AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Week Ending Friday, December 10, 1993

Remarks and a Question-and-Answer Session on Health Care in Bernalillo, New Mexico

December 3, 1993

The President. Thank you very much. He did a good job, didn't he? For a fellow that's not used to doing this, he did a great job.

Well, first of all, Doctor, I want to thank you and all your colleagues for welcoming me into the clinic today. I enjoyed the tour. I enjoyed listening to you talk about what you've done. And I have to tell you that I saw something in that clinic today that no law can ever compensate for or require, and that is a level of constant commitment to the people of this area. That must be a priceless treasure, just the idea that you've committed your life here. And I thank you for that.

I'd also like to thank Mayor Aguilar and Mrs. Aguilar for welcoming me here and—with their grandson back there. I enjoyed it, meeting them. And I appreciate the little—I'm about to fall in the hole here. This would make millions of people happy if I fell over—[*laughter*] I think I'm pretty well set now. They gave me a wonderful little proclamation declaring this day Bill Clinton Day in Bernalillo, which I am grateful for, and this wonderful piece of art. Thank you.

I brought a number of people out here with me. But I want to recognize some of them because they will have a major say in what we ultimately do as a nation on the health care issue. First, members of your congressional delegation: Senator Bingaman and his wife, Anne, who's in our administration in the Justice Department. Senator Domenici, thank you for coming, sir. My good friend Congressman Richardson, who fought so hard for NAFTA, and his wife, Barbara, thank you for being here. Congressman Steve Schiff and Congressman Joe Skeen are here. Thank you for coming. We have a lot of State officials, but I do want to introduce my good friend Governor Bruce King here and his wife, Alice. Thank you, Bruce. Alice, are you there? Thank you, Alice. And your Lieutenant Governor, Casey Luna, flew back with me. Is he here in the audience somewhere? He wrote me a good letter endorsing our efforts in health care, which I really appreciated, as a Lieutenant Governor and as a small business person.

I want to talk just a few moments today about what we're trying to do with this health reform effort, how the plan that I have presented to Congress would, in my view, help things for this doctor and this clinic and all of you who are served here and, perhaps more importantly, how it would help to provide these kind of services to other people in New Mexico and throughout the United States.

Let me begin by saying that I think most of you know that before I became President, I was for 12 years the Governor of Arkansas, and there are thousands of people from my State now living in New Mexico. I see them every time I come out here. It is also a very rural State. I spent a lot of time as a boy in communities that make this place look like a thriving large metropolis, in little small towns in country crossroads. All my mother's people come from a place that now only has about 50 people in it. I spent a lot of time as Governor trying to keep open rural health clinics, keep open rural hospitals, develop clinic services or primary care or emergency services for people who live in isolated rural areas. So I have a certain familiarity with a lot of the kinds of problems that you have. I've also seen a lot of those problems get worse and some get better over the last 15 years. And Doctor, I think you've been here 17 years, is that right? So about the same timeframe of your service, I have been involved in public service dealing with health care in another way.

I came here today to listen, to learn, and to try to explain what we're trying to do. Let me just briefly summarize how this health

care plan would affect you and your families and your community.

First of all, it would provide for the first time in our history a system of universal coverage. Every family and every person in every family would have a comprehensive package of benefits which would include primary care, the kind of care you get here, and preventive care services that you would always have even if you changed jobs, even if you lost a job, even if someone in your family got sick so you had what the insurance companies now call a preexisting condition.

In addition to that, it would recognize that in rural areas there are 21 million Americans today who don't have access to primary care physicians or have inadequate access to primary care physicians. So that even if you gave an American family a health insurance card and there was no doctor to see, you would have coverage that would be meaningless. So this plan makes a real effort to increase people's access to health care in rural areas by doing two or three things: first of all, by guaranteeing funding to rural health clinics that are publicly funded; by increasing the funding stream to clinics like this one—rural doctors are the most likely to have to do uncompensated care—to make sure there will be some payment coming in for all the people who get care within any clinic; by taking steps to remedy the doctor shortage. You heard the doctor say that he didn't leave here in part because there was no national health corps facility or physician to come in behind him. Today, we're only providing funds for about 1,100 doctors a year in the National Health Service Corps. Under our plan, we go from 1,100 to 3,000 doctors a year by just after the turn of the decade and the century. So we would be, in other words, every year providing enough extra doctors to serve another couple of million patients in America at a reasonable ratio of doctors to patients. So that would make a huge difference in the quality of rural health care.

