

Chapter 7 -- QUALITY

"I am a first grade teacher in a very poor neighborhood in North Philadelphia...Many of [my students] have never seen a family physician; many have never even been inside a public health clinic. I was shocked to find that eight out of ten of their absence notes are written by doctors in the emergency room of nearby hospitals...I feel bad for my students who have never had an ounce of preventive medicine, but I feel angry, as do many of my middle-income peers, who are ultimately footing the bill for the emergency treatment these children are driven to."

J.G.
Philadelphia, PA

In many parts of our nation, for many patients, the quality of health care is unparalleled anywhere in the world. The United States boasts the best technology, the most advanced research, and the greatest number of medical breakthroughs of any advanced nation. When it comes to quality, we have a great deal to be proud of. The Health Security Act protects and improves the high standards we have set for American medicine.

But the quality of our health care is uneven, and threatened by serious flaws in the way we measure and report on which health care treatments should be used and which work best. No clear standards define what is the best medical practice; lack of information compromises the care people get; and inadequate attention to preventive care reduces the effectiveness of treatment and services.

The Health Security Act includes specific provisions to make sure that the high-quality health care delivered in some parts of our country spreads to other areas, and becomes the standard nationwide.

This Act takes steps to arm doctors, hospitals, and health plans with the latest information on state-of-the art treatments and their effectiveness, and arm consumers with information to help them compare the quality of plans.

It measures quality and accountability, focusing on results rather than micromanagement and filling out forms.

It increases funding for health care research to keep American health care and technology state-of-the-art; and it improves health and wellness through unprecedented coverage of preventive care and steps to build a better health care workforce.

BETTER INFORMATION FOR JUDGING QUALITY

Without the information they need to reward high-quality plans with their business, consumers are powerless to force health plans to compete.

Researchers and panels of health professionals have developed new ways to measure the results of different treatments and what type of care and treatment works best. A number of medical professional groups have participated in extensive efforts to develop guidelines for effective medical care for specific conditions and illnesses. The Health Security Act will promote greater sharing and use of information, helping more practitioners benefit from the results.

Many programs around the country have begun using the new approaches to quality, building on better and more available information. Business groups are now joining with doctors, hospitals and health plans to publish information about comparative quality and price. In communities from Nashville, Tennessee to Rochester, New York, and in the state of Pennsylvania, major employers, local hospitals and state governments have begun collecting information that allows businesses and consumers to make valid comparisons among hospitals and physicians.

Under the Health Security Act, American consumers will benefit from greater access to information, which in turn will further improve quality. They will exercise not only the right to choose doctors, other health providers and health plans, but also the right to make informed choices based on meaningful information about how health plans, health professionals and hospitals perform.

Annual performance reports provided by health alliances will survey consumers and measure how their health plans, doctors and hospitals perform on a set of four critical indicators:

- * Access: whether care is readily and quickly available;
- * Appropriateness: whether care fits the condition;
- * Outcome: whether treatments produce good results; and

* Consumer satisfaction.

These information "report cards" will compare health plans and providers, reporting how various plans performed on carefully selected indicators. Researchers know that certain medical indicators provide clues about overall performance: How many children with asthma in this plan ended up in the hospital last year? How many older people who suffered a fall didn't recover their ability to walk? How many patients who suffered heart attacks survived? On the simplest level: How many patients didn't like this plan and chose another?

Performance reports based on these types of indicators will prove valuable to consumers and health professionals. When choosing a plan or providers within a plan, consumers will be able to judge whether they can expect prompt access to treatment, how the care stacks up against competitors, and what other consumers think about the plan. Merely making this information available will force plans and providers to focus on quality.

A reformed health care system that emphasizes accountability can improve the quality of health care, improve safeguards for patients and reduce bureaucratic regulation.

The Health Security Act will replace the outmoded system for measuring quality in practice today, where government bureaucrats and insurance companies second-guess decisions made by doctors and their patients. In its place will be a quality measurement system focusing on results: Was the treatment the right one? Did it achieve the intended effect? What can we learn from the case? Focusing on results will reduce the paperwork and micromanagement that strangle doctors, nurses, hospitals and clinics. It frees health professionals from intrusive insurance companies and bureaucrats, improves morale, and creates an environment that supports what health professionals are there to do -- care for patients.

Under reform, doctors, clinics and hospitals will have to examine ways to make their delivery of care more efficient while improving quality. "Business as usual" will no longer be profitable. Leading hospitals across the country are already moving in this direction. For example, when doctors at the Hospital of Latter Day Saints in Salt Lake City, Utah realized that post-operative wound infections were causing excessive hospital stays, they experimented with changing the timing of administering antibiotics before surgery. Patients got fewer infections, left the hospital earlier, and saved \$450,000 in the

first year.

INVESTING IN RESEARCH

Under the Health Security Act, there will be significant initiatives to increase research. Advances in medical science, new medications and technology, and innovations in health care delivery will improve the quality of life for all Americans.

Research related to health promotion and prevention of disease will focus on many common illnesses and other priority areas: heart disease, bone and joint disease, Alzheimer's disease, cancer, AIDS, birth defects, mental disorders, substance abuse, nutrition, and health and wellness programs.

Research regarding clinical practice will increase with an emphasis on quality and effectiveness, as well as access and financing. There will be an emphasis on "outcomes research," to help answer questions about what treatment works best for which conditions, so that doctors can provide the highest quality care for their patients. Expanded research will also measure consumer awareness, decision-making and satisfaction so that the best information is made available to the public. This will ensure that people can make well-informed decisions about their health care.

EMPHASIZING PREVENTIVE AND PRIMARY CARE

Prevention is the cornerstone of the Health Security Act. Incentives for patients and doctors alike to use and prescribe preventive methods are woven throughout. From free coverage of a wide range of preventive services to wellness education and increased research funding, the plan offers unprecedented focus on prevention.

Sidebar - Pg 65

Academic Health Centers

Academic health centers are the sites of the basic research that ushers in modern medical advances -- new treatments and cures for human illnesses. They pioneer advanced techniques and procedures, from heart-lung transplants to laser surgery for

brain aneurysms.

Under the Health Security Act, academic health centers will continue to train physicians and provide state-of-the-art care. The Act sets aside a portion of all health insurance premiums specifically for academic health centers. Resources will be channeled to centers by a formula that recognizes each center's contributions to education, research, and patient care.

While most Americans will not obtain regular care at an academic health center, the Health Security Act requires that everyone has access to specialized care if needed.

The comprehensive benefits package includes a broad array of preventive services not covered by the vast majority of insurance plans -- immunizations, mammograms, well-baby care, and other screenings and early detection techniques to solve health problems before they become serious illnesses. The Health Security Act covers a wide range of preventive services with no coinsurance or co-pay, no matter which plan you join.

The Health Security Act will fundamentally restructure incentives in the health care system. For the first time, every doctor, nurse and health provider will know that they can provide the services they believe are necessary -- and know they will be reimbursed.

"The plan recognizes that successful disease prevention and health promotion must address the health plan of both individuals and communities. It provides for universal coverage of clinical preventive services that have been shown to be effective in preventing disease and prolonging life. All these aspects constitute an approach to prevention that is uniquely comprehensive in scope and long overdue."

Roy L. DeHart, MD, MPH
President, American College of Preventive Medicine

As the American health care system has become more complex, specialized, and technical, it has neglected some simpler and, ironically, less costly needs. The cost of treatment for acute

illness has soared, but we continue to spend relatively little on preventive and public health services.

