

need to be up in '94. We need to win these seats.

I am convinced that the yearning of the American people to see a responsive, change-oriented, open political system, that that appetite has not been satisfied; it has only been barely whetted. The American people think, well, we've made a good start, but we've got a long way to go. And you know as well as I do that the things that I'm trying to do up here cannot be done by the President and the Congress alone. I see many Members of Congress here tonight, and I am delighted to see them here making common cause with you.

If you think about what it is we seek to do in reviving the economy, or totally reorganizing our job training program so that people who lose their jobs can constantly be retrained for the jobs of the future, or developing a health care system that will be more efficient and more effective and provide comprehensive benefits to all Americans, or reforming the welfare system, or having a crime bill that is both tough and smart—none of these things can really be done in ways that change the lives of the American people unless the people who occupy the statehouses are committed to that change, unless they think every day about what they can do to change the lives of the people who live and work in their States.

I was raised to believe that public service can be a noble profession and that people who work in it and give themselves to it and spend themselves completely in the attempt to achieve great things are doing the work of citizenship in a profoundly important way and should be bound to, not divided from, the rest of the American people. That is the spirit that the Democratic Party has to bring not only to national politics but also to every one of these governorships. And if we can do that, we will not only win the governorships in 1994, we will be able to continue to change the country. And

that is how we will be judged in 1996 and beyond: Are we doing what we said we would do? We have a bigger burden to bear than our adversaries, because we don't enjoy getting up every morning and saying no to family leave, no to motor voter, no to meaningful deficit reduction, no, no, no. We want to say yes, we believe we can do better. And our burden must be borne by you.

I've told a lot of people that in many ways being Governor was the best job anybody could ever have. And I want to thank you again, all of you who have been my colleagues over the years, for your friendship, your wisdom, your support, and your continuing insights. It's easy for us up here in Washington to get out of touch with what's going on in the heartland, and we depend upon you to keep us in touch. But we're glad to be here; I am, this association is, the national Democratic Party is, Members of Congress who are here are. We're glad to be here to support the efforts of the people who want the statehouses to be the people's houses. The White House belongs to the people of this country tonight a lot more than it has in many years in the past, and we are going to keep working together until we do what we promised to do in 1992.

Thank you, and God bless you all.

NOTE: The President spoke at 9:08 p.m. at the Omni Shoreham Hotel. In his remarks, he referred to Gov. Evan Bayh of Indiana; Edward A. Malloy, former president, University of Notre Dame; David Wilhelm, chairman, Democratic National Committee; Bob Rose, dinner chairman; Katie Whelan, executive director, Democratic Governors Association; Gov. Roy Romer of Colorado; Gov. Ned Ray McWherter of Tennessee; Gov. Bruce King of New Mexico; Gov. Joan Finney of Kansas; and Gov. L. Douglas Wilder of Virginia.

Remarks to the American Hospital Association

February 1, 1994

Thank you very much. Thank you, Dick, and thank you, Carolyn. And thank you also for bringing my tea out here. The Hospital Associa-

tion is giving care to the President for his sick voice today. *[Laughter]* I thank you.

I appreciate so much what both Dick and Carolyn said, and I want to begin by thanking all of you here who have ever had me in your hospitals—[laughter]—which is a large number of people. Especially all the people who represent my native State and who have done so much to help educate me on these issues over the years.

The time that I have spent in hospitals since I was a small boy has made a very big impression on me. I always learn something. I always leave with a sense of inspiration about the dedication of the people who work there. And I want to say a special word of thanks to this association for the work that you have done with our administration over the last year, in a very constructive way, in helping us to try to develop an approach which would solve the problems of the American health care system and protect and enhance what is good about it.

I know that there will still be some issues on which there will be disagreement as we go forward, but I think it's important that we clarify today, as Dick did so well in his introduction, that we agree on the most important issue: We have to preserve what is right; we have to fix what is wrong; we have to guarantee private insurance to every American so that everybody will be covered. That is the only way to stop cost shifting, the only way to be fair, the only way to solve this problem.

