

that will happen. I would be surprised if that did not happen.

*Bosnia*

Q. Which way are we going on Bosnia right now?

Q. The Perry way or the Christopher way?

*The President.* We're going—no. Let me just say, I think that's a great overstatement. I talked to both of them in each of the last few days about a number of other issues. But I don't think that there ever was a real difference between them. And our Government position is clear, and we'll keep trying to work for peace in Bosnia. We'll make our air forces available as part of the NATO strategy, as part of the UNPROFOR strategy to protect the forces that are there.

They were both trying to say in different ways that we might—we certainly wouldn't rule out the use of our efforts around Gorazde but that there is a process that triggers those efforts, which you know well and which has to be followed before we can bring our force into play. So I do not believe there is a difference between the two of them and I—frankly, my instinct, having talked to both of them at some length, is that there never was a difference between the two of them. So we are together. We have the same policy we always had, and we're going to keep trying to make it work.

NOTE: The President spoke at 2:36 p.m. at the Marquette Hotel.

## Statement by the Press Secretary on the Resignation of Prime Minister Morihiro Hosokawa of Japan

*April 8, 1994*

The President spoke with Prime Minister Hosokawa of Japan today at 9:40 a.m. for approximately 12 minutes. The President conveyed his regret at the Prime Minister's decision to resign and commended him for his commitment to political and economic reform in Japan. The President expressed his hope that the process of reform would continue in Japan. The President stated that he is confident that our strong bilateral relations with Japan will continue.

The President told Prime Minister Hosokawa, "I am confident that you will always be viewed as an historic Prime Minister who made great strides in helping Japan in a period of transition. You gave your people the courage to change."

The President intends to work closely with the new Prime Minister to improve the economic relationship with Japan and to implement fully the framework agreement, which remains a high priority and is very much in the interests of both countries.

## Remarks in a Town Meeting on Health Care Reform in St. Paul, Minnesota

*April 8, 1994*

*Angela Astore.* Welcome to the Twin Cities and our town hall meeting. And thank you for this unique opportunity to answer questions about your health care program.

*The President.* Well, thank you for giving me the chance to do it. And I want to thank the people who are joining us from Milwaukee and Detroit and Sioux Falls, too.

*Ms. Astore.* We'd like you to start off the program perhaps with some opening remarks.

*The President.* I'll do that.

*Randy Meier.* We turn it over to you.

*The President.* Thank you.

First, let me say, I came here to Minneapolis late last night, and I started the day off with a rally for health care sponsored by the Nurses

Association of Minnesota. Over 2 million nurses in the American Nurses Association have endorsed our health care plan. And that's especially important to me because I started out my interest in health care because my mother was a nurse. And then many years ago when I started out in public life, I was an attorney general, and one of my jobs was to try to ensure good care within our nursing home system in my State. Then as a Governor, I had to worry about health care for the poor through the Medicaid program, something Minnesota and every other State has wrestled with.

About 4 years ago, a long time before I even thought I'd be running for President, I agreed to take a look at the health care system for the Nation's Governors to see what we could do about it. And at that time, I talked to literally 900 health care providers, doctors, nurses, hospital administrators, paramedical workers of all kinds, and a lot of business people and health care consumers, people in every kind of medical problem you can imagine. I became convinced then that unless we had a national solution to a lot of our health care problems, we wouldn't be able to solve them; that no State, even the most progressive State, could solve all the problems of the health care system without a national solution.

And let me just briefly say what I think the issues are, and a lot of them will be represented by people who are in our four audiences tonight. First of all, 39 million Americans don't have health insurance at all, ever, during the year. And about another 100,000 a month are losing their health insurance permanently. Secondly, at any given time in this Nation of about 260 million people, 58 million people won't have health insurance at some time during the year. Third—and it gets worse as we go along here—about 81 million of us live in families with so-called preexisting conditions, a child with diabetes, a mother with cancer, a father who had a heart attack early but still had to go back to work. Those families either can't get insurance, pay very high rates, or can never change their jobs because if they change jobs, they won't be able to get insurance in their new jobs. Fourth, small business people and self-employed people who have health insurance pay on the average 35 percent more than those of us who are insured who are government workers or who work for bigger business. And 133 million of us have health insurance policies with lifetime limits,

which means that if someone in our family should get real sick, we could run out of our insurance just at the time we need it the most.

In addition to that, we're spending 40 to 50 percent more of our national income on health care than any other country in the world. The cost of health care to State government and to the Federal Government is exploding at 2 and 3 times the rate of inflation. All the things I'd like to do for you as President, in terms of investing more in education and training and new technologies for the 21st century, are limited by how much we have to put into health care every year to pay more for the same health care.

There are lots of other problems. We have tens of millions of Americans with disabilities—some of them are here—who could work, who could be self-supporting, who get no help for long-term care in their homes, and who can't get health insurance if they go to work. We have older people on Medicare who need help with their medical bills. And if they could get medicine, they could stay out of hospitals and save us money and have a better quality of life, but that's not covered. So the question is, what are we going to do about this? Let me very briefly tell you what I think we should do; then we'll open the floor to questions.

First of all, I'm convinced that we can't solve any of our problems until we deal with the basic one. We can no longer be the only advanced country in the world that doesn't provide health care security to all of our citizens all of the time. If you want to do that, there are only two ways to do it. You either have to have a system where you get rid of insurance all together and have the Government fund it, the way Canada does, or you have to have a system of guaranteed insurance, the way Germany does and several other countries. I advocate—and I'll explain why later—I think we should have a system of guaranteed private insurance with comprehensive benefits, including primary and preventive care which saves a lot of money in the long run, with no lifetime limits, and insurance that you can't lose.