Good primary and preventive care is one of medicine's essential responsibilities. Meeting that need represents one of the essential requirements under health care reform. If the American health care system is to provide high-quality care at affordable prices, it must strike a better balance between physicians, nurses and other professionals who take care of basic needs and those who provide the most sophisticated and specialized treatment for serious illness.

Sidebar - Pg 67

Public Health

Not all health problems can be addressed by providing individual health care coverage alone. Greater public health strategies are necessary to improve public health awareness, quality of care, and the prevention of future epidemics.

Public health protects communities against infectious diseases, such as tuberculosis and measles, and helps communities discover how to control chronic disease, such as diabetes and heart disease. It also works to protect the environment and educate about health and related issues.

For too long, public health funds have been sapped to pay for individual care. Under the Health Security Act, public health dollars will reach their intended destination -- targeting issues that plague entire populations rather than individuals first. These efforts promise long-term savings in lives and dollars.

Primary care doctors and nurses work on medicine's front line. They diagnose and treat routine medical problems, refer patients when necessary, and coordinate specialist care. Family physicians, general internists and pediatricians are the principal primary care practitioners among physicians, and many women also consistently see obstetricians and gynecologists. Advance-practice nurses and physician's assistants provide essential primary care as well.

But the number of doctors providing basic, routine care has declined and many states have prevented advance-practice nurses and other health professionals from taking on as significant a role as they might.

Sidebar - Pg 68

PUGET SOUND
A Model for Reform

Chances are that if you live in the Pacific Northwest, and you belong to a health maintenance organization (HMO), you belong to Group Health Cooperative of Puget Sound. Founded in 1947 and located in Seattle, Washington, Group Health is the single largest provider of health care in the Pacific Northwest, serving 500,000 members. It offers convincing proof of the fact that emphasizing primary and preventive care can mean high-quality care, low costs, and satisfied, healthy patients.

Like the Health Security Act, Group Health covers a wide range of preventive services not covered by most insurance plans. Its efforts have brought results. In fact, Group Health formed the basis for a Rand Corporation study that concluded that providing high-quality care can go hand in hand with controlling health care costs. Another important feature of Group Health is its attention to customer satisfaction, which it measures through regular consumer surveys -- much like the surveys proposed in the Health Security Act for all health plans.

For decades federal policy has reinforced the trend away from training primary care doctors and toward training more specialists. Federal funding of graduate medical education averaged \$70,000 for each resident in 1992, with nearly all of the money going toward training in hospitals. Little went to other health care institutions in local communities that provide more basic care. Between 1980 and 1993, American hospitals increased the number of residents in training from 82,000 to 97,000, with 94 percent of the new positions devoted to training in specialty fields of medicine.

Health care reform will increase the demand for primary care physicians, nurses and other health professionals, correcting the long-standing incentives that discouraged medical students from

becoming family doctors. But change won't happen quickly. To encourage American teaching hospitals to switch some residency positions from specialist to primary care, the federal government must make it more worthwhile to train them.

Consequently, rather than pay for graduate medical education without regard to specialty, public and private investment will redistribute the balance between residency slots devoted to primary care and those devoted to specialty training. Other federal programs, including an expanded National Health Service Corps, will support students studying primary care and locating in underserved areas, such as rural and urban communities. Loan forgiveness programs for medical students who are trained in primary care, and re-training programs for mid-career specialists who want to work as primary care physicians will further boost the number of primary care doctors.

The Health Security Act also proposes several important steps to remove barriers to practice that currently limit the role of advanced-practice nurses. It enables qualified health professionals who participate in health plans to fully use their expertise and ability to provide care. In addition, federal funds will provide additional resources for training nurses, doubling the number of annual graduates. Support will also be provided for training in mental health and substance abuse treatment.

Chapter 8 -- CHOICE

"The President's proposal guarantees stable and secure health coverage for all Americans, regardless of employment or health status. Patients can stay with the same doctor over time because patients, not employers, control their coverage choices. Patients, not their employers, choose their health plans and their physicians."

American College of Physicians

Americans value the right to decide how and where they get health care. It is a key measure and protector of quality. Yet thousands of Americans are losing that right each year, as rising health care costs force employers to cut back on the number of health plans and doctors they'll cover.

Americans will gain a new level of control over their health care choices through the Health Security Act. For many, no element of reform will be more important than the right to choose their own doctor, hospital or health plan.

CHOOSING A DOCTOR

A fundamental flaw in today's health care system is that employers -- rather than employees -- have the power to choose health plans and, consequently, the doctors, hospitals and others who provide care.

Sidebar - Pg 71

Choice of Doctors

Choice is the basis of the doctor-patient relationship. For patients, the ability to keep seeing their own doctor -- someone who knows them and their family -- who knows their medical history, who knows how to care for them when they are ill, someone whom patients trust, can mean the difference between a good experience and a frightening one, between a successful outcome and a poor one.

The Health Security Act ensures that consumers can follow their doctor and his or her team to any plan they might join. The Act requires every health alliance to have a point-of-service option, which gives patients the opportunity to see a doctor outside of their plan, although some plans will require extra payment for that option.

If they choose, physicians and other health providers will be able to join more than one health plan. These health care providers may also decide to remain in private practice rather than join a health plan. Patients will still have the opportunity to see their doctor even if he or she is in private practice.

The Health Security Act corrects that flaw. Through comprehensive reform, it transfers the power to choose back to

individual Americans and their families. It requires both regional and corporate alliances to offer a broad choice of health plans, including at least one plan organized around the traditional fee-for-service style, where consumers visit any doctor they choose, and their health insurer pays the bill.

For patients who choose certain types of health plans, exercising the right to see a doctor who does not participate in the plan will cost more, as it does today. But that right -- known as a "point-of-service" option -- will always be there, even in HMOs. It reserves for every American the right to seek the care of doctors and hospitals on the leading edge of treatment if they ever confront an illness in which even specialized care available through their regular doctors and hospital is inadequate. So, if you join a plan that includes your obstetrician, your son's pediatrician, but not your daughter's dermatologist, it will cost more, but you can continue to see them all.

Health reform will also make it easier for patients to follow their doctors, even if their doctors decide to switch health plans. Because an increasing number of employers restrict the choice of plans available to employees, a patient whose doctor leaves one plan probably has little choice but to find another doctor. Under the Health Security Act, the patient will always have the option of switching plans each year, something that most people can't do today.

For doctors and other health providers, health reform also expands choice -- the choice of health plans in which they practice. Under the Health Security Act, physicians and other health professionals may participate in as many, or as few, competing health plans as they wish. And because patients are guaranteed a point-of-service option in every plan, physicians will know that patients will be able to seek them out.

CHOOSING A HEALTH PLAN

Millions of Americans choose physicians and other health care providers and pay for their services one at a time through traditional indemnity insurance, a style of coverage usually described as fee-for-service. Over the last two decades, millions of other Americans have moved into so-called "managed care" health plans, including preferred provider organizations (PPOs) or Health Maintenance Organizations (HMOs).

All of those options -- and other innovations that will evolve -- will continue. What the Health Security Act will provide is the guarantee that a wide range of alternatives will exist and that American consumers, not their employers, will have the opportunity to choose among them.

Sidebar - Pg 74

XEROX

A Model for Reform

Most businesses pick their employees' health plan -- but not the Xerox Corporation. Xerox offers its employees a choice of plans. Although it might sound like more trouble than it's worth, Xerox has managed to save money by offering choices.

