

control it if we don't even give a second thought to the way we access the health care system and pretend that it doesn't cost anything just because it's not coming out of our pocket. And it is too easy for us to blame the people who are providing the services, when we do things that are also wrong and unjustifiable. And it is very important that those of you who have worked so long for this effort also say that an essential principle of this health care plan will be responsibility from all Americans including us, not just them but us. I want you to stay with me on that.

Now, there's still a lot of people that don't think we're going to get this done. You know, Roosevelt tried it; Truman tried it; Nixon tried it. President Johnson wanted to do it. President Carter wanted to do it. But we are going to get it done because things are different. Circumstances are more dire; it is more obvious to people that we must change. The system itself is hemorrhaging. Not only do one in four Americans find themselves without adequate coverage at least at some point in every 2-year period

but about 100,000 Americans a month are losing their coverage permanently. It is hemorrhaging. We can't go on. But we have to do it right. And we have to do it right now. We don't want to rush this thing; it's too complicated. But we don't want to delay it using complexity as an excuse.

So, I ask you to leave here today not simply celebrating what happened yesterday or lauding the work of the First Lady's task force for the last 8 months but leaving here determined to help the Congress keep the commitment that it made last night across party lines to get this done, to do it right, to do it for America, to make this opportunity of a generation a reality in the lives of every man and woman, every boy and girl in this country. Leave here with that dedication, and we'll be back here, sure enough, for a celebration in the future.

Thank you, and God bless you all.

NOTE: The President spoke at 2:16 p.m. on the South Lawn at the White House.

Remarks in the ABC News "Nightline" Town Meeting on Health Care Reform in Tampa, Florida

September 23, 1993

Ted Koppel. Welcome. A standing ovation. It's got to be downhill from here on in. [*Laughter*]

The President. A lot of the work is still to be done.

Mr. Koppel. Indeed. I'm going to begin with what may seem like a rather trivial thing, although I'll tell you it wasn't trivial to you yesterday. There you were. You were in front of the joint session of Congress. You had the Joint Chiefs of Staff there. You had your Cabinet there. You were talking to tens of millions of people. And you step up to the podium, and if you'd be good enough to take a look at one of those monitors out there, we're going to run—[*applause*].

[*At this point, the audience watched television monitors which showed videotape from the previous evening.*]

The President. You can see the teleprompters there. You can see them. I am telling the Vice

President, "Al, they've got the wrong speech on the teleprompter." He said, "That's impossible." I said, "You're not reading it. Read it." That's what I said. [*Laughter*]

So it turned out that the people with our communications department had typed in the speech for the teleprompter on the disk that also had my State of the Union speech in February. And when the disk was called up, it started at the State of the Union instead of at the health care speech. And I thought to myself, that was a pretty good speech but not good enough to give twice. [*Laughter*] So that's what happened.

Mr. Koppel. When I was looking at the First Lady there—you must have talked to her later on—it was almost as though she was telepathic. She looked worried. She knew there was something wrong.

The President. She knew there was something wrong. My daughter, actually, watching at home,

told me she also sensed that there was something wrong. And I just decided to go on and give the talk. I mean, I had, you know, I'd internalized it. I'd worked hard on writing it with our folks. The only problem is when you have to go through a lot of points, and you can't just read it. So I would just look at the first line and try to recall from memory. I didn't want to miss anything.

And the other problem is if the teleprompter goes off, that's one thing; you just look at the audience just like I'm looking at you. But imagine if I've got these teleprompters here, and I'm trying to speak to you, and the wrong words are going up on the screen, which is what we started out to do.

So I had to ignore all these words and try to look through the words to the people. But about 8, 9 minutes into the speech, the fellow figured out what was wrong, pulled up the right speech and then whizzed through it to figure out where I was. And from then on in it was reasonably normal.

Mr. Koppel. Well, I've got to tell you, Mr. President, as a communications specialist—and it may be the last nice thing I say to you or for you this evening—you have my admiration. I can't tell you how tough that is when you've got the wrong speech going by. You did an extraordinary job.

Let us take a look at how the speech played. We've got some phone numbers there. Before the speech you can see, we took a poll and 43-percent approval of your health care plan, 41-percent disapproval. Let's take a look at after the speech: up to 56-percent approval; 24-percent disapproval. You're too good a political pro to put too much faith in that sort of kick that you get right after a speech. How tough is it going to be to hold onto that?

The President. I think it depends upon how good a line of communication we can maintain with the American people and how open we can be in working this process through Congress. There will be a lot of people who will honestly disagree with certain things I have recommended. There will be a lot of other people who will not want it to happen because they will make less money out of the system that we propose or because it will require them to change. And they will all be heard. So the important thing is that everyone understand that this is an extremely complicated thing. You interviewed me before, and I saw you showed

it out here. I've been working on this issue seriously for 3½ years, and I've been dealing with health care as a Governor and attorney general and a citizen for a long time, but really working on the systematic problems for 3½ years and talking to hundreds of doctors, of other experts all around the country. It's a complex thing.

But I think if the American people know that Hillary and I and our administration, that we're listening to people and that we're really shooting them straight, then I think we can maintain support for change. Because the reason there's so much support for change among Republicans and Democrats and all the people in the health care system is that those who know the most, know we cannot afford to continue with the system we have. It's bankrupting the country and not helping people.

Mr. Koppel. Mr. President, we've got an awful lot of people here who I know want to ask questions. I just want to show you one more poll result. Take a look. "I worry my future health care costs won't be taken care of." Now, look at how many people agree—

The President. They should worry.

Mr. Koppel. —with that statement. That's after hearing your speech.

The President. They should worry about that.

Mr. Koppel. Why do you think it's still so high? Two-thirds of the American public still worry that their future health care costs won't be taken care of.

The President. Because health care costs have been going up at twice the rate of inflation, or more. For people insured in small businesses, more than twice the rate of inflation. Because in any given 2-year period, almost one in four Americans don't have any health insurance, because about 100,000 Americans a month lose their health insurance permanently. So how could people not? And even if that hasn't happened to you, almost every one of us knows someone that it's happened to.

Mr. Koppel. Let me ask you a favor, Mr. President. I've already talked to the audience out here and asked them the same favor. They're going to introduce themselves to you, tell you their names and who they are. We've got so many people who want to talk to you, to the degree that we can, let's zip through as many questions and answers as we can.

[A homemaker said that she and her husband

had the best insurance coverage available to cover the costs of weekly treatment for her son, who had nearly drowned, and asked if that coverage would be lost under the new health care plan.]

The President. Well, first of all, it won't get any worse. That is, if you're paying for it now and you have coverage that covers that, there's nothing to prevent that from continuing in our system. Anybody, for example, who's got a situation at work where your employer is paying 100 percent of your premiums, that can continue. So you shouldn't worry about that.

But in all probability, because of the changes in our plan, you will have more secure coverage. That is, if this plan passes, you will know that the coverage you have can never be taken away from you and that we will cover primary and preventive services, and those kinds of long-term care services for children are very important.

Also what we want to do—it's very important, especially in the event your husband has to change jobs—we're going to rate all families in America under a broad-based community rating system so that people go into big pools. Insurance companies make money like grocery stores do, a little bit of money on a lot of people, instead of a lot on a few, and we all share the risks in ways that will guarantee that you'll always be able to get insurance at lower rates than would otherwise be the case.

Mr. Koppel. All right, let me move right on. And forgive me, I know that none of you is going to be completely satisfied and would like to ask follow-up questions, but we are going to try and move around.

Go ahead, sir.

[A psychiatrist asked about coverage for mental health out-patient services.]

The President. It depends. The reimbursement rate will depend upon what plan the person joins who wants the mental health care. For example, each individual will choose what health plan they belong to. If you choose, for example, a preferred provider organization where a lot of doctors get together and offer to give services, they will prescribe what the reimbursement rate will be and what the cost of the plan will be.