I believe that our system should maintain something that's very important to Americans, which is the choice of doctors and health care plans. More and more Americans are insured in plans that deprive them of any choice of their doctors, and that can be a serious problem. I believe there are ways to control costs and

protect choice. Our plan would guarantee you at least three choices every year.

Third, we have to change insurance practices. We have to make it illegal for people to have their coverage dropped or benefits cut, for rates to be increased just because there's someone in the family with a preexisting condition who's been sick, for lifetime limits to cut off benefits, or for people who are older to be charged more. This is a big deal. The average person's going to change jobs eight times in a lifetime. A lot of people are losing their jobs in their fifties and sixties and have to get new jobs and can't get jobs because no one will give them insurance because their rates are higher.

Fourth, I want to preserve Medicare, which keeps the choice of doctors. But I also want to have Medicare begin to cover prescription drugs, which it doesn't now, and phase in a long-term care program not only for the elderly but for Americans with disabilities.

Finally, I think these health benefits should be guaranteed in private insurance at work. Why? Because it's the simplest way to get to universal coverage from where we are now. Nine out of ten Americans with private health insurance are insured through the workplace. Eight out of ten Americans who don't have any insurance at all are in working families. So the simplest way to cover this is to say the employed uninsured should have their insurance paid for by the employers and the employees. The Government should pay for the unemployed uninsured and should raise a pool of money to provide discounts to small businesses who otherwise couldn't afford health insurance. That's essentially our plan: guarantee private insurance, choice of the doctor, reform insurance procedures, preserve Medicare, have health benefits guaranteed at work.

One last thing—you have to find a way if you want to reform the insurance practices to make it possible for insurance companies to do these things, which means they have to insure all of us in very large pools. And we have to let small business people and self-employed people band together in co-ops so they can bargain for the same good prices that those of us who are insured through big businesses or Government get. That's essentially what we're trying to do in the Congress this year.

*Ms. Astore.* Mr. President, we're going to start with a couple of questions from our Twin Cities audience.

[*Mr. Meier introduced a participant who asked for the philosophical arguments in support of the President's plan.*]

*The President.* Well, compassion is part of my philosophy. But anyway, philosophically, I don't believe the Government can solve all the problems for people, and I don't think you should rob people of their personal responsibilities or their personal choice. That's why I don't have a Government-run plan. It's private insurance. And people who don't have insurance have the responsibility to provide it for themselves.

But I believe philosophically it is wrong for people not to assume responsibilities for themselves and let other people do it. And what's happening today—let me just give you two examples. Self-employed person X decides, "Well, I'm not going to have any insurance." Then they get in a wreck; they show up at the emergency room; they can't pay. They could have had insurance, but they didn't do it. That's fine for them, except they get the care—nobody lets them die, and nobody thinks they should—and then the rest of us pay for it. And that is irresponsible. Another example: Restaurant X and restaurant Y, next together. One covers the employees; the other doesn't. One is fulfilling a responsibility not only to himself and the employees but to the rest of society by not asking us to bear the risk of anybody getting sick; the other isn't. The other has a competitive advantage in business. I don't think that's right.

And the system we have is not an individual responsibility system, it's an irresponsibility system. I don't plan to take over the health care system. I don't want the Government to run it. I think the Government should help to organize the markets so that small business people and self-employed people can afford to have insurance and so that they are not disadvantaged as compared with big business and Government. And I think it is irresponsible for people not to provide for their own health care and irresponsible for the Government not to make it possible for people to do it no matter what their station in life.

[*Ms. Astore introduced a participant who asked if the plan was really about control of health care rather than better service.*]

*The President.* Well, let me try to answer 2 or 3 of those questions; you asked me 10 at once so—[laughter]. The only real tax we have

in this plan—we have to raise funds to pay for the unemployed uninsured, which we're all paying for anyway, folks. When they get sick, they wait until it's too late, it's too expensive. They show up at the emergency room, and we pay. Under our plan we would raise a fund to pay for them and to pay for the discounts on small business from two sources, one, a tax on cigarettes, and the other, a modest assessment on the biggest American companies that will get the biggest windfall from this. That is, most big companies are paying way too much in insurance now to subsidize the rest of us. They'll get a windfall. We ask for a portion of that back to create a fund for discounts for small business and for the unemployed uninsured.

There will be more choice under our plan. This idea that every American today has a choice of doctors is a myth. More than half the American people who are insured in the workplace today don't have a choice. They get one plan and that's it. Ninety percent of the American people who are insured in small businesses with 25 or fewer employees have no choice. Under our plan there will be more choices. That's one of the reasons why so many medical groups have endorsed this plan, not just the nurses but the family practitioners, the pediatricians. Any number of other medical groups have endorsed our plan because they know it guarantees more choice.

Now, if you have a plan today that is better than the one in our bill, you can keep it. In other words, if you have a plan today where your employer pays 100 percent of your health insurance, not 80 percent, and you continue to do that, that's perfectly alright. We don't change that at all.

*Q.* [Inaudible]—individual when you go for universal coverage. If I already have a policy, isn't it true that it will cost people that now pay for insurance more?

*The President.* No, if you don't pay your premium, if your employer pays all of your insurance now—

*Q.* They don't pay all of my insurance; I carry family coverage.

*The President.* Well, the question is whether it will cost you more. It depends on a lot of factors. In all probability, you won't. Not our studies but all the nonpartisan studies that have been done show that more than half the people

will get the same or better insurance for the same or lower cost.

By and large, the people who will pay more are people who aren't paying anything now, people who have only very bare-bones coverage now. And young single workers will pay more so that older people can pay less and we can have a large community rating. Otherwise, most other people will pay the same or less.