Before changing the way it dealt with health benefits, annual premium increases of 20% were not unknown at Xerox. So the company started offering its employees a choice of plans at its 250 sites across the country. Xerox would pay based on the cost of the "benchmark" or average-cost plan. If the employee picks a low-cost plan, he saves money. The employee's job was to choose plans based on price and quality -- and Xerox hoped that the competition among health plans would drive down costs.

It worked. Xerox's premiums have stopped spiraling higher and higher every year. And Xerox's strategy -- using choice and competition to drive down costs -- is central to the Health Security Act.

INCREASING OPTIONS FOR LONG-TERM CARE

Expanded choice must also mean a greater set of options for Americans in need of long-term care. Today, choices are not only limited, they are costly. People either pay the full cost of home care out-of pocket, pay the full cost of care in a nursing home, or spend themselves into poverty in order to qualify for government help, most often only for nursing home care.

Long-term care options are expanded and improved under health care reform. The Health Security Act provides a new

federal program to cover home and community-based care, an option that most people prefer, and that often costs less than a nursing home.

Sidebar - Pg 75

Americans with Disabilities

For Americans with disabilities, access to comprehensive coverage without lifetime limits is the most important achievement of The Health Security Act. That guarantee will allow many Americans with disabilities to work without fear of losing health coverage.

New tax incentives will remove obstacles preventing people from seeking employment, opening the door to the personal freedom that employment provides. Employed individuals with disabilities who require personal assistance will be eligible for tax credits covering 50 percent of their costs up to a maximum of \$15,000 each year.

Home and community-based long-term care will be provided to Americans of all ages with severe disabilities. People who have cognitive and mental impairments qualify for home or community-based care, as do children under the age of six who depend on technology and would otherwise need institutional care.

States can design their own approaches to home and community-based care. Expansion of care may include homemaker and chore services, respite services, assistive technology, adult day care, rehabilitation and supported employment.

For those who plan ahead by purchasing private long-term care insurance, reform will provide greater protection against faulty or inadequate insurance, and tax breaks on premiums. For disabled Americans who want to work but need assistance, the Health Security Act promises help. The plan not only offers personal assistance services at home, but also personal care assistance tax credits to make working a more viable option for people with disabilities. Finally, the plan increases financial protections for those on Medicaid who receive care in nursing

homes.

Chapter 9 -- RESPONSIBILITY

"My husband and I are 59 and 63 years of age, so we are not yet eligible for Medicare to help us...A brief summary of our health insurance costs over the last 4 years are:

1988- \$3,578 with \$500 deductible
1990- \$4,607 with \$2,500 deductible
1992- \$10,500 with \$2,000 deductible

"I have a pre-existing condition so I have to pay a penalty on the rates. Neither my husband nor myself, fortunately, has ever had a claim of any kind...

"We do not want a 'free ride.' We are more than willing to pay our share, but these amounts are just too excessive."

M.M.
Joliet, Ill.

Responsibility is central to every one of the principles of the Health Security Act. As the President said in his address to the Joint Session of Congress, "We need to restore a sense that we're all in this together and that we all have a responsibility to be a part of the solution."

All those involved in providing health care will, for the first time, share collective responsibility for the quality of care patients receive, and for keeping patients healthy, not just treating them once they're sick. Health plans will have the responsibility of keeping the costs of premiums reasonable -- there will be no more blank checks for health care. This newfound imperative for responsible health care will mean a change in the way some currently do business.

For insurance companies, responsibility means no longer denying people coverage if they get sick. For unscrupulous medical companies and laboratories, responsibility means an end to fraudulent billing practices. For lawyers, responsibility means no more filing of frivolous lawsuits. "In short," as the President said, "responsibility should apply to anybody who abuses this system and drives up the cost for honest,

hard-working citizens and undermines confidence in the honest, gifted health care providers we have."

Sidebar - Pg 78-79

Medical Malpractice

Responsibility means bringing common sense to our medical malpractice system. Although experts believe that the direct cost of malpractice accounts for less than two percent of our spending on health care, reform of our existing system is badly needed. We must work to remove the threat of lawsuits that leads to so much "defensive medicine" and drives up costs for everyone. We must free doctors to do what they do best -- care for patients -- while protecting consumers at the same time. And we must take steps to let lawyers who profit from huge settlements know that they can no longer take advantage of the system.

In an effort to end frivolous lawsuits and protect doctors, the Health Security Act will change tort laws and develop new alternatives to resolve patients' claims against providers before they get to court. The Act will require those who believe they have been the victims of malpractice to first submit their claims to an out-of-court panel to resolve the dispute. If the patient is still unsatisfied with the resolution, the case can be taken to court, but only after obtaining a "certificate of merit," an affidavit from another doctor stating that the patient has good cause to pursue a claim.

The Act will also:

- * Limit attorneys' fees to one-third of an award, and allow states to impose even lower limits;
- * Allow damages to be paid over a period of time rather than all at once;
- * Prevent injured patients from gaming the system and getting paid twice for the same injury -- once by a doctor and a second time by a health or disability insurance plan; and
- * Promote progressive ideas such as a program in Maine that frees doctors from malpractice liability if they can demonstrate that they followed prescribed clinical practice guidelines.

Taken together, these steps represent the first serious national effort to take what has been learned in the states and apply it on a national level. Once implemented, these steps will help turn the incentives in our health care system right side up.

By restoring responsibility to our medical malpractice system, we can also restore trust to the doctor-patient relationship which lies at the heart of health care.

For employers -- both large and small -- responsibility means following the lead of our nation's most successful businesses and helping contribute to the health security of every employee. For every American, responsibility means taking care of your health, rejecting behaviors that drive up health costs, and making a contribution to health coverage. "Responsibility," as the President said, "isn't just about them. It's about you, it's about me, it's about each of us."

Paying for Health Security

Even though our nation spends nearly one of every seven dollars on health care, tens of millions of American lack health security. More than 37 million Americans have no health insurance. More than 25 million Americans have inadequate insurance -- so-called "bare bones" coverage or policies that don't cover them when they need it most. And nearly every American family -- even those with health insurance -- live with the fear and the hard fact that only one pink slip, one seriously ill relative, one misfortune could cost them a lifetime of savings and even their independence and dignity.

Providing all Americans health security will make our nation stronger and bring down health care costs. In the short term, it will take new funds to cover the uninsured and provide those who are now covered with rock solid security and comprehensive benefits. The question is how we will pay and who will pay.

The vast majority of funding for the Health Security Act will continue to come from where it comes from today: employer and employee contributions to the cost of health insurance. New funding will be drawn from three primary sources:

- * Asking all employers and the 30 million Americans who work for them but do not have health coverage to contribute to their health care;
- * Increasing excise taxes on tobacco and requiring small contributions from large corporations who choose to form their own health alliance;
- * Limiting the growth in federal health care programs.

These are the fairest and most workable sources to yield sufficient money and guarantee health security to every American. Expanding the Current Employer-Based System

The principal way we pay to ensure health security for all Americans is by building on our current system and asking all employers and employees to take responsibility for paying for health coverage.

Today, nine out of ten Americans who get health coverage get it through their employer. It's a system that works for the vast majority of Americans. That's why the President rejected any kind of broad-based tax to pay for a government-run system -- deciding instead to leave our health care system rooted in the private sector.