If a person joins a fee-for-service plan, then the reimbursement rate will be published on the front end, and it will be agreed to by the

doctors in the beginning. But the Government won't set the rate. So there will be some more flexibility there.

And let me also say, because I don't want to overpromise in this thing, I really believe it's important for us to cover mental health benefits. But we're not going to be able to cover the full range of mental health benefits because we don't know how to cost them out very well, as much as I think we should, until the year 2000. So there won't be unlimited visits, for example, until the year 2000. But we'll start with some hospitalization that's significant and a number of visits per year and then build up to full coverage over the rest of the decade.

Mr. Koppel. Mr. President, we also have our financing plan here. We have to take some commercial breaks. We're going to take the first of them right now. We'll be back with President Clinton and our audience here in Tampa in just a moment.

[At this point, the network took a commercial break.]

Mr. Koppel. If you take a look at the poll—I don't know if you can read—your eyes are probably better than mine. I can't read those results from here. Can we put it up on the big screen? Can we see the poll up there?

The President. Yes, I see it.

Mr. Koppel. Can you read it? Well, will you be good—there we go. They think your plan versus the present system: 64 percent think it's better; 17 percent think it's worse; 3 percent think it's the same. Again, that's pretty good. I mean, you can't expect it to do much better.

The President. Sixty-four percent are right. *[Laughter]* They're right.

Mr. Koppel. Just to keep things from getting too dull, let's see if we can get a question from one of the 17 percent. Go ahead.

[A homemaker said that she provides care to her mother and husband, who both have Alzheimer's disease, and asked what the new plan would do for caregivers.]

The President. It will do three things. First of all, for people with Alzheimer's and other problems that require institutional care, we will continue to cover that. And we will cover it at least as well or better as now.

But secondly, over a period of years—now, we can't do all this at once, because we have to phase-in the coverage as we realize more

savings from the waste in the existing system. But over a period of years, we will also reimburse people for in-home care, because often times it's less expensive to maintain people in homes than in nursing homes. So we will, for the first time, have a system by which people can actually have coverage for in-home care. And that will include respite care, too. If, for example, you are taking care of a parent or a spouse, you're doing an incredible service for a society. You're keeping your family together, and you're saving money for the system, but you're entitled to a little time off. And so under this system, over a period of years we'd actually set up a reimbursement system so you could be reimbursed or covered to bring in a nurse, for example, if you wanted to take a 4-day weekend or something just to get away from the pressure of your duties.

And over the long run, this will enable more people to keep their families together, lower the cost of care by keeping more people out of institutions and make for, I think, a better quality of life in our country.

Mr. Koppel. To the degree that you can, Mr. President, can you give a sense of what the progression of years is going to be? In other words, you keep saying we're not going to be able to do all of this right away.

The President. Sure. Yes. Let me say, first of all, we assume that it will take a period of several months for the Congress to work through this. But I must tell you, this is the best spirit I have ever seen in the Congress, at least in modern times, among Democrats and Republicans, first to learn everything they can and second, to work together. We're in Florida tonight. We have six members of the Florida delegation up here, three Democrats and three Republicans who came down here with me tonight, and that's sort of the attitude that's going on.

So, let's assume we pass a bill sometime next year. The first and most important thing we have to do is to lock in basic security for everyone; so we want to get that done by 1996. That is, everybody's covered with comprehensive benefits. And then, between 1996 and the year 2000, we want to phase in each year more of these long-term care benefits. So it'll be about a 5-year period after the basic benefits come out.

Mr. Koppel. You have got to be concerned, because I mean, there's a little thing called "re-

election" that has to kick in before you can be sure that you're going to be able to continue doing these things into a second term. You must feel tremendous pressure to get a lot of this done by the end of your first term.

The President. What I feel the pressure to do is to at least pass the legislation and get the security in. I want everybody to have their health security card so I know they'll have comprehensive benefits that can't be taken away, that they can't lose. If that happens, I believe that the public feeling for this will sweep across America without regard to party, to region, to age, and that the American people will see this as a decent, humane thing that we have waited too long to do, and that it will then be a tide that no one can turn back, and no one will really want to turn back.

Mr. Koppel. Let me ask you to swivel around. And I know you wanted to acknowledge the Attorney General, who is sitting up there. If we can just do that.

The President. Say hello to Attorney General Reno. [Applause] She wanted to come home with me—you know, Janet Reno is from Florida—for two reasons. First of all, we're going to do an event tomorrow dealing with young people and crime and the costs that that imposes on our health care system, and because she also is deeply concerned about what she can do to help deal with some of the issues here. The Attorney General must enforce the Americans With Disabilities Act, for example. The Attorney General has the power to reach and deal with our young people in ways that can have a direct impact on the quality of their lives and health care in this country. So she came down here, and I'm glad she's here.

Mr. Koppel. Swivel your attention over to the left, the gentleman up there at the microphone. Go ahead, sir.

The President. Yes, sir.

Q. Good evening, Mr. President.

The President. Good evening, sir.

[A retired educator with AIDS discussed the difficulty of getting treatment under Medicaid.]

Mr. Koppel. Do me a favor, if—

The President. I know what you're—can I get to the—I know the question. First of all, there are a lot of doctors who don't treat Medicaid patients because it's an incredible paperwork hassle fooling with the Federal Government, and because often the reimbursement rates are so

much below regular insurance reimbursement rates for Medicaid. People with AIDS at some point have to quit working, and often times don't have insurance on the job, so they quit working just so they can get Medicaid.

Two things will happen under this system that will really help you and people like you all over America. There are one million Americans that are HIV or AIDS today:

Number one, because you will be covered with health insurance while you're able to work, including a drug benefit that will make you able to work longer, along with everybody else, you will always have health insurance, and it won't break your employer because you'll be part of a big community pool. So your rates will be the same as everybody else. So the first thing is, more people with HIV positive will be able to work longer without bankrupting their employers.

Number two, if you do have to quit work and you go onto what we now—now the Medicaid program, it won't be a separate Medicaid program. Medicaid patients will be in these big health alliances with self-employed people, small business people, the employees of big corporations, everybody will be in there together. Everybody will pick their plans together. And the plan will treat you just like everybody else, because the reimbursement for you will be just like everybody else, and there will be one form to fill out for you, just like everybody else. So there will no longer be an incentive or the option to turn you down. They won't even know, for all practical purposes, whether you're Medicaid or not, because you'll just be in the plan with everyone else.

That's a huge thing. It's a very important thing.

Mr. Koppel. I told our audience before we went on the air, let me take this opportunity to tell our audience at home, we have three panels of experts: One in Boston; they're experts on public finance from Harvard's Kennedy School of Government group. In Chicago, they're practicing physicians; they're professors of medicine at the University of Chicago. And I'd like to turn now to a panel in Los Angeles. They're three experts on public health policy at UCLA.

Only one of them, if you would be kind enough, gentlemen, but I know you have some thoughts on what we've discussed thus far. And I need all the help I can get, please.

[*Dr. Robert Brook praised the new health care plan's universal coverage but asked how the plan would assure quality care.*]

The President. We will basically have, I think, two assurances of quality of care. First of all, the plans that will be provided and the prices that will be offered in these plans will be influenced heavily by the physicians and the other caregivers. But there will be a lot of incentive to lower cost, because your administrative cost would be so much lower.

Secondly, the National Government, as happens now with the Government in different ways, will prescribe certain quality standards, and then each State will offer information to people in these plans about not only the price of services but the outcomes.

For example, as you probably know, Pennsylvania now has a program in which they presently publicize the price of certain services and the outcomes. And it enables people to make judgments about both quality and price that they couldn't otherwise make. So we're going to give consumers more information, we're going to give professionals more capacity to figure out how to manage the system while maintaining quality, and we will have ultimately, Government standards as the guarantor of quality practice.

Mr. Koppel. Go ahead, Doctor, if you want to make one more quick comment. Then we've got to go to a break.

