The Facts (Do Nothing)

# "IF WE DO NOTHING" DATA --
## *National Governors Association Speech*

*The President's unwavering commitment to universal coverage is about providing middle-class, working Americans with the health security they and their families deserve.* ***Working Americans are losing this security today – their coverage is being dropped, their benefits are being cut, and they spend more each year to pay for people who have no insurance. Without reform, this will only get worse – the same health care will cost more every year even as workers lose wages to rising health costs.***

***MORE AND MORE COMPANIES WILL DROP THE INSURANCE THEY NOW OFFER:***

- From 1988 to 1992, the percentage of workers who were covered by their company's health plan dropped from 81% to 78%. [Department of Labor, 5/94]

- The percentage of families who received full employer-paid medical coverage fell from 32% in 1988 to 19% in 1992. [Hay/Huggins Benefits Report, 1992]

- The high cost of insurance is expected to cause 30% of small businesses currently providing insurance to drop coverage in the years ahead. This will further raise premiums for the smallest companies that do provide. [Health Affairs, Spring 1992]

- Because of the rising costs of health care, only 15 percent of new companies offered health benefits to their employees in 1992, compared to 23 percent in 1978. One and a half million fewer full-time workers receive health benefits directly through an employer today, compared to 1988. [Ken Thorpe, University of North Carolina, 8/92]

***FACED WITH RISING COSTS, EMPLOYERS WILL CONTINUE TO CUT BENEFITS:***

- Nearly 6 in 10 of those earning $30,000 to $50,000 a year had some experience in their household with cutbacks in health benefits in recent years. [New York Times/CBS News Poll, 4/7/93]

- The percentage of families who received fully employer-paid medical coverage fell from 32% in 1988 to 19% in 1992. [Hay Huggins Benefits Report, 1992]

- Only 43% of health care plans offered full hospital coverage in 1992 -- compared with 54% in 1988. [Hay Huggins Benefits Report, 1992]

- The number of companies offering normal retiree medical benefits has dropped from 72% in 1988 to 57% in 1992. [Hay Huggins Benefits Report, 1992]

***FAMILIES WILL PAY MORE***

- From 1988 to 1993, the average family premium for employer-based group health insurance doubled, from $2,500 to $5,200. Families wanting to buy health insurance directly from an insurer can spend as much as $10,000 a year. [HIAA (1988) and KPMG Peat Marwick (1993) in New York Times, 6/12/94]

- From 1988 to 1993, individual premiums for employer-based group health insurance by almost 70%, from $1,200 to $2,000. [HIAA (1988) and KPMG Peat Marwick (1993) in New York Times, 6/12/94]

***PEOPLE WILL CONTINUE TO LOSE WAGES TO PAY FOR HEALTH CARE:***

- If health care had been reformed in 1975, American workers would have over $1,000 in extra wages each year. [Commerce Department, Office of Management and Budget]

- The amount of total compensation going to health care keeps growing -- by 1993, an average of $1.10 of each worker's hourly wages went to pay for health insurance, up from 92 cents just two years before. Without reform, workers will lose another $600 per year in wages by the year 2000. [HHS, 6/94; OMB]

***AMERICANS WILL CONTINUE TO LOSE THEIR HEALTH CHOICES:***

- From 1988 to 1993, the percentage of people enrolled by their employer in traditional fee-for-service health plans -- which allow them to see any doctor they choose -- plummeted to 49% from 71%. [KPMG Peat Marwick in Wall Street Journal, 2/10/94]

***THE DEFICIT REDUCTION WE'VE FOUGHT FOR WILL BE WASTED:***

- If we do nothing, health care spending will rise from 14% of GDP today to an astonishing 18% of GDP in the year 2000 -- meaning that **seven years from today, almost $1 out of every $5 earned by Americans will go to health spending**. [OMB]

- More than half of the expected $295 billion increase in federal revenue between 1996 and 2000 will be absorbed by health care cost increases. [*"The Economic and Budget Outlook"*, CBO, 1/94]

***MORE AND MORE STATE DOLLARS WILL BE DIVERTED TO HEALTH CARE:***

- In the last three years alone, state Medicaid expenditures have spiraled as a percentage of state budgets -- from just over 8 percent in 1990 to 12 percent in 1993. [HHS calculations from National Association of State Budget Officers data]

- State Medicaid expenditures are projected to consume nearly 18 percent of state budgets in the year 2000 -- twice as much as they had just ten years before. [HHS calculations from National Association of State Budget Officers data]

- In 1993, for the first time in history, states spent more on health care than they did on tax-financed higher education. [National Association of State Legislators]

## WHAT WILL HAPPEN TO AMERICA IF WE FAIL TO ENACT UNIVERSAL HEALTH CARE REFORM

*Data based on comparison of the status quo and effects of the Health Security Act*

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- **22,232,601** Americans who work for a living will be denied health care protection.
- **7,797,780** of America's children will be left out in the cold.
- American *businesses* that currently offer insurance will pay an estimated **$59 billion more** in premium costs, an average of $605 per worker.
- American *workers* employed by firms that offer insurance will pay an estimated **$28 billion more** for insurance, an average of $293 per worker ($24/month).
- American *workers will lose* an estimated **$47 billion in wages**, an average of $484 per worker.
- America will continue to lose **$25 billion** in uncompensated care each year.
- States will pay **$45.8 billion more** on health care by the year 2000.
- States will pay **$19 billion more** in *Medicaid* expenditures.
- **31,848,000** privately insured Americans under 65 will be *denied prescription drug* coverage.
- **120,553,000** privately insured Americans will *go without dental* benefits.
- **153,199,000** privately insured Americans will *be denied mental health and substance abuse* benefits.
- **2,607,000 Americans** with disabilities will be *unable to get the home and community-based care* benefits they need.
- **81,082,475** Americans can still be *denied health insurance* or forced to pay higher rates due to *pre-existing conditions*.
- **2,248,000** Americans will continue to *lose their health insurance* each month.
- **18,517,000** of America's Medicare recipients will *not gain prescription drug* coverage.

will fully fund programs that save us several dollars for every one we spend—Head Start; the Women, Infants and Children (WIC) program; and other critical initiatives recommended by the National Commission on Children.

***Dramatically Improve K–12 Education.*** We will overhaul America's public schools to ensure that every child has a chance for a world-class education. We will establish tough standards and a national examination system in core subjects like math and science, level the playing field for disadvantaged students, and reduce class sizes. Every parent should have the right to choose the public school his or her child attends, as they do in Arkansas. In return, we will demand that parents work with their children to keep them in school, off drugs, and headed toward graduation.

***Safe Schools Initiative.*** We will provide funds for violence-ridden schools to hire security personnel and purchase metal detectors, and we will help cities and states use community policing to put more police officers on the streets in high-crime areas where schools are located.

***Youth Opportunity Corps.*** To give teenagers who drop out of school a second chance, we will help communities open youth centers. Teenagers will be matched with adults who care about them and given a chance to develop self-discipline and skills.

***National Apprenticeship Program*** We will bring business, labor, and education leaders together to develop a





national apprenticeship-style system that offers non-college-bound students training in valuable skills, with the promise of good jobs when they graduate.

***National Service Trust Fund.*** To give every American the right to borrow money for college, we will retain the Pell grant program but scrap the existing student loan program and establish a National Service Trust Fund. Those who borrow from the fund will be able to choose how to repay the balance: either as a small percentage of their earnings over time, or by serving their communities doing work their country needs as teachers, law enforcement officers, health-care workers, or peer counselors helping kids stay off drugs and in school.

***Worker Retraining.*** We will require every employer to spend 1.5 percent of payroll for continuing education and training, and make them provide the training to all workers, not just executives. Workers will be able to choose advanced skills training, the chance to earn a high school diploma, or the opportunity to learn to read. And we will streamline the confusing array of publicly funded training programs.

## AFFORDABLE QUALITY HEALTH CARE

The American health-care system costs too much and does not work. Instead of putting people first, Washington favors the insurance companies, drug manufacturers, and health-care bureaucracies. We cannot build tomorrow's economy until we guarantee every American the right to affordable quality health care.

Washington has ignored the needs of middle-class families and let health-care costs soar out of control. American drug companies have raised their prices three times faster than the rate of inflation, forcing American consumers to pay up to six times more than Canadians or Europeans pay for the same drugs. Insurance companies routinely deny coverage to consumers with "pre-existing conditions" and waste billions on bureaucracy and administration. Twelve years ago, Americans spent $249 billion on health care. This year we'll spend more than $800 billion.

Health-care costs are now the number one cause of bankruptcy and labor disputes. They threaten our ability to compete, adding, for example, $700 to the cost of every car made in America. Our complex system chokes consumers and providers with paper, requiring the average doctor to spend eighty hours a month on paperwork. It invites fraud and abuse. We spend more on health care than any nation on earth and don't get our money's worth.

Our people still live in fear. Today almost 60 million Americans have inadequate health insurance—or none at all. Every year working men and women are forced to pay more while their employers cover less. Small businesses are caught between going broke and doing right by their employees. Infants die at rates that exceed countries blessed with far fewer resources. Across our nation older Americans live in fear that they will fall ill—and lose everything or bankrupt their children's dreams trying to pay for the care they deserve.

America has the potential to provide the world's best, most advanced and cost-effective health care. What we





need are leaders who are willing to take on the insurance companies, the drug companies, and the health-care bureaucracies and bring health-care costs down.

Our health-care plan is simple in concept but revolutionary in scope. First, we will move to radically control costs by changing incentives, reducing paperwork, and cracking down on drug and insurance company practices. As costs drop, we will phase in guaranteed universal access to basic medical coverage through employer or public programs.

Companies will be required to insure their employees, with federal assistance in the early years to help them meet their obligations. Health-care providers will finally have incentives to reduce costs and improve quality for consumers. Savings from cost containment will help those who pay too much for health insurance today. American health care will make sense.

Our plan will put people first by guaranteeing quality, affordable health care. No American will go without health care, but in return everyone who can must share the cost of his or her care. The main elements include:

***National Spending Caps.*** The cost of health care must not be allowed to rise faster than the average American's income. We will scrap the Health Care Financing Administration and replace it with a health standards board—made up of consumers, providers, business, labor, and government—that will establish annual health budget targets and outline a core benefits package.

***Universal Coverage.*** Affordable quality health care will be a right, not a privilege. Under our plan, employers and

employees will either purchase private insurance or opt to buy into a high-quality public program. Every American not covered by an employer will receive the core benefits package set by the health standards board.