Today, most employers and employees contribute to the cost of health coverage, but not all do. Thirty million Americans in working families go without health coverage because they are not covered by their employers.

But these workers still get health care when they need it -- often the most expensive kind of health care in the most expensive place: the emergency room. And the rest of us end up paying the bills -- in higher premiums, higher taxes and inflated hospital charges.

This phenomenon -- what academics call "cost shifting" -- contributes to the high health care costs we all are forced to pay. This "cost-shifting" happens on every street in America where you'll find a supermarket, a dry cleaner, or a gas station that doesn't insure its workers. On the next block you'll find a supermarket, dry cleaner, or a gas station that does insure its employees. The businesses that insure pay higher premium costs because they are forced to pick up the tab for their competitors who are not paying.

The Health Security Act asks those who aren't paying to pay their fair share, lowering costs for the vast majority of companies and individuals, who will no longer see their premiums rise to pay for those without insurance. We'll save \$25 billion by providing coverage to everyone, because the government will no longer have to reimburse doctors and hospitals for the cost of caring for the uninsured.

HAWAII

A Model for Reform

Only one state in America has asked all employers to contribute to the cost of their employees' health care: Hawaii. And it has been able to achieve near-universal coverage while maintaining a thriving economy.

In many ways, the Health Security Act echoes Hawaii's experience. Hawaii passed a health reform plan in 1974 that required all employers to contribute to their workers health care. As part of the reform, Hawaii included special programs to ease the burden for small businesses. The result? A greater percentage of Hawaiians have health insurance, far more than in any other state in the country. Health care costs are significantly lower in Hawaii than elsewhere in the U.S. And only 2% of small firms have sought out a special program for small businesses struggling to provide insurance.

In fact, since Hawaii passed health reform, the unemployment rate there has dropped to one of the lowest in the nation (2.8% in 1991). Meanwhile, small business creation rates have remained high (the number of employers grew almost 200% from 1970 to 1991).

While building on our current system ensures that 30 million working Americans will receive health coverage, requiring responsibility from all employers and employees does not alone provide true health security. Additional funding is needed to protect small businesses, provide long-term care and prescription drug coverage to older Americans, and ensure that no American -- including those who lose their jobs -- ever lose their health coverage.

To guarantee comprehensive benefits for all Americans, the Health Security Act requires the second and third primary sources of funding: a cigarette tax and corporate assessment, and savings from slowing the growth of federal health care programs.

The Cigarette Tax and Corporate Assessment

Cigarette taxes will increase by 75 cents a pack, raising revenue for health reform, and ensuring that those who smoke pay for the health costs that smoking causes. Higher tobacco prices may also have a significant impact in preventing teenagers from ever starting to smoke.

In addition, large corporations that form their own alliances will contribute to help support the backbone of our health care system -- academic health centers, advanced medical research, as well as other elements of our health care infrastructure. Asking large corporations to pay one percent of their payroll will support those institutions that benefit every American.

Slowing the Growth of Federal Health Care Programs

The Health Security Act will also produce savings by slowing the skyrocketing growth of government spending on health care programs. Over time, the Health Security Act will slow the rate of growth in Medicare (the government program for seniors and the disabled) and Medicaid (the program that provides health care to the poor) from three times the rate of inflation to roughly two times the rate of inflation.

Upper-income people who receive Medicare -- those individuals who earn more than \$100,000 per year -- will be asked to pay a higher percentage of the cost of coverage than they do today.

People covered by Medicare will see an increase in their benefits under the Health Security Act. Elderly and disabled Americans will receive the prescription drug coverage they need, and a new long-term care program will provide options for home and community-based care.

Most Americans who now receive health care through Medicaid will be part of the same system as other Americans, paying what they can for their care but benefitting from discounts that make coverage affordable.

By controlling costs in both the public and private sector, these savings avoid hurting privately insured people. Today, doctors and hospitals often charge more to private patients to make up for shortfalls in what they are paid to provide care to people covered by Medicare and Medicaid. The Health Security Act slows the growth in federal health care programs as part of

fundamental reform that controls the cost of all health care.

These are the three primary sources of private and government funding that will help pay for health security for every American -- full responsibility from businesses and individuals, cigarette taxes and a small corporate assessment, and a slowdown in the growth of Medicare and Medicaid. This is a conservative approach that doesn't count on the billions in cost savings that can be achieved from the plan's new emphasis on preventive care, encouraging real competition among health providers, and cracking down on health care fraud. It is an approach that asks responsibility of everyone. In return, it guarantees every American comprehensive health benefits that can never be taken away.

Conclusion

For nearly a century, Americans have discussed and debated how best to reform our national health care system. Since the early 1900s, commissions, committees, groups and organizations have put forth proposal after proposal to overhaul the way our nation delivers and pays for medical care.

In 1915, a group calling for health reform concluded that employers, employees and the government should contribute to the cost of health care, and recommended that the system focus on prevention.

In 1932, a commission decided that we should encourage doctors to form group practices and share responsibility for high quality, cost-effective care.

In 1933, when President Franklin Roosevelt launched the initiative that became the Social Security Act, he intended to include national health insurance.

In 1946, President Harry Truman proclaimed that health care should be a right, not a privilege, and became the first president to introduce a plan for national health reform.

And in 1972, President Richard Nixon told the American

people that the only way to insure health coverage for every American was to ask employers to take responsibility and contribute to their workers care.

Now, in 1993, with one in four of us poised to lose health insurance in the next two years and costs expected to double by the year 2000, our nation stands ready for reform. Since President Clinton took office, more than 260 members of Congress have signed their names to some piece of legislation proposing national health care reform. Democrats and Republicans are teaming up to make history; for the first time, members of both parties have agreed that every American must be guaranteed health care.

The Health Security Act builds on what's best about the American health care system. It maintains and strengthens America's private health care. It extends the current system of employer-based coverage that works well for so many. It protects our cherished right to choose how we receive health care. It invests in improving the quality of our care. It establishes a national framework for reform, but leaves to every state, every community, every doctor, nurse and consumer the right to decide how to give and get health care.

The Health Security Act also reaches out to fix what has gone wrong with our health care system.

First and foremost, it guarantees health security for every American - a comprehensive package of benefits that can never be taken away. For those who have been victims of today's health insurance lottery - those denied insurance because of a pre-existing condition or those who have lost a job and seen their coverage disappear - nothing could be more important. And for those Americans who enjoy good health coverage today, but go to bed at night worried what might happen tomorrow, there could be no more reassuring guarantee.

The Health Security Act takes aggressive steps to bring our runaway health care system under control. It reduces the paperwork that chokes our system, the bureaucracy that forces doctors and nurses to spend hour after hour filling out forms instead of caring for patients. It promotes true competition in the health care marketplace - and reins in skyrocketing costs, making sure insurance premiums no longer rise uncontrollably. And it turns upside down incentives right side up.

The Health Security Act restores responsibility. It requires

every employer and individual to pay for health coverage, even if that contribution is small. It recognizes that we can no longer afford to allow some to squeeze excess profits from health care consumers. And it promises swift and stiff penalties to those who take advantage of the system.

The Health Security Act holds the promise of strengthening our economy. It raises no new broad-based taxes, but spends our health care dollars more wisely. It levels the playing field for small businesses, making it possible for them to insure their families and their employees. It eases the tremendous burden of rising health costs on big business, helping them compete for global markets. And it sets us in the right direction of reducing our national debt.