[*Dr. Brook asked about flexibility to allow different family members to receive care from different medical sources.*]

The President. That's a good question. Let me try to answer it. First of all, every person will have at least three choices. Most people will have more choices, but every person will have at least three. And so let me try to say what they would be.

You can choose to stay in a traditional fee-for-service medicine. That is, you pick your doctor, and they charge you by the service. That may be more expensive, but it may not be if big networks of doctors get together to offer these services together. In that case, you would have a cardiologist and a pediatrician working together.

Secondly, you could go into what's called a "preferred provider organization" which is normally an organization that is organized by health care managers but that have all kinds of special-

ists in them.

Thirdly, you can go into an HMO which will have a range of specialists, but it'll be a closed panel. That is, the people that work there will be on salary. So you may not have the specialists you want.

In the first two cases, you'll probably be able to do exactly what you want for the price that you pay up front. In the third case, if you're in an HMO, you'll still be able—if you say, "Look, my child is really sick, and I want this child to see a pediatrician who is not in this HMO who is in another State," you'll still be able to go to that other State, but that pediatrician will be reimbursed by your insurance plan only at the rate that the HMO pediatrician will be reimbursed, then you would pay the difference. But that plan will be the cheapest, so you'll come out about the same, no matter what.

Mr. Koppel. We're going to take another short break.

The President. Least expensive. I don't like that word "cheap." [Laughter]

[At this point, the network took a commercial break.]

Mr. Koppel. Now, you see the results of that poll. New taxes to pay for the health plan, you were being a little bit cagey in your speech last night. You were saying no broad-based taxes—

The President. That's right.

Mr. Koppel. You are going to have taxes on cigarettes. You haven't yet decided whether you're going to have taxes on alcohol, liquor.

The President. But let me tell you what—[applause]. I know you all have a lot of questions. Let me just make some general points about this. Our analysis shows—and let me say, we have consulted with health care finance experts in Fortune 500 companies, in big accounting firms. We have talked to everybody we can talk to who have dealt with the health system for years. They believe that if we can get the kind of savings we know are there—keep in mind, in the American health care system, we spend 10 cents on the dollar more on paperwork. That's more than \$80 billion a year more than any other country, a dime on the dollar more just on shuffling paper. If we can get the savings that I talked about last night, they believe that 63 percent of Americans that have health insurance will pay the same or less for the same or better coverage, that the people

that have virtually no insurance but just a skeleton policy will pay a little more, and that young single workers, because they'll go into community ratings with people who are older and sicker, will pay about \$6 more a month. Now, that's what they think. Why?

With only a modest—I mean, a cigarette tax, not modest but a little under \$1—and a fee on the big corporations who opt out of the system and continue to self-employ—

Mr. Koppel. You haven't decided on alcohol yet—

The President. Self-insure.

Mr. Koppel. —whether to put a tax on it.

The President. No, I don't think it's necessary.

Our numbers show that with a cigarette tax and if the big employers who opt out of the system because we let them self-insure, they should be asked to pay a little more, because they should pay for medical education, the health education centers, the preventive care networks, all the things that all the rest of us will pay for in our premiums.

They still, by the way, will be big winners. Their premiums will drop a lot anyway, because big employers are paying way too much now because they're bearing the cost of the uninsured. That is, when people who are uninsured get real sick, they get health care, and then the rest of us pay the bill in higher hospital bills and higher insurance premiums. So we think that the larger employer fee plus the cigarette tax plus the savings, plus—keep in mind—requiring the people who are presently uninsured, but employed, and their employers to pay something, that those things will pay for it. I don't think we should raise a big general tax on people to pay for the uninsured when most people are paying too much for their insurance already. Keep in mind, 63 percent of the people under this plan will pay the same or less for the same or better coverage.

Mr. Koppel. You know that much of the criticism is coming from small businessmen. I know because this gentleman came up and asked a question before the program started. Go ahead, sir, and ask it. If you'd be good enough to identify yourself, too.

[A small business owner paying 4 percent of payroll for health insurance asked about coverage for dependents of his 10 employees.]

The President. First of all, let me ask you a question. How many of your employees have

a spouse which also works?

Q. Three.

The President. Okay. Then, here's the short answer. The seven, you will have to provide a family plan under mine; the three which have spouses at work, they will be able to decide whether you or the other employer, they'll take the children's coverage, because they'll pay more, too, keep in mind.

Now, because you are a small business person with under 50 employees, you will be eligible for a discount that could take your premiums as low as 3.5 percent of payroll, even for the family coverage. So in all probability, you will be paying about what you're paying now, even though you will be covering seven families at a minimum, in addition to the seven employees. Because, the way we set this up—in other words, we understand, and let me go back a second—we went out and interviewed hundreds of small businesses. And my Small Business Administrator took the lead in this. He's from North Carolina, and he's spent the last 20 years of his life starting small businesses.

So we were in a real dilemma here, because small businesses who cover their employees have premiums going up at roughly twice the rate that other people's premiums are going up. There's a 35 percent difference now between small business premiums and big business premiums. And I don't know what you cover, but basically that's the rule. One-third of the small businesses in America, according to a representative poll recently, said they were going to drop all their coverage if somebody didn't do something to stop the rate of cost increase.

So the only way to stop the rate of cost increase is to get everybody covered, and then put them in these big groups, so you can have the same market forces working for you that big businesses do. But it's not fair for me to put you out of business, because small businesses are also creating most of the new jobs in America. So that's why we've got the discount system. Part of what we're going to do with the money we're going to raise is to fund a discount system for people with fewer than 50 employees, so you won't have to pay the 7.9 percent of payroll, and you may pay as little as 3.5 percent. In all probability, because you only have 10 employees, you'll pay almost exactly what you do now, and you'll get more coverage for it.

Mr. Koppel. Let me just ask you quickly, though. Right now, paying 4 percent on 10 people, you're saying 3.5 percent. He would then have to pay the 3.5 percent on all the dependents, other than the three who are working.

The President. No, it's 3.5 percent of the payroll of his employees. So he would pay about—

Mr. Koppel. Total?

The President. Correct. He would pay about what he's paying now. Because he's a small business person, there would be a discount for his premiums.

Mr. Koppel. Okay. Does that answer your question? We've got to take another break; we'll be back in a moment.

[*The network took a commercial break.*]

Mr. Koppel. And let us get right to the questions again. Mr. President, if I could ask you to swivel around. We have a question back there also on money from a larger employer.

[*An IBM employee asked about the plan's effect on large businesses which self-insure.*]

The President. Well, actually, the biggest companies in the country are the ones most likely to benefit from this, because they are actually—even though they're self-insuring. When you self-insure, if you're big, the good news is that you acquire market power, and you can normally keep your rates from going up as fast as they otherwise would. The bad news is, you're still paying part of the costs of uncompensated care. That is, people are shifting the cost to you.

We estimate that for a company like IBM that self-insures, you will save, the company will save on premiums, for whatever you're doing now, you'll save about \$10 a month an employee under our system, which is a huge amount, simply by stopping the cost shifting to IBM, with no change in the benefits. No, you can keep on doing exactly what you're doing.

Now, let me just give you an example of how it can get even bigger. For companies that have huge cost shifts and big retiree burdens like the big auto companies and the big steel companies, they will save even more.

But the people that will be least affected by this are big companies with over 5,000 employees that choose to continue to self-insure. You will, however, benefit by the increased competition of the system. What I want everybody else to do is to have the benefits that IBM has. You won't lose anything. Xerox has cut their

costs by \$1,000 an employee a year through better managed care without taking anything away from the employees. And we think we can do that for all Americans.

Mr. Koppel. Mr. President, let me be the doubting Thomas for a moment. Big companies are going to save money. The little businesses are going to save money. The 37 million people who you say are underinsured or uninsured right now—

The President. They'll pay more.

Mr. Koppel. They'll pay more, but they're going to be insured for the first time. Everybody's going to be better off—

The President. No, not everybody.