***Managed Care Networks.*** Consumers will have access to a variety of local health networks, made up of insurers, hospitals, clinics, and doctors. The networks will receive a fixed amount of money for each consumer, giving them the necessary incentive to control costs.

***Eliminating Drug Price Gouging.*** To protect American consumers and bring down prescription drug prices, we will eliminate tax breaks for drug companies that raise their prices faster than Americans' incomes rise.

***Taking on the Insurance Industry.*** To stand up to the powerful insurance lobby and stop consumers from paying billions in administrative waste, we need to streamline the industry. Our health plan will institute a single claim form and ban underwriting practices that waste billions to discover which patients are bad risks. Any insurance company that wants to do business will have to take all comers and charge every business in a community the same rate. No company will be able to deny coverage to individuals with pre-existing conditions.

***Fighting Bureaucracy and Billing Fraud.*** To control costs and trim the "paper hospital," our plan will replace expensive and complex financial forms and accounting procedures with a simplified, streamlined billing system. All Americans will carry "smart cards" coded with their





personal medical information. We will also crack down on billing fraud and remove incentives that invite abuse.

***A Rational Medical Liability System.*** To reduce litigation costs and keep doctors from practicing "defensive medicine," we will help develop alternative dispute-resolution mechanisms in every state. These procedures will effectively and humanely resolve legal challenges.

***Core Benefits Package.*** Every American will be guaranteed a basic health benefits package that includes ambulatory physician care, inpatient hospital care, prescription drugs, and basic mental health care. The package will allow consumers to choose where to receive care and will include expanded preventive treatments such as pre-natal care, mammograms, and routine health screenings. We'll provide more services to the elderly and the disabled by expanding Medicare to include more long-term care.

***Equitable Costs.*** We will protect small businesses through "community rating," which requires insurers to spread risk evenly among all companies.

## A REVOLUTION IN GOVERNMENT

We cannot put people first and create jobs and economic growth without a revolution in government. We must take away power from the entrenched bureaucracies and special interests that dominate Washington.

We can no longer afford to pay more for—and get less from—our government. The answer for every problem

## AFFORDABLE QUALITY HEALTH CARE

This section of *Putting People First* promises to "radically control [health] costs by changing incentives, reducing paperwork and cracking down on drug and insurance company practices." The plan commits to put a lid on soaring health costs, "phase-in guaranteed universal access to basic medical coverage through employer or public programs," increase use of managed care, fight bureaucracy and billing fraud, and provide small business access to the same prices available only to large purchasers today.

The Health Security Act, proposed by the President on September 23, 1993, met, with only the most minor of exceptions, every health care pledge made in *Putting People First*. The plan dramatically reduced the rising cost of health care through increased competition and caps on rising premium costs. It reached universal coverage for all Americans by 1997, with a requirement that all employers contribute to the health premiums of their employees. It guaranteed prescription drug coverage for all Americans and limited the ability of insurance companies to compete only on risk, not price and quality. And it guaranteed individuals access to managed care networks and small business access -- through community rating -- to the same premium prices as large businesses.

The Health Security Act progressed farther in the Congress than any comprehensive health reform initiative ever had before. It was reported out by four Committees and made it to the Senate floor for the beginning of an historical debate. Although the Congress did not complete action on health reform in 1994, the Administrations all-out effort has put this vital issue at the top of the American domestic priority agenda. Despite an unprecedented misinformation campaign by the opponents of health reform, the two-year debate has made the public and the Congress better informed about health care and the choices we have before us. As a result, even as we enter the 104th Congress with a Republican-controlled House and Senate, every Member of Congress is fully aware that the problems of our current health care system will not disappear and can and must be addressed.

42. *Commitment:* National Spending Caps. **The cost of health care must not be allowed to rise faster than the average American's income. I will scrap the Health Care Financing Administration and replace it with a health standards board -- made up of consumers, providers, business, labor and government -- -- that will establish annual health budget targets and outline a core benefits package.**

*Assessment:* **Legislation Proposed**

***Background:*** On January 25, 1993, the President announced the formation of the Health Care Task Force, which would design health care legislation that would provide guaranteed health insurance for all Americans. On September 23, 1994, the President submitted the Health Security Act for consideration by Congress.

Section 6001 of the Health Security Act called for premium caps, which, by 1999, would hold the rate of growth on health insurance premiums to growth in CPI. To the extend that real average income growth is positive, holding health care growth to CPI would meet the President's promise of capping the cost of health care growth at or below income growth.

While the Health Care Financing Administration (HCFA) would continue to exist even under the Health Security Act, Section 1501 of the Act called for the establishment of a National Health Board (which would exist along with HCFA). The National Health Board would be comprised of members "selected on the basis of their experience and expertise in relevant subjects, such as the practice of medicine, nursing or other clinical practices, health care financing and delivery, state health systems, consumer protection, business, law and delivery of care to vulnerable populations." The one group not mentioned in the legislation but mentioned in Putting People First is labor. As promised in the campaign, the Board would be responsible for interpreting and recommending changes to the comprehensive benefits package and overseeing cost containment provisions of the Act in addition to other duties.

43. *Commitment:* Universal coverage. **Affordable, quality health care will be a right, not a privilege. Under my plan, employers and employees will either purchase private insurance or opt to buy into a high-quality public program. Every American not covered by an employer will receive the core benefit package set by the health standards board.**

*Assessment:* **Legislation Proposed**

***Background:*** Title I, Subtitles A & B of the Health Security Act describe the health care coverage to which all eligible individuals -- citizens, legal aliens, and long-term non-immigrants -- are entitled and date on which coverage becomes effective.

Section 1322 of the HSA guarantees that each alliance would offer residents a choice of health plans among those that have contracts with the alliance, including choice of a fee for service plan. This will provide consumers with the best opportunity to obtain affordable, quality health care.

Section 1002 requires eligible individuals to enroll in a private health insurance plan and pay the required portion of premiums.

Section 6121 of the HSA requires each employer to pay 80 percent of premiums for each employee.

Section 1001 (d) entitles Medicare – eligible individuals to benefits through the Medicare program rather than through the Health Security Act.

Title V, Subtitle A of the HSA establishes various programs, councils, surveys and standards to ensure quality health care services.

44. *Commitment:* Managed Care Networks. **Consumers will have access to a variety of local health networks, made up of insurers, hospitals, clinics and doctors. The networks will receive a fixed amount of money for each consumer, giving them the necessary incentives to control costs.**

*Assessment:* **Legislation Proposed**

*Background:* Section 1321 requires alliances to negotiate with any willing state–certified health plan to enroll eligible individuals. Section 1322 (a) ensures that each alliance offer residents a choice of health plans among those that have contracts with the alliance. Alliances are expected to offer: fee for service plans, preferred provider organizations (PPO), and health maintenance organizations (HMO), but must at least include a fee–for–service option. Both the PPO and the HMO options are managed care options, which include hospitals, clinics and doctors. These plans are paid a fixed amount of money for each enrollee, which i expected to give them incentives to control costs.

Section 1322 (d) of HSA allows regional alliances to use prospective budgeting in creating its fee schedule. This would force large providers of health care to budget their resources and watch costs more closely.

Section 4011 encourages managed care under the Medicare program through uniform open enrollment periods for risk–sharing plans. This would enable more people to shop around for the policy that provides high quality services at a low cost.

43. 45. *Commitment:* Eliminate Drug Price Gouging. **To protect American consumers and bring down prescription drug prices, I will eliminate tax breaks for drug companies that raise their prices faster than American's incomes rise.**

*Assessment:* **Partial Accomplishment**

*Background:* On February 17, 1993, the President submitted A Vision of Change for America to Congress which contained initiatives to curb prescription drug prices. On April 8, 1993 the President presented the Administration's FY 1994 Budget to Congress which detailed the specific steps to be taken. On August 10, 1993, the President signed into law the Omnibus Budget Reconciliation Act (OBRA) of 1993.

"Investing in the Future: Reducing the Deficit to Increase Private Investment," a chapter in A Vision of Change for America, called for a reassessment of the extremely costly tax incentives provided in Puerto Rico. The initiative called for tax incentives available to American corporations, including many pharmaceutical firms, in Puerto Rico to be capped at 65 percent of compensation paid to workers in Puerto Rico. Section 936 of OBRA limited tax credits available to drug companies to either 40% of credit available under prior law (when fully phased in)n or 60% of compensation plus a portion of depreciation expense. This tax change will generate almost $4 billion in savings between FY 1994 and FY 1998.

Section 2001 of HSA amends the Social Security Act to add outpatient drugs to Medicare benefits. This would help to protect older Americans from paying unreasonable amounts for medically necessary drugs. Medicare beneficiaries would have 80 percent coverage for their medications after a $250 deductible is reached.

Section 2003 requires manufacturers of drug products to rebate part of their Medicare sales to the Secretary of Health and Human Services. The rebate mechanism was established to provide an incentive for manufacturers to keep prices at reasonable levels.

Section 1572 provides for an Advisory Council on Breakthrough Drugs which would examine the reasonableness of new drug pricing in the case of drugs that represent a breakthrough or significant advance over existing therapies.

As a result of Administration focus on the high cost of prescription drugs, 17 pharmaceutical industry executives, representing two-thirds of the US pharmaceutical market, agreed to hold price increases at or below the general inflation rate. To the extent that real average income growth is positive, holding drug prices to CPI would meet the President's promise of keeping drug price inflation at or below income growth.

46. *Commitment:* Take on the Insurance Industry. **To stand up to the powerful insurance lobby and stop consumers from paying billions in administrative waste, we need to streamline the industry. My health plan will institute a single claim form and ban underwriting practices that waste billions to discover which patients are bad risks. Any insurance company that wants to do business will have to take all comers and charge every business in a community the same rate. No company will be able to deny coverage to individuals with preexisting conditions.**

*Assessment:* **Legislation Proposed**

*Background:* Section 5130 of the Health Security Act requires that the National Health Board develop standardized forms for insurance companies, including a single claims form.

Section 1402 of the Health Security Act requires heal plans to accept every eligible person seeking enrollment and bans plans from engaging in underwriting practices that help seek out the best risks. The section also prohibits plans from denying coverage for preexisting conditions.

Section 1403 of the Health Security Act requires plans to charge everyone in a region a community rate that can only differ by type of family.

