comparison. But we have the same opportunity if we don't lose heart, and if we don't turn our ears off and listen to propaganda, but instead keep working toward a solution

(End of side one, begin side two of tape)

-- control. And that is certainly what the American people want. And those of us who have any responsibility for health care whatsoever need to keep trying day after day until we finally have a signing ceremony at the White House and put this country on the right track to take care of itself, to live up to its potential, and to deal with this problem.

Thank you all very much. (Applause.)

END

FIRST LADY HILLARY RODHAM CLINTON
APPEARANCE BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
SEPTEMBER 28, 1993

TALKING POINTS

INTRODUCTION

Mr. Chairman, Members of the Committee, it is an honor to be here to talk about one of the nation's most pressing issues. During the past eight months, I have chaired the President's task force on health care reform and a White House working group that studied our health care system. That is the official reason that I'm here today.

Perhaps more important, though, I am here as a mother, a wife, a daughter, and a sister. I'm here as an American citizen concerned about the health of her family, and the health of her nation.

Like so many Americans, I have seen first-hand the strengths of our health care system, as well as its frailties. I know what it's like to be overwhelmed with forms and regulations and confusing medical choices when a family member is dying. I know the anguish that comes when the fine print in an insurance policy determines the course of treatment for a person you love. I know the frustration you feel when judgments about health care too often seem divorced from common sense.

I know from my own experiences -- and from conversations I've had with thousands of citizens across this country -- that something is wrong with our health care system. And I know it needs to be fixed.

I realize that we all have our own perspectives on how to solve the health care crisis. Let me just say that, when the President set up the health care task force, he was committed to a simple precept: To build on what works in our current system -- and only fix what is broken.

Throughout this process, we have not lost sight of that goal. The President's plan honors and preserves the high quality of care Americans have come to know: our unparalleled doctors, nurses, hospitals, and sophisticated technology. It also honors and preserves every family's ability to choose a doctor and other caregivers.

But we must acknowledge that parts of the system are broken. And if we go on without change, the consequences will be even more costly for millions of Americans and even more disastrous for the nation.

While we look forward to a discussion on the details of reform, the President will insist on certain overriding principles: security, simplicity, choice, savings, quality and responsibility.

We may disagree on the exact formula for achieving reform, but I hope we can agree on one thing from the outset: That when our work is done, every American will receive a health security card guaranteeing a comprehensive package of benefits that can never be taken away.

As head of a task force that listened to thousands of ordinary Americans talk about health care, I know about the tragedies of hard-working families and innocent children who are locked out of our health care system for all the wrong reasons.

As a mother, I can understand the feelings of helplessness that come when a parent can't afford a vaccination or an x-ray for a sick child.

As a wife, I can imagine the fear that grips a couple whose health insurance vanishes because of a lost job or an unexpected illness.

As a sister, I can see the inequities and inconsistencies of a health care system that offers widely varying coverage depending on where a family member lives or works.

As a daughter, I can appreciate the suffering that comes when a parent's treatment is determined as much by bureaucratic rules and regulations as by a doctor's expertise.

As a woman who has spent many years in the workforce, I can empathize with those who labor for a lifetime and still can't be assured they will always have health coverage.

PERSONAL EXAMPLE OF WHAT IS WRONG WITH THE SYSTEM

* Discussion of Mr. Rodham's situation

* My father was covered by Medicare. If that's how our system worked for him, think of how it works for people with less coverage, or no coverage, or fewer personal resources.

THE PROCESS BEHIND REFORM

The past eight months have given me an extraordinary opportunity to learn about our health care system. I've met with thousands of Americans across our country. I've heard from those who use our health care system -- farmers, small business owners, homemakers, factory workers, students, CEOs, young professionals, retirees. I've heard from those who tend to the sick -- doctors, nurses, hospital administrators, and other health professionals. I've read letter upon letter and we received 700,000 at the White House from citizens concerned about their health care.

And I've spent more time with actuaries than I ever dreamed possible.

The President's plan is not the product of my work, nor his work, but the work of thousands of people who shared their ideas, their research, their personal experiences and their time with us.

CLOSING

The American people are tired of waiting for health care reform. They have waited for decades and decades and, so far, our government has failed them.

Now the task is more complex, more urgent than ever. The American people -- rightly -- are impatient. They want change. They expect change. And they deserve change.

Last week, the President outline for Congress a plan that will provide health care for every American -- health care that can never be taken away.

As the President said, this is not a partisan issue, not an ideological battle. It's a problem that affects all of us -- and that all of us must work together to solve.

I know many of you share his goals, and his concerns. As stewards of the public trust, this is your chance to make a difference -- not just for the wives, mothers, daughters, and sisters out there; not just for the husbands, fathers, sons and brothers; and not just for the 60 million Americans who have too little or no health insurance.

This is your chance to make a difference for all Americans -- and for our nation as a whole.

Thank you for your time and consideration.

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FIRST LADY HILLARY RODHAM CLINTON
STATEMENT BEFORE THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE
SEPTEMBER 29, 1993

INTRODUCTION

Mr. Chairman, Members of the Committee, it is truly a privilege to appear before you today, particularly in such a historic setting.

Mr. Chairman, your brother John F. Kennedy came to the Senate Caucus Room on January 2nd, 1960 to announce his campaign for the presidency. Eight years later [March 16, 1968], your brother, Sen. Robert F. Kennedy, announced his own presidential candidacy here.

With your unwavering commitment to health care reform -- a commitment that goes back 25 years -- you too, Mr. Chairman, have added your own piece of history to this room. Indeed, your name has been attached to nearly every piece of health legislation that has passed through Congress. So I'm especially grateful to join you and the Committee here today to talk about the most urgent domestic challenge facing our nation.

Over the years, this committee has shown a welcome and courageous spirit of bipartisanship when addressing difficult social problems. For the good of the nation, you have been willing to put aside partisan gamesmanship and ideological wrangling. That tradition of courage and open-mindedness will be beneficial to all of us as we work toward lasting, substantive health care reform in the months ahead.

Since becoming involved in this effort, I have had a rare opportunity to travel around the country and listen to thousands and thousands of ordinary Americans talk about health care. I have listened to people who live in cities and suburbs and on farms. I have listened to people who are unemployed, self-employed, in blue-collar jobs, in white-collar jobs, and in high-paying corporate positions.

I have read letter after letter from concerned citizens -- and we have received about 700,000 pieces of mail at the White House.

Hearing stories from those who get care and those who give care has convinced me of one thing: Nothing is more important to our nation than ensuring that every American has comprehensive health care benefits that can never be taken away.

When the President laid out his goals for health care reform, he was committed to building on what is right in our current system -- and fixing what is wrong. That principle still guides us today. The President's plan preserves and strengthens the high quality of medical care that is a trademark of our nation -- our unrivaled doctors, nurses, hospitals, and sophisticated technology. His plan also honors every family's desire to choose a doctor and other health care providers.

At the same time, the President is equally intent on fixing what is clearly broken.

Each month, 2 million people lose their health insurance for some period of time. Every day, thousands discover that, despite years of working hard and providing for their families, they are no longer covered. Every hour, hundreds who need care wind up in an emergency room because they have no health insurance.

These are not isolated, individual tragedies. Every person who loses health benefits, every person who is denied heath insurance, is part of a growing national tragedy. A national tragedy that is eating away at our social fabric, reducing our nation's productivity, draining our federal and state budgets, denying hard-working Americans wage increases and threatening our economic and political standing in the world.

Today, almost 40 percent of insurers refuse coverage to people with so-called "pre-existing conditions." Up to 30 percent of employees report that they are afraid to switch jobs for fear they will lose their health insurance.

The harmful effects of rising health care costs on our workforce cannot be overstated.

Imagine what it's like to be told you are the most qualified applicant for a job but you can't be hired because your child has an illness that will drive up the company's health care premiums.

Imagine the frustration of knowing you can't change jobs or move to a different city because you might lose your health coverage.

Imagine the disillusionment that comes when going on welfare is a better option than staying on the job because it's the only way to get health care for your family.

You on this committee know better than most that our health care system is shortchanging too many American workers.

Today, the average worker pays $7,423 for health care each year. If we don't change our system now, that amount will rise to $12,386 by the year 2000. And as the average worker's bill for health care goes up, his or her real wages will decrease -- by about $655 a year by the end of the decade. [from CEA]

Today, we are asking American workers to give up the wage increases they deserve -- in return for less health coverage, less health security.

EXAMPLES OF INSURANCE INSECURITY

When I was with you in Massachusetts last spring, Mr. Chairman, we met a man who owns a small, family bowling alley. He had one long-time employee whose son became seriously ill. As a result of the boy's illness, the cost of the business' health insurance premiums went up.

You may remember, Mr. Chairman, how that bowling alley owner -- with tears in his eyes -- described the confounding, inhumane choices he was left with as a small businessman.

He could cut off insurance for his loyal, veteran employee. He could ask the employee to look for another job -- which might not provide coverage anyway given his son's condition. Or he could continue to pay the rising cost of health premiums -- knowing that it might ruin his family' business.

In our current system, nightmares like these have become ordinary, everyday experiences for too many Americans. That's why we must finally ensure that every American citizen has comprehensive health benefits -- benefits that can never be taken away for any reason. Not when you lose a job. Not when you change jobs. Not when you move. Not when someone in your family gets sick.