Finally, the Health Security Act restores common sense to American health care. It protects older Americans and gives them the health benefits they deserve when they need them most. It is based on an approach that it is better to keep people healthy rather than treating them only after they get sick. It borrows from what works today, letting us phase in change at a reasonable pace and adjust our course if needed. It builds on what works best - and makes it work for everyone.

Our nation's health care system has reached a point where change is our only option. As President Clinton said in his address to the Joint Session of Congress:

"Now it is our turn to strike a blow for freedom in this country. The freedom of Americans to live without fear that their own nation's health care system won't be there for them when they need it.

"It's hard to believe that there was once a time in this century when that kind of fear gripped old age. When retirement was nearly synonymous with poverty, and older Americans died in the street. That's unthinkable today, because over half a century ago Americans had the courage to change - to create a Social Security system that ensures that no American will be forgotten in their later years.

"Forty years from now, our grandchildren will also find it unthinkable that there was a time in this country when hardworking families lost their homes, their savings, their businesses - lost everything simply because their children got sick or because they had to change jobs. Our grandchildren will find such things unthinkable tomorrow if we have the courage to

change today."

ADDRESS OF THE PRESIDENT TO THE JOINT SESSION OF CONGRESS

September 22, 1993

My fellow Americans, tonight we come together to write a new chapter in the American story. Our forebears enshrined the American Dream - life, liberty, the pursuit of happiness. Every generation of Americans has worked to strengthen that legacy, to make our country a place of freedom and opportunity, a place where people who work hard can rise to their full potential, a place where their children can have a better future.

From the settling of the frontier to the landing on the moon, ours has been a continuous story of challenges defined, obstacles overcome, new horizons secured. That is what makes America what it is and Americans what we are. Now we are in a time of profound change and opportunity. The end of the Cold War, the Information Age, the global economy have brought us both opportunity and hope and strife and uncertainty. Our purpose in this dynamic age must be to change - to make change our friend and not our enemy.

To achieve that goal, we must face all our challenges with confidence, with faith, and with discipline - whether we're reducing the deficit, creating tomorrow's jobs and training our people to fill them, converting from a high-tech defense to a high-tech domestic economy, expanding trade, reinventing government, making our streets safer, or rewarding work over idleness. All these challenges require us to change.

If Americans are to have the courage to change in a difficult time, we must first be secure in our most basic needs. Tonight I want to talk to you about the most critical thing we can do to build that security. This health care system of ours is badly broken and it is time to fix it.

Despite the dedication of literally millions of talented health care professionals, our health care is too uncertain and too expensive, too bureaucratic and too wasteful. It has too much fraud and too much greed.

At long last, after decades of false starts, we must make

this our most urgent priority, giving every American health security; health care that can never be taken away, health care that is always there. That is what we must do tonight.

On this journey, as on all others of true consequence, there will be rough spots in the road and honest disagreements about how we should proceed. After all, this is a complicated issue. But every successful journey is guided by fixed stars. And if we can agree on some basic values and principles we will reach this destination, and we will reach it together.

So tonight I want to talk to you about the principles that I believe must embody our efforts to reform America's health care system - security, simplicity, savings, choice, quality, and responsibility.

When I launched our nation on this journey to reform the health care system I knew we needed a talented navigator, someone with a rigorous mind, a steady compass, a caring heart. Luckily for me and for our nation, I didn't have to look very far.

Over the last eight months, Hillary and those working with her have talked to literally thousands of Americans to understand the strengths and the frailties of this system of ours. They met with over 1,100 health care organizations. They talked with doctors and nurses, pharmacists and drug company representatives, hospital administrators, insurance company executives and small and large businesses. They spoke with self-employed people. They talked with people who had insurance and people who didn't. They talked with union members and older Americans and advocates for our children. The First Lady also consulted, as all of you know, extensively with governmental leaders in both parties in the states of our nation, and especially here on Capitol Hill.

Hillary and the Task Force received and read over 700,000 letters from ordinary citizens. What they wrote and the bravery with which they told their stories is really what calls us all here tonight.

Every one of us knows someone who's worked hard and played by the rules and still been hurt by this system that just doesn't work for too many people. But I'd like to tell you about just one.

Kerry Kennedy owns a small furniture store that employs seven people in Titusville, Florida. Like most small business owners, he's poured his heart and soul, his sweat and blood into

that business for years. But over the last several years, again like most small business owners, he's seen his health care premiums skyrocket, even in years when no claims were made. And last year, he painfully discovered he could no longer afford to provide coverage for all his workers because his insurance company told him that two of his workers had become high risks because of their advanced age. The problem was that those two people were his mother and father, the people who founded the business and still worked in the store.

This story speaks for millions of others. And from them we have learned a powerful truth. We have to preserve and strengthen what is right with the health care system, but we have got to fix what is wrong with it.

Now, we all know what's right. We're blessed with the best health care professionals on Earth, the finest health care institutions, the best medical research, the most sophisticated technology. My mother is a nurse. I grew up around hospitals. Doctors and nurses were the first professional people I ever knew or learned to look up to. They are what is right with this health care system. But we also know that we can no longer afford to continue to ignore what is wrong.

Millions of Americans are just a pink slip away from losing their health insurance, and one serious illness away from losing all their savings. Millions more are locked into the jobs they have now just because they or someone in their family has once been sick and they have what is called a preexisting condition. And on any given day, over 37 million Americans Q most of them working people and their little children Q have no health insurance at all.

And in spite of all this, our medical bills are growing at over twice the rate of inflation, and the United States spends over a third more of its income on health care than any other nation on Earth. And the gap is growing, causing many of our companies in global competition severe disadvantage. There is no excuse for this kind of system. We know other people have done better. We know people in our own country are doing better. We have no excuse. My fellow Americans, we must fix this system and it has to begin with congressional action.

I believe as strongly as I can say that we can reform the costliest and most wasteful system on the face of the Earth without enacting new broad-based taxes. I believe it because of the conversations I have had with thousands of health care professionals around the country; with people who are outside this city, but are inside experts on the way this system works and wastes money.

The proposal that I describe tonight borrows many of the principles and ideas that have been embraced in plans introduced by both Republicans and Democrats in this Congress. For the first time in this century, leaders of both political parties have joined together around the principle of providing universal, comprehensive health care. It is a magic moment and we must seize it.

I want to say to all of you I have been deeply moved by the spirit of this debate, by the openness of all people to new ideas and argument and information. The American people would be proud to know that earlier this week when a health care university was held for members of Congress just to try to give everybody the same amount of information, over 320 Republicans and Democrats signed up and showed up for two days just to learn the basic facts of the complicated problem before us.

Both sides are willing to say we have listened to the people. We know the cost of going forward with this system is far greater than the cost of change. Both sides, I think, understand the literal ethical imperative of doing something about the system we have now. Rising above these difficulties and our past differences to solve this problem will go a long way toward defining who we are and who we intend to be as a people in this difficult and challenging era. I believe we all understand that.

And so tonight, let me ask all of you - every member of the House, every member of the Senate, each Republican and each Democrat - let us keep this spirit and let us keep this commitment until this job is done. We owe it to the American people.

Now, if I might, I would like to review the six principles I mentioned earlier and describe how we think we can best fulfill those principles.

First and most important, security. This principle speaks to the human misery, to the costs, to the anxiety we hear about every day - all of us - when people talk about their problems with the present system. Security means that those who do not now have health care coverage will have it; and for those who have it, it will never be taken away. We must achieve that security as soon as possible.