Mr. Koppel. Who's not going to be better off?

The President. Well, let me just say this. In the long run everybody will be better off if we bring health care inflation down to the regular rates of inflation.

Mr. Koppel. Who is going to get hurt in the short term?

The President. The following people will get less money, or will pay more: single, healthy workers who are insured in big plans now so they have low costs because they're at least risk, will pay more. They'll pay about \$6 a month apiece more to help to cover that gentleman up there with AIDS or older people, just who get older, it costs more. They'll pay more. People who provide only the scantiest catastrophic illness—for example, I met a man, a man came into my office in the White House today with a group of folks, who travels with an entertainment group. He's got a \$5,000 deductible with a modest income. He might as well not have any insurance. Now, he'll have to pay a little more, but he'll have something when he pays it.

People that don't pay anything now will have to pay more if they have jobs, and their employer will have to pay something, although we're going to try to keep the small businesses from being hurt too badly. All those people will pay more.

Who will get less under this system? You've got to squeeze—somebody's got to get less. Who will get less? The people who benefit from the paperwork explosion will get less. Hospitals in the future will hire fewer clerical workers, doctors' offices won't have to hire an extra person just to spend all day long calling insurance companies, beating up on them to pay the money

that they owe anyway. Insurance companies will not grow as rapidly, and there may be fewer of them unless they can get in here and provide these plans at competitive costs. So that's the major squeeze in the management of the system.

There will also be savings, frankly, in the provision of services. We had, in the Pennsylvania case I just cited, they published a heart procedure where the prices charged in the State of Pennsylvania varied from \$21,000 to \$84,000 for the same procedure, with no differences in health outcomes. When all of you get into big groups so that you have the power that the IBM employees do, you will take the \$21,000 choice every time as long as there's no difference in the outcome.

And so, everybody there, there will be some losers. But, on balance, most Americans will win, and the security is worth something. And then, over the long run, we'll all win if we can bring health costs closer to inflation.

Mr. Koppel. Let me direct your attention to the balcony up there. Go ahead, sir.

[A participant asked about the effect of a tobacco tax on the tobacco industry.]

The President. Arguably, if we raise the tax, it will reduce consumption. But the answer to your question is, I don't think it's right to have a big, broad tax—I'll say again: tax everybody in America, most of whom are paying too much for what they've got to pay for those who haven't paid anything. I don't think that's right when there are savings. So, we didn't in the beginning know if there would be any tax. But we wound up with a gap in what we think the program will cost in the early years, for about 5 years before it starts to get big savings by the way, and what we had. And we had to figure out how best to make it up. And I thought that a tobacco tax and a tax on the biggest companies who will get big benefits out of this, a modest one just to make sure they contribute, as I said, to medical education, to medical research, and to preventive services like everybody else will, that those were the two fairest ways to get it.

And the truth is that smoking is one thing—unlike drinking, for example, where it's a terrible thing if you do it to excess—we know that there is some risk in any level of it and that it imposes enormous extra costs on the health care system which the rest of us have to pay. So it seemed to me that that was a fair way to get some money.

Mr. Koppel. Mr. President, I want to take advantage of one of our experts again, this time in public finance up at the Kennedy School in Harvard. Mr. Forsythe, would you go ahead, please?

[*Dell Forsythe expressed concern about job losses in the health industry.*]

The President. There will also be job gains in the health industry. There will be hundreds of thousands of new jobs in people providing home health care, in other kinds of preventive and primary care, so that we think even within the health industry, the job gains in direct health care providers will offset the job losses in clerical work.

Secondly, there are bound to be job gains when you lower the payroll costs that a lot of major employers are paying today. You give them more money that they will either use to give their employees pay increases, and I might say millions of people in this country have foregone any pay increases for the last 4 or 5 years, because the pay increases have gone into higher medical costs. So you're either going to have more folks hired or pay increases going back to employees for the first time. So we believe there will be a net economic benefit by shifting the way this money is spent. I don't think that all investments are equal, and I think since you're going to shift the way money is spent, and we're not going to cut, keep in mind, we are not cutting spending on health care. America at the end of 5 years will still be spending 40 percent more than any other country, maybe even a little more. But we're going to spend the money differently in ways that we think will produce more jobs, not fewer jobs.

Mr. Koppel. Let me just see if I can slip one more question in. We've only got about a minute and half left. Where is the lady who was at the microphone? You'll see—right over there. Go ahead.

[*A participant asked whether a doctor or an insurance company would decide when to discharge a patient from the hospital.*]

Mr. Koppel. We've got 1 minute, Mr. President.

The President. The doctor, the doctor will make the decision. The coverage will be comprehensive, and the doctor will make the decision.

Can I say one thing real quick? I want to make a specific point here. A lot of people have

coverage that have lifetime limits. That is, they look real generous, but if you run up to a certain dollar amount, it's gone. Another real benefit of this—and the only way you can guarantee real security is to say there are no lifetime limits, you just have the coverage—and again, I know it's counterintuitive—a lot of people just don't believe you can ever save money on anything. But all I can tell you is that every doctor and every health care expert that we have ever consulted who has really studied this believes that there are billions and billions of dollars of savings which can be made that will enhance the quality of care, not undermine it. And that's what I urge you—I don't ask you to just take my word for it, just watch the debate unfold and listen to the people who have spent their lives working at this do it.

Mr. Koppel. Mr. President, on that note, we've got to take one more quick break, and then I'll come back with a program note. This program is going to be going on but in another form. I'll tell you about that in a moment.

[*The network took a commercial break.*]

Mr. Koppel. We're just about out of time now in our prime time segment. But I do want to make a quick program note. First of all, the President has indicated he wants to amend one of the answers that he gave before. We don't have enough time to do that here and now, but we will be back after your local news. Most of the country will be taking it at 11:35 p.m. Eastern Time. And the President has agreed to stay with us on an open-ended basis. Now, that means, I guess, until he gets tired or you get tired or we all get tired.

[*Following the 11 p.m. news, the town meeting broadcast resumed.*]

Mr. Koppel. Good evening, ladies and gentlemen. Those of you who were with us in prime time know what we're up to. Those who are just joining you now in our regular "Nightline" slot, let me point out that this is a special open-ended edition of "Nightline." Obviously, you recognize the gentleman to my immediate left, the President of the United States, who has been answering questions from a wide variety of the thousand-odd people or so that we have with us here in Tampa, Florida.

And, Mr. President, if you don't mind, we'll get right back to the questions. There are a

couple of things I know you want to pick up from the last program. We'll do that in a couple of minutes. Go ahead, sir.

[A participant asked what to do about the overwhelming medical bills from his daughter's surgery.]

The President. Well, first of all, I don't think there could be a better case for changing the present system. What I think will happen before we have a change is that if your daughter has to have surgery next year, they'll probably do it, and do a good job, and that stack of bills will get higher and somehow the costs will just be spread among everybody else until we fix this system.

But let me tell you what would happen if the proposal that I have made were law now. First of all, as a self-employed person, you would be able to buy a health insurance policy for your family, even though your daughter has previously been sick, on the same terms as other self-employed people. And instead of that policy being totally out of your reach, you would be able to buy it more or less on the same terms as other small business people, because we would put you and the farmers and the other self-employed people into a big pool like everybody else. So you would be able to take advantage of an economy of scale. So you'd be able to buy a more affordable policy.

Secondly, because you're self-employed, you'd get a 100 percent deduction on your taxes for it. Today, you only get a 25 percent reduction. So it would be lower costs, comprehensive benefits, you couldn't be denied coverage because your daughter had a terrible problem, and you'd have 100 percent deductibility. That's one of the reasons we ask single, young people to pay a little more. But all those single, young people will be in your situation, too, someday, if they're fortunate.

I wish I had an answer for you right now. I don't. The answer right now is for the hospital to just step right up to the plate and the doctor and do what they did last time until we get this thing fixed. Once we get it fixed, then you won't be in this position again.