THE NEED FOR PREVENTIVE AND PRIMARY CARE

Thanks to conversations and meetings I've had with health care professionals, economists and other experts, I have learned a great deal about the technicalities of our health care system in the last eight months. But like most Americans, what I know most about health care I have learned from personal experience.

As a wife and mother, I know we need to change our mindset so that we reward doctors and health care providers for keeping people healthy instead of treating them once they're sick.

We need to do this because it makes sense.

It makes sense to provide a comprehensive benefits package that covers children's vaccinations and well-baby visits -- treatments that keep children healthy -- rather than wait to treat costly illnesses that should have been prevented in the first place.

It makes sense to cover cholesterol screenings for adults -- rather than pay for expensive cardiac surgery after a person develops a heart problem that could have been diagnosed and treated years earlier.

It makes sense to cover prescription drugs for older Americans -- rather than pay for expensive treatments and hospitals stays once an illness develops.

It makes sense to cover regular check-ups for every citizen -- rather than pay for emergency room visits when it's already too late.

WE NEED TO PAY MORE ATTENTION TO WOMEN'S HEALTH

As a woman -- and women make up 51 percent of our population -- I also know we need to find cures and treatments for diseases that primarily afflict women, such as breast cancer, ovarian cancer, osteoporosis, and multiple sclerosis.

For too long, women -- the primary caregivers in our society -- have been relegated to the fringes of medical research and medical care. The leading cause of death among women is coronary disease. But until recently, women were routinely excluded from major coronary clinical trials.

Not only is that unfair to women, it is costly for the nation as a whole.

Osteoporosis alone accounts for billions of dollars a year in treatments, hospital care and nursing home stays. Breast cancer has been on the rise steadily for three decades, and we still have found no cure. This year, 46,000 women will die of the disease, and 186,000 will contract it. And that will add up to more than $6 billion a year in medical bills and lost productivity.

And those figures don't begin to count the social and psychological costs when these illnesses interfere with our family lives and our overall happiness and well-being.

CONCLUSION

By ensuring comprehensive benefits to all Americans -- benefits that won't suddenly vanish when a person is laid off, or switches jobs, or comes down with an unexpected illness . . . by emphasizing primary and preventive care that saves money and keeps people healthy . . . and by devoting more attention to the special health problems of women . . . we can control costs and build a healthier, happier nation.

Mr. Chairman, already the President and those of us working on health care reform have benefited enormously from the ideas, suggestions, and expertise of this committee in thinking about health care reform.

I truly hope that in the months ahead we will finally achieve real, lasting health care reform that is long overdue. We look forward to continuing our dialogue and our partnership with you until we reach that goal.

Thank you.

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FIRST LADY HILLARY RODHAM CLINTON
HEALTH CARE EXPRESS KICK-OFF RALLY
PORTLAND, OREGON
JULY 22, 1994

TALKING POINTS

[Acknowledgements: Senator Patty Murray of Washington; Congressmen Wyden and DeFazio; Mayor Katz; Val Halamandaris of HealthRIGHT/National Association for Home Care; Ron Pollack, Families USA; Gerry McEntee, AFSCME; and all of the other organizations that have made this great bus caravan possible]

INTRODUCTION

* Mayor Katz, I have to say that is certainly one of the biggest "living rooms" I've ever been in. [Nickname for Pioneer Courthouse Square is "Portland's Living Room"]

* It is only fitting that the Health Express gets rolling here on the West Coast, where a pioneering spirit still runs strong. Ore + Wash (HI)

* More than a century ago, overland travelers from the East braved difficult terrain and harsh conditions so that their families could be assured a better life and a better future in an unfamiliar land. Today, inspired by your vision of a healthier America, we begin another historic journey across our nation's heartland -- the final leg of our push for real health care reform.

WHO AND WHAT THE HEALTH EXPRESS REPRESENTS

* Many of you have personal reasons for joining this caravan.

Perhaps you are a doctor or nurse who is fed up with the paperwork, the bureaucracy, the regulation, and the fact that your medical decisions are increasingly overruled by bureaucrats in insurance offices thousands of miles away.

Perhaps you are a mother whose insurance doesn't cover well-baby exams or immunizations for your children.

Perhaps you are a small business owner whose premiums are 30 percent higher than those of big businesses.

Perhaps you are one of the 2 million Americans who loses his insurance every month.

Perhaps you are one of the 81 million Americans charged astronomical rates or denied coverage completely because of a "pre-existing condition."

Perhaps you are one of the 133 million Americans whose insurance will run out once you reach a "lifetime limit."

Or perhaps you're just a responsible, fair-minded American who believes that people who work hard and play by the rules deserve health security.

REFORM IS AN ECONOMIC, SOCIAL, AND MORAL IMPERATIVE. IT IS ESSENTIAL TO RESTORING THE LINK BETWEEN WORK AND REWARD

* Throughout this process the President has been willing to listen to concerns and suggestions about his approach to reform. But he has not been willing to waver on his commitment to the underlying values of his Presidency. Whether we are talking about jobs, education, welfare reform, earned income tax credits, family and medical leave, or health care reform, his initiatives are about restoring an ethos in this country where we reward people for their work and responsibility.

* Today the link between work and reward is shattered because of the inherent unfairness of our health care system.

* Is it fair that people who get out of bed every morning, go to their jobs, and pay taxes, can't get health care . . . while those on welfare can get it without paying a cent?

WHAT HAPPENS IF WE DON'T HAVE UNIVERSAL COVERAGE?

* The prognosis gets worse for hard-working, responsible Americans. Middle Americans, even those who now have coverage, stand to lose the most if we adopt reform without universal coverage.

* The number of uninsured will continue to grow. The number of employers dropping coverage will increase because premiums will become unaffordable.

* Insurance discrimination will continue.

* The Catholic Health Association just released a study that said:

-- "Reform without universal coverage will mean higher, not lower, health care costs for middle class Americans who have

insurance."

-- Health care reform with universal coverage and an employer mandate will mean a decline in health care spending for households earning less than $100,000 annually.

WHAT DOES UNIVERSAL COVERAGE MEAN?

* As you know, much has been made about what constitutes the statistical definition of universal coverage. But that ignores the substantive issue at hand. *The New York Times* said in an editorial yesterday [Thursday, 7/21]: "To fixate on the numbers is to miss the important structural questions in the debate . . . . Universal coverage is, foremost, a statement about public values: the richest country ought not to terrorize parents with the fear of bankruptcy because their child becomes chronically ill."

* What the President has said all along is that universal coverage means that every American would be guaranteed in the law that he or she would have coverage.

THERE IS A BROAD CONSENSUS THAT UNIVERSAL COVERAGE IS THE LINCH-PIN OF REFORM, PARTICULARLY FOR THE MIDDLE CLASS

* Across the political and economic spectrums -- including the editorial pages of *The New York Times* and *The Wall Street Journal* -- there is a general consensus that universal coverage is the surest way to controlling the prices of premiums, stopping cost shifting, reducing the number of people on welfare, and making inroads on our deficit.

* Recent polls show that about 80 percent of all Americans favor universal coverage.

AS CONGRESS PREPARES TO ACT, WE ARE CLOSER TO REFORM THAN EVER BEFORE

* When the President visited this square during his campaign two years ago, he talked about the importance of solving our health care crisis. At the time, the goal of health security for every American seemed -- at least to some people -- as distant and elusive a destination as the West Coast seemed for the early pioneers.

* But today, after 60 years of false starts, we are further along the path to real health care reform than at any other time in our nation's history. After months of discussion, months of heated debate, months of expensive advertising, and months of hot air and rhetoric, Congress has legislation within

its reach to guarantee health security for every American.

* The public is ready for Congress to act.

* The letters that you deliver to your members of Congress can help shape the future of our nation.

* Thank you for sharing your pioneering spirit so that Americans can continue to break new ground, reach new horizons, and build a foundation of strength and prosperity for generations to come.

AND NOW, IT'S TIME TO BOARD THE BUS! (es)

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FIRST LADY HILLARY RODHAM CLINTON
REMARKS VIA SATELLITE TO THE URBAN LEAGUE ANNUAL CONVENTION
JULY 26, 1994

DRAFT

Thank you, Mr. [Reginald] BRACK [chairman of the League] for that kind introduction. And thank you Wayne Embry for chairing what promises to be a great conference and for including so many Administration officials in your sessions.

I'm just sorry I can't be there myself to congratulate Hugh Price [new president and Yale Law School grad] and thank all of you for your hard work. Over the past 84 years, the Urban League has led the march against racism, poverty, and neglect and your efforts continue to inspire us as we confront old and new challenges today.

It's no secret that we are at a watershed moment for health care reform. Like many important causes the Urban League has fought for for over the years, this one is about rights and responsibilities. It's an economic, social, and moral issue all wrapped in one. And it comes down to whether we are willing to empower all Americans to fulfill their potential and lead productive, healthy lives.

When the President first talked about reform 18 months ago, he talked about the right of every American to have health security that can never be taken away. He talked about our responsibility -- individually and collectively -- to share the burden of paying for it. And he welcomed ideas for how we might achieve these goals.

Since then -- through all the discussions, all the debates, all the analyses -- he has remained steadfast in his commitment to those goals and to the underlying values of his Presidency.