But if you have a better plan than we require, what this does is put a floor under you. We've got—keep in mind—I don't know where—you know, I understand; I saw those ads putting out all that propaganda, "This is just politics. This is just a power play," and all that. Tell that to these people who are disabled who can't get insurance. Tell that to these old people who choose between medicine and food every month. Tell that to the 100,000 Americans a month who lose their health insurance. Tell that to the farmers and the small business people who insure at 35 and 40 percent higher rates. I mean, this is a bunch of hooey. If people don't agree with me, let them come forward and contest me with their ideas. But I am sick and I think a lot of you must be sick of all this hot air rhetoric and all these pay television ads and all these hit jobs from people who are making a killing from the insurance business that we have today. It is wrong, and we should change it.

Let me just tell you something, I don't go around—I don't mind doing this; I'll do this all night. But it never gets—one of the things I've learned in 20 years of public life is you don't get very far questioning other people's motives. Contrary to what you read, most of the people I've met in public life are honest, well-meaning. They're not crooks, and they're trying to do the right thing. We have differences of opinion. But this health care debate, in my judgment, has really been retarded, in more ways than one—[laughter]—by all this motive throwing around we've had. If I had wanted to take on a tough issue, I could have found something else to do with my time. I believe we have to do this. And if we don't do it, you're going to have more people without insurance, more people that can't afford what they've got, and a terrible situation in this country. And that's why I did it. That doesn't mean I'm right, but let's argue about what should or shouldn't be done and not talk about other people's motives. I've even tried to convince the insurance indus-

try I don't want to attack their motives. I just want us to argue about what we should do.

*Mr. Meier.* Mr. President, I want to direct you to this side of the floor where you can look at that large monitor. I want to give our live satellite audiences a chance to join in. Let's go first to WDIV-TV in Detroit and Carmen Harlan.

*Carmen Harlan.* Thank you, Randy. They were living the American dream. The Bertolones had two healthy children, a nice home, and their own business. But in a matter of months, their dream life changed.

[*At this point, a videotape was shown about the family's efforts to obtain their insurance company's approval for treatment for Mrs. Bertolone's breast cancer. Ms. Harlan made comments during the film and then introduced Mr. Bertolone.*]

*Q.* My wife had advanced breast cancer. She was told by a leading bone marrow transplant unit in the country that they had a 25 percent chance of prolonged life extension if she would receive the transplant. Our insurance company deemed the procedure experimental and would not cover the expense. Would women in a similar situation be told the same under your health care plan?

*The President.* It's an issue I'm very familiar with. As you may know, my mother had breast cancer, and so I've learned a lot about this issue. What we would cover under this health care plan—transplants of all kinds as long as the doctors thought it was an appropriate procedure.

Now, there are some people who still believe bone marrow transplants for breast cancer are experimental, although there's a lot of evidence that it can prolong life among younger women, especially women 50 and under. And the truth is that it will depend upon the doctor's belief that it should be the appropriate course of medical care. But what we're trying to do is to give these decisions back to doctors and their patients who believe it's an appropriate course of medical care. And I think that it is clear that we're moving to the point where most physicians believe that there are circumstances under which it is an appropriate thing to do to give women with breast cancer bone marrow transplants.

But I'm not trying to give you an evasive answer, I'm trying to give you the standard that will be used in the insurance policy: Is it appro-

priate medical care? Will the doctor believe that? I think that more and more doctors do believe that, so in most cases I think you can look forward to that kind of procedure being covered.

Thank you.

*Ms. Astore.* Let's bring the audience in Milwaukee into the discussion now.

[*The Milwaukee, WI, moderator introduced a participant who asked about premium increases and the cost effectiveness of requiring a referral for coverage of a visit to a specialist.*]

*The President.* Well, first of all, let me say that a lot of that referral business is probably because of requirements that the insurance companies have put on the doctors treating this lady. If you talk to any doctor, they'll tell you that more and more and more, they're having to call insurance companies and get permission to practice medicine in advance of doing what they think has to be done anyway. Last night I was down in Kansas City, and I had three doctors in our group there, and that's all they talked about was how much time they were spending getting the approval of insurance companies to do what they knew to do anyway.

You talked about how much your insurance had gone up. Let me say, one of the best things about having a national reform is that you can charge people the same price for an individual policy and a higher price for a family policy, but you would pay that price even if you had to use the doctor enough. That's what insurance used to be. I mean, when Blue Cross first got organized, everybody was lumped in a great big pool, everybody paid the same amount. Some people got sick, and the rest of us paid for that as well, as a hedge against ourselves getting sick. Now we have 1,500 separate insurance companies, thousands of different policies, hundreds of thousands of people working in doctors' offices and hospitals and insurance offices figuring out who's not covered for what. So if you're in a little pool—and this lady, you heard what she said, she has an illness—your rates can go way up. If we're all insured in large pools, then your rates would not go up unduly—just more or less at the rate of inflation—just because you had an illness. That's one of the—this woman would be dramatically advantaged if we had national insurance reform—health care reform.

[Mr. Meier introduced a participant who suggested combining the best parts of the Canadian and German health care systems.]

*The President.* Well, that's kind of what we're trying to do. The Canadian system—in Minnesota, for example, where you're close to Canada, or in Michigan or any of the States that are in our program tonight, there are a lot of people who would like to see the single-payer system that the Canadians have.

The problem is twofold. One is, it would be very difficult to get Congress to agree, in effect, to put all the health insurance business in America out of business and substitute it with a tax. And a lot of people like the lady who asked the second question here would wonder what that would do to their health care plans. Secondly, the Canadian system, in my judgment, has not had quite as much success at controlling costs as the German system has, where all the people pay something, assume some responsibility directly for their health care, and therefore negotiate more vigorously on an ongoing basis to try to hold down the costs of health care.

