

## Remarks on the Los Angeles County Fiscal Relief Plan and an Exchange With Reporters in Santa Monica, California September 22, 1995

*The President.* Good morning. I am very pleased to announce today that a fiscal relief plan for Los Angeles County has been developed by a team of officials from the county, State of California, and the Federal Government. Overall, the package will provide \$364 million in additional relief in resources to the county. It will allow the county to avoid closing any of its hospitals and to keep open a majority of the clinics it had planned to close.

The plan is structured around a 5-year Federal waiver that will allow the county to restructure its health care system in a rational and planned way and to move from its current reliance on hospital care to a system that emphasizes more preventive and primary care.

Reaching this unique agreement was possible because we had tremendous cooperation from both local and State officials. The development of this plan is an excellent example of intergovernmental cooperation at the local, State, and Federal levels. I want to thank the members of the county board of supervisors for their leadership during this difficult time, including the board chair, Gloria Molina, Yvonne Burke, Zev Yaroslavsky, Deane Dana, and Michael Antonovich. I also want to thank Mr. Margolin for the work that he did on this project. I know that they are committed to a meaningful restructuring of the current health care system, while continuing to ensure that the communities of Los Angeles County have access to critical health care services.

I also want to say that this agreement was reached after critical consultations with the Service Employees International Union. This agreement is an important breakthrough in continuing to provide critical care as well as saving thousands of health care jobs. As part of the implementation process, we're committed to working with the SEIU to help to protect the jobs and benefits of health care workers to ensure the provision of high-quality care. I also want to thank the State officials who've been extremely helpful in developing this solution. The State will be instrumental in working with the county to implement the plan.

I should mention that this plan underlines why we cannot afford the so-called Medicaid reforms that pulled billions of dollars out of critical health care facilities without any idea of what the consequences will be. Most of all, let me say that I am very pleased that the patients, the communities, and the workers and all of their families will not have to suffer the impacts of a crisis shutdown of county hospitals and clinics and that the county will continue to be able to maintain an appropriate safety net for those who depend upon these facilities for their health care.

Let me again thank everyone for their work on this and say that I am very pleased that we were able to be of assistance. I'm glad to be here with the county board of supervisors and with Mayor Riordan. And I'd like to now ask the chair, Gloria Molina, to come forward for whatever remarks she would like to make.

[*At this point, members of the county board of supervisors made brief remarks.*]

*The President.* If I might, just listening to the county supervisors talk, it occurred to me that, for the benefit of the people in this county and in this State who are interested in this problem, I ought to make two general points. First of all, this is an example of the kind of teamwork we need to solve the transitional problems, the many kinds of transitional problems that are plaguing the United States today as we move into a different kind of economy and a different kind of world.

They don't necessarily have a partisan tinge. They really require people to be creative, to be willing to embrace new ideas, to remember what the fundamental mission is, and to achieve that mission. And I want to applaud the people here who have spoken today for the way they work together across party lines. We need to do more of that in Washington right now in this budget process.

The second thing I want to emphasize to the people of this county—and this is true, by the way, to a greater or lesser extent in every State in this country and in very rural areas as well as more urbanized areas—you heard one of the

commissioners say that one in three people in this county is uninsured. Well, one in three people in this county is not unemployed. Most uninsured people today are working people. And the reason the Medicaid program is so important is that it provides places like Los Angeles County with that extra amount of assistance, even though it's targeted to the poor, that helps them to keep their public health clinics and public hospitals open to deal with what is an increasingly difficult problem in America, which is working families without health insurance.

I tried to fix that last year, and my proposed solution didn't find favor. But if we're not going to have a comprehensive solution to it, then the only other alternative, if you believe as I do that you can't simply turn working families away when their children are sick or when the breadwinners are sick, the only alternative is to place greater emphasis on public health clinics and hospitals that can help with primary and preventive care as well as with people when they get very ill.

So this is a very important model, this restructuring that will take place over the next few years. And it won't be easy for them. But what they're trying to do is absolutely critical, given the fact that another million Americans every year who are in working families are without insurance. It would have been criminal to permit all of these clinics to close and all this crisis to develop, not just because of the very poorest people in this county but because of the working families on very limited incomes who don't have insurance.

And that's a national issue; it's not a Los Angeles County issue. And if it can be solved here with the restructuring, a lot of people all over America will be learning a lot from what you're doing, and the working families of our country will be better served by it.

Thank you very much.

#### *Debt Limit Legislation*

*Q.* Mr. President, what does that say about the spirit of cooperation and problem solving: Speaker Gingrich says that he won't bring a debt limit bill to the floor of the House unless you agree to the Republican budget tax cuts.

*The President.* Well, a lot of things have been said, you know. All I can say is that it's important for me to try to keep the rhetoric down and to keep calm. But I will say this: The United States has never failed to recognize its obligations to pay its debts. And the failure to raise the debt limit has nothing to do with holding the deficit down or balancing the budget. It is basically saying you're going to be a piker and waltz on your debts, and the United States has never done that. And it would be irresponsible to do that.

And let me emphasize that if the United States were to refuse to raise its debt limit, the real consequence to the Speaker and to the Republican majority in Congress would be to dramatically raise the risk that their own budget plan would fail because what would happen immediately is people would start to charge us more interest on our debt.

And most of the leaders in the Congress were around in the 12 years that we quadrupled the national debt. I wasn't there. But I can tell you today that our budget would be balanced but for the debts run up in the 12 years before I showed up in Washington. And if we don't—if we didn't raise the debt limit, the only practical impact would be, since we eventually would have to pay our debts, is that interest rates would go up, more and more of our budget would go to interest on the debt. It could raise our interest rates for a decade, and it could wreck their own budget plan.

So I just don't believe in the end that they will do that. There's going to be a lot of verbal back-and-forth between now and then, but it would be so irresponsible and it would undermine their own objectives, that I can't believe that it would happen.

The United States is a good citizen. We don't waltz on our debts, and we're not about to start doing it now.

Thank you.

NOTE: The President spoke at 9:20 a.m. at the Santa Monica Airport. In his remarks, the President referred to Burt Margolin, legislative strategist, Los Angeles County.