Under our plan, every American would receive a health care security card that will guarantee a comprehensive package of

benefits over the course of an entire lifetime, roughly comparable to the benefit package offered by most Fortune 500 companies. This health care security card will offer this package of benefits in a way that can never be taken away.

So let us agree on this: whatever else we disagree on, before this Congress finishes its work next year, you will pass and I will sign legislation to guarantee this security to every citizen of this country.

With this card, if you lose your job or you switch jobs, you're covered. If you leave your job to start a small business, you're covered. If you're an early retiree, you're covered. If someone in your family has, unfortunately, had an illness that qualifies as a preexisting condition, you're still covered. If you get sick or a member of your family gets sick, even if it's a life threatening illness, you're covered. And if an insurance company tries to drop you for any reason, you will still be covered, because that will be illegal.

This card will give comprehensive coverage. It will cover people for hospital care, doctor visits, emergency and lab services, diagnostic services like Pap smears and mammograms and cholesterol tests, substance abuse and mental health treatment.

And equally important, for both health care and economic reasons, this program for the first time would provide a broad range of preventive services including regular checkups and well-baby visits.

Now, it's just common sense. We know - any family doctor will tell you that people will stay healthier and long-term costs of the health system will be lower if we have comprehensive preventive services. You know how all of our mothers told us that an ounce of prevention was worth a pound of cure? Our mothers were right. And it's a lesson, like so many lessons from our mothers, that we have waited too long to live by. It is time to start doing it.

Health care security must also apply to older Americans. This is something I imagine all of us in this room feel very deeply about. The first thing I want to say about that is that we must maintain the Medicare program. It works to provide that kind of security. But this time and for the first time, I believe Medicare should provide coverage for the cost of prescription drugs.

Yes, it will cost some more in the beginning. But, again,

any physician who deals with the elderly will tell you that there are thousands of elderly people in every state who are not poor enough to be on Medicaid, but just above that line and on Medicare, who desperately need medicine, who make decisions every week between medicine and food. Any doctor who deals with the elderly will tell you that there are many elderly people who don't get medicine, who get sicker and sicker and eventually go to the doctor and wind up spending more money and draining more money from the health care system than they would if they had regular treatment in the way that only adequate medicine can provide.

I also believe that over time, we should phase in long-term care for the disabled and the elderly on a comprehensive basis.

As we proceed with this health care reform, we cannot forget that the most rapidly growing percentage of Americans are those over 80. We cannot break faith with them. We have to do better by them.

The second principle is simplicity. Our health care system must be simpler for the patients and simpler for those who actually deliver health care - our doctors, our nurses, our other medical professionals. Today we have more than 1,500 insurers, with hundreds and hundreds of different forms. No other nation has a system like this. These forms are time consuming for health care providers, they're expensive for health care consumers, they're exasperating for anyone who's ever tried to sit down around a table and wade through them and figure them out.

The medical care industry is literally drowning in paperwork. In recent years, the number of administrators in our hospitals has grown by four times the rate that the number of doctors has grown. A hospital ought to be a house of healing, not a monument to paperwork and bureaucracy.

Just a few days ago, the Vice President and I had the honor of visiting the Children's Hospital here in Washington where they do wonderful, often miraculous things for very sick children. A nurse named Debbie Freiberg told us that she was in the cancer and bone marrow unit. The other day a little boy asked her just to stay at his side during his chemotherapy. And she had to walk away from that child because she had been instructed to go to yet another class to learn how to fill out another form for something that didn't have a lick to do with the health care of the children she was helping. That is wrong, and we can stop it, and we ought to do it.

We met a very compelling doctor named Lillian Beard, a pediatrician, who said that she didn't get into her profession to spend hours and hours - some doctors up to 25 hours a week just filling out forms. She told us she became a doctor to keep children well and to help save those who got sick. We can relieve people like her of this burden. We learned - the Vice President and I did - that in the Washington Children's Hospital alone, the administrators told us they spend \$2 million a year in one hospital filling out forms that have nothing whatever to do with keeping up with the treatment of the patients.

And the doctors there applauded when I was told and I related to them that they spend so much time filling out paperwork, that if they only had to fill out those paperwork requirements necessary to monitor the health of the children, each doctor on that one hospital staff - 200 of them - could see another 500 children a year. That is 100,000 children a year. I think we can save money in this system if we simplify it. And we can make the doctors and the nurses and the people that are giving their lives to help us all be healthier a whole lot happier, too, on their jobs.

Under our proposal there would be one standard insurance form - not hundreds of them. We will simplify also - and we must - the government's rules and regulations, because they are a big part of this problem. This is one of those cases where the physician should heal thyself. We have to reinvent the way we relate to the health care system, along with reinventing government. A doctor should not have to check with a bureaucrat in an office thousands of miles away before ordering a simple blood test. That's not right, and we can change it. And doctors, nurses and consumers shouldn't have to worry about the fine print. If we have this one simple form, there won't be any fine print. People will know what it means.

The third principle is savings. Reform must produce savings in this health care system. It has to. We're spending over 14 percent of our income on health care - Canada's at 10; nobody else is over nine. We're competing with all these people for the future. And the other major countries, they cover everybody and they cover them with services as generous as the best company policies here in this country.

Rampant medical inflation is eating away at our wages, our savings, our investment capital, our ability to create new jobs in the private sector and this public Treasury. You know the budget we just adopted had steep cuts in defense, a five-year

freeze on the discretionary spending, so critical to reeducating America and investing in jobs and helping us to convert from a defense to a domestic economy. But we passed a budget which has Medicaid increases of between 16 and 11 percent a year over the next five years, and Medicare increases of between 11 and 9 percent in an environment where we assume inflation will be at 4 percent or less.

We cannot continue to do this. Our competitiveness, our whole economy, the integrity of the way the government works and, ultimately, our living standards depend upon our ability to achieve savings without harming the quality of health care.

Unless we do this, our workers will lose almost \$600 in income each year by the end of the decade. Small businesses will continue to face skyrocketing premiums. And a full third of small businesses now covering their employees say they will be forced to drop their insurance. Large corporations will bear vivid disadvantages in global competition. And health care costs will devour more and more and more of our budget.

Pretty soon all of you or the people who succeed you will be showing up here, and writing out checks for health care and interest on the debt and worrying about whether we've got enough defense, and that will be it, unless we have the courage to achieve the savings that are plainly there before us. Every state and local government will continue to cut back on everything from education to law enforcement to pay more and more for the same health care.

These rising costs are a special nightmare for our small businesses - the engine of our entrepreneurship and our job creation in America today. Health care premiums for small businesses are 35 percent higher than those of large corporations today. And they will keep rising at double-digit rates unless we act.

So how will we achieve these savings? Rather than looking at price control, or looking away as the price spiral continues; rather than using the heavy hand of government to try to control what's happening, or continuing to ignore what's happening, we believe there is a third way to achieve these savings.

First, to give groups of consumers and small businesses the same market bargaining power that large corporations and large groups of public employees now have. We want to let market forces enable plans to compete. We want to force these plans to compete

on the basis of price and quality, not simply to allow them to continue making money by turning people away who are sick or old or performing mountains of unnecessary procedures. But we also believe we should back this system up with limits on how much plans can raise their premiums year in and year out, forcing people, again, to continue to pay more for the same health care, without regard to inflation or the rising population needs.