Whether we are talking about three million new jobs, or tax relief for millions of working Americans, or three consecutive years of deficit reduction, or school-to-work initiatives, or the Family and Medical Leave Act, the Brady bill, welfare reform, or health care reform . . . the overarching goal of this Administration is to restore an ethos in America where we honor people's rights and reward work with opportunity.

That's why what happens in Congress over the next few weeks is so important. What's at stake is the essence of who we are as a society. Are we a nation that believes in fairness, justice, and inclusion? Or are we willing to perpetuate a system that discriminates against millions and millions of our citizens and

excludes people from the basic right of affordable health care?

This is not a partisan or ideological issue. If we fail to build a system of universal coverage, we fail everyone equally. We fail Democrats, Republicans, and Independents. We fail all races and ethnic groups. We fail the old, the young, the rich, the middle class, and the poor. We fail the employed and the unemployed.

And we especially fail the kinds of people the Urban League is working so hard to help. People who dig and scrape all their lives trying to move forward, make progress, build some security for their families -- only to be knocked off the ladder because of a pink slip, a catastrophic illness, a change in jobs.

I bet most of you know someone who doesn't have insurance. I bet most of you know someone who is at risk of losing their insurance. I bet most of you know someone whose coverage is so inadequate that they wait until they are very sick to seek treatment -- and then resort to expensive, emergency room care because they have no alternative.

And I bet most of you know someone who wants to work but is trapped in the welfare system because it's the only way they can cover their family's medical bills.

We all know these people because there are millions and millions of them out there. Millions of our relatives and friends and neighbors who are not getting a fair shake.

The simple fact is that universal coverage is the only way to control costs. It's the only way to protect working people from skyrocketing premiums. It's the only way to give every American health security. And it's the only way to start shrinking the welfare rolls.

That's why, in the next few weeks, we must send a very clear message to members of Congress: Give Americans what Americans give you -- guaranteed health security. That is what the President has been fighting for for the past 18 months and that is what we are still fighting for today.

And it's what the American people want. Poll after poll shows that 70 to 80 percent favor universal coverage. So let's not let a noisy minority of naysayers and political opportunists drown out the majority.

Unfortunately there are many politicians out there who will come before you and say they support universal coverage. But then they don't complete the thought by explaining how they will finance it.

We know from experience around the country, in dozens of states, that there is only one way that works. It's the system that the vast majority of Americans already use. It's the most equitable, most efficient system because it builds on shared responsibility between employers and employees.

Why on earth would we turn our backs on a system that works for most Americans? Why would we accept partial solutions that we know have not worked in state after state? Why would we ignore the example of Hawaii, which has proven that a system of universal coverage and shared responsibility not only controls costs but improves health?

There are some in Congress who are pleading with us to give them an easy vote. That means a vote that doesn't include a method of financing. Let's just go for reform insurance, they say. Let's just ignore those employers and employees who are freeloading off the system now. Let's just settle for the most expensive band-aid treatment in history.

The President wants to do what is right. He wants to do what works. And there is only one way that is right and only one way that works -- and that's to guarantee private insurance to every American through a system of shared employer and employee responsibility.

<u>It can be done.</u>

As you know, I've had the privilege of traveling around this country for a year and a half, meeting with people who have ideas about our health care system. One of the people I met is a man named Eugene McCabe. Mr. McCabe is the president of North General Hospital in Harlem, a hospital that I was lucky enough to visit. It's a remarkable place that offers tangible proof of how much progress people can make when they are determined to do the right thing.

I thought of Mr. McCabe now, not only because your group honored him recently, but because he and his hospital are trying to do so much of what the President hopes for with reform. Serving a population that is largely urban and poor -- where infant mortality rates and rates of serious illness among adults are far higher than in the rest of the population -- they have created a system that emphasizes preventive and primary care. They have launched a program called <u>HOPE FOR KIDS</u> to identify and immunize thousands of babies and toddlers throughout New York City. And they have done all of this in innovative and cost-effective ways.

But their mission would be much, much easier if everybody in New York and everybody in this country had comprehensive health care benefits that could never bet taken away. . . and if every

child was automatically covered for things like immunizations.

But until we achieve real reform, we will remain the only industrialized nation on earth tha denies people the basic need of health care. And I think that's a disgrace.

If you look at the whole health care issue -- if you look at what we are on the brink of achieving -- there are clear economic reasons to guarantee insurance. It will save money for those who are now subsidizing everyone else. We will save the government money. We will stop the irresponsible spending in our health care system that has plagued us for so many years.

But perhaps most important, we will be able to say we did the right thing. We will be able to say we did the moral and just thing. We will be able to say that we withstood the political heat so that real people, real lives were not jeopardized.

Once in a great while we have a chance, as a country, to face up to a complicated, emotional, difficult issue. Sixty years ago, our grandparents and Franklin Roosevelt stood up to the opposition and passed Social Security. And at the time Franklin Roosevelt said something that seems prophetic today: "There can be no security for the individual in the midst of general insecurity," he said. Social Security, he said, is "a sound idea and a sound ideal . . . [that is] fundamental to our future civilization."

Thirty years later, under Presidents Kennedy and Johnson, the American people guaranteed health care coverage to Americans over the age of 65, and I think most of us are proud we did that.

Now we need to finish the job. We need to be able to say to every American: You will be secure if you change jobs, if you get sick, if you get laid-off, if your child has a serious illness. You will be able to afford health care as a citizen of the richest nation on earth.

This is a watershed moment in our history. And it's one that may never be posed as starkly as it is now. Will we do what three-quarters of the American people know is the right thing to do? Will we join the ranks of other advanced nations? Will we get the job done?

We know from every great social movement in our nation's history -- women's suffrage, labor, civil rights -- that Frederick Douglass was right when he said: "If there is no struggle there is no progress."

Health care reform has been a difficult journey. But it's one well worth making because we are making progress. It's been worth it because today we are closer than ever before to

achieving real, meaningful health care reform.

All that's left now is to take the final step. With your help, we can and will do it.

Thank you very much.

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THE WHITE HOUSE

Office of the Press Secretary

INTERVIEW OF THE FIRST LADY
BY HEALTH CARE REPORTERS

August 9, 1994

Old Executive Office Building

10:05 A.M. EDT

MRS. CLINTON: I think that what I would like to do is just say initially that I personally am thrilled to be where we are at this point. I think that given how difficult this issue is, how much of an easy prey it is to misinformation and scare tactics, the fact that for the first time in 60 years we are about to have a debate on the floor of both Houses over health care reform is an historic and major accomplishment.

I also believe that the process of the last year and a half has contributed to a greater awareness of the issues at stake and a much higher level of knowledge on the part of larger numbers of people than ever before about what it is health care is intended to achieve.

Having said that, I don't want to underestimate how complicated and difficult a political task this is. But we knew that going in. One of the first things that I did back in the early days of this was to reread some of the history of health care reform in our country, and particularly some of the speeches that people like Harry Truman had given -- and actually, one of the most outraged speeches that I read was a speech given by Dwight Eisenhower after he tried to split the difference between Truman's approach, which was labeled socialism, and the intense opposition on the part of the vested interests when he tried to come with some so-called middle-of-the road, in modern terms, mainstream approach and got hammered for that.

So I don't think any of us had any illusions as to how difficult a task this would be, but never before have we even gotten out of committee with anything of significance and substance, which I think both of the bills -- the Gephardt bill and the Mitchell bill -- represent.

So I, personally, looking at this from a much longer view than just the last 18 months, think we have enormous reason to be both optimistic and confident about the eventual outcome.

So, having said that, I'll be glad to answer any questions.

Q Looking back on how all that's happened how the opponents have been able to play off -- do you regret not having gone to something a lot more simpler such as either single payer or something else that would have lessened the ability for the opponents to --

MRS. CLINTON: I don't think it matters what you come with; if you come with genuine universal coverage, you're going to engender the same opposition. Because, as I said repeatedly -- and some of you heard me for

months and months -- there are only three ways to get to universal coverage. Either you have a tax that replaces the existing premium system; or you have some kind of individual mandate with subsidies; or you have some kind of employer-employee shared responsibility with subsidies.

There aren't any other ways to get to universal coverage as the ultimate objective. And I think that once you realize how difficult the task is and the political obstacles you face, you're going to encounter opposition. And it's going to be the same opposition, saying the same things that have been said against this effort as were said on variations of the same theme over the last decades.

I think it was very important to come with a bill, with legislative language and with costing. It's easy to forget how difficult the process was to create a bill that could be costed as our original proposal was that could then serve as a benchmark against which other proposals could be compared, and off of which other proposals could be proposed.

When we began this, one of the great problems we faced is there was no accepted way within the federal government of bringing together the various elements that had something to do with health care costs and putting together an actuarily sound approach to evaluating such costs. One of the reasons the so-called '90 budget deal fell apart is that people within the federal government did not know how to cost health care.

What we did which had never been done before was to put into the same room for weeks on end the people from OMB and Treasury and HHS and VA and all of the other agencies that had something to do with health care cost. So for the first time, in effect, we helped create a framework by which this health care cost debate can be analyzed. And if we had not done that, I don't think we'd be where we were -- where we are today.