Now, there are a lot of things we do to try to get doctors to come to rural areas. But the National Health Service Corps is one, providing more scholarship funds; providing more access to partnerships with people in health care centers like the ones that you mentioned is another. The other thing I want to emphasize is that a lot of people who have health insurance policies, in rural areas especially, tend to be underinsured. And one of the things that we've learned is: As Americans, we spend a huge amount of money on health care that we wouldn't spend if people had primary and preventive health care and if people had access to adequate medication. There are a lot of people who have all kinds of physical problems that could be adequately treated and their conditions could be maintained if they had adequate medication. A lot of people who have mental health problems that could be better managed and treated if they had access to a steady amount of appropriate medication.

So one of the good things about our health care plan is that under the bill we presented, in the comprehensive benefit coverage, all families, whether they get care from the Medicare or Medicaid programs or through private health care programs, would have access to prescription drugs. There would be a copay, you'd have to put some money up front in it, but everybody would have access to those drugs. We believe that will lower the incidence of hospitalization and, over the long run, really lower the cost of health care by helping people to stay healthy and to maintain their own health conditions.

How do we pay for this? The program would be paid for by a combination of sources. First of all we would require employers who don't cover their employees at all to cover their employees. And if their employees are not covered at all now, the employees would have to pay up to 20 percent of the premium themselves. The employer's contribution would be capped at 7.9 percent of payroll. But small businesses, which dominate rural areas, would be eligible for discounts on their guaranteed private insurance plan, which would dramatically lower in many cases the percent of payroll they would have to pay.

Is this fair? I think it is. In every other country with which we compete, everybody makes a contribution directly or indirectly to the health care system. Today, everybody gets health care, but often when it's emergency care, when it's too late, and then their costs are paid by somebody else. They're either shifted back to the taxpayers or shifted

onto other employers through higher insurance premiums. But by giving discounts to people who are smaller employers, we think that's a fair thing to do.

How will the discounts be paid for, and how will the extra services be paid for that the Government's going to provide? By lowering the rate at which we're seeing medical inflation explode Medicare and Medicaid programs. Today the Government programs are increasing at 3 times the rate of inflation. Under our system, which would put more people on Medicare and Medicaid in the larger competitive bidding blocks with self-employed people and small businesses and others, we think we can cut the rate of increase in these costs at least to twice the rate of inflation and take the difference that we've already budgeted to pay for some of these other programs.

There are no general taxes in this program. We do seek to raise the cigarette tax. And we ask the biggest companies, that can opt out of our system to provide their own health care plan—they will get a huge drop in their premiums as a result of our system—we ask them to make a modest contribution, trying to help pay for those that are uninsured and may need subsidies. That's how we pay for it. And we think it will work.

There will also be a lot more competition in the system than there is now. That will drive costs down. But we don't take that into account in figuring out what it costs. So we think the system will not cost even as much as we say it will, once you take account of the increased competition.

If you're a small business person or a self-employed person, the best thing about this program is that you'll be able to have access to a better health insurance policy at a lower price because for the first time, small business people and self-employed people will be able to have access to less costly premiums and will have the same sort of bargaining power in health care, particularly those who live in the bigger areas, that only big businesses and governments do today. Small business and individuals are at a terrible disadvantage today.

So that's how the system works briefly. There are a lot of other specific questions I'm sure you'll want to ask me. I'm here, and I also brought a couple of my staff folks here who helped to work on putting this program together and especially spent a lot of time on rural health care. I personally spent one full day in the White House talking about rural health care to make sure that before we sent this plan up to Congress we would have a program that was very sensitive to the needs of rural health care, to the needs of Native Americans, to the needs of people that are underinsured as well as those that are uninsured.

So, we'll try to answer your questions, but now I'd like to hear from the folks you brought here, Doctor, and to thank you very much for that.

Dr. Alan Firestone. I've got a list of several people who were invited. And let me just go down the list very quickly——

The President. Is his turned off? His is not working, is it?

[*At this point, Dr. Firestone read a list of members of the community, patients, and clinic employees who participated in the meeting. He then introduced participant Miranda Sapien.*]

The President. Let me just say, if you can hear, these mikes aren't too strong, so you have to speak right into them so everybody can hear. Pretend you're singing to it. [*Laughter*]

Ms. Sapien. This is terrible that I had to start, but I'll try my best. We live in Bernalillo, about, oh, I guess, about a couple of miles——

[*At this point, the noise of a passing train interrupted Ms. Sapien's remarks.*]

The President. At least it's not in the middle of the night, right?