The problem with the health care system in this country did not just happen overnight. It happened because of the way this system is organized. Anybody who thinks there are no serious problems, no crisis in the health care system, I would say go visit your local hospital.

Over the years, because of the insurance system we have in America, which is unlike any in the world and which, I will say, is irrelevant to the fact that we have the highest quality care in the world for the people who can afford it and access it, we have created a system which often makes it impossible for hospitals to do their jobs. While insurance companies have set up a system which enables them to slam the door on people who aren't healthy enough to get covered, hospitals open the door to everyone, whether they're covered or not.

We have created in this country, through the systems of hundreds of different insurance companies writing thousands of different policies, a giant bureaucracy which on the insurance side sorts the healthy from the sick, the old from the young, the geographically desirable from the

undesirable. And as more and more insurance companies sell more and more customized insurance policies to smaller and smaller groups, each of them has created its own set of forms and different sets of what would cover, spelled out in endless fine print. The result, as all of you know, has been a bureaucratic nightmare.

And what about the hospitals? You have had to create your own bureaucracy to deal with the insurance bureaucracy and the Government's as well, to fight redtape, close loopholes, and to try to get reimbursed somehow. And that only covers the patients who have good insurance. For those without insurance or with barebone coverage, you're forced to jump through a whole lot of other hoops. And you probably still often don't get any reimbursement.

Hospitals did not invent this system. You didn't choose a system which has resulted in hospitals hiring clerical workers at 4 times the rate of doctors being added to hospital staffs in the last 10 years. You did it because of the redtape of the present system, the insurance redtape and the Government program redtape.

Meanwhile, your mission didn't change, it's still to treat the people who are sick who need to be in the hospital. Regardless of their age or medical history, of what may or may not be covered, you have to deal with the people that the insurance industry decides are not profitable. You can't ask whether an illness was a preexisting condition, it's still an illness.

So what are we left with today? A system where we're ruled by forms and have less time to make people healthy. A system that forces doctors and nurses and clerical workers in hospitals to write out the same information six times in six different ways just to satisfy some distant company or agency. It doesn't make sense, and you shouldn't have to put up with it anymore.

Just listen to Joan Brown, a registered nurse who works at a teaching hospital in Chapel Hill, North Carolina. She wrote to the First Lady that she spends, and I quote, "more time with paperwork than with any other aspect of health care." They've got a joke at her hospital, she said, "We'll do the patient care after we finish the paperwork, if we have time." It's not just a joke; it's a sign of a crisis and one we've got to do something about.

I visited Children's Hospital here in Washington last year. The pediatrician, who is from this community and who has dedicated her life to

the children of this community, told me she spends up to 25 hours a week filling out forms instead of tending sick children. "It's not what we trained all these years to do," she said. "Reducing paperwork would enable me to practice medicine again. It would free me," she said, "free me from the shackles and the burdens of the paperwork maze."

Let's be honest. In his wildest dreams, Rube Goldberg could never have designed a system more complex than the present health care system. You in this room understand this better than anyone else in the world today. You see the crisis when people without insurance come to emergency rooms with serious injuries or illnesses. Many of those illnesses could have been prevented if only they had been covered and had access to a doctor, to primary and preventive care. The emergency room is the most expensive place to treat people. It should be reserved for emergencies. I know you believe that, and you can make sure it happened if everybody had access to health care coverage.

You see the crisis when people come in who aren't fully insured, and you become loaded up with what's called uncompensated care. The smallest estimate of that is \$25 billion a year. It either comes out of your budgets, which hurts your ability to provide health care at a high quality, or you have to shift the cost on to the bills of those who can pay them.

A lot of people who complain about hospitals overcharging, about inflated bills, have no idea how much of this cost shifting occurs simply because of the insurance setup that we have in the United States. No other country in the world is burdened with it. And we should not tolerate it any longer.

You also see it because a lot of the people who come to you, either before they come or sometime during their treatment, deal with the problems of preexisting conditions or lifetime limits on insurance policies. Three out of four policies have such lifetime limits. I know a lot of times you wind up having to send a collection company after a patient that you know is not going to be able to pay the bill anyway because of these problems.

