

An Interview with Hillary Rodham Clinton

NOT-FOR-PROFITS' ROLE IN A REFORMED SYSTEM

As head of the White House task force that helped to craft President Bill Clinton's health-care reform proposal (the Health Security Act), First Lady Hillary Rodham Clinton demonstrated her determination that reform result in a system that has caring and service at its center. In an address a year ago at the Catholic Health Association assembly, she stressed the administration's goal of providing the security of health-care coverage to everyone in the United States. Saying the current complex, disjointed system "fragments the care people receive," the First Lady applauded programs that reach out to underserved populations and strengthen the country's health-care infrastructure.

In this interview with Health Progress, Mrs. Clinton discusses tough issues in achieving the system she envisions and the role of Catholic health-care organizations in a reformed system. Here are her remarks.

First, let me say how grateful I am for this opportunity to answer some of your questions. The Catholic Health Association has been at the forefront of the call for meaningful health-care reform. I look forward to working with all of you to further our common goals.

■ The Clinton health-care reform proposal and the Catholic Health Association (CHA) insist that universal coverage (coverage for all persons living in the United States), achieved quickly, must be part of any health-care reform legislation. There are three possible mechanisms to finance universal coverage: by making it the sole responsibility of individuals and families, by the single-payer approach, or by contributions shared be-

tween employers and employees in the workplace. Explain why the administration has chosen to support universal coverage through employer benefits guaranteed in the workplace.

The president has set universal coverage as his most important goal for health-care reform. If every one of us does not have real health security, none of us truly has it. The president has said that his bottom line is guaranteeing private health insurance to every American. And while most people agree that every citizen deserves access to quality, affordable health-care, there has been considerable discussion about how such a system should be structured. We have looked very closely at different ways and found that, as you mentioned, there are only three ways to finance universal coverage.

The first way is to introduce a government-sponsored, government-run system, as some countries have done. Often called the "single-payer approach," it would mean eliminating private insurance and instead funding the health-care system through a broad-based tax. The president has rejected this approach. He agrees with its goal of universal coverage, but he believes that we should build on what works in our system and fix what is broken. We therefore should not eliminate private insurance, but rather extend it to everyone. The president's approach does provide an option for states to adopt the single-payer system.

Another approach is often referred to as an "individual mandate." Like auto insurance, it puts the burden solely on the individual to buy insurance. There are several problems with this approach. First, it would be very difficult to implement, as it would require careful monitoring of who is in the system and who is out. It would mean tracking individuals as they move in

and out of jobs, and as they move in and out of the insurance market. In fact, the only examples we have of individual mandates are those, as I've mentioned, like auto insurance requirements in many states. And in spite of the fact that the states have access to all drivers through the licensing process, literally thousands of licensed drivers remain without insurance.

The individual mandate could also have the unfortunate result of encouraging employers who currently provide insurance to their employees to stop doing so. If we had a healthcare system that made insurance the sole responsibility of the individual, employers might decide that they need not contribute anymore.

The president feels that we should build on what works in our own system. Today, 9 out of 10 Americans with private insurance receive their healthcare benefits from the workplace. We want to build on the employer/employee system that works for most people today, by making sure that it covers all Americans. We feel that we should extend health insurance to everyone through the workplace, with both employees and employers contributing to the cost. The government will provide discounts on insurance to small businesses and the unemployed.

■ **Many people, especially in the for-profit sector, are questioning whether not-for-profit healthcare organizations will be needed in a reformed healthcare system in which their charity care loads will be smaller. What role do you see for not-for-profit healthcare organizations, such as Catholic hospitals, in a reformed healthcare system that provides universal coverage?**

We believe that not-for-profit hospitals, such as our nation's Catholic hospitals, will prosper under the president's plan. As you know better than most, Catholic hospitals have a remarkable history of providing high-quality healthcare, often under very difficult financial conditions, and often in areas that are greatly underserved. Catholic hospitals have demonstrated an incredible commitment to providing healthcare to those with nowhere else to turn. Catholic hospitals provide care in inner cities and rural areas where there is a very large uninsured base.

Under the president's plan, Catholic hospitals will begin to be reimbursed for care that has long

been charity care, enabling Catholic hospitals and other not-for-profit hospitals to become more viable and financially secure. As we move toward universal coverage, healthcare providers such as Catholic hospitals will need to meet growing individual and family demands. I have no doubt that Catholic hospitals and other not-for-profit healthcare institutions will continue to play an essential role in a reformed healthcare delivery system.

■ **What role will for-profit healthcare organizations play in organizing and operating health plans? Do you see a role for not-for-profit healthcare organizations as organizers of healthcare plans?**

There is certainly a role for not-for-profit and for-profit healthcare providers to organize and operate health plans. Under the president's plan, health plans must meet state certification requirements. They must also provide comprehensive benefits and enroll all consumers, regardless of their health status (if they have the capacity). Not-for-profit and for-profit organizations that meet these requirements may form health plans. We would imagine that plans offering high-quality care at reasonable prices will provide attractive choices for consumers.