[*Ms. Sapien discussed the difficulty and expense of caring for her elderly parents in her home and the need for affordable home health care and respite care for the elderly, especially in rural areas.*]

The President. No, as a matter of fact, this is a big problem everywhere in America, and the fastest growing group of our population in America are people over 80 years of age. And in general, I think we want to encourage families to stay together. The way the system works today, if you spend yourself

into poverty you become eligible for Medicaid, and then you can go to a nursing home. There aren't very many Medicare certified nursing homes in the U.S. The older people are Medicare-eligible. So one of the things that our plan seeks to do, although I don't want to mislead anybody, we don't know how much it would cost. We can't know precisely how much it would cost if we started tomorrow covering everybody with this kind of long-term care. A lot of us believe that over the long run it would save money because more people would stay at home if there was some provision for in-home care and for respite care so that the families could have a break. But we do phase in long-term coverage over a period of several years as a part of this plan.

And one of the things that we're also trying to do is to encourage some of the State reform efforts that are going on now where many States are looking at whether they can set aside some of the money that is presently allocated to nursing home care to also cover in-home care. I applaud you for doing it. I think since we know that the percentage of people who are quite old is going to increase and more and more people will be quite alert and will be able to function at a fairly high level but there may be some care needed and more as time goes on, I think it's quite important that we keep this long-term care part of our program, even though it's going to take us several years to get it fully phased-in.

Lynn Mathes. Lynn was—I'll let her tell us. But I think—were you fully employed? And she was injured.

Turn it on, will you, whoever's got the mike. It worked great for her.

[*Ms. Mathes explained she was injured while employed as a horse trainer and her former employer will no longer pay for her therapy. She hasn't received any help from insurance companies but has been able to pay for some of her expenses through her work as an artist.*]

The President. Unfortunately, the story you just told is all too typical. The reason I laughed is the doctor has a work of art on his wall inside that another artist gave him as an in-kind payment. And I can remember when my mother was a nurse anesthetist, I can remember when people, in the appropriate season, used to go pick fruit and pay her in return for her services. That works for a few people. I don't think it's a very good way to run a country.

Let me just say, the way our system would work if we reformed the insurance system is that that simply would not happen because everybody would be covered, there would be a clear package of benefits, there would be a single form, you would just turn it in. And your employer would never—I'm glad your employer tried to get it covered, at least. A lot of small employers are terrified of a serious thing like this because they know that their insurance is already so much more expensive than larger employers or than Government insurance, and they're afraid they'll be priced right out of the market. Under our system, everybody would be able to buy insurance on equal terms, and the coverage would be uniform and consistent. So you wouldn't ever be putting an employer in a bind just because it was a small employer. Or if you were a self-employed artist and that was your only job, you'd have access to a really affordable policy.

But you have to understand, this is the only country in the world with 1,500 separate health insurance companies writing thousands and thousands of different policies. And if they delay paying on you, then that in effect gives them time to earn interest on that money. So eventually, even if they pay, they've made a good deal out of it if they can delay payment for 2 or 3 or 4 or 5 or 6 months. But it may impair your ability to get certain care. This happens everywhere.

You just heard what the doctor said. At the time when his caseload is doubled here—patientload—they have increased the number of people who devoted themselves to paperwork by sixfold. That's because this is the only country in the world that has literally 1,500 different companies writing thousands and thousands of different policies, where the doctors in the clinics have to hire people, trying to get payment when they're entitled anyway, and where the coverages are so complicated and different, when you put that with all the rules and regulations that the Government has, that you spend enormous

amounts of time just trying to work out the transaction who's going to pay when. One of the primary benefits—perhaps the best benefit to doctors and clinics—of our plan is that we'd actually be able to have a single form for insurers, a single form for clinics, a single form for patients. And it would cut out a lot of this incredible paperwork and administrative cost.

We spend about 10 cents on the dollar—let me tell you how much money that is. We're going to spend $900 billion on health care this year. So 10 cents on the dollar is $90 billion dollars a year. That's a lot of money. That's 1½ percent of our gross domestic product. We spend about that much more on administrative costs than any other country in the world spends on their health care system. That's how bad it is. And you get caught in it, in the delay.