You see this crisis when a doctor prescribes prescription drugs, but then a person comes back to the hospital 3 or 4 weeks later because she couldn't afford to fill the prescription. So the illness got worse. One study says that problems related to the lack of appropriate medica-

tion lie at the root of up to 25 percent of all hospitalizations and cost over \$21 billion a year. Our plan is the only one that takes account of this and covers prescription drugs along with other medical services.

You see it with the crisis of violence in the emergency room. We have to learn to treat violence as a public health problem. Billions of dollars a year again are loaded onto the health care system because we are the most violent country in the world. Many people in health care supported the Brady bill, support our attempts to restrict assault weapons, to put more police officers on the street. That also will help alleviate the health care problem. So I hope you'll be out there after we deal with this the best we can, also supporting what the administration is trying to do on crime.

I came here today once again to thank you for the work you have done with us and to appeal once again for your support, for the real battle is now being joined in Congress. And though we may disagree about the details, we all agree the time has come to do something. We have to do it now. And what we have to do includes providing guaranteed private insurance to every single American. That is what I need your help to do.

I implore you to go to Capitol Hill and tell your Members of Congress again what is going on in your hospitals. Go home and talk to your friends and neighbors about it and the people who come in to your hospitals. Talk to business leaders in your communities and local media people.

One of the biggest problems we have in this fight today is that this issue is so complex and people are naturally enough so concerned that they don't want to lose anything good that they have now, that it is easy to confuse people about what the real issues and the real facts are.

I love having a discussion with your representatives, even if there is some disagreement around the edges of policy. We come to the table with an accumulated knowledge of how the world really works. Our biggest problem in passing this is that there are too many people even in the Congress who have not had the opportunity to study this program in all of its complexity. This is a tough, tough issue. And as I could tell from your applause, you know that the most complex system that could ever be designed is not the one in the administra-

tion's bill, it's the one you're living with right now.

Our approach is not to tell you how to deliver health care, not to build barriers or bureaucracy. What we want to do is to establish a framework in which people are covered, provide the right incentives, help to remove the barriers to access, and get out of the way. We agree that local community-care networks must be the center of any reform system, groups of providers who see their mission as keeping people well, treating the sick when they are sick, and having the right incentives to do exactly that. We need to look no further than your own NOVA award winners for examples of providers who come together and make collaboration work.

One example, the Health Partners of Philadelphia, where six urban teaching hospitals came together and worked together to deal with violence and drugs and teen pregnancy in one community—this is a very moving sort of thing. This can be done throughout America. And we could do more of it if we covered everybody. It would lower the cost to the overall health care system if we did it, because we could practice prevention, we could give more primary care. The system as a whole would be less burdened, and we could have more networks like the one in Philadelphia you have honored.

I know that many of you are already finding incredibly creative ways to serve your community and are forming these networks. That approach will be quite consistent with the administration's approach. We helped to do that with clear incentives for people to join together in networks and guarantees that when they do there will be compensation there for the services that are provided. And we agree that reform must simplify the system for you by reducing the paperwork burden. There's no excuse for not having a single standard form to replace the thousands of forms that exist today. And we want to help you move forward; electronic billing, less regulation by the Government, and other ways to help get rid of some of this paperwork hassle. I am tired of trying to explain why we spend a dime on the dollar more on paperwork, regulation, and premiums than any other country in the world and we still don't even cover everybody. It cannot be explained, so it should be changed.

And I want you to help me do something else, too, when you go up to Congress. Ask every Member of Congress, the next time some-

body comes to them and says, "What we really ought to do is tax the benefits, the health care benefits of middle class working people," say, "Well, before you tax the benefits of working people whose wages have been stagnant for 20 years, why don't you ask how we can justify spending a dime on the dollar more on paperwork, regulation, and insurance premiums than anybody else?" That is waste. Why take something away from hard-working people before you squeeze the system and its unconscionable burdens on hospitals, doctors, nurses, and the American people themselves? That is where we ought to start.

I also want to talk a little bit about the guarantee of private insurance. Most people, under our approach, would get insurance the same way they do today, through their employer. Each consumer, not an employer, not a bureaucrat, would have a choice of health care plans and doctors.