Also, if we had not actually drafted legislative language we would not be where we are today, because, as you have seen, so many groups who have rhetoric about what their proposals will be can't figure out how to put it into legislative language and can't figure out how to get the costing of it done.

So we think, by doing that, we did what we set out to accomplish, which was to lay out a framework -- and as we said from the very beginning, one that we expected to be modified which had a bottom line of universal coverage that we expected to be the ultimate goal of any other legislation.

Q Mrs. Clinton, you said earlier that the debate has heightened public understanding of the health care issues. But as we approach the elections the rhetoric is getting increasingly more partisan. Do you think that helps public understanding or just adds to some of the confusion?

MRS. CLINTON: I think that's a fair question because it has, in the last couple of weeks, gotten increasingly partisan and it's brought out all the old bromides. I see some of these signs that look like they've been around since Social Security, about socialism. And I don't think that's particularly beneficial for the substantive debate. But actually, it may be helpful in sharpening the differences, because when someone gets on TV as a member of the Congress and says health care reform which is meant to guarantee you private insurance is socialism, I think it's fair then to ask, well, you must be against Social Security and Medicare, right? Oh, no, that's different.

So I think that, in effect, the partisan rhetoric which is now filling the airwaves and the halls of the Congress may help politically because it's so far-fetched. And I think once that becomes clear to people, then we can go back to hammering out the substance of what needs to be done.

Q One of your strongest allies in this debate has been organized labor, some of the senior groups. They're expressing some real concern over the Mitchell bill, particularly the AFL-CIO, as you know. How do you reconcile their notion that this Mitchell bill is not universal coverage and that if it's not improved, that they're going to take a walk from this, because from their perspective, going to the bargaining table, for example, with a 50-50 mandate is something that would set their members back, as opposed to moving them ahead?

MRS. CLINTON: Well, I am very grateful for not only the strong support that a number of groups have given in this debate, but also their history of being for health care reform. But I would just raise a couple of points. Right now there is no requirement for any employer contribution. And that has not in any way undermined the ability of some to bargain for employer-paid health care. And so I don't really understand the logic of how if there is a floor which a 50-50 would require in the Mitchell bill eventually, how that would interfere with the achievement of different outcomes in bargaining over health care.

It's like the minimum wage. We have a floor on the minimum wage, but obviously, those who are capable of bargaining on their own behalf do a lot better than the minimum wage. So I don't see that as the kind of problem that some apparently do, and I think that what's more important is that the Mitchell bill, at least from my perspective, is a universal coverage bill and it establishes for the first time the right of Americans to be guaranteed health insurance, and it does it by permitting voluntary efforts to work and insurance reform to work for a number of years. And if it does work the way that Senator Mitchell believes it will, then there an opportunity to complete the job and cover everyone else. If it doesn't achieve the goal he has set, then it will set up a requirement that the Congress take additional action, including the 50-50 mandate if that becomes the fallback.

So I don't really see the concerns that some have expressed. I think it's very important to get this country on record on behalf of universal health care coverage, and I think that helps the groups that have largely borne the burden on their own for many years.

Q Mrs. Clinton, can you describe, though, why you think this is a universal coverage bill? It doesn't set a date certain, which for a year and a half the White House has not wanted to set a date but said that it has to be guaranteed at some date certain; and it gives Congress the option to do something different than a universal mandate that isn't the guarantee that you've talked about for so long?

MRS. CLINTON: I guess I just see it differently. What I see it accomplishing is setting in place a system of insurance reforms, subsidies, market reforms, incentives that at least it's fair to argue, based on the CBO analysis and on the work that Senator Mitchell and others have done, should increase the number of the uninsured dramatically. And increase it to the point, in Senator Mitchell's view, of reaching 95 percent by around the turn of the century, which is not very far from now. That, in itself, is a huge accomplishment because we are 83 percent coverage now. So if we can get that additional 12 percent coverage, that is a very big step forward.

But it goes beyond that and it says, look, even though in every universal system you can name there is slippage -- talk about Social Security; it's not a 100-percent system. There are 2 or 3 percent of people who are not in it. Talk about compulsory education. It's not 100 percent. There are always several percentage of kids who somehow don't end up in school, and you have to keep trying to get it done.

But if you reach that 95 percent figure, then you have the obligation to try to figure out what else can be done to get those people in the system. But you're dealing with a much smaller percentage of the universe than you were to start with.

Now, if the voluntary incentives and the framework in the Mitchell bill do not achieve 95 percent, then you have, as you know, from the bill additional action required. And if the Congress doesn't act, then the 50-50 mandate goes into effect.

But what I believe is so important about this model is that by that point in the debate, people will have seen and learned firsthand several things. They will have either seen and learned that these voluntary insurance market reforms and subsidies and incentives work, but didn't work quite as well -- and so we need to fix what didn't work about them -- or they will have learned they did not work. Which, given where we are today, is a huge learning experience for the entire country, because there is a lot of belief on the part of the advocates of these voluntary reform efforts that they will work. So the proof is in the pudding; they either will or they won't.

If they do not, that is a clear, unmistakable message that this approach cannot achieve universal coverage, and then the burden is shifted back where it belongs to the decision-makers, but the level of personal experience is so much higher with what doesn't work, that the political dynamic has changed. So I think that this approach achieves the bottom line, because we either get to universal coverage because the front end of the bill works, and we only have then to deal with the remaining five percent, and we'll never get all of them.

You can't name a universal system -- you can't even name a -- you can't; you can't any that gets everybody in. But we will certainly do a whole lot better with dealing with just the five percent that are targeted -- or, if we don't get there, then we have to do some of the things that are outlined in the Mitchell bill, and it's part of the legislative mandate to get to the end of the decision-making process by building up on what we have just learned that did not work and going from there.

Q Can I just follow up? Does that -- you're suggesting that people need to see that these things don't work.

MRS. CLINTON: If they don't. I'm not saying they will or they won't. I think that it's just as likely they will, and I think that's great, because then a lot more people will have insurance than have it today. But if there are problems with that approach, then instead of talking about it theoretically, which is what the proponents have done repeatedly, there will be actual, real-life experience that people can point to.

Q But isn't that what you've tried to do for the past 18 months, is try to give people examples of why you needed to have employer mandates a certainty? Is that a lesson that the country is not quite --

MRS. CLINTON: Well, I think that it is a lesson that many people believe, the vast majority of Americans believe. I mean, every poll I've seen has support for the employer mandate in a very high, super majority. So I think people believe it, but I think that it is not one of those real core beliefs that people are willing to really go to the wall for, because it is something that has worked for them. But, you know, they're not sure of all of the implications.

But, unfortunately, it is a belief that in the hands of certain interest groups, has become a real intense negative. I have said for months to anybody who would listen, the real debate over health care reform will come down to the employer mandate. I mean, you can talk about all the other issues that all the health economists know are important, that all of you who have studied this issue know are important. The political issue is, will we be able to make the political decision to have even a backup mandate, as in the Mitchell bill, or a front-end mandate as in the Gephardt bill.

And we've had the same argument. I mean, go back and read in your own papers what they said about Social Security and Medicare. I mean, it was going to destroy small business. If we had not had a Depression, do you think we could have passed Social Security? I think there's a big doubt. If we had not had 20 years of sustained effort, plus an assassination, do you think we could have passed Medicare? I mean, this country is always reluctant to do things that are even in our own economic interest, as health care reform is, and universal coverage is.

So this is not something new that happened with the Clinton administration that you've got all of this opposition and all of this -- you know, wild charges, and people do have a split of opinion about what they should or shouldn't do. And it is through experience. It's like we finally passed the Brady Bill when we had the right conjunction of a president who was willing to stand up to the NRA and enough people who had enough personal experience that they were willing to say "do it." And so, that's always the tension in politics, it seems to me.

Q Mrs. Clinton, just to follow up, given that, and given the acceptability of this Mitchell phased-in approach where you try to give voluntary measures the chance to work, why would the average House member from a marginal district, many of them in the South, who is getting hammered right now over the Gephardt mandate, why should they vote for that?

MRS. CLINTON: Because the Gephardt mandate will happen sooner and will have greater results in the immediate term for the people who need it most. And that is not only the uninsured, but the insecurely insured, which is a growing number. And I think that there is a very strong argument, especially if you're a House member and you have to go back and literally look into the eyes of 20, 25 percent of your people in your district who are uninsured, to be able to say to them, I just voted for something that is going to work for you right away. And I think that is a very strong and compelling political argument, particularly for House members who, as we all know, run every two years. So results are important. You vote for something and it never happens, it's like you never voted for it.

So the dynamics in the House and Senate are different, as is often the case, with all kinds of legislation. And I believe that there's going to be an impact from the debate, and I think that if the debate is conveyed in understandable terms to people and they really know what's at stake, there will be increasing support for doing something sooner instead of

later, and for doing the hard decisions now and not postponing them. But we'll have to wait and see how that plays out.

Q Mrs. Clinton, there are a group of senators, the so-called rump group from the Finance Committee, who say they cannot support the Mitchell bill as is, and propose to offer some amendments to change some of the provisions. Senator Breaux may have an announcement today about a provision which will probably delay the target goal of 95 percent coverage and perhaps make it harder to implement a mandate at some future point in time.