But let me say from my point of view, sir, to you, there are lots of people in America who are HIV positive who could be working, who could be making a contribution and paying taxes, who have difficulty doing that because they can't get health insurance. But if they were insured in very large pools, they would be able to do so. So I think that one of the most important beneficiaries of this policy will be people who have very serious illnesses that still may permit them to work for long periods of time and be active if they can provide for their own health care needs.

*Ms. Astore.* Thank you, Milwaukee. We have one more live location to bring into our town hall meeting tonight on health care.

[*The Sioux Falls, SD, moderator introduced a participant who asked about coverage for services by nontraditional medical practitioners.*]

*The President.* Well, what we do in the health care plan is to require certain kinds of care to be covered. And then that care can be provided in a variety of different ways by anybody who is qualified to provide it. What will happen is that the people who band together in these purchasing alliances will be given any number of choices from which the consumers of health care can choose what kind of health care plan

they want. So all consumers will have the option, if they wish, to choose plans that have different kinds of providers, including alternative providers, as you mentioned, to provide various health services. We have to have—everybody by law has a right to have three different kinds of plans, kinds of plans. But what you'll have in most places is the kind of choices that now, for example, Federal employees have. You know, a lot of Federal employees can choose between two dozen different plans. It's amazing. And as a consequence of that you have all different kinds of options, and a lot of providers, including chiropractors, have a chance to provide services to people. That's the way ours would be set up.

Let me go right to the heart of the question because I've got a lot of friends who are chiropractors who have asked me this. We do not specify in the bill as it is presently drawn the services of chiropractors, osteopaths, nurse practitioners, or neurosurgeons for that matter. What we do instead is say, here are the kinds of health care services that have to be offered, let people organize themselves and offer them to the consumers of America.

[*Mr. Meier introduced a participant who asked how the plan would address increased costs related to malpractice.*]

*The President.* Our plan does that in two ways. Let me also mention, since we're talking to South Dakota and you've got a lot of rural population, although we do here in Minnesota, too, and in Michigan, the other States that are represented and in Wisconsin, another big problem that we have in my rural State where I'm from is that more and more general practitioners out in the country are reluctant to do things like deliver babies and set simple fractures because of the malpractice problems.

Our bill does two things. One is it sets a limit on the percentage of a malpractice judgment that can be taken by a lawyer, a percentage of the contingency fee. The second thing it does, which I am convinced will have a far more positive impact on insurance rates, is it sets up a system in which the professional associations set up medical practice guidelines for various kinds of cases. And then if the physicians can demonstrate that they follow the guidelines, there is a presumption that the physician was not negligent.

Now, that presumption can be overcome, but it is much harder. And if that happens, we believe that there will be a substantial reduction in the number of frivolous cases in the malpractice area and therefore malpractice insurance rates will go down.

That's been tried in a rural State, Maine, with some considerable success. And I think that it's the best way to go to guarantee lower malpractice fees and still give people a right to go into court when they've genuinely got a gripe.

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

*Ms. Astore.* Welcome back everyone to "Health Care in the Heartland," our town hall meeting in the Twin Cities with the President.

[*Mr. Meier introduced a videotape about a person's loss of health insurance. A participant then asked about insurance portability and the effect of economic changes and profitability of companies on the funding of the plan.*]

*The President.* Thank you very much. You know, this is so interesting. Of all these forums that I've done, you're the first person that's asked me that question. And let me try to explain how it would work.

First of all, under our plan, companies would be free to self-insure if they were above a certain size. We now have 5,000 and above. There are some in Congress who think it should be smaller. But what we have is complete portability of benefits so that no family can ever be without benefits. So that if your company goes down and you don't have another job, you just carry your benefits. And for the period in which you're between jobs, this reserve fund that I talked about that we'll set up—the Government basically would provide the reserve to guarantee that your coverage would continue just as if you were still working at the other company. So you would not have been put in the position that you're in now. And it's very important. In addition to people who are in the position that you're in, where your company went broke and you got left with all those bills, there are an awful lot of people who just want to change jobs, but they have to wait for months and months and months, even after they change jobs, before they actually get coverage. So this is a big issue. We need to guarantee—the term of art is portability—complete portability of poli-

cies through jobs and through employers. And our system would provide that.

Thank you.

[*Ms. Astore introduced a participant who asked about health benefits for immigrants.*]

*The President.* Most of those folks, even with very limited English capacity, have jobs. So they would get at the job site a card, a health care card, just like everyone else, which they then would be able to present to their doctor. They would have the opportunity either at work or at a local health clinic to have explained to them what their choices are of the health care plan, and then they would just—they wouldn't have to keep up with a lot of paper or anything, just one card for the family that they could present at the health care clinic when they needed it or at the hospital. So I think that's the way it will work.

Now, in many places where there are a very large number of people whose first language is not English, we will have to expand the outreach activities of the public health clinics for people who are not employed and where there's no one in the family who is employed. And we understand that we're going to have to do that and make some provision for doing that.

Thank you.

*Mr. Meier.* Mr. President, we're going to join our satellite audience one more time in Detroit and station WDIV.

[*The Detroit, MI, moderator introduced a participant who asked about prescription drug coverage outside of Medicare.*]

*The President.* Under our plan, every health policy would have to have a prescription drug component which would have the following characteristics. There would be a \$250 deductible. In other words, you have to spend up to \$250 of your own money on medicine before it would trigger in. And then after that, every prescription would require a 20 percent copay. But there would be a ceiling beyond which you could not spend; it's about \$1,000. If your expenditures were over \$1,000 a year, then the insurance policy would cover all the prescription drugs that your doctor would require and that your health would require.

So it's a pretty good policy because—now, if you have a better policy now, you can keep it. Keep in mind, if the coverage is better now, you can keep it. But almost no one has coverage

that good today in their health care policy for prescription drugs. And there are a lot of national studies which show that the adequate provision of prescription medicine can actually save money by reducing hospital stays and emergency room visits.