Q. Her pediatrician, Dr. Augustine Martin, knows that he's not getting paid for this, and he knows it but he's taking care of her, and he's not even worried about that, which is great.

The President. I'm really glad you said that, because we heard a sad story here before about

doctors who wouldn't take Medicaid patients, which leaves the patients out in the cold, although Medicaid is a real pain. But for every case like that, there's a case like this. And those doctors need our thanks.

Q. Yes.

Mr. Koppel. Mr. President, we've got so many people who want to talk to you here. We want to move over there to the wheelchair section. Go ahead, sir, please.

[A participant described the fear disabled people have of losing Medicare and Medicaid benefits if they are employed.]

The President. First of all, by providing insurance to everyone based on a community-based rating, we would never put an employer in the position of saying, "I'd like to hire you, but you're disabled and something terrible might happen to you. And if I had to take care of it on my insurance, my premiums will go up 40 percent the next year, and I'd have to drop you anyway. So I can't do it," which is basically what happens now. A lot of disabled people are going basically to waste in our country because they could be gainfully employed, they could be making major contributions, and they're not hired because people either can't get insurance for them or because they're afraid it will bankrupt them.

Under our system, you'd be just like any other American citizen. You would pick a plan, you would go into it, and because of the community rating system, you would be insured. And therefore, there would never be a disincentive for an employer to hire you. And you would always have that insurance.

And if you needed supporting services, even at work as we build in these long-term care services, we'll be able to have not only long-term care in the home, but some support services associated with people who work. That will save this country a lot of money over the long run, because you're going to have a lot of folks who don't work now working.

But there are a lot of people who are disabled, as you know, who are on Medicaid only because they couldn't get private health insurance as workers. And just like this man who just talked to us over here about his daughter, there are people in this country who have quit their jobs and gone onto welfare and drawn Medicaid only because of the illness of their children. So that's something the disabled popu-

lation has in common with people like him. That will never happen again. People will be able to keep working. It's very important.

Mr. Koppel. Mr. President, we're going to have to take another quick break. When we come back, though, we've got a public policy expert up at Harvard who is just seething at some of the numbers. He wants to have at you. And I know you want to correct a couple of things or at least make an amendment to a couple of things that you said in our prime time segment. So we have all of that ahead of us when we come back in just a moment.

[*The network took a commercial break.*]

Mr. Koppel. That's another one of our poll results, Mr. President: What will happen to your quality of health care? Twenty-seven percent think it's going to get better, 27 percent think it's going to get worse, and 42 percent think it's going to stay the same. You've obviously got some missionary work to do there. Do you want to comment on that poll and then get to the amendments, to what you wanted to correct?

The President. Sure. I don't blame anybody for thinking that, because while Americans know more about their own health care than almost any other subject, most of us have never had a chance to learn anything about how the system as a whole works. So it's against our common experience to believe that you can get more and pay the same or less, or that if you control costs, you won't have to give up something really valuable for it. That's against our common experience. But if you study the system, you'll find that we have, literally—I'll say again—just in paperwork alone, a dime on the dollar more waste in our system than any other system in the world, that we have more variations in prices with no differences in outcomes than any other system in the world, that there are all kinds of waste in this system that can be managed down.

You don't have to take my word for it. I saw what those folks said, but let me just give you one example. The Mayo Clinic, we would all agree that they have pretty good health care, wouldn't we? I mean, their inflation is 3.9 percent this year; that's less than half the medical rate of inflation in the country. And I could give you lots of other examples of plans with very high consumer satisfaction where people are very happy with what they have and where

they have squeezed out massive amounts of waste with no loss of quality. And so, that's what this debate ought to be about. I want that debate.

Remember what I said last night? The first thing is security, simplicity, savings, choice, quality, and responsibility. If we give up quality, the rest of this stuff won't happen, because you can't have security without quality. So we'll debate it, but I'm telling you, the more you study this, the more you become convinced that we can achieve these savings.

Mr. Koppel. President Clinton, we've got a public policy expert, John White, sitting up at the Kennedy School in Harvard. Am I misstating it, Mr. White, when I say that you don't think the figures add up?

[*John White asked why the plan did not phase in benefits more slowly.*]

The President. Let me answer that. First of all, the benefits that we don't phase in, basically the benefits that we start with in 1996 that are new, are primarily two: First of all, the preventive and primary services, you know, the PAP smears, the mammograms, the well-baby care, all those things, we believe that those achieve net savings fairly quickly, and almost all medical experts do. That is the relevantly low-cost, relatively quick benefits. The other major costs are the drug benefits. We provide prescription drug benefits in all health care plans, and for Medicare clients as well as Medicaid ones because there are so many older people who aren't poor enough to be on Medicaid but have huge drug bills. Now, that will cost more.

We went around, John, to all the people we could find who knew something about pharmaceutical costs and tried to pick a high figure. That is, we didn't try to lowball the cost of the drug benefit. And then, we believe that the money we're raising from cigarettes and from the fees on big corporations will cover that, and we believe that we have—all the other benefits will be phased from '96 forward over a 5- or 6-year period, and we believe during that time period, we'll be able to achieve these savings.

Now, I believe this is another decision that the Congress will have to make. But I believe that having the universal coverage—that is, getting everybody insured by '96—is critical to the savings because that's what enables people to get basic care early rather than have care when it's too expensive only at the emergency room.

[Mr. White suggested that the system should ensure that cost savings were in place before benefits were put in place.]

The President. I agree with that, except for the two examples I mentioned. But let me make another comment. One of the things I've asked the Congress to do is to work with me to construct a system that, in effect, has to be monitored closely every year and adjusted if the money doesn't work out right. We cannot afford to aggravate the problems we already have. But if you look, John, at the cost estimates we have, even under our plan, even under our plan we project health care costs to go from 14 percent to over 17 percent of our income between now and the year 2000. We'll still be spending a lot more than any other country. I think we'll have more savings than we estimated. But I agree, and I want to just say this about the point he made. All of us have to be prepared to face the consequences if the cost savings don't materialize. And I don't want to sign a bill, and I don't have any intention of signing a bill that doesn't at least have the process built in that I recommended. If something happens and they don't materialize, then we're going to either have to slow down the benefits or raise more money. I don't think it will happen, but he's right. And that's why we've got to phase these things in carefully so it doesn't get away from us.

[The network took a commercial break.]

Mr. Koppel. Let me just explain two things to you. First of all, those of you who are watching "Nightline," we just kept going after our 10 o'clock show, which ended at 11 Eastern time, and began taping so that we could save time. So technically what you're seeing right now is on tape, but we are still here live talking and it's going to go on in an open-ended fashion now.

At the end of our live segment, the prime time segment, there was a lady up there who asked you a question and you gave her a very quick answer. It was a question having to do with whether doctors or insurance companies were going to decide when you have received adequate care at a hospital.

The President. That's correct.

Q. You said under your plan, the doctor would decide.

The President. That's correct. There are two questions that were asked that I want to clarify.

One is the lady said, "Who decides when I leave the hospital, the doctor or the insurance company?" And I said the doctor. That is right with one exception. Keep in mind what I said. Mental health benefits under this plan cover limited hospital stays until the year 2000. With that single exception, the doctor decides.

The second point I want to make: You remember the gentleman who stood up over here and said he had 10 employees and he paid 4 percent of payroll, and what was going to happen. And I said he'd pay about the same amount. I want to clarify that in a couple of ways.

Number one, you're eligible for a subsidy if you have fewer than 50 employees. But you don't get the subsidy on employees with incomes of over \$24,000. Almost all small businesses have incomes less. So I want to make it clear. So we're actually trying—before the end of the show, we should be able to tell him exactly what his rate will be. But let's say, for example, he had to go up to 5 percent or 6 percent from 4—got more generous benefits—two other things would happen which might make it a good deal for him anyway. Number one, we're going to fold in the health care costs of workers' comp into this system, and the health care costs of workers' comp have been going up even more than regular health care costs for most businesses.