47. *Commitment:* Fight bureaucracy and billing fraud. **To control costs and trim the "paper hospital," my plan will replace expensive and complex financial forms and accounting procedures with a simplified, streamlined billing system. Everyone will carry "smart cards" coded with their personal medical information. We will also crack down on billing fraud and remove incentives that invite abuse.**

*Assessment:* **Legislation Proposed**

*Background:* As noted above, Section 5130 of HSA provides for claims form simplification that will produce a streamlined billing system.

Section 5105 requires the National Health Board to issue Health Security Cards to obtain benefits. These cards would contain information about the identity of the card-holder, the applicable health plan in which the individual is enrolled, supplemental policies which the individual maintains, and other information the Board determines is necessary.

Section 5104 through 5441 provide for fraud and abuse programs, funds, and penalties to curb illegal activities. These activities would involve the Secretary of Health and Human Services, the Attorney General, and the Inspector General of the Department of Health and Human Services.

48. *Commitment:* Core benefits package. **Every American will be guaranteed a basic health benefits package that includes ambulatory physician care, inpatient hospital care, prescription drugs, and basic mental health. The package will allow consumers to choose where to receive care and include expanded preventive treatments such as pre-natal care, mammograms and routine health screening. We'll provide more services to the elderly and the disabled by expanding Medicare to include more long-term care.**

*Assessment:* **Legislation Proposed**

***Background:*** Section 1101 of HSA sets forth a comprehensive basic benefits package which health plans must provide for all enrollees. This package includes ambulatory medical and surgical services, hospital services, prescription drugs and mental health services as well as substances abuse, family planning, hospice, home health care, ambulance, vision, dental, and outpatient laboratory, radiology and diagnostic services.

Section 1322 (a) ensures that each alliance offer residents a choice of health plans among those that have contracts with the alliance.

Preventive services such as pre-natal care, mammogram, and routine health screening are also provided for in Section 1101 of HSA.

Section 2101 of HSA creates a new state entitlement to Federal payments for home and community-based services and related activities for individuals with disabilities.

Section 4221 amends the Medicaid statute to specify that all Medicaid enrollees are eligible to receive long term care services covered under their state's medicaid plan.

Section 7701 provides for the expansion of services eligible for deductibility of long-term care expenses incurred by an incapacitated individual. Under this rule, the entire cost of services provided in a nursing home or similar institution may be a medical expense if the principal purpose of the individual's presence is the availability of medical care at the institution.

49. *Commitment:* Equitable cost. **We will protect small businesses through "community rating, "which requires insurers to spread risk evenly among all companies.**

*Assessment*: **Legislation Proposed**

***Background:*** Section 1403 of the Health Security Act requires plans to charge everyone in a region a community rate that can only differ by type of family. This is achieved through regional alliances which spread risk across a large group of people rather than concentrate it within a small business. This would make costs more equitable across employers.

# NATIONAL SERVICE

## The History

When President Clinton signed his national service legislation into law on September 21, 1993, he used pens that Presidents Roosevelt and Kennedy had used to sign past acts. It was fitting. Clinton had drawn on the efforts of these past Presidents for his program. And national service is an idea with roots deep in American history.

Across two centuries of vast changes, a spirit of service has helped to sustain America. Our nation was founded by citizens who risked everything to build a foundation for freedom. "A debt of service," said Thomas Jefferson, "is owed by every [citizen] to [our] country." In the 19th century, the richness and diversity of America's civic life stunned foreign observers. Alexis de Tocqueville found that in America as nowhere else, people consistently helped people--lending a hand to neighbors, making a difference in the community. And from the American Revolution to the Civil Rights Revolution, that kind of citizenship has helped to bring about great improvements in American life.

Programs of service organized at the national level have always built on this rich tradition. In a 1910 essay, William James argued for creating an army of young people to tackle domestic problems and restore their civic spirit in "the moral equivalent of war." During the Great Depression, Franklin D. Roosevelt created the first great national service program, the Civilian Conservation Corps (CCC). Four million young people joined--restoring the nation's parks, revitalizing our economy, and supporting their families and themselves. Through its eleven years, the CCC provided $XX billion in services and enabled millions of families to live in dignity. It was one of the New Deal's proudest successes.

A generation later, President Kennedy created the Peace Corps as the concrete embodiment of his most famous words: "Ask not what your country can do for you, ask what you can do for your country." Responding to that call then and in the years since, thousands of Peace Corps Volunteers have left he comforts of home and traveled to the poorest corners of the globe, building schools where none existed, helping farmers feed the hungry, and creating hospitals to care for the sic. After meeting vital needs overseas, returned Peace Corps Volunteers have brought their expertise and commitment back home to America.

## The Vision

In developing a program of national service for a new generation, President Clinton has drawn on two vital principles from these programs. First, service is important because there is a lot of work to do right now in America. We have too many unmet needs, and our taxpayers' money is too precious, to create a new program for youths to rake leaves and pick up gum wrappers. If national service is about anything, it has to be about doing real work-- ensuring immunizations for infants, teaching children to read, making neighborhoods healthy for families, and keeping the elderly safe in their homes.

Second, a new program of national service should aim to strengthen the spirit of citizenship. Too often today, young people speak about rights, but not about responsibilities. Yet an ethic of entitlement without obligation doesn't work--and it's certainly not what has always made America great. A program of national service can help restore balance to our civic life. It shows

those who serve, and those who don't, that Americans can--and should--give back to their communities and country.

In return for their contribution to our country, those who serve ought to get something in return for themselves. This is the principle of reciprocity: more opportunity in return for more responsibility. And for young people near the beginning of their careers--the age of most who participate--there is no greater source of opportunity than education. Those who help our country can get an award to help pay for their education. This idea first received strong emphasis in the Democratic Leadership Council's vision of national service, strongly articulated beginning in 1988 by Senators Sam Nunn, Chuck Robb, Barbara Mikulski, and then-Governor Bill Clinton.

The model here is the GI Bill. Through the GI Bill, millions of Americans have attended college, helping themselves and contributing to America's productivity at the same time. In an era when college costs have risen dramatically, national service can offer a new way for young people willing to give a helping hand to others to get a hand up for themselves.

A final important principle behind national service harkens back to the Civil Rights Movement. While its great victories eliminated many barriers in the law, they didn't bring down all the walls that wrongly divide Americans from each other. If our country is to move ahead, citizens of every race, region, and religion have to be able to work together. The military has long provided an important place for Americans of all backgrounds to mix. With downsizing at the end of the Cold War, it's now as important as ever to find places where Americans can come together in common work. National service is one of those places--a place for common ground.

**The Initiative**

During the 1992 campaign, the pledge to create a "domestic Peace Corps" excited as much interest as any proposal. Like 30 years before, young people were especially energized; in the first 100 days, the White House was flooded with thousands of postcards and phone calls about the shape of the new program. On the 100th day of his Administration, President Clinton detailed his program to fulfill that campaign promise, and by the end of his second year in office, more people were participating in the new effort than in the Peace Corps at its largest.

Designed with bipartisan support in the Congress and from the Governors, President Clinton's new program--AmeriCorps--is simple enough. Anyone over age 17 may participate, although in practice most Members of AmeriCorps are young people. Members agree to make a significant commitment to service--either a year or two full-time, or a longer period, part-time. Through their service, they meet important needs: improving our schools, housing the homeless, and making our streets safe and our environment clean. In return for their service, they earn a small stipend and, at the end of their service, an education award worth about $5,000 per term--nearly the average cost of a year at a four-year, public university. The education award can be used to repay existing loans or to pay for current or future expenses at any accredited four-year, two-year, or vocational institution.

As the first program of its kind in a generation, AmeriCorps had to reflect the cutting-edge of reinventing government. And it does. The Corporation for National Service--a combination of existing agencies, not a new one--oversees the effort. The Corporation sets broad standards, tracks cost-effectiveness, and monitors progress toward basic goals. But the real power is in the

hands of states and communities, each of which design unique programs to meet their own specific needs. Happily, AmeriCorps doesn't have to reinvent the wheel: instead, it's building on a massive network of existing efforts are already meeting local needs. These programs have already tapped into the energy of young people who want to contribute, and of communities that are struggling to meet their own needs. AmeriCorps becomes a powerful engine of change, with parts as diverse as America itself. The only watchword in every program is "getting things done"--meeting the real needs of America's communities.

Today, in more than 400 AmeriCorps programs around the country, nearly 20,000 Americans are serving America. They are from every state in the union and every background under the sun. What they share is a commitment to helping themselves and improving our country. And that's exactly what they are doing-- getting things done, not with the heavy hand of government, but with the helping hand of service. Today, AmeriCorps Members are saving babies in south Texas and raising reading scores in Seattle; they're walking the NYPD beat in Brooklyn and patrolling Balboa Park in San Diego; they're taking seniors safely to the doctor in St. Louis and keeping kids out of gangs in Killen, Texas; they're building new homes in Roxbury, Massachusetts, and helping parents teach their children in Auburn, Mississippi.

Everywhere they go, AmeriCorps Members are getting results. That south Texas program began in the summer of 1993 and catalyzed the state's first immunization outreach campaign--leading to the immunization of more than 104,000 children in eight weeks. Texas has now expanded that program, and others are following suit. With hard work, scores of other AmeriCorps programs can provide equally inspiring models for change. And AmeriCorps can expand to provide opportunities for service to thousands more American young people.

**[Case study: AmeriCorps Cadet Program]**

A unique partnership among the New York City Police Department (NYPD), the John Jay College of Criminal Justice, and the Corporation for National Service, AmeriCorps Cadets enables young people to fight crime in their communities and become police officers themselves. The xxx-year Cadet term is similar to the Reserve Officer Training Corps (and the Police Corps, discussed elsewhere). During the school-year, Cadets attend classes full-time, including those of the police academy, and serve with the NYPD part-time. During the summer, they serve full-time in their communities. On completing both their college education and their AmeriCorps experience, the Cadets become sworn police officers.

The AmeriCorps Cadets program builds on the existing Cadet program of the NYPD, but it adds an especially strong commitment to community-based problem-solving, using insights from the community policing movement. Teams of six to eight cadets are assigned to 15 of the highest crime precincts in New York City. There, they work with police officers and community members to address specific problems. Projects include reducing "quality-of-life crimes" in Lower Manhattan by cutting loitering and drug and alcohol violations; establishing a "Safe Corridor" for commuting schoolchildren in mid-Manhattan; taking back a drug-infested block in East Harlem by recruiting blockwatchers, enlisting landlords, and coordinating patrols; patrolling parks across Brooklyn to report and reduce crimes; and more.

