Remarks on Health Care Legislation and an Exchange With Reporters

August 10, 1994

The President. I'd like to make a brief statement and then ask Governor Waihee and Mr. Bowles to say a thing or two.

This is a very important week for our country. You know, it's the first time in our history that we've ever had a debate on the floor of either House of the Congress on the question of health care coverage for all Americans. Something that in other advanced nations people take for granted, we've never even been able to debate on the floor of our Congress. And I'm very hopeful that in both Houses they'll be able to work out enough of a consensus to pass a bill that will enable us to go to conference and come out and ultimately have legislation that does provide universal coverage.

We wanted to ask you here today to talk about Hawaii for a couple of reasons, first of all because so much of this debate—I think way too much—has turned on the question of the requirement that employers share the cost of buying private insurance with their employees. And a lot of very dramatic claims, dire claims have been made about that. Hawaii has been doing it for 20 years. It works. Businesses have thrived. Jobs have not been lost. And the most important thing is that you can see that in addition to having lower costs for small business premiums, the closer you get to full coverage, the closer you get to the other goals of health care: cost control, better health care outcomes. These are the things, it seems to me, that cannot be refuted by the people on the other side of this argument.

What it ultimately boils down to is they're saying, "Well, we have this evidence in Hawaii," or "We have evidence in Germany, but we don't want to deal with it. We still don't want to pay." And it just seems to me that—there's another issue I want to bring up that I keep talking about that's very important. Health coverage for people under 65 has dropped from 88 to 83 percent in the last 10 years. There are 5 million Americans today who had coverage 5 years ago who don't have it today. Almost all of them are working people and their children. I do not think that Congress ought to send a message to the country that it is fine with us if this deplorable development continues, if we just see a continuing erosion of the health care system in America, more and more people without coverage.

So I'm looking forward to the week and next week and the months ahead in the hopes that we can really get something done. And I think that this example of Hawaii is important because it is not refutable; it actually happened. And it's not like Germany; they can't say, "Well, it didn't happen here." It actually happened in the United States.

[*At this point, the President called on Gov. John Waihee of Hawaii and Small Business Administrator Erskine Bowles, and each made brief remarks.*]

Health Care Legislation

Q. Mr. President, the employer mandate aside, there seems to be an increasing frustration among some members of the business community about the way the health care reform bills are shaping up on Capitol Hill. Specifically, there are concerns that employers may lose control of ability to negotiate with insurance companies and, therefore, control their costs. This is directed specifically at the Mitchell bill, although they have problems with the Gephardt bill as well. Are there some changes that you would be willing to accept to meet some of the concerns being expressed now by the business community?

The President. I hope they'll get in there and make these concerns known in the whole debate.

My bottom line is what it has always been. I think we have to have a system that, over a period of time, will lead to universal coverage, because I do not believe, number one, that you can do right by the American people without it, and number two, that you can achieve the other goals we have, which are cost control—cost containment, maybe, is a better word—and better health care. Those are my principal goals.

There are a lot of members of the business community that I would urge to get into this debate with both feet. One of the reasons that the bills are in the position that they're in today is that the people who were against this from the beginning and wanted to wreck it over the

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mandate were out there focused like a laser beam on beating it. I think one of them was quoted in the press today talking about how great they were getting votes against things. Whereas all the people who were for it and knew it had to be done took a more wait-and-see attitude, hoping that this little change or that little change might make it a better bill. Now that it's actually on the floor, I think it's incumbent on everybody to get in there and participate in the debate.

I do believe that the more you move to universal coverage, the more all the objectives of these employers who do cover their employees will be met, because it will stop cost shifting; they won't have to bear the burden of anybody else's cost. And it will have more employers, even the small business groups, in there negotiating to keep health care costs down, which I think will help them very much.

Q. Mr. President, how do you feel the debate is going so far? And do you have any feeling on when you think it will come to a vote in the Senate?

The President. I think it's going pretty well. It may take a few more days to start having critical votes, depending on what happens in the House on the crime bill. I just don't know enough about the timing of the bodies to be sure, but we're going to try to resolve the crime bill in the House this week and move it over there, and so they may take a little longer. I think they still want to go on their August break at the end of the following week. So I hope we'll have some action before then.

