

Statement of Senator George J. Mitchell
Brazda Press Club
Monday, November 8, 1993

In the next year, the Congress must restructure the financing and delivery of health care to all Americans.

We are compelled to act, because our health care system cannot survive in its current form.

Every year, one million more Americans lose their health insurance coverage. Millions of others -- in fact, nearly all Americans -- fear losing their coverage if they become seriously ill or lose their job.

Many Americans have the most basic decisions of their life dominated, indeed dictated, by health care cost considerations. Whether to marry. Whether to have children. Where to work. Where to live.

These fundamental decisions should not be dictated by concerns about health insurance. But in the current system, they are.

President Clinton knows that reform must come. Members of Congress know that reform must come. The American people know that reform must come.

The cost of inaction will be much higher than the cost of action.

We must work together in good faith, to embrace the common aspects of the many plans which have been advanced, and to negotiate until we have enacted the best possible plan for the American people.

The President has given the highest possible priority and visibility to this effort.

His plan will assure **security**. The American people will have health coverage that can never be taken away. No longer will life decisions be driven by concerns about losing health care coverage.

It will assure **savings**, with meaningful cost containment provisions intended to control the rapidly escalating costs of health care.

It will expand **choice**. Consumers will be guaranteed the opportunity to choose from a variety of health plans and providers. For many Americans, this will represent their first opportunity to select the type of coverage or the specific provider that best suits their medical needs.

It will improve the **quality** of the American health care system. This will be accomplished in part by creating standards and guidelines for health professionals based on the researched outcomes of common procedures.

It will move toward **simplicity** in the health care system by reducing paperwork and moving to electronic billing. Providers will be able to spend their time treating patients and keeping abreast of the latest developments in medical research, instead of processing paperwork.

Finally, the President's plan will require **responsibility** from every American. Every business and every individual will be required to assume a fair share of the responsibility for health care in America.

The Health Security Act is the culmination of many months of work. It includes input from many of us in the Congress, and many others who are represented here today.

The plan is not what any one person or any one organization would have designed acting alone. But that's true of every competing plan.

The plan represents an important first step toward protecting the health security of every American. It is also an important first step toward controlling the rapidly escalating costs of health care for families, for business, and for government.

Development of the plan was the first step, but it will be far from the last. Within a short time, I will formally introduce the plan in the Senate, and Majority Leader Gephardt will introduce it in the House.

This introduction will represent the beginning of the Congressional debate on this critical matter.

The debate will be lively. There are bound to be differences of opinion about how best to achieve the goals the President has set forth, even among those of us who support this legislation.

There will certainly be differences of opinion with those who want to provide access to health care for every American, but who do not support the President's approach. I refer specifically to the efforts of the Republican Health Care Task Force, led by Senators Dole and Chafee.

I have worked for many years with Senator Chafee and Senator Dole on the Senate Finance Committee. I welcome their efforts to join in developing a meaningful health care reform proposal which includes the fundamental goal of ensuring universal access to health care for every American. I commend them for their work and their dedication to this issue, and I look forward to working with them.

There are parts of the Chafee/Dole proposal which are similar to provisions in the President's plan.

I want to note, in particular, that the Republican plan also calls for a mandate. The

Chafee proposal would require all individuals to purchase health insurance. That's a mandate. The Clinton plan requires all businesses to provide health insurance. So, the debate will not be over whether there should be a mandate, but rather how best to mandate coverage to assure that every American has health insurance.

But, there are a few significant differences. I believe we must require employers to provide health care for all employees and we must have meaningful, enforceable cost containment.

I believe that inclusion of these components is critical if we are to achieve our shared fundamental goal, which is to assure that every American has affordable health care coverage.

We must remember what President Clinton said when he delivered the Health Security Act to Capitol Hill. He said that he is willing to compromise, but that he will not sign a bill that does not assure health care coverage for every American.

It is my belief that the Congress will not send him such a bill. I believe that Democrats and Republicans can and will work together to agree upon a health care reform plan which will both ensure health care security for all Americans and control health care costs.

And I believe that we can -- and that we must -- work together to achieve these goals during this Congress.