During the 1994 "Summer of Safety," a pilot for the AmeriCorps program, the first one-hundred AmeriCorps Cadets made striking advances against crime in New York City. The

positive accomplishments are many, but the most striking element is one thing that didn't happen: for the first summer in memory, there were no sexual assaults reported at New York City's public swimming pools, thanks to AmeriCorps Cadet patrols there. All 100 SOS Cadets, as diverse as New York City itself, have re-enrolled this year.

**[Case study: David Trevino]**

When David Trevino sees teachers send children to the corner for bad behavior, he tells himself, "That was me." After David's parents split up when he was seven years old, his interest in learning dried up. Teachers believed he was learning disabled and placed him in special education classes. In an example of the "tyranny of low expectations," David recalls teachers telling him he "wasn't going to make it." For a long time, David believed them and scored poorly.

The turning point in David Trevino's life was when a fourth grade teacher took a special interest in him and taught him, for the first time, to enjoy learning and to believe in his abilities. David graduated from high school and went on to attend Austin Community College, where he is currently a sophomore. Still inspired by his old teacher's example, David has become a teacher himself, too, as part of the AmeriCorps for Math and Literacy program in Austin, Texas. There, David teaches basic skills--reading, writing, and math--to disadvantaged children--the kinds of children he once was.

David is passionate about giving back the caring and inspiration given to him in his childhood. He says his goal this year is to change as many lives as he can. One life he is sure to change is his own. David will use his education award next year when he transfers to the University of Texas to begin pursuing a degree in environmental studies with a concentration in water quality.

**[Quotes: Bill Clinton on service]**

"National service will be America at its best: building community, offering opportunity, and rewarding responsibility. National service is a challenge for Americans from every background and walk of life.... [It] is nothing less than the American way to change America."

"The lesson of our whole history is that honoring service and rewarding responsibility is the best investment America can make."

"National service recognizes a simple but powerful truth, that we make progress not by governmental action alone, but we do best when the people and their government work at the grassroots in genuine partnership."

"I believe.... that national service will remain throughout the life of America not a series of promises, but a series of challenges, across all the generations and all walks of life, to help us to rebuild our troubled but wonderful land."

"But beyond the concrete achievements of AmeriCorps, beyond the expanded educational opportunities those achievements will earn, national service, I hope and pray, will help us to strengthen the cords that bind us together as a people-- will help us to remember in the quiet of every night, that what each of us can become is to some extent determined by whether all of us can become what God meant us to be.

To: Kim O'Neill, Gene Sperling
From: Walter Zelman

Attached is draft of chapter on health care. It is actually written as a brief history of the reform effort. I have, obviously, tried to offer a positive rendition, but with as little spin as possible.

I'm happy to revise or rework it should that be requested. Please let me know how the project progresses.

Also, as you read through the document, you will note some remarks in parenthethis, where something may need to be added, or where a date may need to be checked. I don't have all the information I needed here.

I can get you the disk if you want it.

**DRAFT DRAFT DRAFT DRAFT**

# THE CLINTON ADMINISTRATION AND HEALTH CARE

## I. THE HEALTH CARE CRISIS

As the United States entered the 1990's it faced a serious and worsening health care crisis. The nation was the world's leader in medical technology, maintained and supported the world's greatest medical training facilities, and delivered the highest quality care to many of its citizens. But in several critical respects the system was clearly failing.

- We remained the only industrialized nation, other than South Africa, that did not guarantee basic health care to all its citizens. Over 35 million Americans (about 15% of the population) had no insurance coverage. And that percentage was growing each year.

- Health care was absorbing an ever-increasing percentage of our gross domestic product (about 14% in 1992, going up to an anticipated 18% by the turn of the century).

- Health care spending --defined either in terms of national health care expenditures or in terms of insurance premiums-- was growing at double digit rates, 3 to four times the rate of inflation. This unchecked growth was undermining the nation's capacity to invest in other economic sectors and rendering health care costs increasingly unaffordable for families, employers, and governments.

- The nation's system of employer-based, private insurance was clearly broken. Millions of Americans were subjected to pre-existing condition exclusions that kept them from receiving required care. (In an absurd twist of fate, that which should be treated first, would be treated last, or not at all). Loss of a job or a serious illness could render almost any American uninsured and sometimes uninsurable. Employers and employees would pay radically different insurance premiums depending the age, sex, or health status of the employer group with which they happened to be associated. Yearly premium increases of 15% or more were commonplace.

- Small businesses continued to be particularly hard hit, with employers and their employees routinely paying considerably higher premiums for less coverage. Additionally, they were particularly subject to sudden premium increases, or cancellations depending on the

experience of just one or two members of group.

- And while the nation retained an unequaled capacity to deliver the highest quality care, we lagged far behind other nations on in the delivery of basic preventive care. Disproportionate numbers of the uninsured were children.

The crisis, it must be emphasized, was one faced by all Americans. While the uninsured were disproportionately lower income Americans, an estimated 80% of them were workers or their dependents. About one-third of uninsured Americans were in families earning over 200% of poverty. As stories of Americans losing insurance became nightly features on the evening news, and as soaring costs began forcing workers and employers to choose between maintaining benefits and maintaining salary levels, the nation realized that its health care crisis was a middle class crisis that effected all. All were but one job or one illness from having no health insurance for themselves or their families.

## II. THE SEARCH FOR A SOLUTION LEADS TO DEADLOCK

In the early 1990's the health care crisis was not new. It had been worsening for some time. Literally dozens of reform proposals had been offered by analysts, organizations and legislators of every conceivable political stripe.

But while some modest progress had been achieved at the state level, discussions at the federal government level remained almost hopelessly deadlocked.

That deadlock had both partisan and genuine philosophical underpinnings. In general, Democrats advocated universal coverage, a requirement that all contribute (generally through an employer mandate) and aggressive cost control. Almost inevitably, it seemed, their proposals were marked by heavy doses government direction and regulation.

Republicans, for their part, did not object to the concept of universal coverage. But since they opposed mandates to pay and favored market-oriented over government directed solutions, they objected to mandates and government directed cost control. As a result, their proposals could not achieve universal coverage or promise reductions in cost.

With the Congress in Democratic hands and George Bush in the White House, hope for compromise was virtually non-existent. In spite of the obvious crisis, and in spite of increasing demands for reform, no serious movement towards reform was even attempted. It was all too clear, that the two sides could not agree.

## III. THE CLINTON CAMPAIGN; SEEKING A CONSENSUS

Throughout the primary season of 1992, and through the Democratic convention in July, then-Governor Bill Clinton wrestled with the health care reform issue. As first, in the early months of the campaign he advocated traditional Democratic approaches, featuring universal coverage via and employer mandate and the so-called "play or pay" approach in which employers would either purchase insurance (play) for their employees or pay to have them insured though a public program.

The campaign document, Putting People First, reflected the candidates general views on the need for reform. The proposal committed the candidate to "control (health) costs by changing incentives, reducing paperwork and cracking down on drug and insurance company practices." Additionally, there was an expressed commitment to "phase-in guaranteed universal access to basic medical coverage through employer or public programs," to increase the use of lower-cost managed care, and to provide small businesses access to the same premium charges available to larger purchasers.

Putting People First reflected the candidates general preference for market over regulatory forces. But as the campaign moved into the late summer and fall, the candidate felt a need to define that preference in more specific terms. In particular, he sought a reform policy that would move away from a potential heavy reliance on publicly-delivered care. Additionally, he was uncomfortable with the rate-regulation that would be likely to accompany large public programs. He preferred to guarantee coverage through an expansions of private insurance. In short, he sought a means of achieving traditional Democratic goals of universal coverage and cost containment without the government oriented, government-run systems that seemed so dominant in most proposals that approached that goal.

At the Governor's prodding, his health care advisors worked throughout the summer of 1992 to fashion an alternative approach. The resulting proposal was outlined by the Governor in a speech at .... on September 23. In that speech the Governor called for an expansion of coverage and reductions in costs through competition between private health insurance plans. The approach was known generally as managed competition --an appropriate term, which called attention to the blending of competitive and regulatory (management) approaches to reform. The Governor maintained his support for an employer mandate, but made it clear that employer and employee dollars should fund private, not publicly delivered health care.

## IV. DETAILING A PROPOSAL: A HEALTH CARE TASK FORCE

Immediately upon assuming the Presidency, President Clinton appointed a task force of high level Administration appointees, to be chaired by the First Lady. He charged it with developing a comprehensive reform proposal, based on the policies he had outlined during the campaign.

The task force and its working groups would soon become controversial, accused of meeting in secret and of allowing access to special interest groups. The implication of the charges made was that some were given special treatment and access by being included in the process, while most were denied the opportunity to provide input.

Whatever may have been the value of such a large working group both charges were inaccurate. Members of the task force and working groups met with dozens of groups throughout the policy formulation process. And while many of the 500 or so individuals who participated in working groups had various different political leanings and associations great efforts were made to make certain that all participants were government employees at the time and that none represented particular interests with a strong and specific special interest in task force outcomes.

In the end, what was truly unusual about the process was not the secrecy in which the working groups operated, but the numbers of individuals involved. President's have every right to develop policy via private discussions and working groups of government employees and do so all the time. What was unusual here was that so many individuals were involved. Ironically, the decision to involve hundreds, rather than handfuls, left the process with an appearance not of inclusion, but of exclusion. Had the President asked 20 government employees to retire to a conference room to meet meet privately for 5 months until they had formulated policy recommendations, the process would have been considered customary and would have encountered little public comment or criticism.

But 500 participants was another story. While well-intentioned, then, the combination of project size and privacy proved to be a matter of some public concern, and enabled some opponents of reform to use criticism of the process to help undermine the substance that that process would ultimately produce.

The task force and its working groups, in consultation with the President and many Cabinet members produced the Health Security Act. The President outlined the principles underlying the Act in a speech to the nation on September 23. He further detailed those principles in a speech given upon presentation of the legislation to the Congress, (October....1993) and in his State of the Union address on .... of 1994.