Q. Are you disappointed that more members of the business community who you feel favor your ideas and proposals have not gotten involved in this debate and come to your defense, because as you know, the Washington Post reported this morning that several large business groups are now coming together to jointly oppose the Mitchell bill, the Gephardt bill? Are you disappointed that these people haven't spoken out?

The President. I met yesterday with a dozen or more business leaders who went outside the White House and once again reaffirmed their support for universal coverage. And if you read between the lines in the—at least my reading, to go back to Donna's [Donna Smith, Reuters] question, my reading of the Washington Post story today is that a lot of those people disagree with the NFIB, think they're dead wrong, want a requirement that employers and employees provide for health care through private insurance. And they're worried that the necessary changes that Senator Mitchell has made to try to get the bill through the Senate may not meet their needs.

Well, the answer for them is to come in and try to fix the bill and stay with universal coverage. That would be my counsel. The business leaders—I met with several yesterday—told me they were terribly worried that if we passed up this opportunity to have universal coverage, we would continue to see what has happened so dramatically in the last 5 years where you've lost—you know, 5 million people don't have coverage who had it 5 years ago. More and more businesses are dropping their coverage. All those costs are being shifted on to the employers who are taking care of their employees, which makes the small businesses even more vulnerable and the big businesses even less competitive in the global economy, which will mean further aggravation.

That's one thing that I think that Congress has got to come to grips with. We just can't allow the kind of disinformation that Mr. Bowles talked about and the intense, almost hysterical fear that's been bred in some of the small business community, and has been therefore felt by the Congress, to ignore the fact that we have a system that is breaking up. We're losing ground on the coverage. We've got millions more people without coverage and millions more at risk of losing it than we had just a few years ago. So, we're going in reverse.

That, it seems to me, is a great argument for the Hawaii system. You've got something you know will work, you know won't hurt business, and you know won't go in reverse. And we can build on it and move to full coverage.

Q. Have you been disappointed with the lack of support in the business community to date——

Q. But you're asking them now to come forward at this critical time. Where were they before, and aren't you disappointed?

The President. First of all, we had a press conference here and announced 600,000 small businesses had joined our coalition. That's more members than NFIB has. We put this coalition together around health care. Therefore, unlike the NFIB, they don't have the mailing lists, the political action committees, the way of put-

ting pressure on people at the local level. But we've shown business strength.

We've also had very large numbers of large businesses supporting our position. Do I wish they had come out stronger earlier? Of course I do. But this is nothing new. The AARP has now come out strongly in favor of what we're doing, but they ran ads for a long time which said, "Don't support a health care plan that doesn't have prescription drugs and long-term care." Our plan did, but somebody—not we but somebody else did research which showed that people thought, "Well, why didn't Bill Clinton's plan have prescription drugs and long-term care?"

So this is what always happens. Some of you may have heard me quote this before. Machiavelli said 500 years ago that there is nothing so difficult in all of human affairs than to change the established order of things, because people who are afraid they're going to lose fight you like crazy and people who will win are always uncertain of the result until the very end. And in that vacuum the antis, even if they're less numerous than the pros, can acquire a strategic advantage. That's plainly what happened in the last 4 months, 5 months in the House and in the Senate where there was just this "kill it, kill it, kill it, kill it, kill it" drumbeat coming out of the ones who were negative. But there are more American citizens, more American businesses who know we ought to have universal coverage and who support it. It's not too late to rescue that. That's why we have a debate.

And I would remind you, in spite of all that, this is the first time in history we ever even got bills to the floor of both Houses of Congress. Truman couldn't do it. President Nixon couldn't do it. Nobody who's tried to do it has ever been able to do it. So I feel good about where we are, and I think now the public voices of reason from the business community and elsewhere have a chance to be heard.

Administrator Bowles. The Governor and I will stay for questions. The President is going to have one more question and then he has to leave.

Q. We're getting very close to a vote on a bill that would restructure 15 percent of the national economy, yet Wall Street seems to be completely ignoring the debate right now. Why do you think that is?

The President. You would have to ask them. I think partly because they know it wouldn't fully restructure 15 percent of the economy. It would simply build on what we have. The things the Government's doing wouldn't change, except we would be more efficient in the management of the Medicare and Medicaid programs. But that would stay there. We would still fund Medicare. We would still fund Medicaid. Almost all the people in the country today who are providing health insurance would have the decision, the freedom just to keep doing what they're doing now.