[*Ms. Astore introduced a participant who asked if the President knew about the community health center system in Ontario, Canada.*]

*The President.* I think that one of the things that will happen if we pass this bill is that you will have more and more health care provided in that way by community-based clinics or comprehensive health centers that have salaried professionals, including doctors. Interestingly enough, we're here in Minneapolis; that's what you have at the Mayo Clinic, right? Everybody concedes that there is no finer health care in the world. And yet I have many people who have been patients at the Mayo Clinic tell me that it is less expensive than what they paid back home for other kinds of care.

So I think that you will see a lot more of that in this country once the health insurance market is organized so that people know they will always be reimbursed for the services they provide. That then permits people to organize these kinds of associations and know that they'll be able to run them without going broke, because they know they'll always have reimbursement.

[*The Milwaukee moderator introduced a doctor and showed a videotape about his clinic. The doctor then asked if the President supported community health centers.*]

*The President.* Yes, I do, not only for the reasons we just saw in the fine practice that you have but because the community health centers are increasingly providing services to large numbers of people who used to not use them at all. For example, in many of the Southern States of this country, including mine, over 80 percent of all the children in the States get their immunizations through community health centers, because a lot of regular doctor's offices don't do it anymore because of the malpractice problems that were mentioned earlier. So I think it's very important. And our plan has a special provision for funding community health centers at a higher level to try to make sure that these kind of comprehensive services can be provided.

And let me emphasize, too, that in the inner city and in rural areas—we've got South Dakota here, remember, on this television program—if it weren't for community health centers there would be no access to health care, so that people might have insurance but they still wouldn't have any place to go with their insurance. So it's very important.

Thank you for practicing there.

[*Mr. Meier introduced a participant who questioned the cigarette tax.*]

*The President.* Well, as I said, first of all, let me say if I could figure out how to get enough savings out of this program to pay for it without any tax, that's what I would do. We are going to get dramatic savings out of this program, mostly by having a single form, simpler administration, which will save the taxpayers a lot of money, and those of you who aren't taxpayers who have private insurance, by drastically cutting the amount of administrative overhead in the system.

We cannot, however, provide enough money to do the things that we've been discussing without raising some money. Obviously, I think it is fair to ask the companies that will have the biggest drop in their insurance premiums to give a small portion of that to the fund for small business discounts and for unemployed people.

The reason I think that the cigarette tax is a legitimate place to get funds is that cigarette smoking is the only activity we know of in our society that there is no known safe margin for doing. That is, it's not like alcoholic consumption where, if you're not prone to be an alcoholic, there are safe margins of consumption. We know of no safe measure of smoking. And we also know that several thousand people a year get lung cancer from subsidiary exposure to smoke, when they don't do it themselves. We also know that our society bears a health care burden and cost as a result of the health care consequences of smoking far in excess of the money raised from the cigarette tax. So for all those reasons, I thought since we had to raise some money, that was the fairest way to do it.

[*Following a commercial break, the Sioux Falls, SD, moderator presented a videotape on rural health issues and then introduced a farmer who asked about organ transplants.*]

*The President.* Yes, sir. We support transplants, as I said, let me restate—particularly organ transplants. We support transplants when they are the recommended medical procedure, and we try to provide ways to make sure that we facilitate that.

Now, let me also say to you since you were introduced in a slightly different way—as a farmer who's self-employed, who has already had a medical problem, who has folks working for you on the farm—farmers, in my opinion, may be the biggest winner in the proposed reform we have because today, believe it or not, self-employed people who buy health insurance, number one, pay exorbitant rates anyway because they're not in big pools. If they've been sick, they pay lots more. And if you're self-employed, you can only deduct 25 percent of your cost of the premium from your income taxes, whereas a business can deduct 100 percent.

Under our plan, you'd be able to buy on an equal basis with others in a much bigger pool, and you would be able to deduct 100 percent of your self-employed premium; which means in almost every case in the country, farmers would be able to insure their farm hands for the time they work for them and their families for less than they're paying just for family insurance today. And you certainly would, because of your preexisting condition.

But let me just say this, I will try to get some more information on the specific question you asked me about encouraging and organizing the whole market for transplants. And I will make sure that we get back to you in the next day or two with a more specific answer to your question.

[*The Sioux Falls moderator introduced a participant who asked about the development of health care infrastructure in small towns.*]

*The President.* Yes, I'd like to talk about that a little bit. And I'd like to say, first of all, my wife had a wonderful time out there. And I want to thank Senator Daschle for doing such a good job and working on this rural health care issue.

Let me try to explain how this would work, and let me say for the rest of you, a lot of people who live in small towns in rural areas don't even have a doctor in their town anymore. I met in rural North Carolina earlier this week a doctor who told me she was working 110

hours a week and had been for several weeks, but she had just come to her slow season when she could work 80 hours a week. Now, that's a doctor who's going to need a doctor pretty soon, right? [*Laughter*]

Here's what we try to do. Let me briefly run through the things that are in this plan for rural areas: Number one, revive the National Health Service Corps where young doctors can pay for their medical education, which normally leaves them with a big debt, by serving in underserved areas; 7,000 doctors over the next few years doing that. Number two, give doctors and other health care providers who go into underserved areas significant income tax credits as incentives to do it, \$1,000 a month for doctors, \$500 a month for nurses and other medical professionals for up to 5 years; that's a huge incentive. Number three, give doctors faster writeoffs, tax writeoffs, when they buy modern equipment to put into their clinics in rural areas. And number four, make sure that we've got the technology, the computer technology to connect rural clinics with urban medical centers, so doctors can feel good about the quality of their practice when they're out there and feel like they're giving their patients the kind of care they need. Those are the things that we think will get a lot more doctors and nurses and others into rural America and make a big difference.