While the Health Security Act provided a detailed reform road map, the President's presentation of his reform plan and of the health care crisis in general continued to focus on principles rather than details. The President continued to assert that his Administration would remain flexible on virtually all elements of the proposal, and that he would work with others to seek consensus around a proposal that could win widespread Congressional and public support. There was only one principle, he declared, on which he would not compromise: universal coverage, a guarantee of health care for all Americans. In his State of the Union speech he threatened to veto any proposal that did not achieve that goal.

## V. THE HEALTH SECURITY ACT

The Health Security Act was, without question, a comprehensive and sweeping reform proposal. Among other things, it called for:

- Universal coverage, to be phased in over several years.through enrollment of individuals and families in private health insurance plans.

- Financing of that coverage by: (1) a requirement that employers contribute to the health insurance of their employees and their families; (2) a requirement that all Americans have health insurance and contribute to its cost (if employers choose not to pay the full cost); (3) government assistance to families and specified employers for whom the costs of insurance would be too great a burden.

- Creation of a comprehensive benefits package that would be offered by all insurers.

- Reduction of insurance costs by: (1) increasing competition between private insurance plans (rather than regulation); (2) eliminating administrative inefficiency; (3) increasing the choices and power of insurance consumers; and (4) a back-up mechanism for limiting the rate of growth in insurance premiums. Competition in the new system would be based on price, quality and service, rather than on an insurers ability to avoid enrolling high cost individuals.

- Creation of large purchasing pools to increase consumer choice and information about different insurance plans, and to give smaller business and individuals the same purchasing power (and thus the same rates) as large employers.

- Insurance market reforms, including: community rating (charging all the same regardless of age, sex, occupation

or health status); a guarantee that all insurers would enroll anyone who wished to enroll in their plans; and elimination of pre-existing condition exclusions.

- Enhancement of the Medicare benefits package to include prescription drugs.

- Measures to monitor and improve the quality of health care, and to better enable consumers to compare health insurance plans on quality.

- Phased in implementation of a new home and community-based long-term care program.

- Privatization of most of the Medicaid program, with most Medicaid recipients being mainstreamed into private health insurance plans.

- Reforms in medical education that would encourage the training of more primary care physicians.

- Improvements in the delivery of preventive care, including the building of preventive care into the guaranteed benefits package.

- Government financing of subsidies through an increase in the tobacco tax, reductions in spending the Medicare and Medicaid programs, and increased tax revenues as employers spent less on (tax deductible) health care costs.

## VI. CONGRESS CONSIDERS THE HEALTH SECURITY ACT

During 1994 five Congressional committees (three in the House and two in the Senate) considered large portions of the HSA. Countless hearings were held. Public input --from interest groups of all kinds-- was extensive. As had been expected, each committee retained portions of the President's specific proposal, while changing, adding or deleting other elements.

But by late June (check date, might have been early or mid July) four of the five committees had reported comprehensive reform bills. (The exception was the House Energy and Commerce Committee, which deadlocked, largely over provisions that employers be required to contribute). Three of the four reporting committees produced bills that met the President's goal of universal coverage. (The Senate Finance Committee bill fell somewhat short of that goal).

Senate Majority Leader George Mitchell and House Majority Leader Richard Gephardt, then took the competing drafts and

produced two reform bills --both of which would achieve universal coverage-- for presentation to the floors of their respective houses.

It was the first time that comprehensive health care reform legislation had progressed to that stage.

But reform would go no further. The House, waiting for the Senate to act, never debated the Gephardt proposal. The Senate debated the Mitchell bill for several weeks, but never voted on the full proposal. Senator Mitchell sought compromise with a so-called "Mainstream Group," which had produced a more modest reform proposal. But that effort, too, came up short. In mid (?) September Mitchell gave up the effort.

## VII. ASSESSING THE CAUSES OF FAILURE TO APPROVE REFORM

The President's reform effort drew widespread support from organizations of all kinds. Support from senior citizens groups, consumer groups, and labor groups might, all things considered, have been expected. But support also came from many organizations of health care professionals --physicians, hospitals, social workers and psychologists, nurses, medical school deans and heads of teaching hospitals. An organization of small businesses (gas station owners, small retailers, pharmacies, etc.) that formed to support reform reached (get number form OPL) members. Many of America's largest employers supported the reform effort as well.

And at the outset of the debate so, too, did the American public. In September of 1993 .... % responded that they supported the President's plan. (check numbers and what they supported).

But the opposition --led by some organizations of small businesses, many insurers, and supported by some major organizations of large employers) would prove formidable-- and capable of expending greater amounts to make its case.

In the end, there was no one explanation for the failure to approve comprehensive reform. But a few explanations stand out. These include.

- The ability of those opposing reform --especially elements of the insurance industry and organizations of small businesses-- to convince the public that the President was proposing a giant, bureaucratic, government-run health care plan.

  Admittedly, the plan was very broad in scope, and that breadth may have helped opponents in applying the "big government" label. But the President's plan was hardly the "big government" outlined by opponents. Repeatedly,

the President emphasized the goal of private, not public, insurance for all. And as the debate progressed in Congress the new quasi-government entity, the mandatory purchasing cooperative, was dropped in favor of a voluntary cooperative, in most proposals. Still, the big government label stuck.

- Massive spending by the opposition on ads and other media efforts that gradually undermined public support for going forward. If nothing else, the massive negative campaign added to public uncertainty and insecurity regarding reform.

  That the ads were effective could not be questioned. But it is equally clear that what they undermined was support for the image of the "Clinton plan" not the plan itself, and certainly not the plan as it was evolving in the Congressional process. In a telling headline (date) the Wall Street Journal proclaimed that "Public Doesn't Know it, but its the Clinton plan they like." (Get exact wording) The article detailed polling results showing public opposition to the "Clinton Plan," but strong support for virtually all its positions.

- As the economy improved, and as the news media reported declining rates of interest in health insurance premiums, the sense of crisis that had accompanied the introduction of the plan diminished. As the debate wore on, opposition groups, including most Republicans in Congress, began to argue effectively, that the nation could afford to go slow, to wait until next year.

  Sophisticated Congressional observers knew that "wait until next year," meant start all over again and do little or nothing. But the argument carried weight with the general public.

- Increasing partisanship as the end of the Congressional session drew near. With the public --subject as it was to endless negative messages-- rendered more uncertain, Republican opponents grew bolder in their opposition to reform. Whereas in 1993 many had supported universal coverage, and some form of mandate to achieve it, in the summer and fall of 1994 they backed away from those proposals. Even as the President took criticism on his left flank for endorsing proposals that might not cover 100% of Americans, Republicans moved further to the right, asserting that we should "wait," move step-by-step, or make only minor reform adjustments.

- Finally, it must be noted that, in the American political environment, reform efforts --indeed all efforts to

promote change-- start from a disadvantaged position. The American legislative system was constructed to move incrementally. Change must overcome numerous committee hurdles, and different majorities in House and Senate. Moreover, in modern times, reform efforts must also overcome the inevitable opposition of status-quo supporting, powerful interest groups and the highly sophisticated techniques those groups can employ to produce negative reactions from a skeptical American public. Defeating change, in short, is far easier than achieving it.

In the end, some consensus might have been achieved around incremental, insurance reform proposals. But lines had hardened and time ran out. Without question, the failure to pass a comprehensive proposal was the biggest disappointment of the President's first two years.

## VIII. POSITIVE RESULTS OF THE REFORM EFFORT: MUCH MORE THAN MEETS THE EYE

Congress may have failed to enact a law, but the reform effort, when combined with various market forces, has generated an extraordinary amount of change in the nation's health care delivery system.

Undoubtedly, some of these changes were occurring prior to the reform effort and would have gone forward in the absence of that effort. But the President's proposal --inspite of opponent's successful efforts to brand it as something it wasn't-- was fully in tune with market developments, and thus fueled them and supported them.

Additionally, the highlighting of new ideas, the exposition of compelling needs, and the focused attention on system failings, all spurred change and improvement. In the course of reform effort:

- Talk of forming purchasing cooperatives became commonplace amongst employers and governments.
- Employers began demanding lower premiums, and more information on quality of care and outcomes.
- Primary care doctors, specialists, hospitals-- faced with greater demands for lower costs and greater value, and sensing the coming of more aggressive competition between managed care plans-- moved to form more efficient group practices, and adopt cost-effective managed care procedures. Health care systems began integrating, adopting more efficient organizational structures,

coordinating care across the whole health care spectrum, and sharing expensive technology wherever possible.

- Competition between managed care plans, especially in some markets, and much as envisioned in the Health Security Act, reached a new level of maturity. Rates of growth in premiums declined.

- Health plans of all kinds poured resources into strengthening their ability to provide cost-effective primary care, and network formation by primary care physicians accelerated. The result would be greater emphasis on prevention, and more leadership by primary care physicians in the medical community.

- Insurers came under increased pressure to reduce administrative costs. Such pressures emerged both from networks of physicians fighting for higher percentages of shrinking premiums and from purchasers demanding greater value.

- Rates of growth in pharmaceutical prices fell substantially, in part, perhaps, due a desire of manufacturers to thwart the reform drive, but also because of purchaser pressures, and increasing economies of scale in purchasing.

- And as the reform effort wanted, increasing numbers of states began seeking Medicaid waivers, hoping to expand coverage to more individuals by employing cost-effective managed care principles in Medicaid programs. The Administration has signalled its clear interest in encouraging these efforts.

Some might argue that these developments will produce only minimal change. They may assert that once the threat of reform is lifted, circumstances will revert to pre-reform conditions and pre-reform soaring costs.

But such a view misses the fundamental nature of the changes now occurring. Policy analysts studying integration in health care markets, the continuing trend to various forms of managed care, and the increasing pressures from purchasers for lower costs and higher quality, note that these are developments from which there is no turning back. Specifically, market changes are going well beyond discounting, or short term reductions in premiums aimed at reducing a perception of crisis and undermining reform. They are focused, among other things, on fundamentally restructuring health care delivery systems to produce lower costs in a more competitive marketplace, and on enhancing consumer purchasing power and consumer information. These are not changes that will be easily undone, even if some might wish to undo them.

For all these reasons, the Administration's reform effort, while ending in disappointment, left many positive results and encouraged many positive and largely irreversible developments.

## IX. LOOKING AHEAD: THE ONGOING NEED FOR COMPREHENSIVE REFORM

Still, the need for comprehensive reform remains.

Not all of the trends outlined above are wholly positive. While they were clearly leading to greater consumer purchasing power, greater efficiencies in the health care sector, greater emphasis on prevention, lower costs, and potentially higher quality there were reasons to be concerned as well.