[*Dr. Firestone mentioned that a former patient who owns a small business is very concerned about the cost of providing health insurance and workers' compensation for her employees.*]

The President. The health care cost of workers' comp would be folded into the health care plan, which would save a lot of small business people a ton of money. Slightly more than half of the workers' comp premium is health care costs, that would be folded in. And that's a huge concern to small business people and also to people in certain targeted industries, like in my home State, the loggers and the people in the wood products industry. They have huge workers' comp bills. So that would really help.

Again, I would have to know exactly how many employees the lady has and what the average income is of the employees, but they would be eligible for a discount rate. I can just tell from what you said to me, she would not pay the 7.9 percent. She would pay some lesser percentage of the payroll. But having been on the other side of it, she can understand what it's like if there is none.

Let me say, there are a lot of part-time workers in our country today and probably will be more. Under the way the bill has been presented to Congress, if you work 30 hours a week or more, you would be insured as a full-time worker and your employer would have to pay the full cost of the premium and you would have to pay your 20 percent match. If you're under that, down to 10 hours a week, the employer could pay a proportionate amount of that, a smaller percentage, and therefore your premium would be less. And if you outran that in using the health care system because you're a part-time worker, and that would be eligible for the public subsidy. So we try not to bankrupt people who have part-time employees or discourage people from hiring part-time employees. But we think they ought to pay at least a portion of their benefits.

Dr. Firestone. The next one we'd like to hear from is Jack Vick, who, again, is the future of rural health.

[*Dr. Vick explained the difficulties of providing quality health care in rural areas. He stated that he will continue to practice in rural New Mexico but feels that many doctors choose to leave and go to urban areas where salaries are higher and the work is less demanding.*]

The President. I'm just glad you're going back.

Let me just mention a couple of things you mentioned, because there are answers to some of them, and there aren't answers to some of them—at least if there are answers to some of them, I don't know what they are. But one of the best things, I think, from the point of view of the benefits package that we tried to do in this plan is to provide more coverage for primary and preventive services, pap smears, mammograms, cholesterol tests, important things that are early warning signals that may head off far more severe health care problems and actually save the system money.

Secondly, I think part of the answer to the problems of doctor exhaustion and overcommitment, simply increasing the number of doctors in rural areas and trying to tie them more into partnerships with urban medical centers and with university health centers. Without going into all the details, I think we've got some good systems to do that.

We also are working on one aspect of malpractice reform that will encourage more family practitioners to do things like deliver

babies or set simple fractures where they are in rural areas. Based on an experiment that started in the State of Maine, where basically if you're a family practice doctor and you do these procedures out where people live, because you need to do it there, and you can prove that you've followed a set of guidelines approved not by the Government but by your national professional group, that raises a presumption that you were not negligent and sort of gets you out of this whole malpractice bind.

Now, what I don't have an answer for, and I don't think there is one right now, is what you do with the problem pregnancy. I think if you think you've got a problem case, you still have to send it—whatever discomfort there is—to a place where you think the care will be appropriate. If there's an answer to that one, I don't know what it is. But I do think that we want more family doctors, and we want more family doctors out there in the rural areas doing things they know they can do but they're still afraid not to do because of the malpractice problem. And being able to prove that there's a set of nationally accepted guidelines for this kind of procedure in a rural area and that you've followed them, it seems to me will do a lot to alleviate both the cost of the malpractice insurance and the fear of the lawsuit.

[*Dr. Vick asked the President about coverage for mental illness.*]

The President. Well, we think the basic benefits package should include mental health benefits, pretty comprehensive mental health benefits, as well as medication for treatment of mental illness. I know this is a particular interest of Senator Domenici and a number of other Members of the Congress. But let me say this has been a big fight in our administration, essentially with the bookkeeping of health care. That is, we can't ask the Congress to pass, and the Congress cannot pass, any bill that they don't think they have a pretty good feel for how much it will cost and how it will be paid for.

So, we have been through a lot of very tough sessions with the actuaries for health care, people who are supposed to be experts in health care costs, to figure out how much the mental health benefit will cost and how we have to phase it in over time. Right now we phase in mental health benefits, comprehensive mental health benefits, between now and the year 2000, although other health care costs would be covered by the beginning of 1997, the end of 1996, in all the States.