[*The Sioux Falls moderator introduced a participant who asked about reimbursement for rural providers under Medicare and Medicaid.*]

*The President.* Well, for one thing, Medicare and Medicaid are going up right now at 2 and 3 times the rate of inflation, by far more than inflation and population growth, because primarily of the way the Medicaid program is organized. Under our plan, Medicaid recipients would be put into big insurance pools along with small business people, self-employed people, and larger business people. In other words, they'd be put in these big community pools. And doctors, for the first time, would be reimbursed at the same rate, whether or not they had a Medicaid patient or someone who was privately insured. It would be exactly the same reimbursement. And that would make a huge difference to the physicians. And how would we do that and still save money? Because you'll have competition, you'll have managed competition, which we've seen already in Minnesota

with the work that's been done here. You've had dramatic drop-off in the increase in medical costs here as people have organized themselves into larger groups.

Secondly, under Medicare, we leave it the way it is because so many of the people that I have talked to at AARP and the other groups believe Medicare works and want it left alone. But we do add a prescription drug benefit, and we add a long-term care benefit.

How will rural doctors be able to deal with this? They won't have any more uncompensated care. One of the things that makes Medicare and Medicaid a bigger burden in rural areas is there are an awful lot of uncompensated care in rural areas. Now doctors will be paid something by everybody they treat. And I believe that that will make a big difference to the quality and rewards of the practice of medicine in rural areas.

We can save this money, to go back to your question, by the way we organize the health care markets and by making sure that everybody is reimbursed for all the services that are provided. Then we'll be able to lower the rate of inflation.

Keep in mind, we don't propose to cut Medicare and Medicaid, ma'am. Medicare and Medicaid under our proposal would go up at twice the rate of inflation, instead of 3 times the rate of inflation, which it's going to do if we don't pass national health care reform.

[Ms. Astore introduced a participant who asked about coverage for mental health care.]

*The President.* Yes, it is a very important part of health care reform. Under our plan, some mental health benefits would be included from the beginning of national health reform. That is, whenever—all the States would have until the end of '97 to provide universal coverage. Each State would have that time. From the beginning of the time everybody was covered, there would be significant mental health benefits, much more than most people have under their policies today, both inpatient and outpatient care.

There would not, however, be complete parity, and if you're interested in mental health, you know—parity between the mental health benefits and the physical health benefits until the year 2000, and that's because we don't have accurate cost estimates on how much it will cost, and we have to phase it in. To go back

to what some other people had said earlier, we have to know that when we put these things in, that we can pay for them and we're not going to cost the Treasury more than we have.

But there will be quite a significant mental health benefit from the very beginning and much more than most people have today. I think it's very important. I think it's one of the best things about our plan, and I personally believe it will make us a healthier country and will cut down on long-term medical costs if we have the proper kind of mental health.

[Mr. Meier introduced a participant who asked about the plan's effect on the present Minnesota Care health plan.]

*The President.* No, you won't lose money because—and I commend what you've done; I think it's important. But you won't lose money. We estimate that both private insurers and the Government will save money if we go on with national health care reform. And what will happen is if we have the national plan, we'll be able to do some things that at least you're not now doing.

First, everybody will be able to be insured. And secondly, in addition to holding costs down, we'll be able to hold costs down with more choices for health care consumers than you're going to be able to provide unless we have a national plan which reorganizes the insurance markets. So my judgment is you'd be—I would urge you to keep going with your reforms here, to do the best you can and go full out until the Congress acts. But I believe you'd be much better off when the Congress acts.

[Ms. Astore introduced a participant who asked about coverage for substance abuse treatment.]

*The President.* I don't know if I can do a better job of defending it. Some days I don't think I do such a hot job. [Laughter] I did my best when we started tonight, but I'm going to try. Let me say—I think you may know this, but I have a brother who is an addict, who is a recovering addict. I know the treatment works. And we have done two things in our administration. One is to require that drug treatment be a part of the benefits, as a part of a general approach to preventive health care. I believe in preventive health care, folks. We spend a ton of money after the cow's already out of the barn door in our health care system. And I like—I mean, I like the fact that we

have the best technology in the world. I like the fact that we can get it. But we can save so much money if we just invest in prevention generally, whether it's mammograms for women or cholesterol tests for people or substance abuse treatment.

In addition to that, although I just presented a budget to the Congress that cuts defense and cuts discretionary domestic spending—that is, not Medicare, Medicaid, or Social Security—for the first time since 1969, we increase in our regular budget drug treatment funds by, oh, about 8 or 10 percent, just because I think it is so important. And I will fight very hard for it. I think it would be a big mistake for us to back off of this. There's still an awful lot of people who have alcohol and drug abuse, substance abuse problems in this country. And we can save a bunch of money and a lot of people, more importantly, if we stay with it.

[*The Detroit moderator introduced a participant who asked about prescription drug coverage for senior citizens.*]

*The President.* Yes, ma'am. Let me explain this again for the benefit of all of our participants here. Older people who are at or below the poverty line are eligible for coverage under the Medicaid program, the Government's program for poor folks. If you're under Medicaid, then you have a prescription drug benefit. But if you're a senior citizen eligible for Medicare, that is, the regular elderly person's health care program, and you haven't spent yourself in poverty, you don't get any prescription drug benefit. But we know that older people are 4 times as likely to use medicine as younger people. And we also know that we save money in our health care system if people who need medicine get it and can therefore stay out of hospitals. I mean, you can spend a year's worth of medicine in 3 days in a hospital.

So what our plan does is to add to Medicare a prescription drug benefit which has a \$250 deductible, a 20 percent copay, and I think, a \$1,000 ceiling; it has a ceiling, and I think it's \$1,000. That is, after you spend \$1,000 out of pocket, your insurance then will cover all your medicine from then on.