Would you support a Mitchell bill that has been altered to be more watered down in that way, or in any other way, say, with a drop in subsidies?

Q Nina, I'm not going to comment on that, because I think we have to wait and see what actually happens in the legislative process. And we've never said we could or could not support anything; we've always said let's see the legislative language, let's see the costings attached to that legislative language, and then we'll make a decision.

I think what Senator Mitchell has done over the last few weeks is to put together a bill that really took the opposition to universal coverage at their word. Every time this administration and those members of Congress who really understand the health care reform debate have been willing to say, okay, we can accept some modifications because it still reaches our goals. The opposition has moved further away. I mean, it's been a very interesting exercise that they've engaged in, and I think that we're still dealing with smoke and mirrors. I mean, we're still dealing with all kinds of proposed possible legislation attached to all kinds of rhetoric that has yet to be written and yet to be costed.

And what Senator Mitchell did was to say, look, there are people in the Senate who honestly believe a voluntary market reform incentive-driven approach will work. Let's take them at their word, and let's design a bill that does that for several years. But we owe the American people something besides an untested approach, which is we owe them a date-certain for evaluating our progress. And hat is what the 95 percent goal is intended to be.

And if we have made that kind of progress which, for months, as I traveled around the country, the proponents of so-called "managed competition" assured all of us that would occur, then hallelujah, I think we ought to be grateful and we ought to say we've done it, and now let's make sure we take care of the small minority of Americans who still aren't covered.

But if that doesn't work, do we want to keep revisiting a debate that we have revisited for 60 years where everybody knows what the choices are, but we keep running up against organized interests who do not want to change the status quo because of their own financial or political advantage, and I think that what Senator Mitchell has done is very admirable. He has said, okay, if we don't get there, then let's not revisit a debate in a couple of years that we have had for 60 years, let's act at that time. And I think that makes a lot of sense.

Q Mrs. Clinton, what is there that you see in the leadership bills, the Clinton bill -- I'm sorry -- the Gephardt bill and Mitchell bill that leads you to have confidence that you're going to do something about cost containment?

MRS. CLINTON: I think that the Gephardt bill has cost containment provisions, and I think there is, as I understand it, conversation going on now amongst members in the House to do some strengthening of cost containment or to try to make sure that it is as clear as it needs to be so that it has the intended effect.

And in the Mitchell bill, there is also cost containment, but I think likewise, I understand there is conversation going on by people who think that there should be some different kinds of cost containment included.

Now, as you all know, this is one of the great ironies of this debate. The very people who say any health care reform costs too much are the very people who don't want any cost containment in health care reform. And what I want to see -- and I think this debate will begin this process -- is the burden shifted for a change. We were happy to take this issue on because it is so important to the financial well-being of the country, as well as an important moral and social issue.

But the other sides, because it is plural, can't have it all ways. I mean, they can't consistently be against everything, which is the posture they've taken, without presenting alternatives that can be evaluated. So there is cost containment in both of those bills, but I think just like the rest of this debate, there will be efforts both to weaken the cost containment that is in both, and to strengthen. And we're just going to have to want and see what happens.

Q If I could just follow up on this point. What is your own view -- are they sufficient, the cost containment, or do you think they ought to be strengthened? And do you have anything in mind to strengthen them?

MRS. CLINTON: Based on what I know, I believe the CBO is going to find that the Mitchell bill is deficit-neutral, which suggests to me that the cost containment is sufficient. Because, of course, one of or major concerns going into this debate was to ensure that we got health care costs in the federal budget under control, and that they would not increase the deficit. So if, in fact, the CBO says that about the Mitchell bill, which I am told is what they're going to find, then I think that speaks for itself; the cost containment is sufficient. And as I understand the Gephardt bill, it's the same likely outcome.

So that has been our primary concern. And except for our bill that we put in and these two bills, there is no deficit-neutral bill out there yet. Now, maybe somebody is going to present something in the next day or two, and we'll be happy to look at it. But I think keeping health care reform deficit-neutral is one of the major goals the President has had, and apparently both these bills will achieve that.

Q You talk a lot about the power of special interests. And I don't want to prejudge the outcome of the debate at all, it seems like a toss-up to me, but should health care reform fail, what do you think that history will record as the reason? Have you been -- you talk a lot about special interests; have you been sobered at all -- discover the American electorate is --

MRS. CLINTON: No, no. But I think it's just reinforced what is an unfortunate fact of life, which is that huge amounts of money spent to convey an intense negative message has a very powerful impact. We know that.

It's one of the real unfortunate effects in our political life of negative advertising. And it is always easier to be against something than to be for something, particularly if being for that something means you are for changes that affect a lot of people and which have a very broad constituency instead of a narrow focused constituency.

So nothing about this has been surprising. It's been right in line with what has always happened. I mean I saw a study that seemed to suggest that in 1947 or '48 the special interests --largely at that time, organized medicine against Harry Truman's health care reform -- spent $60 million. Now $60 million in the late '40s was a whole lot of money.

And that was before commercial insurers took off; it was before a lot of the interests we're up against today that have a vested stake in how the system currently runs were very well established. So now the latest survey or the latest amount of money that has been guessed at having been spent against us in the whole campaign for health care reform and trying to get the message out to people is about $120 million. I think that's what the Annenberg Institute or somebody --the Annenberg Institute which has followed the debate said their estimate was that $120 million had been spent against the idea of health care reform.

So when you've got that kind of money being spent when it's message is very simple -- it's message is, don't do it --whereas the positive message ranges from physicians who are for universal coverage but concerned about a willing provider, to pharmaceuticals that are for universal coverage but concerned about any impact on drug pricing, to community action groups that are for universal coverage but want a single-payer system.

I mean, you go down the line of everybody who's for health care reform, particularly defined as universal coverage, it's a very broad group of organizations and interests. They cannot possibly have the intensity that the negative forces have. That is just, I think, to be expected.

Q If I could have a brief follow-up on this. I missed the first part of this. Perhaps you went into this. Do you look back on your own efforts and either find fault, or do you look at the public at all and wonder whether the American public really wants what you think it wants? Have you had any long discussions about --

MRS. CLINTON: I think that it is -- I think that what has occurred in the last 18 months has been much more positive than negative. I think it has been a real turning point in American history, and I think we should all be grateful for that just as I think the last 18 months in this whole administration has created a lot of discomfort among many people but have forced people to deal with a lot of issues that had been left unexamined and certainly unaddressed for a long time.

And I believe that is important in a democracy. I think there are cycles, and I don't know if Arthur Schlesinger is right, but it does seem to be kind of 30-year cycles where there's a burst of activity to deal with problems that have been ignored and denied, and you win some, you lose some, but at least you kind of push the ball and you keep moving the public debate.

And I also believe that it is more difficult in many ways today to advance a complex public policy issue than it was in the past because if you look at our society in general, there are so many splintered voices of authority and there is so much skepticism, even cynicism about the political

process that it's not like it was even for Franklin Roosevelt who had a tough time with social security. He had to go to a midterm election, and we were in the middle of a depression.

But even he found that he didn't have to describe every jot and tittle of the Social Security Act and all that would follow. He was able to say, I've got a new deal for you. You guys, here's what we're going to do. You pay in and your employer pays in and then we're going to take care of you with a pension when you get older. He didn't have to carry around actuarial tables and then have arguments with people on television.

The Medicare debate -- one of the big hits on Medicare is, oh, my gosh, they didn't give us the right costs. Well, who could have figured out what the right costs were. They didn't even have the kind of computers that could have calculated the so-called right costs in the 1960s. And it took 20 years to make the right decision which was to give some social security through health security to Americans over 65. But if Kennedy first, and Johnson second, had had to stand and argue over computer runs about the aging demographics and how much a cataract operation would cost in 1993 as opposed to 1963, we wouldn't have had Medicare.

So the environment in which this debate takes place is similar in many ways to the great social policy debates of the past because there's pent-up concern, there's enough personal experience with a system that isn't working for everybody, there's a feeling that the sands are shifting as we move from 88 percent of covered workers down to 83 percent in five years. There are enough people who know something has to be done.

But the environment is different from the great debates like Medicare and social security because we are living in this combination of time in which we have an overly information-loaded society that nobody can make sense of the reams of information that are cascading down upon them, coupled with the cynicism and the distrust of government that certainly serves a lot of interests well -- they love it because then they can maintain their powerful positions at the expense of a lot of other people -- so the combination is very interesting. And it poses extra burdens on people who believe that the country will be better off if we make some of these steps together.

Q On Saturday the President in Detroit talked about violent extremists who are fighting health care. On Friday you told Peter Maier that there are right-wing radical ideologues who don't want people to have health care in this country. Who are you talking about? Who are these folks?

MRS. CLINTON: Well, you know, I think they are a combination of the same kind of people who have been around in our country since its beginnings, the sort of ideologically-opposed who think that nobody should get anything from anybody else. And there's a streak of that in American politics. There always has been.

There are people who opposed social security, opposed civil rights, opposed minimum wage, opposed Medicare, opposed Medicaid. I mean at every step along the way, there is this small core of people who do not believe that government should do anything. Now they're the same people who drive down highways paid for by government funds. They are the same people who love the Defense Department which is funded by government money, but they have a different mind set when it comes to social policy in trying to be a compassionate and caring nation.