The legislative process for health care reform will be challenging.

Many Committees of the House and Senate will have pieces of this bill before them. This legislation touches on many areas of American life, and accordingly will be referred to several committees.

I am working closely with the Committee Chairs to move this historic bill through the legislative process.

We will move as quickly as is prudent given the scope and complexity of the bill.

It will be a complicated process. No one should believe that it will be easy.

But it can be done. And it will be done so long as all parties involved remain focused on our common goal: to provide affordable health care to all of our citizens.

The consensus that today supports universal health coverage for all Americans represents an unprecedented opportunity to achieve meaningful reform.

Of course, consensus doesn't mean the end of debate. Complex questions remain about the extent of coverage, the costs of care, and how to pay those costs. They are not easy questions to answer. They'll demand compromise from every sector — providers, patients, young and old, hospitals and insurers.

The public debate on health care reform has focused on the issues of cost and access. We know we can't keep doubling health care spending every five years.

The cost of health care threatens the fiscal health of the federal government, state governments, every American business, and every American family.

Access is equally important. Uninsured people are flooding some emergency rooms and clinics with cases ranging from the trivial to the life-threatening. Millions more live in fear that a serious illness or a pink slip will mean the loss of insurance coverage.

It is the tension between expanding access and controlling the cost of health care which continues to present a challenge to those who are attempting to develop responsible public policy.

There are competing demands. Our fundamental goals are to both ensure access for all Americans, and to control the rapidly spiraling cost of health care in America.

While we want to ensure that low-income persons and small businesses with low-wage employees are eligible for federal subsidies, we also have a responsibility to control federal expenditures.

There exists, therefore, an inevitable tension between our two fundamental goals which must be addressed in a responsible way.

The challenge is to strike an appropriate balance between these two important objectives.

We can meet this challenge. We can develop a workable solution which achieves both goals. I am confident that this is possible, and that it will happen.

About two weeks ago, there was great concern about information provided by the Administration that under the President's plan, up to 40% of Americans would pay more for health insurance.

Taken alone, that number -- 40% -- seems somewhat frightening. On its face, it would seem to give credence to many of the criticisms of the President's plan that we have heard over the past several months.

But to understand what that number really represents, it's important to look behind the simple number.

First, once you take into account all out of pocket costs for health care, the number falls to 30%. The 40% figure represents differences in insurance premiums only. If instead you look at the total amount of money a person spends on health care -- including insurance premiums, deductibles and copayments -- another 10% of the population will pay the same or see a

reduction in their health care expenses.

This ties in to the second point, which is that most of those paying somewhat more for their health insurance will be getting a broader package of benefits. And they would have access to more choices of providers and more types of services.

The remaining people who would be paying somewhat more for their health insurance -- perhaps 15% of the total population -- would be doing so because the plan will require community rating.

Young, healthy people would pay slightly more so that all Americans could have affordable health care coverage.

The Health Security Act will outlaw discriminatory insurance practices that prevent millions from obtaining health coverage today. The proposal returns the concept of health insurance to its roots: protection for everyone whether they're healthy or sick, young or old. It will put an end to the practice of insurance companies seeking out only the healthiest people to insure.

It is important to note that a number of the alternative plans which have been proposed also include community rating provisions. While these provisions are not identical, they all eliminate the medical underwriting that exists in today's health insurance market. And they also require young, healthy people to pay somewhat more than those people pay today.

Only President Clinton's plan has been criticized for raising rates on healthy young people. But in fact, almost every plan that has been proposed will do so to some extent.

This provision is a good one. It is the primary reason that some people will have higher premiums under the President's proposal. It represents some shared sacrifice for the good of all

of our citizens. This is what it will take to achieve our objective of universal coverage for every American.

I believe that every one of you in this room today wants to work with us to assure that every American has access to affordable, quality health care. I challenge each of you to work with us, to share the responsibility, and to share the benefit of achieving this critical goal.

This is our opportunity to enact a comprehensive and meaningful reform in our nation's health care system.

It is our opportunity to make a positive change in the life of every American.

It is our opportunity to expand access to health care while reducing its cost.

This is our opportunity, and we must not allow it to slip by.