Only the most limited and inadequate plans would have to be substantially changed, so they could go into a different plan or stay in the one they've got. That's why this plan shouldn't bother Wall Street very much because under all the scenarios we've been discussing, what we're basically trying to do is to close that gap of people who work but don't have coverage and people who don't work but are above the poverty line and don't have coverage. That's basically what we're trying to do. The whole rest of the system will stay intact. And a lot of the structural changes which are occurring for the better, enabling a better cost control for some, will now be available for all.

I think it's important to point out—Erskine pointed out that the small business rates went up 14 percent last year; health care costs went up 4.8 percent last year. So what we're trying to do is to make this available for all, the cost containment as well as the coverage.

Q. Your wife yesterday seemed to suggest that she thought the Gephardt bill might have a better chance of producing the results you want. Do you have a similar feeling of that?

The President. I don't know. I haven't talked to her about it. And I read a couple of stories, and one seemed to suggest that, and one didn't. I can't comment on it. All I can tell you is the device for achieving universal coverage in both bills meets the criteria that I have. And I think it's quite interesting that the CBO thinks that Senator Mitchell could get to 95 percent by 1997, which is a very rapid uptake and would indicate that we could go on then and cover everybody.

Whitewater Independent Counsel

Q. Mr. President, what do you think of about the Starr nomination——

The President. Everybody else has talked about that. I'll cooperate with whoever's picked. I just want to get it done.

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Q. Mr. President, which of the two plans, the Mitchell or the Gephardt plan, most closely resembles the Hawaiian model?

The President. Ask Governor Waihee, he's an expert on that.

Q. Thank you, Mr. President.

The President. They both resemble it in different ways, that's my read. They're both different, and they both have things in common.

NOTE: The President spoke at 10:45 a.m. in the Roosevelt Room at the White House.

Letter to the Chairman of the Senate Committee on Armed Services on the Arms Embargo on Bosnia-Herzegovina

August 10, 1994

Dear Mr. Chairman:

I am writing to reaffirm my Administration's support for lifting the international arms embargo on Bosnia and Herzegovina imposed by United Nations Security Council Resolution 713 of September 25, 1991. It has been my long-held view that the arms embargo has unfairly and unintentionally penalized the victim in this conflict and that the Security Council should act to remedy this injustice.

At the same time, I believe lifting the embargo unilaterally would have serious implications going well beyond the conflict in Bosnia itself. It could end the current negotiating process, which is bringing new pressure to bear on the Bosnian Serbs. Our relations with our Western European allies would be seriously strained and the cohesiveness of NATO threatened. Our efforts to build a mature and cooperative relationship with Russia would be damaged. It would also greatly increase American responsibility for the outcome of the conflict. The likelihood of greater U.S. military involvement in Bosnia would be increased, not decreased.

The July 30 Contact Group ministerial was an important step in our strategy of giving negotiations a chance and, at the same time, building an international consensus in support of multilateral action on the arms embargo, should the Bosnian Serbs continue to reject the Contact Group's proposal.

Contact Group unity has been key to the effectiveness of our approach to date, which has brought new pressure to bear on the Bosnian Serbs. This unity will be especially critical as we approach the Contact Group's final option of lifting the arms embargo. As Secretary Christopher made clear in Geneva, we will not allow the process leading to a Security Council decision on the arms embargo to be delayed indefinitely.

In this regard, if by October 15 the Bosnian Serbs have not accepted the Contact Group's proposal, of July 6, 1994, it would be my intention within two weeks to introduce formally and support a resolution at the United Nations Security Council to terminate the arms embargo on Bosnia and Herzegovina. Further, as my Administration has indicated previously, if the Security Council for some reason fails to pass such a resolution within a reasonable period of time, it would be my intention to consult with the Congress thereafter regarding unilateral termination of the arms embargo.

I hope this clarification of my Administration's policy and intentions is helpful. I would consult promptly with the Congress should unforeseen circumstances arise. I also want to express my gratitude for your leadership and support on this important issue which affects our national security.

Sincerely,

BILL CLINTON

NOTE: This letter was made available by the Office of the Press Secretary but was not issued as a White House press release.