[*Ms. Astore introduced a participant who asked about maintaining competition in the health insurance market.*]

*The President.* First, let me say, I think there has to be some consolidation of the insurance market. To be fair, I've tried to say this over and over again, and sometimes not so well, but I don't think there are any bad people in this drama. We have the best health care in the world. We have the best doctors, the best nurses, the best medical technology, the best medical research. We have the worst health care financing system in the world. It is the world's most expensive. It's estimated by nearly everybody that studies it that we spend about \$90 billion a year, which is pretty good money, in clerical work, simply because of the way we're organized.

I think there should be and will be, inevitably, some sort of insurance consolidation. How do we guarantee competition? By requiring that in every group of buyers, every consumer in America have access to at least three different kinds of plans, a fee-for-service plan, a health maintenance organization, a professional provider organization.

They may have access to 24 different specific plans—as I said, the way the Federal Government employees often do today—but we will guarantee that every person always has access to at least three different kinds of plans, including fee-for-service medicine in the old-fashioned way. When you do that, you're going to ensure that there will be more competition than there will be. If we do nothing, the move toward competition, in my judgment, will be just exactly what you say, there will be more and more concentration, more and more managed care but less choice, less quality, and less competition.

[*Ms. Astore introduced a participant who asked if choice of physicians would be limited.*]

*The President.* No. But let me answer your question directly. First of all, one option you will always have, ma'am, is to continue to pay your doctors as you would now, on a fee-for-service basis. Your premiums might be slightly higher, but they probably still would be as low, if not lower, than they are today because of the way the markets are organized.

In addition to that, you can also join a certain plan, like a certain health plan, and maybe all your doctors aren't members of it; let's say three are, but one of your specialists aren't. You can buy a small premium, which would not be very expensive, which would give you the right also to use that doctor, who would then get reim-

bursed from your plan at the same rate other doctors in the same specialty or the same area would.

So you would be able to keep all your doctors. That would be one of the things you'd have to do. You might have to pay slightly more to do it than you would otherwise pay, but you could keep them all. And in all probability, based on our studies, it would be for the same or less money than you're paying now, if you have a comprehensive plan.

[*Ms. Astore called on the Milwaukee moderator, who introduced a participant who asked about increasing employment opportunity for welfare recipients, listing her education and job skills.*]

*The President.* My guess is we've already done it. I'll bet you'll have four job offers tomorrow since you've been on television. [*Laughter*] I imagine we probably solved your problem. But let me give you a more general answer. I hope somebody who's watching you will call you and offer a job tomorrow.

First of all, quite apart from welfare, we have to create more jobs in this country. In the last 15 months, our economy has produced 2½ million new jobs, 90 percent of them in the private sector, more than in the previous 4 years. So we're creating more jobs. That's the first thing.

Secondly, with regard to welfare, how do you move people from welfare to work? You have to make work more attractive. We, this year, starting in this calendar year, we are lowering income taxes for 16.6 percent, one-sixth, of American workers who make lower wages, to make sure that work will always be more attractive than welfare by saying if you work for modest wages, you'll get an income tax cut.

The third thing we are trying to do is to reform the welfare system itself by helping to create jobs ultimately for people who have training and are able to go to work, if necessary, with some sort of public funding. But let me say, it doesn't apply to you.

But the biggest problem we've got with welfare for a lot of people is that—remember, if you're poor, on Medicaid and on welfare, your children get health care. If you take a minimum-wage job in a business that doesn't have health insurance, you have to give up your kid's health care to go to work. Then you work for a minimum wage and you pay taxes so people on welfare can have health care. It doesn't make

any sense. So, the health care issue is an important part of welfare reform.

The answer to this lady's question is she should be able to get a job in a healthy market economy. So we have to create more jobs. Ultimately, for people on welfare who are willing to go to work, if they can't find jobs within a certain specific time, in my judgment, the Government is going to have to work with the private sector to give extra incentives for people to go to work. It's better to have work than be on welfare even if you have to give extra incentives to create the jobs.

[*The Milwaukee moderator introduced a participant who asked about the plan's effect on the Nation's free enterprise system.*]

*The President.* I think it will do much more good than harm. There will be some job loss in some areas, and there will be some job gain in some areas. And let me explain how and why I think it's the right thing to do.

First of all, the system is entirely private. We require people to purchase insurance. We keep private insurance. We do not abolish insurance and substitute taxes. Secondly, all the health care providers that are now private will continue to be private. So we leave that alone. But if you go to a comprehensive benefit program where you have a single form that the doctor has to fill out, a single form that a hospital has to fill out, a single form that a patient has to fill out, and everybody is clearly covered by producing a card, then all those people who are busily at work trying to figure out who's not covered under what health insurance policy or why the health insurance policy needs to be cut off or why a small pool can't anymore support a person who's got a sick child, those jobs will go down in number dramatically. But we'll have a big increase in jobs in health care providers, people who work in home health, for example.

Some small businesses will pay more because they don't pay anything now or they have very limited policies now. But on average, it will add one to 2 percent to their cost of doing business, and all their competitors will have to do the same thing. And within a few years they'll all be saving so much more because medical inflation will be less.

The Congressional Budget Office is a non-partisan group that did a study on this. They estimate that on average, within 5 years we'll

be creating many jobs in the small business sector because we'll lower medical inflation and all small business people will be on equal competitive terms.

So I think there will be some job loss, more job gain in the short run in health care, and big job gains over the long run by bringing health costs in line with inflation.

[Mr. Meier called on the Sioux Falls moderator, who introduced a participant who asked if businesses would still provide health insurance to retirees under the new plan.]