■ **Do you believe Catholic not-for-profit healthcare organizations should and will remain tax exempt in a reformed system that provides universal coverage?**

Yes. Under the president's approach, there is no change in the tax-exempt status of not-for-profit healthcare organizations.

■ **Many CHA members are concerned that the standard benefit package in the Clinton**



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plan and other proposals does not cover the full continuum of long-term services needed by people with nonacute health problems. How do you respond to the concerns that a reformed healthcare system must meet the needs of our disabled and aging populations?

That is an important question because today our nation's long-term care system does not adequately meet the needs of older Americans and people with

disabilities. And the situation is only getting worse—as the population ages, the demand for services increases and people's options remain limited. Families all too often must exhaust their savings in order to pay for needed care by qualifying for public assistance.

The president's approach will expand and improve long-term care options across the country, stressing home and community-based services. The plan aims to provide more flexibility and greater choices for Americans with disabilities who need support. This program could enable up to 2.2 million older Americans to stay at home while receiving the long-term care they need.

In addition, to free people from having to "spend down" all their assets to become eligible for Medicaid, states will have the option to allow residents of nursing homes and intermediate care facilities to retain up to \$12,000 in personal assets—up from \$2,000 today. New tax incentives will also help make private long-term care insurance more affordable.

The president is committed to addressing the needs of our disabled and older population. The president's approach also provides prescription drug coverage for all Americans, including Medicare beneficiaries. This, we believe, will dramatically reduce the financial and emotional strain of illness and improve the health of older Americans.

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■ How can we encourage healthcare providers to invest in health promotion programs that improve communities' health status, especially when it may seem that the payoff will not come for several years, maybe even a generation?

Health promotion, in the form of preventive healthcare, is the cornerstone of the president's approach to healthcare reform. We know it makes sense, both in human and economic terms, to

focus on prevention—to keep people healthy rather than treating them when they're sick. We also know that focusing on preventive healthcare is one of the clearest commitments we can make to getting costs under control. The average citizen of Hawaii, for example, has more doctor visits for primary and preventive care than the average citizen of the other 49 states. But because these are doctor visits for primary and preventive care, their overall healthcare costs are less.

The president's approach provides incentives for patients and doctors alike to focus on prevention. From free coverage for a wide range of preventive services to wellness education, counseling, and increased research funding, the president's approach offers an unprecedented focus on prevention.

The comprehensive benefits package includes a broad array of preventive services not covered by the vast majority of insurance plans today—immunizations, mammograms, well-baby care, and other screenings that will detect or prevent health problems before they become serious illnesses. The plan covers all of these at no cost to the individual.

In addition, the president's plan includes support for prevention research and school health programs to teach healthy behaviors and reduce drug and alcohol use. The president's approach to reform underscores the importance of preven-

tion through deliberate incentives geared to encourage the use of preventive healthcare services.

■ Explain the Clinton plan's use of premium caps as a back-up mechanism to contain costs.

The president's approach to healthcare reform is to contain costs by using competition and incentives. We don't think that the government or anyone else should decide how much this country should spend on healthcare. We do believe, however, that the businesses and individuals we are asking to contribute deserve to know that their premiums won't continue to skyrocket out of control. We feel that increased bargaining power, good information, and sound decision making on the part of consumers and providers will begin to move our healthcare system toward higher-quality care at a more affordable price. At the same time, the president's approach sets a limit on the amount that insurance premiums can rise each year. We view this budget as a disciplinary backstop.

■ CHA's reform proposal covers all people living in the United States, but the Clinton plan excludes undocumented workers. CHA members understand the political considerations of this issue. However, some have expressed concern that the amount set aside in the Clinton proposal to cover the undocumented is not sufficient for the needs of this population.

With universal coverage, uncompensated care will decrease significantly. However, the president's proposal maintains a vulnerable-populations fund of \$800 million each fiscal year to cover unreimbursed costs incurred by providers.

■ The Medicare program remains intact in the Clinton plan, but CHA believes that proposed cuts in provider payments are too

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deep and too rapid. How would you respond to this concern?

Under the president's approach, we will *not* cut provider payments. Rather, we will slow the rate of growth in Medicare to twice the rate of inflation.

■ CHA members want to support employer-based financing, but Catholic long-term care facilities

are worried because they cannot pass on increased payroll costs to private paying patients, who in most cases are paying as much as they can. How can we reassure nursing facilities and other small employers that covering their employees will not be an undue hardship?

Currently, small businesses are discriminated against by insurance companies and pay as much as 35 percent more than big businesses for the same healthcare insurance. Also, administrative costs for health insurance currently account for as much as 40 percent of a small business's health costs, compared with 5 percent for big businesses.

The president's approach aims to make it easier for small businesses to provide health insurance for their employees. It will reduce healthcare costs for small businesses that today provide insurance for their employees by pooling the purchasing power of all businesses in a region. We believe this will dramatically improve the bargaining position and reduce the administrative costs of small businesses.

In addition, small, low-wage businesses will be eligible for substantial discounts. In many cases, contributions for health coverage will be approximately a dollar a day for the small-business employer whose average worker earns minimum wage—a significantly smaller impact for an employer than an increase in the minimum wage. The president is committed to helping small businesses as a part of reform. □