Number two, if you have a claim against you or against your employee as a small business, your rates can go up 20 percent in a year, or 25 percent in a year just if you have a claim. Under our system, the small business would be protected from that. They'd be able to be basically on the same wavelength as some big company and would have a very marginal impact on rates because they'd be in a huge pool instead of just out there.

Mr. Koppel. Let me ask you to swivel around again if you would. We've got a question from a medical student back there. Go ahead, please.

[A medical student asked about medical school debt deferral, malpractice reform, mandated specialties, and reallocation of funding, especially for care at the beginning and end of life.]

The President. Let me try to remember them all. First of all, on your debt—and medical school is very costly—we propose to do two things. Number one, we have already passed

a sweeping reform of the student loan program, which will enable people to borrow money without regard to their incomes at lower interest rates than have been available in the past, and then pay those loans off, not based just on the amount that you had to borrow but as a percentage of your income, which will make it easier for all people to pay their college loans off. I wouldn't call this a catch, but I have to say we're also going to be much tougher on collecting the loans than we have in the past, but they'll be easier to pay back.

Secondly, we're going to expand the health service corps concept that will enable physicians to practice in underserved areas and pay their medical loans off. And that's been constricted in the last several years. We want to expand that. That's the first question.

The second question you asked was malpractice, right?

Q. Yes, sir.

The President. We propose to do a couple of things in malpractice to—and let me just say, malpractice not only affects doctors with higher premiums but a lot of people believe it adds to the cost of the system, because doctors practice what is called defensive medicine and order procedures they otherwise wouldn't just to keep from being sued.

We propose to do three things: number one, develop more alternative-dispute-resolution mechanisms to lawsuits; number two, limit the amount of contingency fees lawyers can get in those lawsuits to one-third of the fees, not more, and number three, and I think most important, develop working with the medical specialists as well as GP's, general practitioners, a set of accepted medical practice guidelines that doctors can have that operate—to oversimplify it, almost like the checklist that you see a private pilot check off before they—if you've ever ridden in a private plane. So that if you follow the medical practice guidelines for whatever you're doing in your area, that will raise a presumption that you were not negligent. That can do more than anything else. This was pioneered for rural doctors in Maine, this whole theory. We believe it can do more than anything else to reduce the number of malpractice suits.

The third thing you asked was what about the Government trying to force you into certain specialties.

Q. Yes, sir.

The President. The truth is, if you look at how the Government spends its money, it's

heavily weighted towards specialties now. What we propose to do is to change the formula by which the Federal Government funds medical schools now to favor more—not to say you can't be a specialist but to slightly tilt more in the favor of general practice, because only 15 percent of the doctors coming out of medical school today are general practitioners. The average nation has—you know, like Germany or Japan or Canada—half the doctors will be general practitioners. We can't do what we need to do in medically underserved areas without more family doctors.

And the fourth question you asked was?

Q. The reallocation of funds.

The President. Yes. Perhaps the most important thing, long-term, in this package is that we pay for things like pregnancy visits, well-baby care visits. We pay for immunizations for all children. In other words, we try to pay for a lot of preventive and primary services starting very early, and dental care for children although not for adults, as a mandated service.

[Following a commercial break, a dentist asked about dental benefits under the new plan.]

The President. Let me just mention the dental issue first. Under our proposal, the comprehensive benefit package would include dental benefits for children up to 18, but not mandates for adults. That doesn't mean any employer plan that now covers dental benefits is perfectly free to keep doing so. And since they'll have all kinds of economic incentives to keep their costs down, they'll probably keep doing it. But we don't think we can, again, recognizing the costs of this, afford to do more than this at this time. But there's nothing to prohibit that.

Most people, as you know now, who have dental benefits through their employers actually buy the benefits in an override policy, and that will all still be available. The problem with the present insurance system, let me say again is that, first of all, too many people are uninsured, and the complexity of it is so great. But we are the only country in the world that has 1,500 different companies writing thousands of different policies, requiring every hospital and doctor's office to keep up with hundreds of different forms, so that we literally add about a dime to every dollar of health care cost on paperwork that has nothing to do with keeping people well.

So what we're trying to do is get down to one form, and this health security card, so that, number one, your life will be a lot simpler. The time you have to spend on forms, the time you have to hire people to spend on forms will be less; the time you spend practicing dentistry will be greater. And the time all of our medical professionals spend doing what they hired out to do in the first place will be greater. That's what we're trying to do.

Mr. Koppel. How detailed is that form going to be? I mean, that one form is going to have to be a killer form to—[laughter].

The President. Well, not necessarily. The form—actually I should have brought it tonight—but there will be basically a model form for the doctors and one for the hospitals and one for consumers, because they'll have slightly different information needed, and they'll have some variations because of the differences in plans. Everybody will have some choice in plans, but once you have comprehensive benefits and uniform insurance schemes, you won't have to have a lot of variations.

Let me just say this. I want to hasten to say this does not mean that physicians will stop keeping patient records on patient care. In fact, one of the ways we're going to reduce the amount of problems with malpractice, as I said, is by establishing uniform guidelines and then enabling physicians to demonstrate that they follow the guidelines and, therefore, to raise the presumption that they were not negligent.

So we're talking about paperwork over and above what is required for the basic practice of medicine. Washington Children's Hospital, where I visited last week with the Vice President, says they spend \$2 million a year in that one hospital over and above the recordkeeping necessary for patient care.

Mr. Koppel. You saw that devastating study a few weeks ago that indicated that roughly 60 million Americans are—I guess the only fair word is "semi-literate," all but illiterate. You know, you're doing a terrific job here trying to explain what is obviously a terribly complex plan. How do you reach those people? Because my assumption is that the 37 million people you're talking about who are uninsured, underinsured, probably many of them will fall into that same category, and that is people who have a very hard time understanding any forms, let alone something as complex as a medical form.

The President. First, let me say that if you go back to that study, it also says that people are more literate now than they ever have been, but there are more challenges for them now than ever before. All of the research indicates that one of the things people know a lot about is the health care benefits they have and the problems with it. As a matter of fact, one of the problems that I'm having convincing you that we can save money in this system is that you know an enormous amount about your own health situation or that of your employees, and you know it costs more every year. But you've never had a chance to know about how the system itself operates; so it's hard for you to imagine that we can actually save any money—especially where the Government's involved, right?

But when you come back to the basic thing, I believe if you simplify the system and you tell everybody you get three different plans at least and here's what the plans do, I think people have had enough experience negotiating their way through the mine field of the American health care system that most of them will do quite well.

[A participant asked if abortion would be covered under the new plan.]

The President. It will probably become a political football because so many people feel so strongly about it on both counts. But the answer is that we are trying to privatize this system, not make it more Government-dominated. And so the answer to your question is, it will be because it is now by private plans. And what we propose to do is to fold people who get their Government health care into the private plans. That is, keep in mind, if you're on Medicaid today, you show up at the hospital, you've got all your Medicaid forms—that's why the doctors don't like to treat Medicaid patients, a whole different set of forms—and you get a specific fee for a specific service. And today, if you're on Medicaid, abortions are not covered by the Federal Government unless the life of the mother is endangered. But they are covered in some States where the States pay for it.

Under this system, people on Medicaid will join a health alliance just like other people. And then they will get to choose among plans. The plans will offer pregnancy-related services. Most private plans today that offer pregnancy-related services do offer abortions. They don't all.

There is a conscience exemption for religious reasons that covers hospitals and doctors, and that will be covered again today. And people who want to join those plans will do it. By the way, there are no specific surgical procedures guaranteed here, not knee surgery, not abortions, not brain surgery, not heart surgery. They never are. The procedures are not prescribed. The problems are covered. So you have to cover pregnancy-related services.