- The movement to managed care, for example, if pushed too far too fast, could lead to pressures to reduce quality and service.

- Small businesses and families purchasing insurance on their own still pay more for less, a situation that may persist and even worsen, as large employers drive stronger health care bargains, forcing insurers to push more costs onto smaller, weaker purchasers.

- Some of the nation's greatest teaching and research institutions are experiencing strain in the new competitive environment. As insurers and managed care health plans press their providers for lower costs, these institutions can find that their training costs and the costs of their mission to care for the uninsured leave them in weakened competitive posture.

- Most importantly, the new market changes are not reducing the numbers of uninsured Americans. Indeed, those numbers continue to rise.

- And finally, until all are guaranteed the right to insurance, and the right to keep their insurance at a fair price, even those with sound insurance will remain insecure. All will remain at risk of losing insurance -- due to loss of job, a change in job status of oneself or a spouse, a change in family status, or a serious illness.

Thus the need for reform must remain near the top of the national agenda. There is simply too much at stake, and for far too many.

JOB LOCK

Becky and Mike from Merced, California are both locked into jobs because they fear losing their health insurance. When Becky had twins, one of whom was born with correctible birth defects, the family was faced with $100,000 in bills, for which even with insurance, they had to pay $10,000 out of there own pockets. Becky would like to work as a school teacher and spend more time with her children, but she can not leave her current job because her family depends on it for their health insurance -- and no other insurance company will agree to cover their daughter.

SMALL BUSINESS/SELF-EMPLOYED

Dawn Carranzo and her husband, from East Haven, Connecticut, are self-employed small business owners in the trucking industry. Tha Caranzo's currently have health insurance because Dawn is a school teacher during the winter and they have coverare through the school's policy. She would like to stop teaching and expand the trucking business but can not enlarge their business because they can't afford health insurance for themselves or their employees. She feels that in order to expand their business and attract skilled employees, they must be able to provide health insurance for their workers.

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Debbie Accuardi owns Accuardi's Old Town Pizza in Portland, Oregon. She and her husband have between twenty-five and twent-eight part-time employees at any given time. Since 1988 they have offered to pay 50% of the cost of health insurance for their employees. Unfortunately, at the time, only three employees can afford to buy health insurance through this policy. Debbie would like to pay 100% of the cost, but can't afford it at this point due to the size of her business. She feels that if companies are able to offer full health care coverage, constency and productivity in the work place will increase -- benefitting both the employee and the customer. This, in turn, will be a financial benefit to the employer.

Debbie owns a small business in an extremely competitive market and finds it difficult to compete as she provides health insurance to her employees while many of her competitors do not.

(Were on FLOTUS conference call)

CHILDREN

Collins Wright, from Marvell Arkansas, is a sixth grader with allergies and asthma. In a letter to the President he wrote, "Have you ever sneezed without a tissue? Well, having asthma without insurance feels the same." His health problems are so severe that they have begun to affect his performance in school. Collins' mother is unemployed and his step-father is self-employed, so they cannot afford health insurance for the family, especially with their son's pre-existing conditions. There are three children in the family and Mrs. Huff worries about what will happen to her family if one of them becomes ill.

PRE-EXISTING CONDITION

Marcia and Mark Callendar both had good jobs with good benefits. They thought their family was well protected by the insurance provided by Mark's employer. Then, their son got sick, Mark lost his job, and the Callendars lost their insurance. When they tried to apply for coverage through Marcia's job, they were turned down because of Mathew's "pre-existing condition." Mathew finally qualified for coverage through disability but Mark had to take a lower-paying job so that they would be eligible.

INSURANCE ABUSES

Tom and Joan own a small fruit company down in Kensington, Tennesse. For eight years, Tom paid the health insurance premiums for his employees and his family -- in full and on time. Then Tom got cancer. After he started treatment the insurance company canceled his policy. "That block of insurance," the company explained, "was no longer profitable."

RISING COSTS

Kay from Pal Harbor, Florida was forced to go back to work and stop caring for her two children fill-time when her husband died in 1987. Her health insurance payments rose by 57% -- from $2,400 a year to $3,777. She shopped around for an alternative plan, but the only one she could afford required that she pay $3,800 befor it would honor a single claim. She could not afford to pay the premiums, so she dropped insurance for herself and her two small children.

December 4, 1994

*Kim --*

*I attacked this from two angles. First, I tried to find the most visionary quotes which are at the same time reflective of the political realities we are now dealing with -- no easy matter! I also however wanted to see if I could find quotes spanning a couple of years -- from the campaign through the transition to our Administration -- to show Bill Clinton's commitment to health care was long-standing and strong.*

***I put in bold the best quotes I found** (so you don't need to read all these if time is tight.) Without knowing exactly what you will propose, I tried to include some specific quotes [i.e., re prevention, small business, insurance company abuses, etc.] If they have no relation to our proposal, please ignore them.*

*I also put parentheses around phrases that I suggest you delete, but I wanted you to make the final call in light of the whole quote. I put ellipses primarily to tidy up quotes, although I also got rid of phrases like* "And we must do it this year" *or* "Without universal coverage..." *If I did anything weird to a quote, I indicated it. However, once you choose the ones you want, you should take a quick look at them in their original context with an eye to what you know we'll propose.*

*If there is any particular subject which we are definitely going to address and need a particular quote on, we can do a more focused search.*

*Good luck!*

*Meeghan*

**CLINTON/GORE'92 CAMPAIGN:**

- *(Might be too workplace oriented)* But if our new covenant is really pro-work, it must mean that people who work shouldn't be poor. . . At the same time, we must assure all Americans that they'll have access to health care when they go to work. That's why so many today maintain themselves on the welfare roles. [Georgetown University, 10/23/91]

- We've got to quit having the federal government try to micro-manage health care and instead set up incentives for the private sector to manage the cost down (within limits beyond which we absolutely must not go in spending.) [Campaign Speech at Merck Pharmaceuticals, 9/24/92]

- If we can (cover everybody and) bring costs within inflation, we will save hundreds of billions of dollars per year by the end of the decade to the private sector -- money which can then be reinvested in growth, in productivity, in wages, in benefits, in making America a stronger country. [Campaign Speech at Merck Pharmaceuticals, 9/24/92]

- Our infant mortality and low birth weight rates are too high. Our life expectancy, given our national wealth, is too low. We are not getting the system that we are paying for and nobody is paying as much as we are for health care. [Campaign Speech at Merck Pharmaceuticals, 9/24/92]

- **And I think we have to see [health care] (*replaces* 'this problem') in the context of the overall American economic scene. This has to be part of our efforts to restore growth, improve education, and manage change in a tough global economy. It's part of a plan to create a high-wage, high-growth, high-opportunity society in America, to educate and train our people, to develop new energy policies, new environmental policies, to promote both personal responsibility and family security. And in that context, we have to do what we all agree we should do: promote control of costs, access to health care, and maintain quality. [Campaign Speech at Merck Pharmaceuticals, 9/24/92]**

- **[Health reform must] (*replaces* 'It will') preserve what is best about the present health care system, but it will also incorporate what we have learned about what is wrong. (My fellow Americans, we are the only advanced nation in the world that does not provide basic health care to all its citizens.) We spend 30 percent more of our income than any other country in the world on health care at a time when we desperately need to spend more on new plants, new equipment, new businesses, reinvesting in the education and training of our citizens, and rebuilding our cities and our depressed rural areas. [Campaign Speech at Merck Pharmaceuticals, 9/24/92]**

- *(Specific cost references. You can use any combination of the following sentences)* Since 1980, the cost increase in American health care has outstripped the rate of any other country and any previous decade in America... Family and individual spending on health care has tripled in the last decade.... Elderly people are spending a bigger percentage of their income on health care today than they were before Medicare came in. Companies are forced to move jobs overseas because of health care costs, and people can't change jobs because they or someone in their family have pre-existing conditions which would preclude them from getting health insurance if they changed. A recent analysis estimated that 200,000 jobs have been lost in the last four years because of rising health care costs alone in the private sector. We are spending 30 percent more of our income than any nation on earth on health care. And in our hospitals today, clerical employment is growing at four times the rate of health care giver employment. [Campaign Speech at Merck Pharmaceuticals, 9/24/92]

## PRESIDENTIAL TRANSITION

*(Not the best quote but shows commitment. Might better be used in another section -- vision/history?)*

- [A]n animated Clinton, repeatedly pounding his fist on the table, said the amounts being discussed were small in comparison to the enormity of problems such as rising health costs. *"We are kidding each other. We are all just sitting here making this up if we think we can fiddle around with entitlements and all this other stuff and get control of this budget if we don't do something on health care. It (health care spending) is a joke. It is going to bankrupt this country."* [Chicago Tribune, December 15, 1992]

## ADMINISTRATION:

*Announcement of President's Task Force on National Health Reform:*

- As I traveled across the country last year, no stories moved me more than the health care stories . . . We've met elderly people choosing every week between medicine and food; we've met people forced to leave their jobs to get on public assistance to deal with children with terrific problems; we've met countless people who can't change their jobs because they or someone in their family have had health care problems. [Announcing President's Task Force on National Health Reform, 1/25/93]

- The message is pretty simple. It's time to make sense of America's health care system. It's time to bring costs under control and to make our families and businesses secure. It's time to make good on the American promise that too many people have talked about for too long, while we have continued to spend more than 30 percent more of our income on health care than any other nation in the world, get less for it, and see 100,000 Americans a month losing their health insurance. [Announcing President's Task Force on National Health Reform, 1/25/93]

- But as I said in my Inaugural Address, we're going to have to make some tough choices in order to control health care costs, to bring them down within inflation, and to provide health care for all *(problem?)*. In order to preserve the vitality of the American private sector, in order to keep the American people's budget here at this national level from going totally bankrupt, we are going to have to make some tough choices. [Announcing President's Task Force on National Health Reform, 1/25/93]

- Number one, the worst thing we can do is keep on doing what we're doing now, because more and more people are falling out of the system and the cost is becoming more and more burdensome to those who are still bearing it. So whatever course we take, we will preserve what is best about American health care, some consumer choice and the quality of care. [Announcing President's Task Force on National Health Reform, 1/25/93]

*First Joint Session Speech*

- **Our families will never be secure, our businesses will never be strong, and our government will never again be fully solvent until we tackle the health-care crisis. [Joint Session of Congress, 2/17/93]**