Then there are the people who for opportunistic reasons are opposing health care reform both because it is in their financial interest to do so because they want to be able to maintain the status quo and they are not above inciting other people to be very emotional about helping them to sustain their favored position. And then there are those who are for political reasons opposing health care reform because there are lots of people who don't want any changes and particularly don't want changes by this president to occur.

Now, most of the people I've just described are ones who pull the strings of others and inflame people by making charges of socialized medicine, for example, or the government is going to take over the health care system. And there's a very well-organized and well-financed effort to convey that message that so that, for example, when you see people protesting in the streets as we saw a couple of weeks ago, as I personally saw in Seattle, they were there in large measure because they'd been inflamed by a local radio talk show host who finds it in is his own personal financial opportunistic interest to take this position. I had no idea whether the man was insured or not, but he inflames people who are sitting at home that somehow the Clintons are going take over the government and they're going to find themselves without a doctor or whatever their arguments are.

And if you talk to these people very often they don't have a clue about what health care reform is about. They are responding to these emotional kinds of attacks. And I just think that's part and parcel of what you always find when you look at moments of a lot of change converging at the same point in American history. You will find that strain of people. And I think it's very unfortunate, but it's something that is part of our political scene.

What I do not like and what I find regrettable is the amount of hatred that is being conveyed and really injected into our political system. I don't have any problem with anybody disagreeing with this president on any policy position. I don't have any problem with any member of Congress opposing health care reform because he doesn't think it's a good idea or he wants to use it as a political weapon. I mean, that's politics.

But this personal, vicious hatred that for the time being is aimed primarily at the President, and to a lesser extent myself, I think is very dangerous for our political process. And I think those who are encouraging it should think long and hard about the consequences of such encouragement. And in a free society, certainly people are free to say or do what they think furthers their political agenda.

But we have to draw the line on violence, and you have to draw the line on protests that incite violence. And a lot of the talk that is coming out is, to me, very sad, and I think we'll have very unfortunate consequences for our entire body politic and not just for this administration.

Q Can you name names?

Q -- Julie raised the specter that what if your legislation isn't passed or there's a presidential veto. How do you think that would play out in the November elections because you've been quoted as saying that if that happened there could be a real populous campaign --

MRS. CLINTON: Well, I don't know, Ed, because I don't really want to speculate on that happening because I don't think it will happen. But I think that this is an issue that is not going to go away. This is an issue

that really now does have a life of its own which I think is a very important accomplishment of the last 18 months. And universal coverage, which was hardly a household term 18 months ago is now understood and people agree with it. There may be disagreements about how to get there but it is the ultimate goal for health care reform.

So, I think this is a political issue that's not going to go away no matter what happens. If we are successful, as I believe we will, in passing health care reform, those who have opposed it will keep it as a political issue. So it's not going anywhere. Gosh, we've had candidates in the not so-distant past who thought Social Security should be voluntary. I mean these things never die they just keep rolling along but you develop majorities that are in favor of certain positions and you move forward to implement whatever changes have occurred.

Q Mrs. Clinton, people used to talk about the political opportunism. Usually, when people like Senator Gramm calls it socialism and holds these press conferences, he's doing it purely because of the political points, not because he believes that it's a government subsidized --

MRS. CLINTON: Oh, I think that's absolutely true. Someone told me the other day that on some program he was ranting and raving about socialized medicine and they said, well, then, do you repeal of Medicare. And, you know, he's backed off like he touched a hot stove. Well, what both the Gephardt and the Mitchell bill propose is not even as close to government financed health care as Medicare is.

And I think you in the press ought to go up and question some of these people about what their position is on Medicare and whether or not they believe a mandatory payroll deduction to finance health care for Americans over 65 is socialized medicine -- because, of course, it isn't. And to get -- I think unless Senator Gramm doesn't understand how Medicare works, that it's got to be just political opportunism.

Q Are you frustrated by the positions of some Democrats in the Senate like Bob Kerrey and others who say that they won't pass anything that's not bipartisan?

MRS. CLINTON: Well, again, I think they ought to go back and look at a little history. Social Security and Medicare, when they first passed the Houses were hardly bipartisan. By the time they got out of conference committee they had picked up some additional bipartisan support. I mean Bob Dole didn't vote for Medicare when he was in the House of Representatives.

Now, do the Democrats who say they want it to be bipartisan, does that mean they would have let Medicare die because there wasn't a lot of bipartisan support. That's what they ought to be asked. I don't know what that means.

Q Mrs. Clinton, one number we see consistently in the polls is that a super majority of people say it's okay by them if Congress doesn't act right away, if they take more time to study it. What do you make of that and what's the imperative of doing it now?

MRS. CLINTON: Well, I've actually thought about that a lot and have had lots of conversations and have looked at some polls that have gone into more depth into what people mean by that. And what I believe people mean is that they want it done right and they want to be sure that it works.

Most people who answer the questions the way they are phrased, do not know we have been at this for 60 years. And when they are told that Franklin Roosevelt tried, Harry Truman tried three times, Dwight Eisenhower gave up in the face of opposition to do something minor, it took a long time to do Medicare and Medicaid and it took both Presidents Kennedy and Johnson. Richard Nixon came with national health insurance. Jimmy Carter came with national health insurance which couldn't get out of the finance committee.

When they know all of that, their attitude changes. And people say, my gosh, I had no idea. Because for most Americans this debate has been an 18 month debate, which in the context of administration and congressional action is a very short period of time. But in the historical context of what we have gone through to get to this point, there is a lot of reason to believe that we need to act sooner instead of later. And I believe that to be the case because the other point that is very persuasive with people, is that everything they worry about the current system is only going to get worse in the absence of health care reform.

People who worry about losing choice, as we sit here today, are losing choice. And now we are at a point where fewer than half of the employers in our country offer any choice and that is only going to accelerate so that fewer and fewer people will be able. And I would imagine that most of you sitting around this table, if it has not already happened to you, it will happen. The costs will continue to increase because of cost-shifting and you go down the line. So, that this is not a static status quo. This is a deteriorating status quo. And I think most people when that is explained as opposed to just a question on the poll which suggests to them they want it done right and they hope it works, then they believe as they have told me that we ought to act sooner instead of later.

Q I guess what I'm asking is how you deal in the face of that? Members of Congress are looking to face voters in November when there are such high numbers of people who are saying it's okay to wait and not -- why isn't it okay to wait?

MRS. CLINTON: You can't make policy based on polls.

Q They do.

MRS. CLINTON: Well, but, you can't do it, especially on an issue like this. Read those polls. In the same polls it says people want change, they're going to hold Congress accountable if they don't get change. People are understandably confused by all of the rhetoric that is flying back and forth and at some point it's the responsibility of leaders to lead and to make decisions that are in the best interests of the people they represent. And health care reform is in the best interest of the vast majority of people who are in every district of every member of Congress that I know of. If you look at the numbers of the working uninsured, if you look at the cost going up for the insured.

So, I think that the real challenge for members of Congress is for them to summon up the political will to make a tough decision. And they've got three possibilities as I see it. They can do nothing which is not a politically free decision. They can do something that is minimal that doesn't try to achieve universal coverage. That is not a politically free decision. Or they can support the kind of bills that both Congressman Gephardt and Senator Mitchell have put forward, which will get us on the road

to solving our health care problems and that is not a politically free decision.

So, why make a decision that doesn't do anything that is still going to be politically costly. So I think that that's what the real challenge is.

Q Mrs. Clinton, for months you and your advisers have referred to aspects in the briefing books about citing examples of what the working group had discussed and solutions to some of the problems. And you have seemed to rely a great deal on the work of that working group. Now, you're facing a lawsuit and a trial in early September on that question of meeting in secrecy with the working group. And the defense seems to be at this point that the working group didn't have much of an impact on the ultimate decisions on what type of a health care plan to come up with. How much of an influence was that working group on your decisions on your initial health care plan?

MRS. CLINTON: Well, that lawsuit is probably going to be settled because it's such a huge distraction in the middle of what is such a historic debate that I'm not going to say anything else about it.

Q Can you go into a little bit about the distraction aspect and what that has done to your thoughts?

MRS. CLINTON: No. No.

Q Mrs. Clinton, there's a perception whether it's correct or not, that the White House has backed off what was perceived to be an ironclad standard which would draw a presidential veto. Could you describe for us today what your standard is? What is the floor in the health care debate and in compromise below which you believe you could not go, which would be unacceptable?

MRS. CLINTON: It is the same standard as it always has been that we have to believe and the President has to be convinced that whatever bill gets to him will achieve universal coverage. That has been the standard from the very beginning for the President. But he has also said repeatedly there are different ways of getting there and he never expected the bill that we proposed as a framework to be rubber-stamped and sent back to him. That was something that only, I guess, a few people who don't know how Congress works would have ever assumed.

So, our standard hasn't changed. We believe both the Gephardt and the Mitchell bill meet that standard. Now, as the debate proceeds that standard is not going to change but it will be used to evaluate whatever other approaches the Congress decides to take.

Q If the date in the Mitchell bill is 2001 for the hard trigger to kick in, were it to move back, would that be acceptable?

