
ADDRESS

HEALTH CARE REFORM: “BECOMING THE NATION WE SHOULD BE”

*HILLARY RODHAM CLINTON**

[Editor's Note: First Lady Hillary Rodham Clinton spoke before an assembly of the students, faculty, and administration of Washington University on March 15, 1994. The following are edited excerpts of her address.]

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

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

I have gone back and read the speeches that President Truman gave in 1945, and 1946, and 1947. They could be made today. He identified the problem of how to provide high quality health

* First Lady of the United States. B.A., Wellesley College; J.D., Yale Law School. Ms. Clinton heads the President's Task Force on National Health Care Reform.

care to all Americans at an affordable cost. And Truman argued passionately, but unsuccessfully, that the country should move toward providing guaranteed health coverage to all of our people.

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

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

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

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

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

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

The second major point is to eliminate insurance practices that discriminate against Americans. And there are a number of these. Some Americans are unable to obtain insurance at any price because of what are called "pre-existing conditions." Most Americans with pre-existing conditions — and there are over eighty million of us — can get insurance, but at a very high price. What the President wants to do is eliminate pre-existing conditions so that all of us, no matter whether we have ever been sick before or have any kind of ailment, will be eligible

for insurance at an affordable price. That is one of the keys to the President's approach.

And I would add, in this great university with its extraordinary medical system, that it is especially important we do that sooner instead of later. I was recently at the National Institutes of Health with the new head of that institute, Dr. Harold Varmus — who some of you may know is a Nobel Prize winner in science — and he was explaining, along with his colleagues, that at the rate by which we are learning about the human gene system every year, and as we are discovering the genes that we believe are responsible for a number of medical conditions, pretty soon all of us will know we have pre-existing conditions because of our genetic makeup. So if we do not reform the insurance industry very soon, none of us will be eligible for insurance because our gene makeup will make us ineligible.

There is another insurance practice that the President wants eliminated, and that is what is called "life-time limits." If you read the fine print in most insurance policies you will discover that after you have reached a certain level of insurance coverage, you are no longer eligible under your policy for further reimbursement. Some policies have life-time limits as low as \$50,000, others as high as \$1 million, but those limits come into effect when you need your insurance the most. I have sat and talked with families who often to their surprise discover in the midst of a medical emergency that their insurance has run out because they have reached their limit.

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

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

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

The third point is that the President's approach guarantees choice of doctor and choice of health plan. This has been an issue that has probably received more misinformation than any other. In the current market place, there is a lot of confusion

about what kinds of choice will be available to you as a consumer.

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

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

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

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

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

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

But there are two features that most people I talk with say are missing, and will be included in the President's approach. The first is prescription drug costs, which are often much too high for older Americans on fixed incomes to be able to afford. What we find is that many older Americans do not take their prescriptions, do not get them refilled, and often end up being hospitalized because they could not maintain themselves on the medication. Medicare pays for the hospitalization; we think it is time Medicare starts paying for prescription drug coverage for older Americans too.

The second big problem for older Americans in the Medicare program is that there is no support for alternatives to nursing home care. We do not help people who want to keep their relatives in their own home. We want to start providing long-term care options, so that families will be able to take care of their own relatives. They will not be forced to put their family members in nursing homes if they can take care of them at home with a little bit of help. It is the right thing to do, but it is also the economically smart decision to make.

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

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

. . . We need to guarantee health care coverage to every American, because until every one is covered, none of us is secure. . . . Every one of us in this room, with the exception of those of you who already are eligible for Medicare, cannot know whether this time next month or next year you will be insurable at the same rate and for the same services that you are today. None of us under the age of sixty-five has that security.

If you believe, as we do, that all of us should [have that security], there are only three ways to pay for it. You can have what is called a "single payer system," which means you eliminate private insurance and raise the tax to substitute for premiums, and you fund the health insurance system that way. And there are many people who support that approach. The single payer approach guarantees that every American would have health care coverage.

The President rejected that approach in its means, although he agrees with the goal, because he believed we should keep the public/private mixture that has served our country well. We

should build on what works and fix what is broken. We should not eliminate private insurance, but we should extend it to everyone.

. . . There are only two ways to [maintain the public/private mixture]. There is an approach called the "individual mandate," which, like auto insurance, would require each of you to go into the market place and buy your own insurance. That, at least on paper, would get us universal coverage, but only if you could enforce that individual obligation.

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

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

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

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

If you have never paid for insurance for yourself, and you have never contributed for your employees, then yes, it is going to cost something. But you have had a free ride on our medical system. If we go down any street in St. Louis or the surrounding towns here in the county, we could point out the businesses

that insure and the businesses that don't. But when someone working at the business that does not insure gets sick, they go to the same hospital and get taken care of. The doctors are there for them, but they don't pay for it. It is being paid for by those who currently, and in the past, have insured.

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

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

An additional point I would add . . . is the awareness that the President has of the important work done by the academic health centers: the research that is done; the application of that research through clinical practice; the education and training of physicians, nurses, and other allied personnel. This system that we have built up has features that have to be strengthened and protected. In the President's approach, there will be guaranteed funding for academic health centers because of the important functions they perform for the entire system.

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

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

But there will always be extremes in these debates, and there will always be interest groups who, frankly, have profited from

the status quo and do not want reform to occur. It will be our task as citizens to keep the debate as honest as possible, to ask the hard questions, to say: how will this affect me? Me as a mother, me as a patient, me as a physician, me as a nurse? How will this change make our health care system work better?

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

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

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

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

And while I was there, I met a man who got a pair of glasses for the first time in years. I met a young Down's syndrome boy who is 10 years old. He was there with his grandmother. They had just lost their Medicaid card, were no longer eligible under some change in rules, and she had brought him to the only place that she thought he could get medical care — a National Guard MASH unit. I visited with the doctors and nurses who were so pleased to be there answering the unmet health needs.

This is not just about those people, but it is about how we treat them and how we think about them. At bottom, it is about us. . . . None of us can predict the state of our health; no one knows when the accident may occur. Then we will ask the right questions: how will we take care of each other? How will we better use our resources? How will we build on what is the finest health care system in the world? By fixing the financing system that is distorting it.

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

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