Let me say, since you're in Planned Parenthood, abortion under our Constitution is legal. But let me say, I also think there are too many every year, and I think this could be—[*ap- plause*]*—*I think if you want it to be legal, safe, and rare, we have got to fund more preventive outreach.

I want to make this very clear. This plan, for the first time ever, not only acknowledges the constitutional legality of abortion but funds preventive services in ways that will reduce the number of abortions by reducing the number of unwanted pregnancies. And I want to make that—that's very important. That's part of the preventive strategy of this plan. It will do both. [*The network took a commercial break.*]

Mr. Koppel. And we are back, once again, from Tampa. The President shaking hands with a few well-wishers here. I figured if we didn't restart the program, we'd never get you back from there, Mr. President.

The President. Tell the girls to come back later. Hey kids, I'll come back there. Later I'll be there. You wait here, and when we next take a break we'll shake hands, okay?

Mr. Koppel. What are we—come on. Shake hands. Get it over with. Come on up. Now, while we're feeling good, you might as well tell the folks what the head of St. Vincent's Hospital told you when he—

The President. St. Joseph's?

Mr. Koppel. St. Joseph's. I beg your pardon.

The President. This gentleman is the head of the hospital who took care of the daughter of the independent contractor with the \$186,000 worth of bills. He said, "We took care of it before, and we'll take care of it again until we get this"—[*applause*]. But he also said we need to reform, because he's entitled to be reimbursed for it.

Mr. Koppel. Yes. Now, you don't expect all the questions to be that easy, do you?

The President. No.

Mr. Koppel. Okay.

The President. They've all been hard.

[*A participant expressed her disapproval of the use of taxes to fund abortion.*]

The President. Well, let me say again—let's talk about what the present law is. The present law is that there is a constitutional right to abortion, but the Supreme Court has never ruled that that meant that poor women had to have equal access to it. In other words, that if the Federal Government or a State government decided not to fund abortion services through the Medicaid program, that that was legal. So the Congress for many years has said we will not specifically fund abortions unless the life of the mother is at risk. Therefore, there's no public funding for poor women to get abortion services unless each State decides to do it. Some States decide to; a majority don't. That's the law today.

I want to make clear to you what we are proposing. What we are proposing incidentally affects this: What we are trying to do is to stop the two-tiered system, to put the Medicaid patients in with the employees of small businesses and hospitals and others to provide for a common private system in which people join plans that provide services, including pregnancy-related services. Some of those plans won't cover abortion. Most of them do today. But I would just say to all of you who—if you're in a private health insurance plan today, your money is commingled with everybody else's. And if those services are covered, the money goes out from a central payment place, not necessarily for a specific service. But because people have enrolled in a plan—for example, somebody enrolls in an HMO, they don't pay for a specific thing at all necessarily on a fee-for-service basis. They pay a fee for whatever services are covered. So that is part of the limit. It would be a terrible price to pay just over this issue to keep segregating all the Medicaid patients and deny them the opportunity, and deny us the opportunity, to have the benefits of everybody being in large group health care without separating this out.

In other words, the whole system will be changed if you put everybody in a private system. There will still be also hospitals and doctors who, for religious or other reasons, for moral reasons, will not participate in this and will not have to in any way, shape, or form.

Mr. Koppel. Mr. President, this is a curious criticism to make, but sometimes I think you're

so specific in your answers or so detailed in your answers that it's a little hard to know what the answer to the question was.

The President. The answer to the question is, if a person goes into a health care plan that provides pregnancy-related services, the person can ask, "Does this include abortions, or not?"

Mr. Koppel. If it doesn't, then you go to another plan?

The President. If it doesn't, they can go to another plan. If it does and they're offended by it, they can go to another plan.

Mr. Koppel. Are tax monies going to be used to support those abortions? That was—

The President. The answer is, indirectly they will. Today, it's a direct question. You know, the Government writes a check for every Medicaid procedure. Under this system, people on Medicaid would be just like any other person. They'd join a health plan. They'd sign up for certain services. The funds, the public and the private funds, would all be mixed together. They would fund certain things and not fund others.

But if our plan goes through, it will be impossible to separate out the public and the private funds, the Medicaid and the other people.

Mr. Koppel. So, implicitly, the answer is yes. There will be—

The President. That's right, they will be able to fund it. That's right. If it comes down on this issue, we keep all these Medicaid people from going into a revolutionary new system, then you're going to throw away a lot of the savings and deprive those people of a whole range of things that don't have anything to do with abortion, including higher quality care at lower cost.

Mr. Koppel. But that's clearly one of the political mine fields.

The President. That will be a big political mine field.

[*The participant reiterated her opposition to the use of her tax money to fund abortions.*]

The President. Well, let me ask you—we are also personally and morally improving preventive and primary health services, and we'll actually stop some abortions from occurring with the kind of preventive services that we're going to cover for the first time in the history of this country.

This could be a subject for a whole other program. I have a difference of opinion from you about whether all abortions should be ille-

gal. I do agree that there are way too many in the United States. I believe we need an aggressive, an aggressive plan to reduce teen pregnancy, to reduce unwanted pregnancies. One of the reasons I named the Surgeon General I did, my health department director, is because I'm committed to that. I believe we need an aggressive plan to promote adoptions in this country. If every pro-life advocate in America adopted a child, this world would be a better place.

I want this issue to be debated, and I haven't hedged with you. Most people will get this service covered because most private plans do it. And we propose for the first time ever to put Medicaid people in the big private plans to get the economies of scale. Not for the purpose of doing that, but basically to end this two-tiered system we've had. So most will be covered. But some won't if they choose to join plans that don't cover them. Most plans do today.

Mr. Koppel. I met the gentleman over there just before we went on the air. I know he wants to talk about the homeless. But we're going to take a quick break. When we come back—

The President. He's been the most patient person here. We've got to hear from him.

Mr. Koppel. We'll be back in a moment.

[*The network took a commercial break.*]

Mr. Koppel. There's another one of our poll results. Under Clinton's plan, will you pay more? Forty-nine percent think they will pay more; 10 percent think they'll pay less; 33 percent, about the same. Again, as I said earlier, you've got some missionary work to do here.

The President. But that's because people can't imagine how much waste there is in this system. Today, we spend over 14 percent of our income as a nation on health care. Canada spends 10; Germany is under 9; Japan is under 9. The German system, which is the most like what I propose, is a private system where large groups of employers and employees can work with health care providers to provide a wide range of services at low cost. But the administrative cost is much less than we have, although they cover more people and about the same number of services.

Mr. Koppel. You also know, and you've heard your critics say, they look at the Canadian system, and they start counting the Canadians who cross the border and come over to Detroit, be-

cause when it comes to optional surgery, optional procedures, they have to wait 3 months, 6 months, 9 months, a year. And they get so frenzied over this that rather than wait, they come over to the United States. Now, those people will tell you, "Whatever you do, don't exchange what you've got for what we've got."

The President. But we don't do that. In other words, keep in mind, I am not proposing to bring our cost level down to the level of Canada, much less Germany. What I am proposing is to slow the rate of increase, which if we don't slow it, by the end of the decade we'll be spending roughly 19 percent of our income on health care. Canada will be about 11, and everybody else will be under 10. And that is a huge economic disadvantage in a global economy. It also means a lot of workers just give up all their pay increases. We are not proposing to cut spending on health care. We're proposing to increase spending on health care quite briskly but not as much as we're going to if we don't change the system.

Mr. Koppel. So fundamentally, the people in that poll are right. Those who think that they're going to end up paying more, they will.

The President. They'll pay more, the system, no.

Mr. Koppel. They may get more, but they're going to pay more.

The President. The system will cost more, but they will pay much less under my plan than if we do nothing. Keep in mind, of the 85 percent of the people with health insurance, two-thirds of them will pay the same or less for the same or better benefits.

Mr. Koppel. No, I hear you. But let me try and state it one more time. You tell me if I'm wrong. Under the existing system, you're going to end up paying more.