- **The combination of the rising cost of care and the lack of care and the fear of losing care are endangering the security and the very lives of millions of our people and they are weakening our economy every day. Reducing health care costs can liberate literally hundreds of billions of dollars for new investment in growth and jobs. [Joint Session of Congress, 2/17/93]**

- **Bringing health costs in line with inflation would do more for the private sector in this country than any tax cut we could give and any spending program we could promote. Reforming health care over the long run is critically essential to reducing not only our deficit but to expanding investment in America. [Joint Session of Congress, 2/17/93]**
  *(I would use entire first quote combined with this one, and perhaps last sentence of second one.)*

*Joint Session Speech to Congress on Health Care*

- Despite the dedication of literally millions of talented health care professionals, our health care is too uncertain and too expensive, too bureaucratic and too wasteful. It has too much fraud and too much greed. [Joint Session Speech to Congress on Health Care, September 22, 1993]

- **We're blessed with the best health care professionals on Earth, the finest health care institutions, the best medical research, the most sophisticated technology. . . We have to preserve and strengthen what is right with the health care system, but we have got to fix what is wrong with it. . . Every one of us knows someone who's worked hard and played by the rules and still been hurt by this system that just doesn't work for too many people. [Joint Session Speech to Congress on Health Care, September 22, 1993]** *(Note: I inverted these three sentences (3,2,1) to make the best quote.)*

- *(If prevention will be a theme)* Now, it's just common sense. We know, any family doctor will tell you, that people will stay healthier and long-term costs of the health system will be lower if we have comprehensive preventive services. You know how all of our mothers told us that an ounce of prevention was worth a pound of cure? Our mothers were right. And it's a lesson, like so many lessons from our mothers, that we have waited too long to live by. It is time to start doing it. [Joint Session Speech to Congress on Health Care, September 22, 1993]

- **Rampant medical inflation is eating away at our wages, our savings, our investment capital, our ability to create new jobs in the private sector, and this public Treasury. . . We cannot continue to do this. Our competitiveness, our whole economy, the integrity of the way the Government works, and ultimately, our living standards depend upon our ability to achieve savings without harming the quality of health care.** **[Joint Session Speech to Congress on Health Care, September 22, 1993]**

- **People may disagree over the best way to fix this system. We may all disagree about how quickly we can do the thing that we have to do. But we cannot disagree that we can find tens of billions of dollars in savings in what is clearly the most costly and the most bureaucratic system in the entire world. And we have to do something about that, (and we have to do it now.)** **[Joint Session Speech to Congress on Health Care, September 22, 1993]**

- **But let me say this – and I hope every American will listen, because this is not an easy thing to hear – responsibility in our health care system isn't just about them. It's about you. It's about me. It's about each of us. Too many of us have not taken responsibility for our own health care and for our own relations to the health care system.** **[Joint Session Speech to Congress on Health Care, September 22, 1993]**

- *(Long but visionary)* (And now it is our turn to strike a blow for freedom in this country, the freedom of Americans to live without fear that their own nation's health care system won't be there for them when they need it.) It's hard to believe that there was once a time in this century when that kind of fear gripped old age, when retirement was nearly synonymous with poverty and older Americans died in the street. That's unthinkable today, because over a half a century ago Americans had the courage to change, to create a Social Security System that ensures that no Americans will be forgotten in their later years. Forty years from now, our grandchildren will also find it unthinkable that there was a time in this country when hardworking families lost their homes, their savings, their businesses, lost everything simply because their children got sick or because they had to change jobs. Our grandchildren will find such things unthinkable tomorrow if we have the courage to change today . . . And when our work is done, we will know that we have answered the call of history and met the challenge of our time. [Joint Session Speech to Congress on Health Care, September 22, 1993]

*Transmittal of Legislation to Congress -- Speech at Statuary Hall:*

- **And let me say again: the most expensive thing we can do is nothing. The present system we have is the most complex, the most bureaucratic, the most mind-boggling system imposed on any people on the face of the earth. The present system we have has the highest rate of inflation with the lowest rate of return.** **[Transmittal to Congress, 10/26?/93]**

- *(Probably too strong)* The present system we have has an indefinable impact on workers in the workplace wondering what will happen if they lose their health insurance. What does that do to their productivity, to their self-confidence, to their family life? . . . The present system we have is eating up the wage increases that would otherwise flow to millions of American workers every year because money has to go to pay more for the same health care. [Transmittal to Congress, 10/26?/93]

- **[Without health care reform] (*replaces* 'And the most important thing is') we can't give the American people what they need. They want to be rewarded for their work. They want to know if they're asked to go back to school, if they're asked to embrace the challenges of expanded trade, if they're asked to compete and win in the global marketplace, that – if they do what they're supposed to do – they'll be rewarded. They want to know that they can be good parents and good workers. They want to know if they get sick, but they're still healthy enough to work, they won't have to quit because of the insurance system. . . That's what we got hired to do – to solve the problems of the people and to take this country into the 21st century. [Transmittal to Congress, 10/26?/93]**

*Transmittal of Legislation to Congress -- Letter to Congressional Leaders:*

- **Today, America boasts the world's best health care professionals, the finest medical schools and hospitals, the most advanced research and the most sophisticated technology. No other health care system in the world exceeds ours in the level of scientific knowledge, skill and technical resources. . . And yet the American health care system is badly broken. Its hallmarks are insecurity and dangerously rising costs. . . Clearly, our challenges are great. . . to preserve and strengthen what is right about our health care system, and fix what is wrong. [Letter to Congress, 10/27/93]**

- *(If helping small businesses will be a theme.)* Small businesses create most of the new jobs in America and while most want to cover their employees, more and more cannot. Under the current health care system, cost pressures are forcing a growing number of small business owners to scale back or drop health insurance for their employees. Small businesses spend 40 cents of every health insurance dollar for administration -- eight times as much as large companies. [Letter to Congress, 10/27/93]

- *(Prevention)* Our health care system frustrates those who deliver care. . . . Its incentives are upside down; it focuses on treating people only after they get sick, and does not reward prevention. [Letter to Congress, 10/27/93]

*1994 State of the Union*

- **But we're paying more and more money for less and less care. Every year fewer and fewer Americans even get to choose their doctors. Every year doctors and nurses spend more time on paperwork and less time with patients because of the absolute bureaucratic nightmare the present system has become. This system is riddled with inefficiency, with abuse, with fraud, and everybody knows it. In today's health care system, insurance companies call the shots. They pick whom they cover and how they cover them. They can cut off your benefits when you need your coverage the most. They are in charge... If we just let the health care system continue to drift, our country will have people with less care, fewer choices, and higher bills.** [State of Union, 1/24/94]

- *(Is this still a theme?)* It is estimated that one million people are on welfare today because it's the only way they can get health care coverage for their children. Those who choose to leave welfare for jobs without health benefits, and many entry-level jobs don't have health benefits, find themselves in the incredible position of paying taxes that help to pay for health care coverage for those who made the other choice to stay on welfare. No wonder people leave work and go back to welfare to get health care coverage. (We've got to solve the health care problem to have real welfare reform.) [State of Union, 1/24/94]

- *(If we emphasize prevention)* [W]e all have to admit, too, there must be more responsibility on the part of all of us in how we use this system. People have to take their kids to get immunized. We should all take advantage of preventive care. We must all work together to stop the violence that explodes our emergency rooms. We have to practice better health habits, and we can't abuse the system. [State of Union, 1/24/94]

*Small Business Roundtable*

- Now, we have the best doctors, the best nurses, the best health care providers, the best medical research, the best medical technology in the world. And we also have by far the most bureaucratic and administratively costly health care system in the world. There's more paperwork in our system today and it costs more to administer this system by far than any other system in the world. [Small Business Roundtable, 4/7/94]

- *(If insurance abuses are a theme. Pick and choose from which ones you'll fix!)* Eighty-one million of us, more than one in four, live in families where somebody as had a preexisting condition -- a child with diabetes, a father with a heart attack, a mother who has had cancer -- and we either pay higher rates or we can't get health insurance, or we've got a job with health insurance but we can never change jobs because if we change jobs nobody will insure us because someone in our family has been sick. A hundred and thirty-three million of us, a majority, are insured with lifetime limits, so if, God forbid, we should have a child with a pronounced and prolonged chronic problem, we could run out of health care coverage just when we need it most. None of these conditions exist in the countries with which we are competing for the economic opportunities of the 21st century. [Small Business Roundtable, 4/7/94]

Also: Tom Meredith
Kingston, TN

**PRESIDENTIAL REMARKS:**
**ANECDOTES ON HEALTH CARE, 1993-4**

Remarks at a Health Care Rally in Jersey City, New Jersey, August 1, 1994

You know, I hear a lot of talk to day about what constitutes real patriotism, what constitutes being a real American, characterizations of what we're trying to do with health care. I think Carolyn is a real American, and what is their answer to her? Just before I came over here I met the Agneses. He's a barber. He told me how much his health care had gone up and that his business might go down. What is the chanters' answer to him? Just before I came over here I met a woman named Jean McCabe, whose health insurance premiums got almost up to $ 10,000. And she wrote us a letter and said, "Am I going to have to move to Canada or Germany or someplace where I can find somebody who will treat me like a decent citizen?" What is their answer to her? I met Michael and Joanne Britt. He's a truck driver; she's been sick. Their insurance cost them so much, they were living in a house trailer, and they thought they would never be able to buy a home, never set aside any money for retirement because they couldn't afford their health care, in this, a country that's supposed to be a middle class country that rewards work and family and faith and playing by the rules. What is their answer to her?

Remarks and a Question-and-Answer Session With the National Governors' Association in Boston, Massachusetts, July 19, 1994

Now, how are we going to provide that kind of security? And let me say there is a human face behind this. I don't want class warfare, but let's look at the facts. Over 80 percent of all the people without insurance in America are people who work for a living; they're working people. This morning I had coffee with a man named Jim Bryant and his wife, Mary, and their two children because I read about him in the Boston Globe. He works 60 hours a week and doesn't have any health insurance. And they talked about how much they worked and said they had a good life and all the extra money they had they were putting away for their kids' college education, but they would be ruined if they ever had an illness.