So, I'm glad you said that. I'm glad you said it here in this rural setting because, again, as you know much better than I, there are a lot of mental health problems that can be treated, that can be managed, that can allow people to be productive members of society, and that can therefore be a very cost-effective thing to do, as well as the humane thing to do. And we have to get these benefits in.

Again, I believe that our actuaries have overestimated the cost and underestimated the benefits of including comprehensive mental health benefits. But nonetheless, we can't—again, I don't want to mislead the American people. I don't want to overpromise. And I don't want to pass a bill that breaks the bank. So right now we provide for the phasing-in of the mental health benefits, with the benefits to trigger in about the year 2000 to do what you say we should do.

Dr. Firestone. Mr. President, Cel Gachupin has a story to tell about difficulties with provision of emergency services in rural areas. And I think I'll just pass him my microphone rather than lug the other one all the way around.

[*Mr. Gachupin explained that it is often difficult for Native Americans to receive quality health care due to lack of funding and problems in the current Indian Health Service system. He then shared the tragic story of his son's death from asthma.*]

The President. Thank you for sharing it, and thank you for having the courage to share it. I don't know if I can give you an answer to the policy questions you raised. Thank you very much for what you said.

The first thing you said was you often had to drive your son past hospitals to get to the Indian Health Service. Under our plan, if it passes the way we have presented it, American Indians will be able to get health care either through the Indian Health Service or through another network of health care at

their own choice. So that if people, because of where they happen to live, have much better access to some other health care provider, they will be, at their own choice, they will be able to choose to use those facilities. But we feel that the United States has a solemn obligation to maintain the Indian Health Service. And as you probably know, the funding has dropped over years as the number of people using it has dropped. So one of the things that—after the leaders of tribes from all over America came to see us in Washington about this.

One of the things we did was to go back and amend the plan to try to strengthen the financial support for the health care service so they would be able to provide particularly the kind of services to people who are outpatients like your son was. So I think in this case, we will give the American Indians more personal choice than many now have. You won't be forced to the health care service. You'll have the option of using something else. But if you do use it, it should be better funded than it now is.

[*At this point, Dr. Firestone expressed his concern that benefits for children with multiple disabilities and chronic illnesses might be reduced and presented the President with a letter regarding their needs. He then thanked the President for visiting the clinic.*]

The President. I can't answer the question you just asked me. But I'll get an answer, and I'll get back to this lady who wrote you the letter—or to me—the letter. I'll do it.

Let me just say before we close, and then I want to say hello to all of you and then go back around and see the kids who have been waiting so patiently, if they're still there. I don't know if they are. I hear some people chanting in the background.

When the new year comes and the Congress comes back into session, there will be a few months of really intense debate on this. Just think about this town and the size of this town and the diversity of the things we've heard about already today, as well as all the things we haven't heard about. This is a very complicated matter. But in the end it comes down to something very simple. We are spending a much bigger percentage of our income on health care than any other country in the world, and yet we are the only major country who doesn't provide everybody health care coverage that is always there, that can never be taken away.

And we have permitted a system to develop so that now, coming out of medical school, only about one in seven doctors are committed to do what this doctor has done and this doctor wishes to do. So we have to change that. And it is perfectly clear that it will not happen unless the Congress is prepared to go through the incredibly rigorous process of reviewing the bill that I presented, listening to anybody else's alternatives and hearing the human voices that we have heard today, and coming to grips with this problem and actually acting on it.

This is something we should have done a generation ago when we could have saved untold billions of dollars and no telling how many lives. But we can do it now, and we have to do it. And I would just implore you to work with us, make sure we don't make any mistakes we can possibly avoid, but give the Members of Congress from your State the courage to face this problem that our Nation has neglected for too long.

Thank you very much.

NOTE: The President spoke at 4:04 p.m. at the El Pueblo Health Services Clinic. In his remarks, he referred to clinic physician Dr. Alan Firestone. This item was not received in time for publication in the appropriate issue.

Appointment for Regional Administrators at the Environmental Protection Agency

December 3, 1993

The President today approved John H. Hankinson, Jr., as Regional Administrator, Region IV, and Jane N. Saginaw as Regional Administrator, Region VI, at the Environmental Protection Agency.

"I am pleased today to name these two hard-working individuals to our team at EPA," the President said.

NOTE: Biographies of the appointees were made available by the Office of the Press Secretary. This