*The President.* It would relieve them of some of their responsibilities for paying for the early retirees. And they would be in the retiree pool in our health care program. But I still believe it's good economics because a lot of these companies are paying now 15, 16, 17, 18 percent of their payroll, as compared with the national average of 8 to 8.5 percent of payroll, for health care. And that is undermining their ability to reinvest money and to create more jobs and to make our economy stronger.

Most of those companies that are severely affected by this are companies like automobiles and steel, which had to have huge layoffs through early retirement all during the 1980's to be competitive. In other words, it wasn't a decision they made; it was necessity. And they had contracts which required them to carry these health burdens.

We believe for relatively modest cost we can generate a huge amount of money in these sectors, which are now prospering, to create more jobs and help strengthen the American economy. So we think that it'll be about a wash that we can well afford.

Let me say, sir, that we have had the cost of our plan evaluated by any number of people, including groups that are composed largely of folks that were active in the previous two Republican administrations. And all of them say more or less the same thing, that over the 10-year period our numbers are right. They differ from year to year sometimes, but I think that the cost figures in my plan are good because we've bent over backwards, we've contacted 10 different medical actuarial firms and also had a lot of outsiders look at it. I think the numbers are right.

*Ms. Astore.* Thank you, Sioux Falls. Mr. President, we have time for one final question here in the Twin Cities. And we'd like you to pick

a member of the audience to ask that final question.

*The President.* Go ahead.

*Mr. Meier.* Wait, wait, wait, wait. I've got to pull a Donahue here and get up there. [Laughter]

*The President.* Maybe we'll do two if you can do it real quick.

*Mr. Meier.* Tell us your name and what your question is.

[A participant asked if the plan would include dental coverage.]

*The President.* Yes—we're running out of time. I can't give you the whole details. But the short answer is yes. You'll have to pay some of it, and I'll get you the details.

Go ahead, what's your question? Thank you.

*Ms. Astore.* Hurry, Randy.

*The President.* We can do it. We can do it.

*Mr. Meier.* I'm getting there. Here we go. Your name and what your question is.

[A participant asked about coverage for his adult handicapped daughter.]

*The President.* What's her handicap?

*Q.* Right now it's a form of scoliosis. She's got a severe curvature; she's had a back spinal fusion amongst other things.

*The President.* Your daughter would be able to buy insurance as an individual once she becomes an adult, on the same terms as anybody else.

Now, the only way we can do that is if we organize the insurance markets and the buyers so that there are big insurance pools and large numbers of buyers so we can spread the risk of some future illness or problem of hers across a large number of people.

I do want to make full disclosure, because one of the first questions I got was who would pay more under this plan. We would ask young single workers to pay a little more per month than they would otherwise pay so that we'd be able to insure people like your daughter and older workers on affordable terms. I think, again, that's a fair thing because young, single workers want to be older some day, number one, and they're going to be married, they're going to have children, and they might have children that have health problems.

So I think it's a fair thing to do. But that's the way it would work. That's the way, by the

way, other countries do it. And your daughter would be able to get insurance.

*Ms. Astore.* President Clinton, we're coming to the end of our town hall meeting. We'd like to give you this opportunity to offer some closing remarks.

*The President.* I just want to make two points after I say thank you to all of you. Thank you to those of you who asked questions and those who couldn't get your questions asked. For those of you in the other sites, if you had a question that didn't get answered, send it to us, and we'll answer it. And those of you that are here, I'll just gather them up while I'm here.

I want to make two points if I might. We can differ about the details of this, but the one thing we have to decide on as a people is, are we going to continue to be the only advanced economy in the entire world that can't figure out how to provide health insurance for all of its people, so that we insure people and pay for them if they are on welfare but we punish working people? Or are we going to solve this problem after talking about it for 60 years now?

The second thing I want to say is this, to go back to a point I made at the beginning. This is a complicated issue. I've tried to shoot

straight with you and tell you what the problems are with it. I respect people who have differences of opinion with me on exactly how we should do it.

But what I want to ask you to do is to try to communicate to your Members of Congress, without regard to party, that Republicans and independents and Democrats all get sick, all have kids, all have parents, all have hopes, all have fears, and that it's okay for us to disagree about this in terms of the details, but it is not okay to let another year go by and not deal with it.

And what I ask you to do is not so much to say, "Bill Clinton's right about everything," but to say, "This is a serious problem; we have to deal with it. Please act now." We will not know any more about this next year than we do this year. It's just going to be like an ingrown toenail. It will get worse, not better, if we don't move. So that is what I plead with you to do. Ask your Members of Congress to act now and to work in the spirit of humanity, bipartisanship, and common sense, and let's get this done.

Thank you very much.

NOTE: The town meeting began at 7 p.m. at the KSTP-TV studio.

## The President's Radio Address

*April 9, 1994*

Good morning. This past week, I traveled across our country because I wanted the American people to hear directly from me about the progress we're making on their behalf and what we still have to do. Last month, our Nation gained 456,000 new jobs, the largest jump in 6 years. That brings the total number of private sector jobs created in this economy during our recovery to 2.3 million. That's twice as many new jobs in the past 14 months than we saw in the previous 4 years. I'm determined to keep building on that strength. Our job is to fix the economy and to give our people tools, like world-class education and health care security, so that they can compete and we can strengthen the great American middle class as we move toward the 21st century.

In my travels this week, people made it clear to me they expect us here in Washington to take care of one job immediately: to confront the crime and violence that are tearing our communities apart. None of our efforts to tackle other problems will work if we fail to address the overwhelming force of crime. It is reducing the sense of freedom the American people have.

If we can't stop people from hurting one another, we can never reduce the burden on our health care system and the fact that we have too much crime, too much violence, and too many people showing up in our emergency rooms. If we can't make our classrooms safe, we can't teach our children. If we don't replace drug money with good jobs and a steady paycheck, our people will never lose their fear and gain hope.