MRS. CLINTON: I can't speculate on that. The ultimate objective is the same as it has always been. And we always said that it was going to have to be phased in. That was a part of our bill. In fact, as the time moved we realized the phase-in would have to be longer for a lot of technological reasons, for the co-ops to be created, for the states to be able to move. So the phase-in has always been a part of what was assumed. And it will depend upon what is in the final bill before we can say that does or does not meet the standard.

Q But Mrs. Clin ton, isn't there -- some of your allies, and a lot of your detractors on the Hill sort of see this as an unraveling of the standard, and they want to know what the bottom line is on this: Is 2005 too far? Is 93 percent okay if 95 percent is okay? And there's a sense that, ultimately, whatever is handed on the President's desk is going to get signed now that there's been this much slippage, this much compromise.

MRS. CLINTON: Well, this is not true. I mean, if it doesn't, in our view, achieve universal coverage, it's not going to get signed. That's always been the standard.

But you see, every time we have said some detail was acceptable to us, the Republicans and the Right have moved away from it. I mean, it doesn't do us any good because no matter what we say is acceptable, they will go still further. And we tried to work with them in good faith. We met with them endlessly. We offered to incorporate, and did incorporate, many of their ideas into our legislation -- the premium cap came from a Danforth-Kassebaum bill of two years ago. You can go down the line and see all the ways we thought their good ideas should be part of health care reform.

And every time we have said what is or is not acceptable beyond what is the bottom line -- which is universal coverage has to be achieved -- they've moved away from it. Now, I'm not about to negotiate through the press with the opponents of health care reform, which is what these folks are. And I think that has been proven, for whatever the combination of reasons might be.

Q Mrs. Clinton, there seems to be -- whether it's true or not, there seems to be a perception among your strongest supporters in Congress that the White House -- that you've weakened the definition of universal coverage. Are you in danger of losing your supporters in the debate on the Mitchell bill?

MRS. CLINTON: Like who?

Q Wellstone, Simon --

MRS. CLINTON: Well, I think that the senators you named have always had a very strong position with respect to single payer, and have been very strong advocates of achieving universal coverage.

This bill that comes out, whatever it is, is not going to satisfy any of us -- we all would have done it differently. And you can look at every single senator who truly wants universal coverage -- they all would have done something differently. And the political challenge is, how do you put together a universal coverage bill in the existing United States Senate that gets a majority? That's always been the challenge. And I think that so long as it achieves universal coverage, there will be a majority for it.

Q You just said, and the President has said a lot, that every time you move toward the Republicans, they step back. Well, there are actually a number of Democrats that have also been equally as unyielding, and some -- Senator Breaux, for example, has actually moved away from positions he held earlier, like the trigger mandate. What do you have to say for them? Does that frustrate you; does it anger you? Or why hasn't the Democratic Party been more united on this issue?

MRS. CLINTON: Oh, please, Hillary. (Laughter.) I mean, this is part of being a Democrat. (Laughter.) Think of where we were a year ago -

- the budget would never pass, you'd never get a majority, the Democrats were deserting the President, it will never work, it will raise unemployment, it will destroy interest rates, on and on and on and on.

Well, we got it done and, by golly, it worked. And we got it done with all Democrats. And actually, we don't need quite as many Democrats because Senator Jeffords understands health care reform, unlike many others. And in fact, his support for health care reform has increased, as I understand it, his ratings in Vermont by 20 points.

So we're going to have a hard-fought battle down to the very end with a small group of Democrats and all but one of the Republicans claiming the sky is falling and that all kinds of terrible things will happen. And then, eventually, we will get a vote that will be a majority vote for a decent bill.

Q Will you have to get it done with all Democrats again?

MRS. CLINTON: No, we've got Senator Jeffords. (Laughter.)

Well, we didn't have him on the budget and, I mean, I don't think you should -- that's not insignificant. And I think that -- the thing about those who understand the issue -- and I cannot stress this enough because many of the opponents of health care reform get away with rhetoric. It's like Senator Gramm going on TV and saying, it's socialized medicine, socialized medicine. And because our TV culture is such that the idea of getting at the truth is to have one side say the sky is falling and the other side say no it's not, then at the end of the 30 minutes they say, thank you very much. And nobody presses these guys to say, oh, really? And how is it that it's socialized medicine? What does that mean -- does that mean that private insurance is going to start telling Americans what doctors they can use? Does that mean Medicare, which is paid for by a payroll tax, which is certainly a mandate, is going to all of a sudden start telling my mother what doctor she can use?

Nobody ever presses these guys. They get away with it day in and day out. So my hope is that as the debate actually is joined, and people have to defend their positions in public over a sustained period of time, this will become clearer to the American public about what really is at stake in this debate. And I have a lot of confidence that the outcome is going to be positive. And if it's a 51 vote, fine. If we hadn't had a 51 vote on the budget, we would not have 4 million new jobs, in my view.

So these are the kinds of trade-offs you make in life. And if you are trying to stand for something, and you believe it's bigger than yourself and you think it is the right thing to do, you stand up and get counted, no matter what the opposition or the political flack might be.

Q Mrs. Clinton, to take us all the way back to the Mitchell bill again, it's being subjected to widely divergent interpretations. Some of the advocates of universal coverage say it doesn't make it. Some of the moderates who seem -- specifically for it say it's a stealth Clinton plan. I'm wondering if you can help us figure out who's right by telling us what you think is the case about the bill on two scores: One, on the mandate -- do you understand it to be structured so that if Congress does not pass legislation that is certified to get us to universal coverage, then it kicks in? So it is a hard trigger universal coverage bill. You're shaking your head yes?

MRS. CLINTON: Yes.

Q And on cost control -- you said earlier on that Ira and your team put together this amazing structure, computer programs and so on, to be able to crack what kind of effects on cost and various things these bills would have. Have you run the Mitchell whatever we call it -- premium cap, premium tax? Does it work? Does it work as well as what you think your plan would have done? Does it work as well as -- is it really a cost control mechanism that works?

MRS. CLINTON: Well, all I know is, it's likely the CBO, which has been running this stuff constantly and is the body of expertise on what the members of Congress are proposing, believes that it does, that it is deficit neutral, which is how I basically think of cost containment. Because if we can get to deficit neutrality in health care expenditures from the federal budget, that is a big step forward. Because remember, under the budget that was passed last year, we keep the deficit going down until '97 or '98; then it goes up again because of health care increases.

Q But Mitchell has something like a fail-safe in it so that you could get deficit neutrality by pulling the rug out from under your subsidies if you're willing to get it because your cost control works and everything works. -- CBO being a font of wisdom about this, you, in this White House, have gathered together all sorts of computer programs and all sorts of knowledge about health care. Does the cost control system in Mitchell, does the premium tax in Mitchell work as a real cost control mechanism? Does it cramp down on the way your plan would have cramped down on costs?

MRS. CLINTON: I don't know enough about it, Peter, to answer that question. I mean, I really don't. I mean, I have basically relied on the fact that we've got cost containment in Mitchell's bill and the CBO is going to say it's deficit neutral, which is all that matters on the Hill. I mean, we could say anything we wanted over here and nobody would necessarily buy it because it's coming from us.

And so I don't know that it makes any difference so long as CBO says it is, because they've been very tough on these bills. And if they say it is, I think that it is. And the fail-safe is a very important feature of what Mitchell has constructed, as I understand it. And the fail-safe would kick in. And again, from the Senate Finance Committee perspective -- which, don't forget, really is a major part of what Mitchell worked from -- competition and better management of delivery is supposed to lower costs. So how those two lines intersect -- the CBO has consistently given less credit to the effects of competition than we believe are justified.

So I would argue that if the CBO, based on its formulations, believes this is deficit neutral, it may even be a little bit better than that. See what I mean? So that's how we assess it. And that's something that I'm sure will get debated out endlessly in the next couple of weeks.

Q For how long -- deficit neutral for how long a period of time?

MRS. CLINTON: I don't know the answer to that.

Q 2004?

MRS. CLINTON: 2004, thank you.

Q Do you want to comment on the press coverage, print and press coverage --

MRS. CLINTON: Oh, I think the print press has been terrific. (Laughter.) No, I'm serious. If this debate had been played out based on what most of you -- not all -- but the vast majority of you have written, we would be further along. And I'm really mean this. Most of you have really gotten into the issue; you have studied it. What you've written has been clear and understandable to people. You've covered all sides of it, you've asked the hard questions.

And again, that's the difference between 1994 and 1934. I mean, it is not thoughtful print journalism, unfortunately, in many respects which drives these social policy debates. It is the 30-second ad; it is the very well-organized direct mail campaign; it is the radio talk show network. So I wish that this debate were played out on the basis of what the majority of you have written, because I think you've done a real service.

Let me just quickly, before we leave, I just want to be sure you've got all this stuff which -- well, my favorite things aren't here -- my charts. Steve Gleason's charts -- have you all seen those? Here they are, and we can get you copies of this if you're interested.

One of the big issues, I know -- and none of you raised it because you know better, but it will be a big issue on the floor -- is this bureaucracy issue. And you'll hear it, and bureaucracy will be a 20-syllable word in the debate because people will be saying this creates bureaucracy and all that. This, I thought, was terrific. This is one small doctor's office in a small town in Iowa. This is the bureaucracy in his office to deal with every insurance company transaction and Medicare transaction. Every box represents a transaction, which means somebody in his office has to deal with that box.