The President. Much more.

Mr. Koppel. Under your system, you're going to end up paying more. But you're saying under your system you're going to end up paying a smaller amount more than you would in the existing—

The President. That's right. You'll pay over the next 5 years much less under my system, my proposal, much less than you'll pay if you stay with the system we've got. And you get better benefits and security. You will never lose your health care.

Mr. Koppel. This gentleman has been standing there most of the night. Go ahead, sir.

[A participant asked if temporary workers would be included in the new plan.]

The President. The short answer to that is somebody will be held accountable to them. For people who are temporary workers, it depends upon how they're ultimately classified under the tax system. For example, if you're a temporary worker and you work for an employer, and you're on that employer's payroll for, let's say as much as 10 hours a week, then that employer would prorate his payments, or her payments, for the temporary worker. They'd have to pay a third the normal rate. If they're on the payroll for 20 hours a week, they pay two-thirds the normal rate. If the temporary employee is listed as being on the payroll of the temporary company, then they would pay. If the temporary employee is an independent contractor under the Tax Code, then the temporary employee would have to buy his or her own insurance, just like the paint contractor. But depending on the income, they'd be eligible for a discount, and they'd have 100 percent tax deductibility.

So the answer is, the temporary employees will be covered. Who pays and how depends on how they are classified under the Tax Code. But either the temp company, the company for which they're working part-time, or if they're independent contractors, they, themselves, they will get coverage at an affordable rate.

Mr. Koppel. Mr. President, as I told you, we have three practicing physicians out at the University of Chicago. One of them, Dr. Mark Siegler, would like to either make a comment or ask a question.

Go ahead, Dr. Siegler.

[Dr. Mark Siegler asked about quality of patient care under the new plan.]

The President. If you look at the plan the way it operates, and I would urge you to read it carefully, we will actually provide more funding for medical research than we are now, more funding for health education centers than we are now. Each employee in the country will get at least three choices of plans. They might choose an HMO which, you're right, would then have a closed panel of doctors which would limit the number of doctors. But we know that there are a lot of HMO's that have very high patient satisfaction, the ones that are really well run. But they might also choose a preferred provider organization, and under our rules, no PPO can

deny interest to any doctor that wanted to be a part of it. So a doctor could join a lot of different organizations so that the doctor could, in effect, be available to all his or her patients, even after this reform takes place. And finally, keep in mind, if you look at the package of comprehensive benefits here, virtually all Americans with insurance now would get the same benefits that Fortune 500 companies enjoy and much better than they have now. So we want to preserve choice; we want to preserve quality; we want to preserve a range of benefits.

Also, one of these plans, every employee will have the option today, under this plan, to choose fee-for-service medicine. Today in America, only one-third of the insured employees in this country have an option of more than one plan.

Mr. Koppel. Mr. President, let me jump in for just one moment. What I'm hearing in my ear is that some of those who have your best interest at heart, namely members of your staff, are very concerned that you not spend too much of this night with this, because you've got a big day tomorrow. So I want to let the audience know that we are in the process of winding down.

I would like to have maybe two or three more questions. Would that be all right with you?

The President. Sure.

Mr. Koppel. And then we will bring this program to a close. I suppose it's also appropriate at this point to note that, believe me, this is not going to be the last you hear on this subject. Either pro or con, the President's plan, it is just the beginning of what promises to be a long national debate. But I think you've had an extraordinary opportunity here to at least hear from the man who is behind what is clearly one of the most ambitious health plans that this country has ever seen.

[A pharmacist asked if patients would be able to get prescriptions at the pharmacy of their choice.]

The President. Yes, sir, you can, and that's why the Pharmaceutical Association of the United States—Association of Pharmacists has already endorsed our plan, and they were up until 2 a.m. last night sending out press releases around the country, saying that this is a good deal for your neighborhood pharmacy.

[The mother of a boy with congenital heart defects asked if they would be denied access to quality service under the new plan.]

The President. No.

Q. Because we can't afford to pay 20 percent of a hospital bill that is in excess of \$100,000, \$200,000.

The President. No, absolutely not. If you have a plan now that covers all your benefits, if anything your employer will have more incentive to continue to cover you, because their costs will go up less in the future than they would now.

Keep in mind, this 20 percent requirement for the employee to pay is for all those who don't have any coverage now. And it's not a requirement on the employee; it's a limit on how much the employee can pay. The employee cannot be required to pay more than 20 percent. If the employer wants to pay more, they can. The truth is, it's largely going in the other direction today for most folks. So if you have a good health insurance plan and it pays more than 80 percent, nothing in this plan will change that. In fact, your employer should be more willing to do it, because in the aggregate their costs will go up less in the future than they will if we stay with the same system.

I talked today to a half a dozen people who said that their contribution share was going up, up, up. And it was going to be over 20 percent before long, and they were glad to know there was a ceiling on it. All we're trying to do is to put a ceiling on it, not a floor.

Q. Thank you.

Mr. Koppel. Mr. President, we've got one more question. And you, sir, have the last question. Go ahead.

[A participant asked if all insurance companies would be required to open their provider lists to all qualified doctors under the new plan.]

The President. The short answer to that is yes. Keep in mind, we want to give the employee the choice. What happened to your patients was the employer made the decision to go with another health plan that closed out certain doctors. We want to give the employee the right to go with a closed panel HMO if they think that's good—health maintenance organization—if they think they get better prices and they think they get adequate services. But we also want to give the employee other options, including to continue dealing with you as a fee-for-service doctor, or working with a group of

doctors in which you have an absolute legal right to be a part.

Now, if that happened today, the fee-for-service option might be a little more expensive. But what I think will happen is that you and other doctors—what I'm banking on is that the physicians of this country will get together and offer their services at reasonably competitive rates so that people will be able to maintain a maximum of individual choice. But it is legally mandated that every employee in the country will have the option to choose fee-for-service medicine or a panel of doctors, which has to remain open for any doctors who want to join so that doctors can be in multiple panels. And so we're going to increase choice of physicians, not decrease choice of physicians for most Americans. That's a very important value, and we have to pursue it.

Mr. Koppel. All right. President Clinton, please excuse my back. I just want to express

a personal note of thanks to you for coming here this evening. I know there are an awful lot of people, possibly many in this audience, who wished they'd had the opportunity to pose questions to you or to criticize certain aspects of the plan. Over the course of the next year, I'd also like to say to your adversaries out there who are watching us and who have criticisms that they too will have access to this program and many others.

There is something wonderful, however, about being able to bring an American President and an audience of 1,000 of his constituents together for this kind of an exchange. And I know you'll want to express your gratitude to the President, as I do now. Thank you. [*Applause*]

The President. Thank you, folks.

NOTE: The town meeting began at 10:10 p.m. in the Playhouse at the Tampa Bay Performing Arts Center.

Nomination for United States Executive Director of the International Monetary Fund

September 23, 1993

The President announced today that he intends to nominate Columbia University professor Karen Lissakers to be the U.S. Executive Director of the International Monetary Fund. The Executive Director represents the United States on the 24-member board of executive directors, which sets policy for the IMF.

"As the largest shareholder in the IMF, the United States has a special responsibility for its

operations," said the President. "Karen Lissakers has proven that she is up to the task of representing our interests. I am confident that she will shine in this position."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Letter to Congressional Leaders on Iraq

September 23, 1993

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1), and as part of my effort to keep the Congress fully informed, I am reporting on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council.

Since my last report, Iraq has informed Rolf Ekeus, Chairman of the U.N. Special Commis-

sion on Iraq (UNSCOM), that it is ready to comply with U.N. Security Council Resolution 715, which requires Iraq to implement plans for long-term monitoring and verification of its weapons of mass destruction (WMD) programs, provide new data about the suppliers of its program, and accept inspections. I appreciate Chairman Ekeus' efforts to obtain Iraq's ac-