And I asked him if he could afford to pay something, and he said, "Sure." I said, "Would you like to know how much I pay a month for health care as the President of the United States, or Members of Congress or members of the Federal Government?" He said, "Yes." I said, "We pay about $ 100 a month, and our employer, you, pays $ 300 a month. And he said, "I could pay that easy." He said, "I could pay twice that."

I was in western Pennsylvania, Governor Casey's State. And by the way, I appreciate your support for reform and your attempt to resolve the abortion issue, Governor Casey. But I was in western Pennsylvania, Greensburg,

Pennsylvania; two women got up and spoke before me. I don't know if they were Republicans or Democrats, don't have any idea who they voted for. One of them was a dairy farmer, 62 years old. And you know, that's about the hardest farming there is. You've got to work 7 days a week because you can't tell the cows to quit producing milk. Sixty-two years old, they finally had to give up health care at the time she needed it most, this woman did, she and her husband, because they just couldn't afford it anymore.

And then, after that, a woman spoke who was a mother of five children, and she introduced her husband. She had had cancer, and he had had to change jobs and didn't have health insurance. And there are lots of people out there like that. We're talking millions of people, not just a few. And the issue is not just them but it's everybody else that could be in that position.

Remarks to the American Nurses Association Conference, May 10, 1994

Had a car dealer from a town of 7,000 people in Arkansas up staying with me the other night, he and his wife, long-time friends of mine. She's a college teacher. He's a car dealer. He said to me the other night -- it was funny -- he said, "You know, for 20 years I have been feeling sorry for myself because I've provided a good health plan for my employees, and none of my competitors did." So he said, "I was so happy when you proposed this just because I thought I was going to get even." [Laughter] And then he said, "But you know, then I remembered that in the last 20 years I put three of my competitors out of business. And I'm making more money than I ever have. And the reason is I still got the same folks working for me I had 20 years ago because I gave them health benefits."

And yesterday I went to New York and I visited this Pathmark store. They have 175 stores, 28,000 employees, the 10th biggest supermarket chain in the country. We're all told, "Oh, if you do this, the retailing business will go to pieces." These people have put new stores in inner-city areas that other chains would not touch, fine new stores. They are making money, and they have always provided comprehensive health benefits to their employees. And they are now sacking their groceries in a bag that says they favor health care benefits to all Americans, guaranteed through the workplace.

Teleconference With the California Medical Association, March 23, 1994

I have a doctor friend who calls me about every 3 months to tell me another horror story. Recently he told me, "We've got all these people doing paperwork. Now we've hired somebody who doesn't even fill out forms, just spends all day on the telephone beating up on the insurance companies about the forms we've already sent in." He's told me, he said, "I went to medical school to practice medicine, but I'm getting lost in the fun house instead." Well, he's right, and I know a lot of you agree with him and identify with that story. But this year

we can escape that fun house.

Remarks to Health Care Providers, March 23, 1994

Just this week, to give you another personal story, Hillary and I had a family staying with us here from our home State, a man who is in the car business, has been for 20 years. He said, "You know, I've always hought about what a competitive disadvantage I face because I've always covered all my employees in my automobile place, and none of my competitors ever had. And I just moaned about it all the time. And then I realized, I'm in business after 20 years and doing better than I ever have and three of my competitors have gone broke even though they didn't cover their employees, and I did. And it's because I've still got the same people working for me that started with me 20 years ago taking care of our customers, doing a good job, providing quality service and a good product."

Remarks to the National Governors' Association, February 1, 1994

On the way in, I was describing briefly to Governor Campbell a letter I got from -- -or she got from Jo Anne Osteen of Sumter, South Carolina, who owns a small business, works 6 days a week, raised three children by herself with diabetes and arthritis. Although she had diabetes and arthritis, when she wrote us she hadn't been in the hospital one time in the 12 years that she'd been with her insurers. But her insurance rates went up to $ 306 a month, even though she was only taking home $ 205 a week from her business. Her doctors told her that the answer was to quit and go on disability. So she wrote, "Those high premiums are going to force people like me to the welfare and food stamp lines with no insurance. I am a proud American, and I don't want this to happen to me. I have thought about nothing but this problem, and I don't know where to turn."

Well, I think we ought to heed her call for help. A lot of you do, too, and that's why you've tried to reform your health care systems. After all, this woman has values that keep this country together. They're the ones that built our Nation. And we shouldn't force people like that to consider seriously whether they should go on to public assistance in order to take care of their children. . . .

I talked to you a few moments ago about Jo Anne Osteen from Sumter, South Carolina. She wrote us last June, struggling to hang on to both her small business and her insurance. She had to make a choice, and she chose her business and lost her coverage. After decades and decades, it's time to solve that woman's problem, because her problem is our problem. And her problem is now the State government's problem.

Address Before a Joint Session of the Congress on the State of the Union, January 25, 1994

You know, the First Lady has received now almost a million letters from people all across America and from all walks of life. I'd like to share just one of them with you. Richard Anderson of Reno, Nevada, lost his job and with it, his health insurance. Two weeks later his wife, Judy, suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for 21 days. The Andersons' bills were over $ 120,000. Although Judy recovered and Richard went back to work at $ 8 an hour, the bills were too much for them, and they were literally forced into bankruptcy. "Mrs. Clinton," he wrote to Hillary, "no one in the United States of America should have to lose everything they've worked for all their lives because they were unfortunate enough to become ill." It was to help the Richard and Judy Andersons of America that the First Lady and so many others have worked so hard and so long on this health care reform issue. We owe them our thanks and our action.

Address to a Joint Session of the Congress on Health Care Reform, September 22, 1993

Every one of us knows someone who's worked hard and played by the rules and still been hurt by this system that just doesn't work for too many people. But I'd like to tell you about just one. Kerry Kennedy owns a small furniture store that employs seven people in Titusville, Florida. Like most small business owners, he's poured his heart and soul, his sweat and blood into that business for years. But over the last several years, again like most small business owners, he's seen his health care premiums skyrocket, even in years when no claims were made. And last year, he painfully discovered he could no longer afford to provide coverage for all his workers because his insurance company told him that two of his workers had become high risks because of their advanced age. The problem was that those two people were his mother and father, the people who founded the business and still work in the store.

This story speaks for millions of others. And from them we have learned a powerful truth. We have to preserve and strengthen what is right with the health care system, but we have got to fix what is wrong with it.

Just a few days ago, the Vice President and I had the honor of visiting the Children's Hospital here in Washington where they do wonderful, often miraculous things for very sick children. A nurse named Debbie Freiberg told us that she was in the cancer and bone marrow unit. The other day a little boy asked her just to stay at his side during his chemotherapy. And she had to walk away from that child because she had been instructed to go to yet another class to learn how to fill out another form for something that didn't have a lick to do with the health care of the children she was helping. That is wrong, and we can stop it, and we ought to do it.

We met a very compelling doctor named Lillian Beard, a pediatrician, who said that she didn't get into her profession to spend hours and hours -- some doctors up to 25 hours a week -- just filling out forms. She told us she became a doctor to keep children well and to help save those who got sick. We can relieve people like her of this burden. We learned, the Vice President and I did, that in the Washington Children's Hospital alone, the administrators told us they spend $ 2 million a year in one hospital filling out forms that have nothing whatever to do with keeping up with the treatment of the patients.

I ask you to remember the kind of people I met over the last year and a half: the elderly couple in New Hampshire that broke down and cried because of their shame at having an empty refrigerator to pay for their drugs; a woman who lost a $ 50,000 job that she used to support her six children because her youngest child was so ill that she couldn't keep health insurance, and the only way to get care for the child was to get public assistance; a young couple that had a sick child and could only get insurance from one of the parents' employers that was a nonprofit corporation with 20 employees, and so they had to face the question of whether to let this poor person with a sick child go or raise the premiums of every employee in the firm by $ 200; and on and on and on.

I know we have differences of opinion, but we are here tonight in a spirit that is animated by the problems of those people and by the sheer knowledge that if we can look into our heart, we will not be able to say that the greatest nation in the history of the world is powerless to confront this crisis.

Remarks at the Congressional Black Caucus Dinner, September 18, 1993

And I went to the Children's Hospital in this city this week and heard a nurse say that she had to turn away from a child with cancer who wanted her to play with him because she had to go to a school to learn how to fill out yet another new form in the most insane bureaucratic maze of financing that any country on the face of the Earth has. I heard a doctor plead with me -- you may have seen her on television -- a pediatrician, a native of this city, plead with me to do something to lift the burden of the present health care financing and regulatory system off her back. The Washington Children's Hospital said that the 200 doctors that have privileges at that hospital could see another 500 children a year each, 10,000 more children, if we just had the courage to make the simple changes in our health care system that other nations have already made. I tell you, we can do better, and we must. And we must do it together.

Remarks at the New Hampshire Technical College Commencement Ceremony in Stratham, New Hampshire, May 22, 1993

I'll never forget people like Ron Macos, Jr., who couldn't get a job with health insurance because his little boy, had open heart surgery. And when

the Fixst Lady's health care task force presents the national health ere proposal in the next few weeks to the Congress, if that proposal passes, the Ron Macoses of this world will be able to keep working and raising their children in the future.

Remarks at a Reception for the President's Health Care Task Force, April 29, 1993

I wish I could write a book. I wish I could even remember all the incredible stories I heard along this last year and a half when we were out on the campaign trail, related to health care.

I'll never forget the woman I met in Columbus, Ohio who had six or seven kids and had to give up a $ 50,000 a year job because one of her children was so sick, and the only way she could get any care was to become Medicaid eligible; the farmers that I met along the way who couldn't get health insurance, or if they did, it took up the whole profit from the farms in the average years; the small-business person I met who had only four employees and was chagrined because of the exploding cost of insurance in his small group, he had to go to a $ 2,500 deductible, and how badly he felt for his own employees; the big businesses that told me about their inability to compete in a global economy because they had to spot their competitors so much; the doctors that I know who wanted to be good doctors and wanted to reach out to people who were spending more and more of their time and money on paperwork and regulation, and on and on and on.

Remarks on Health Care Reform and an Exchange With Reporters, January 25, 1993

As I traveled across the country last year, no stories moved me more than the health care stories. As I think all of you know, many of the people in our Faces of Hope luncheon last week during the Inaugural were people who were struggling to overcome incredible adversity occasioned by their health care problems. We've met elderly people choosing every week between medicine and food; we've met people forced to leave their jobs to get on public assistance to deal with children with terrific problems; we've met countless people who can't change their jobs because they or someone in their family have had health care problems.