And what we keep stressing is -- especially for the Phil Gramm's of the world who talk about socialized medicine -- Medicare has problems. We know that because you all are experts in this. But it does two things extremely well. It holds down administrative costs. It's administrative costs are less than 3 percent, compared to private insurance administrative costs of an average 17 percent. That administrative cost in the private side goes right into health care costs and right into bureaucracy. And the bureaucracy is at every level of the system, including a small doctor's office. And the other thing that Medicare does very well is to provide a standard benefits package so that you can compare apples and apples. And you've got a huge buying group that then obviously can get more market clout.

This is what his office would have looked like if we had had the kind of health care we originally proposed. But it's still pretty close to what we'll get with either Gephardt or Mitchell, because if you have buying co-ops, if you've got standard benefit packages, you decrease the administrative costs. So when somebody talks about bureaucracy, the real comparison is not the one they're tying to make, which is some image of what will or won't happen. The real comparison is what happens today, and can't we do better than what we've got? And I think the answer is pretty self-evident if anybody stops to think about it.

So that's -- we'll give you a packet of this stuff. I think you've probably seen -- I'm sure you have seen most of the rest of it.

Thank you all very much.

file HRC health care

STATEMENTS ON INSURANCE COMPANIES

Q & A at Families USA, 5/25/93

"So I predict that we will still have a health insurance industry, it will be a lot less than it is now, there will be far, far fewer companies and they will, like everybody else, go back to making money the old fashion way, a little bit of money and a lot of people. Instead of what they have been doing, which is through underwriting practices, eliminating anybody who ever might get sick. And so I think what we're looking at is a reasonable role for those insurance companies that survive this transition."

Remarks to the SEIU, 5/26/93

"And you know as well as I do that there will be many arguments marshalled against reform. The strongest will be that if we change it could get worse. It's sort of hard to imagine the costs going up $100 billion a year, with millions of people at risk of losing their insurance and 1.2 million every year losing it, with it costing more and more and delivering less and less; it's hard to imagine how these proponents of the status quo will be successful with that argument. But don't ever underestimate their capacity to confuse the issue, to scare people, to use tactics that will be very difficult to -- (inaudible)

... So I ask each of you to continue what you have begun. Stand up for the kind of health care system that makes sense, that will save money, will eliminate fraud and abuse, will focus on quality, will provide a choice, and will in the long run make this country and everyone in it more secure and healthier..."

Remarks to the American Medical Association, 6/13/93 (multiple cites)

"... And what was Dr. Berenson's reward for his honesty and professionalism? He was placed on the insurance company's "special exceptions" list. You know, that's a list of troublesome doctors who make the insurance company wait a few days or a few weeks to determine the bottom line on a particular patient.

From that point on, the insurance company called Dr. Berenson six times in two weeks. Each time he had to be summoned away from the patient to take the call. Each time he spoke to a different insurance company representative. Each time he repeated the same story. Each time his role as the physician was subverted. And each time the treatment of the patient was impeded.

Dr. Berenson and you know that medicine, the art of healing, doesn't work like that. There is no master checklist that can be administered by some faceless bureaucrat that can tell you what you need to do on an hourly basis to take care of your patients. And frankly, I wouldn't want to be one of your patients if there were."

Remarks to the League of Women Voters, 6/14/94 (multiple cites)

"And I will never forget the mother who looked at me and asked if I knew what it felt like to have a child with a congenital illness after the insurance had run out and who knew, therefore what quality health care was like because she could afford it and, all of a sudden, finds herself on the other side, unable to afford it and being told one time by an insurance agent, whom she had gone to in a desperate effort to piece something together which her family could afford -- her husband was a lawyer, they were well-paid but they could not afford what they were being asked to pay-- and finally having this agent look at her and say, 'You don't understand. We don't insure burning houses.' I don't want to hear anymore stories like that in America. It is a simple issue of social justice that we are addressing."

Remarks to the Economic Club of Washington, 6/28/94

"...And, in fact, all of the scare tactics used by the opponents of health care to try to convince people that it is health reform that was going to eliminate of decrease their choice is, in fact, a smoke screen for hiding what is happening in the marketplace right now, which is the deprivation of choice on a daily basis as employers desperate to control costs, cut deals with providers that eliminate certain doctors and hospitals from available coverage."

Remarks to the Institute of Medicine, National Academy of Sciences, 10/19/93

"What we are trying to do is to take back that power (of choice) from insurers and from the federal government. Right now insurers have the ability to grant and deny coverage. They do it with a vengeance, because it has become the way in which they make money...

And I would argue that the people who are most likely to have credible voices are people like those of you in this room. That when the dust settles, the highly financed advertising campaigns on behalf of special interests like the one that the independent insurance agents are running, which goes to your expertise, which says we're going to ration care, we're going to take away choice.

When really if they held to any standard of truth in advertising, it would be, we won't be needed anymore, because we won't be underwriting risk and eliminating people from health care coverage, and that is something that we are concerned about."

Remarks at Brown Bag Lunch Health Care Briefing, State of Illinois Building, 10/21/93

"... If you compare costs in one city to costs in another city, as I have done, you will discover that, without any difference in quality, some people in our country are paying a whole lot more for the same health care than others. We need to squeeze

out the waste, the fraud, the abuse which still exists in this system and get it to run more efficiently.

So ask anybody who comes forward with a plan, 'Are you going to take on the insurance companies? Are you going to take on those who defraud the system? Are you going to try to weed out the waste and abuse?' Because if the answer is nor or a weak yes, that's not the kind of system we need."

Remarks at Health Care Briefing at Children's Hospital in Chicago, 10/21/93

"... An association that represents independent insurance agents has been running ads nationwide talking about how choice may be taken away. Now why are they doing that? They could care less about choice. They care about the fact that under insurance reform, they won't have a job. But their job is to eliminate people from insurance coverage by underwriting risk or to make it very expensive by making the risk factors as precise... as possible."

Remarks to the American Academy of Pediatrics, 11/1/93

"... And yet I know you've seen the ads. You know, the kind of homey kitchen ads where you've got the couple sitting there talking about how the President's plan is going to take away choice and the President's plan is going to narrow options, and then that sort of heartfelt sight by that woman at the end, there must be a better way -- you know, you've all seen that, right?

What you don't get told in the ad is that is paid for by insurance companies who think their way is the better way. They like what is happening today. They like being able to exclude people from coverage because the more they can exclude, the more money they can make. It is time that we stood up and said, 'We are tired of insurance companies running our health care system.' It is time to give those decision-making authorities back to you, who are the physicians in charge of this system, although I know you haven't felt like it in a very long time.

But that's because our whole history has conspired against us. Insurance was originally meant for catastrophic illnesses. And the original not-for-profit Blues used to community rate; everybody was insured, and nobody was turned away. And then commercial insurers starting in the late '40s and '50s began to figure that they could make money from health just the way they made it from property and fire and life, so they moved into the system. But they figured out that the Blues were going to lose money if they insured everybody. That wasn't profitable.

So the more they could limit people, the more they could what's called "cherry pick" so that only the healthy would be insured or those who had ever been sick would pay a lot more, the more money they could make. Now, they have the gall to run TV ads that there is a better way, the very industry that has brought us to the brink of bankruptcy because of the way that they have financed health care. It is time for

you and for every American to stand up and say to the insurance industry, 'Enough is enough. We want our health care system back.'"

Remarks at the Martin Luther King Jr. Branch of the Cleveland Public Library, 11/93
(Transcript not available. Text from the Ethnic NewsWatch, 11/18/93)

"(Mrs. Clinton) said the plan would eliminate 'abuses' where the insurance executives thousands of miles away were making decisions about tests and treatment that should be a decision left to a patient or doctor. Among those abuses she mentioned were so-pays, lifetime limits and other restrictions found 'in the fine print' of insurance policies."

Remarks at Health Care Forum Sponsored by Dr. Koop at Children's Hospital of Philadelphia, 2/4/94

"Today's health care system is rigged against families and small businesses. And the insurance companies are in charge. They pick and choose whom they cover and at what cost and for how long, and they also impose enormous burdens on those of you who deliver health care.

... I mean, if you know anything about how the system is funded and costs are derived... you know that the vast majority of money comes from the private sector and that the private sector is also rife with fraud, abuse and waste, some of which I have alluded to."

Remarks to the Health Security Express Riders, 8/5/94

"Real reform means universal coverage. Real reform means eliminating abusive insurance company practices..."

Radio Interview with WITC in Hartford, CT, 8/11/94
(Transcript not available. Text from Reuters report, 8/11/94)

"Hillary Rodham Clinton blasted the private health insurance industry Thursday for trying hard to stop health reforms because the current system 'puts money into their pockets.'...

President Clinton's wife, in the interview broadcast live on WITC, said she believes there will be layoffs in the insurance industry if health reform is passed. 'But wouldn't it be better to have more nurses and more home health care assistants and more technicians and more doctors and more hospital people who are actually taking care of folks than people who are pushing papers trying to decide whether you or I are insurable and at what costs?' she asked.

Clinton said the insurance industry is trying hard to stop reform all together. When asked whether government could do a better job of containing health care costs than insurers, Clinton said, 'Here you are sitting in Hartford, the capital of the insurance industry... spending a whole lot of premium dollars trying to prevent anything from happening.'"