We want to create what has been missing in this system for too long, and what every successful nation who has dealt with this problem has already had to do: to have a combination of private market forces and a sound public policy that will support that competition, but limit the rate at which prices can exceed the rate of inflation and population growth, if the competition doesn't work, especially in the early going.

The second thing I want to say is that unless everybody is covered - and this is a very important thing - unless everybody is covered, we will never be able to fully put the breaks on health care inflation. Why is that? Because when people don't have any health insurance, they still get health care, but they get it when it's too late, when it's too expensive, often from the most expensive place of all, the emergency room. Usually by the time they show up, their illnesses are more severe and their mortality rates are much higher in our hospitals than those who have insurance. So they cost us more.

And what else happens? Since they get the care but they don't pay, who does pay? All the rest of us. We pay in higher hospital bills and higher insurance premiums. This cost shifting is a major problem.

The third thing we can do to save money is simply by simplifying the system - what we've already discussed. Freeing the health care providers from these costly and unnecessary paperwork and administrative decisions will save tens of billions of dollars. We spend twice as much as any other major country does on paperwork. We spend at least a dime on the dollar more than any other major country. That is a stunning statistic. It is something that every Republican and every Democrat ought to be able to say, we agree that we're going to squeeze this out. We cannot tolerate this. This has nothing to do with keeping people well or helping them when they're sick. We should invest the money in something else.

We also have to crack down on fraud and abuse in the system. That drains billions of dollars a year. It is a very large

figure, according to every health care expert I've ever spoken with.

So I believe we can achieve large savings. And that large savings can be used to cover the unemployed uninsured, and will be used for people who realize those savings in the private sector to increase their ability to invest and grow, to hire new workers or to give their workers pay raises, many of them for the first time in years.

Now, nobody has to take my word for this. You can ask Dr. Koop. He's up here with us tonight, and I thank him for being here. Since he left his distinguished tenure as our Surgeon General, he has spent an enormous amount of time studying our health care system, how it operates, what's right and wrong with it. He says we could spend \$200 billion every year, more than 20 percent of the total budget, without sacrificing the high quality of American medicine.

Ask the public employees in California, who have held their own premiums down by adopting the same strategy that I want every American to be able to adopt - bargaining within the limits of a strict budget. Ask Xerox, which saved an estimated \$1,000 per worker on their health insurance premium. Ask the staff of the Mayo Clinic, who we all agree provides some of the finest health care in the world. They are holding their cost increases to less than half the national average. Ask the people of Hawaii, the only state that covers virtually all of their citizens and has still been able to keep costs below the national average.

People may disagree over the best way to fix this system. We may all disagree about how quickly we can do what - the thing that we have to do. But we cannot disagree that we can find tens of billions of dollars in savings in what is clearly the most costly and the most bureaucratic system in the entire world. And we have to do something about that, and we have to do it now.

The fourth principle is choice. Americans believe they ought to be able to choose their own health care plan and keep their own doctors. And I think all of us agree. Under any plan we pass, they ought to have that right. But today, under our broken health care system, in spite of the rhetoric of choice, the fact is that that power is slipping away for more and more Americans.

Of course, it is usually the employer, not the employee, who makes the initial choice of what health care plan the employee will be in. And if your employer offers only one plan, as nearly three-quarters of small or medium-sized firms do today, you're stuck with that plan, and the doctors that it covers.

We propose to give every American a choice among

high-quality plans. You can stay with your current doctor, join a network of doctors and hospitals, or join a health maintenance organization. If you don't like your plan, every year you'll have the chance to choose a new one. The choice will be left to the American citizen, the worker - not the boss, and certainly not some government bureaucrat.

We also believe that doctors should have a choice as to what plans they practice in. Otherwise, citizens may have their own choices limited. We want to end the discrimination that is now growing against doctors, and to permit them to practice in several different plans. Choice is important for doctors, and it is absolutely critical for our consumers. We've got to have it in whatever plan we pass.

The fifth principle is quality. If we reformed everything else in health care, but failed to preserve and enhance the high quality of our medical care, we will have taken a step backward, not forward. Quality is something that we simply can't leave to chance. When you board an airplane, you feel better knowing that the plane had to meet standards designed to protect your safety. And we can't ask any less of our health care system.

Our proposal will create report cards on health plans, so that consumers can choose the highest quality health care providers and reward them with their business. At the same time, our plan will track quality indicators, so that doctors can make better and smarter choices of the kind of care they provide. We have evidence that more efficient delivery of health care doesn't decrease quality. In fact, it may enhance it.

Let me just give you one example of one commonly performed procedure, the coronary bypass operation. Pennsylvania discovered that patients who were charged \$21,000 for this surgery received as good or better care as patients who were charged \$84,000 for the same procedure in the same state. High prices simply don't always equal good quality.

Our plan will guarantee that high quality information is available in even the most remote areas of this country so that we can have high-quality service, linking rural doctors, for example, with hospitals with high-tech urban medical centers. And our plan will ensure the quality of continuing progress on a whole range of issues by speeding the search on effective prevention and treatment measures for cancer, for AIDS, for Alzheimer's, for heart disease, and for other chronic diseases. We have to safeguard the finest medical research establishment in the entire world. And we will do that with this plan. Indeed, we

will even make it better.

The sixth and final principle is responsibility. We need to restore a sense that we're all in this together and that we all have a responsibility to be a part of the solution. Responsibility has to start with those who profit from the current system. Responsibility means insurance companies should no longer be allowed to cast people aside when they get sick. It should apply to laboratories that submit fraudulent bills, to lawyers who abuse malpractice claims, to doctors who order unnecessary procedures. It means drug companies should no longer charge three times more for prescription drugs made in America here in the United States than they charge for the same drugs overseas.

In short, responsibility should apply to anybody who abuses this system and drives up the cost for honest, hard-working citizens and undermines confidence in the honest, gifted health care providers we have.

Responsibility also means changing some behaviors in this country that drive up our costs like crazy. And without changing it we'll never have the system we ought to have. We will never.

Let me just mention a few and start with the most important - the outrageous cost of violence in this country stem in large measure from the fact that this is the only country in the world where teenagers can rout the streets at random with semi-automatic weapons and be better armed than the police.

But let's not kid ourselves, it's not that simple. We also have higher rates of AIDS, of smoking and excessive drinking, of teen pregnancy, of low birth-weight babies. And we have the third worst immunization rate of any nation in the western hemisphere. We have to change our ways if we ever really want to be healthy as a people and have an affordable health care system. And no one can deny that.

But let me say this - and I hope every American will listen, because this is not an easy thing to hear - responsibility in our health care system isn't just about them. It's about you, it's about me, it's about each of us.

Too many of us have not taken responsibility for our own health care and for our own relations to the health care system. Many of us who have had fully paid health care plans have used the system whether we needed it or not without thinking what the costs were. Many people who use this system don't pay a penny for their care even though they can afford to. I think those who

don't have any health insurance should be responsible for paying a portion of their new coverage. There can't be any something for nothing, and we have to demonstrate that to people. This is not a free system. Even small contributions, as small as the \$10 co-payment when you visit a doctor, illustrates that this is something of value. There is a cost to it. It is not free.

And I want to tell you that I believe that all of us should have insurance. Why should the rest of us pick up the tab when a guy who doesn't think he needs insurance or says he can't afford it gets in an accident, winds up in an emergency room, gets good care, and everybody else pays? Why should the small businesspeople who are struggling to keep afloat and take care of their employees have to pay to maintain this wonderful health care infrastructure for those who refuse to do anything?