Let me point out something else on this choice. Today, 55 percent of the companies who insure their employees and 40 percent of the total work force insured through their employer have no choice today in doctors or health plans. They take the plan the employer has chosen. Under our plan, everybody would have at least three choices of plans, including the right to simply pick a doctor and have fee-for-service medicine. That is more choice than exists today, not less. Again, the rhetoric of people who have attacked change defies the reality of what people face and deal with in their daily lives in the health care system today.

Once someone has picked a plan, if they need to go to a doctor for a checkup or if they get sick, they'll simply take a health care security card, show it, and get the care they need. Then they'll fill out one standard form, and they're done. That way, we can go back to seeing hospitals as places of healing, not monuments to paperwork and bureaucracy.

I have heard so many stories in so many hospitals, I could keep you here all day laughing, but it would be like preaching to the saved. The only thing I want you to do is to go tell the Congress about it and that we can do better.

Last week when I spoke to Congress, I said that I would veto any legislation that did not cover every American with guaranteed insurance. Now, again I want to say that I did that because you know that unless we do that we can't have everybody playing by the same rules,

using the same forms, ending the cost shifting, and getting people the preventive and primary care they need so they don't simply wind up in the emergency room. That is, all the systematic problems that the Hospital Association brought to the administration when we began this discussion will continue unless we provide coverage to everyone.

Now again, I know there are issues to work out. There are differences about what level of Medicaid savings can be achieved. I'll tell you this: Our plan is the only one that takes the Medicare savings and puts it back into the health care system, which is very, very important. But the biggest thing you need to do, I would argue, to get a good health care bill out of Congress is make sure that the people in the Congress understand how the system works today and what these various approaches would do if they were passed.

Yesterday, Families USA issued a very valuable document which I just received a copy of this morning which takes 10 different families, 10 different health situations, and goes through in practical terms how they would be affected if each of the major plans now pending in the Congress were the law of the land. I would urge you to read it. But it won't surprise any of you because you know how the system works today.

Again, I implore you to take this debate to Congress, get beyond the rhetoric, get beyond the ideology, talk to people in the Congress about the American people and how the American health care system affects them. That is the only way we can work through the real problems as opposed to the imagined one.

One distinguished Member of the House of Representatives who represents a district with a wonderful teaching hospital and who has been required by virtue of his membership—his con-

stituency—to become an expert on health policy over the years, read our plan the other day, and he said, "It's the only one that really takes account of so many different problems that most people don't even know about. But I have no idea how to get my colleagues in the Congress to take this issue seriously and spend all the time it would take to absorb it all."

You can do that. Every Member of Congress has a lot of hospitals in his or her district. Every Member of Congress basically cares a lot about health care. And you can come to this debate with a perspective that is not ideological, not partisan, has no ax to grind, doesn't care who wins except the American people and the American health care system. That's what you can bring to this debate.

So I would ask you, at a time when some say we just need a little tinkering and others say there are ideological barriers to changing it, I just want to say that Dick Davidson, your president, in my view, said it as well as it could be said last December. He said, "Comprehensive reform is what the American people are asking us to do. To do nothing, or worse, to fall back on simplistic solutions, only postpones and complicates our task." And that's the truth.

Let us stand together for the health care of the American people. We have a chance finally for the first time in decades to do this right. You know what needs to be done. I pledge to you an open door, a listening ear, a firm partnership. Let's go out there and solve this problem for the American people.

Thank you very much, and God bless you.

NOTE: The President spoke at 10:18 a.m. at the Washington Hilton. In his remarks, he referred to Dick Davidson, president, American Hospital Association, and Carolyn Roberts, chairman-elect, American Hospital Association Board of Trustees.

Remarks to the National Governors' Association

February 1, 1994

Thank you very much. If anyone ever asks you what do Carroll Campbell and Bill Clinton have in common, you could say they have the same throat disease. *[Laughter]* He's doing better today than he was yesterday. I'm doing

slightly worse. The good news is, you get a shorter speech.

I want to thank you all for being here and for your common concerns. Yesterday we had a good meeting and especially, I thought, a very