If we're going to produce a better health care system for every one of us, every one of us is going to have to do our part. There cannot be any such thing as a free ride. We have to pay for it. We have to pay for it.

Tonight I want to say plainly how I think we should do that. Most of the money we will - will come under my way of thinking, as it does today, from premiums paid by employers and individuals. That's the way it happens today. But under this health care security plan, every employer and every individual will be asked to contribute something to health care.

This concept was first conveyed to the Congress about 20 years ago by President Nixon. And today, a lot of people agree with the concept of shared responsibility between employers and employees, and that the best thing to do is to ask every employer and every employee to share that. The Chamber of Commerce has said that, and they're not in the business of hurting small business. The American Medical Association has said that.

Some call it an employer mandate, but I think it's the fairest way to achieve responsibility in the health care system. And it's the easiest for ordinary Americans to understand, because it builds on what we already have and what already works for so many Americans. It is the reform that is not only easiest to understand, but easiest to implement in a way that is fair to small business, because we can give a discount to help struggling small businesses meet the cost of covering their employees. We should require the least bureaucracy or disruption, and create the cooperation we need to make the system cost-conscious, even as we expand coverage. And we should do it in a way that does

not cripple small businesses and low-wage workers.

Every employer should provide coverage, just as three-quarters do now. Those that pay are picking up the tab for those who don't today. I don't think that's right. To finance the rest of reform, we can achieve new savings, as I have outlined, in both the federal government and the private sector, through better decision-making and increased competition. And we will impose new taxes on tobacco.

I don't think that should be the only source of revenues. I believe we should also ask for a modest contribution from big employers who opt out of the system to make up for what those who are in the system pay for medical research, for health education center, for all the subsidies to small business, for all the things that everyone else is contributing to. But between those two things, we believe we can pay for this package of benefits and universal coverage and a subsidy program that will help small business.

These sources can cover the cost of the proposal that I have described tonight. We subjected the numbers in our proposal to the scrutiny of not only all the major agencies in government - I know a lot of people don't trust them, but it would be interesting for the American people to know that this was the first time that the financial experts on health care in all of the different government agencies have ever been required to sit in the room together and agree on numbers. It had never happened before.

But, obviously, that's not enough. So then we gave these numbers to actuaries from major accounting firms and major Fortune 500 companies who have no stake in this other than to see that our efforts succeed. So I believe our numbers are good and achievable.

Now, what does this mean to an individual American citizen? Some will be asked to pay more. If you're an employer and you aren't insuring your workers at all, you'll have to pay more. But if you're a small business with fewer than 50 employees, you'll get a subsidy. If you're a firm that provides only very limited coverage, you may have to pay more. But some firms will pay the same or less for more coverage.

If you're a young, single person in your 20s and you're already insured, your rates may go up somewhat because you're going to go into a big pool with middle-aged people and older

people, and we want to enable people to keep their insurance even when someone in their family gets sick. But I think that's fair because when the young get older, they will benefit from it, first, and secondly, even those who pay a little more today will benefit four, five, six, seven years from now by our bringing health care costs closer to inflation.

Over the long run, we can all win. But some will have to pay more in the short run. Nevertheless, the vast majority of the Americans watching this tonight will pay the same or less for health care coverage that will be the same or better than the coverage they have tonight. That is the central reality.

If you currently get your health insurance through your job, under our plan you still will. And for the first time, everybody will get to choose from among at least three plans to belong to. If you're a small business owner who wants to provide health insurance to you family and your employees, but you can't afford it because the system is stacked against you, this plan will give you a discount that will finally make insurance affordable. If you're already providing insurance, your rates may well drop because we'll help you as a small business person join thousands of others to get the same benefits big corporations get at the same price they get those benefits. If you're self-employed, you'll pay less; and you will get to deduct from your taxes 100 percent of your health care premiums.

If you're a large employer, your health care costs won't go up as fast, so that you will have more money to put into higher wages and new jobs and to put into the work of being competitive in this tough global economy.

Now, these, my fellow Americans, are the principles on which I think we should base our efforts: security, simplicity, savings, choice, quality and responsibility. These are the guiding stars that we should follow on our journey toward health care reform.

Over the coming months, you'll be bombarded with information from all kinds of sources. There will be some who will stoutly disagree with what I have proposed - and with all other plans in the Congress, for that matter. And some of the arguments will be genuinely sincere and enlightening. Others may simply be scare tactics by those who are motivated by the self-interest they have in the waste the system now generates, because that waste is providing jobs, incomes and money for some people.

I ask you only to think of this when you hear all of these

arguments: Ask yourself whether the cost of staying on this same course isn't greater than the cost of change. And ask yourself when you hear the arguments whether the arguments are in your interest or someone else's. This is something we have got to try to do together.

I want also to say to the representatives in Congress, you have a special duty to look beyond these arguments. I ask you instead to look into the eyes of the sick child who needs care; to think of the face of the woman who's been told not only that her condition is malignant, but not covered by her insurance. To look at the bottom lines of the businesses driven to bankruptcy by health care costs. To look at the Rfor saleS signs in front of the homes of families who have lost everything because of their health care costs.

I ask you to remember the kind of people I met over the last year and a half - the elderly couple in New Hampshire that broke down and cried because of their shame at having an empty refrigerator to pay for their drugs; a woman who lost a \$50,000 job that she used to support her six children because her youngest child was so ill that she couldn't keep health insurance, and the only way to get care for the child was to get public assistance; a young couple that had a sick child and could only get insurance from one of the parents' employers that was a nonprofit corporation with 20 employees, and so they had to face the question of whether to let this poor person with a sick child go or raise the premiums of every employee in the firm by \$200. And on and on and on.

I know we have differences of opinion, but we are here tonight in a spirit that is animated by the problems of those people, and by the sheer knowledge that if we can look into our heart, we will not be able to say that the greatest nation in the history of the world is powerless to confront this crisis.

Our history and our heritage tell us that we can meet this challenge. Everything about America's past tells us we will do it. So I say to you, let us write that new chapter in the American story. Let us guarantee every American comprehensive health benefits that can never be taken away.

In spite of all the work we've done together and all the progress we've made, there's still a lot of people who say it would be an outright miracle if we passed health care reform. But my fellow Americans, in a time of change, you have to have miracles.

And miracles do happen. I mean, just a few days ago we saw a simple handshake shatter decades of deadlock in the Middle East. We've seen the walls crumble in Berlin and South Africa. We see the ongoing brave struggle of the people of Russia to seize freedom and democracy.

And now, it is our turn to strike a blow for freedom in this country. The freedom of Americans to live without fear that their own nation's health care system won't be there for them when they need it.

It's hard to believe that there was once a time in this century when that kind of fear gripped old age. When retirement was nearly synonymous with poverty, and older Americans died in the street. That's unthinkable today, because over a half a century ago Americans had the courage to change - to create a Social Security system that ensures that no Americans will be forgotten in their later years.

Forty years from now, our grandchildren will also find it unthinkable that there was a time in this country when hardworking families lost their homes, their savings, their businesses, lost everything simply because their children got sick or because they had to change jobs. Our grandchildren will find such things unthinkable tomorrow if we have the courage to change today.

This is our chance. This is our journey. And when our work is done, we will know that we have answered the call of history and met the challenge of our time.

Thank you very much. And God bless America.