

## Medicaid

### News Articles

*Introduction | Statements | News Articles | Links*

### **Los Angeles Times Interview** **Henry Waxman: In the Eye of the National Health-Insurance Storm** October 10, 1993

#### Los Angeles Times

By Robert Scheer

Funny, he doesn't look powerful. Sitting in his small, cluttered congressional office in a decaying section of rundown storefronts just south of the flashy Beverly Center, it is hard to picture the diminutive and chipper figure of Henry A. Waxman as a mover and shaker in Congress. But he is.

"The Almanac of American Politics" refers to the West Los Angeles congressman as, "One of the most powerful and skillful legislators in recent American history." His friend and colleague, George Miller (D-Martinez) recalls, in a tribute to Waxman's legendary in-fighting skills, "When I first came on the Budget Committee, I thought Henry's first name was 'Sonofabitch.' Everybody who had to deal with the committee kept saying, 'Do you know what that sonofabitch Waxman wants now?'"

If President Bill Clinton is to get his health reform turned into law, it will require many hours of legislative rewriting and arm-twisting by the 54-year-old chairman of the health subcommittee of the House Energy and Commerce Committee. For 14 years as chair of this crucial subcommittee, Waxman has pushed a considerable body of health legislation on AIDS, nursing homes, breast cancer, nutrition, medical devices and pharmaceuticals into law.

Health is his issue and universal coverage his cause. "I've been in Congress 18 years," he says, "and before that I was chairman of the Health Committee in the Assembly in Sacramento, and all of my legislative career I've felt strongly that we need a national health-insurance system to cover everybody."

His other passion has been support for Israel, and Waxman, a conservative Jew, now exhibits the dazed optimism of one whose long, often futile wars may suddenly be won. "National health insurance and peace for Israel are the two public-policy issues that have been of great concern to my entire professional career -- and I started to think that both were intractable, that the Messiah might have to come to accomplish both goals. But now both seem possible."

If comprehensive health insurance passes, he enthuses, "It will be the most important domestic legislation of our generation. I feel proud to be somewhat part of it." But don't celebrate yet. "I always have to hold back until it is done, because nothing is accomplished until it is followed into law and working."

Waxman has a law degree from UCLA. He and his wife, the former Janet Kessler, have a daughter, a son and one grandson.

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Question: What are your reservations about the President's health-care program? What are the pitfalls?

Answer: Before I go into my concerns, let me tell you what I think is positive. It is a bold proposal by the President to accomplish the goals of coverage for everybody in the country -- comprehensive health-insurance benefits. It is the kind of thing that I wanted to do all the time I've been in public life. And I came to the conclusion quite a while ago that there was no chance to get reform of this magnitude passed without the President of the United States making it an issue, front and center, to make it a reality. I think that President and Mrs. Clinton deserve a great deal of credit for taking on this issue.

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Q: And your reservations?

A: We need to look very carefully at the plan itself. We've got all the concepts and the basic framework of what the President is proposing, but we haven't seen the exact terms of the legislation.

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Q: We know it preserves the role of insurance companies, rather than a single-payer plan, which would eliminate them. Would you prefer a single-payer plan?

A: I personally would prefer a single-payer plan. It is certainly less complicated than what the President is proposing. It would have guaranteed a clear way to a comprehensive, universal benefit, and people would have understood it a lot better than they will this plan -- which involves alliances to negotiate with health-care systems and states to have a lot of discretion as to how they are going to organize all of this. But the President made a political decision that the Congress was not ready to pass a single-payer system. And he's come forward with another way of providing the same goals of a single-payer system, which would be a universal, comprehensive benefit.

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Q: Is this feasible?

A: Those goals can be achieved in the kind of system that he has proposed. I have concerns about the amount of money they hope to get out of spending that otherwise would take place in the Medicare program for the elderly and the MediCal/Medicaid for the poor.

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Q: OK, but I hear a lot of grumbling. I talked to a doctor just an hour ago who told me how HMOs are awful -- how people don't get the specialized care they need. Aren't we institutionalizing all this now?

A: HMOs are a fact of life, and many people find them an attractive way to get their health-care services. In Southern California, we've had Kaiser Permanente since World War II -- and they have a reputation for providing good-quality care. Most people who belong to Kaiser and the other HMOs are quite satisfied. The notion of the health-care proposal is that there will be a score card on all the systems that are going to compete for the consumers' choice -- so we can check the quality of those plans. But, ultimately, the consumer will be able to choose another plan or choose a physician in a different kind of setting if they want that choice.

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Q: What would have been wrong if we had just expanded Medicare?

A: If we had expanded Medicare within a single-payer system, I think there would be a lot to say for that. I, myself, have introduced legislation that would have provided national health care through a single-payer system. There are lots of different ways to accomplish the goals that I think everybody wants in a health-care-system reform, and the President has come up with a different idea.

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Q: One hears that the administrative costs for Medicare run in the 2%-5% range as opposed to 20% for private insurance companies. Are those figures accurate?

A: I think it is accurate to say that the overhead costs for the public system of Medicare are a lot less than what we have in the private insurance systems today.

That is why insurance reform is going to be a necessary prerequisite to make this whole system work, in what the President is proposing. Insurance companies spend a lot of money excluding people from coverage who offer a high risk, the high overhead, the high marketing costs. A lot of insurance companies are going to go out of business under the Clinton proposal because they are not equipped to do what insurance should be doing, and that is to spread the risk for those who need the services to a broad population base.

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Q: Are you going to have a big problem with insurance companies and other special-interest groups?

A: I think a lot of the special interests are going to try to pull this bill apart. But the good news is that the special-interest groups are divided. The AMA (American Medical Assn.) is strongly for requiring employers to cover their employees -- so we will have universal coverage -- but they will fight against cost control. Some in the business community are against the mandate on employers to cover employees -- but they favor keeping costs down.

I know firsthand the power some of these special-interest groups have -- the drug companies, the insurance industry, the AMA and many others. They command a lot of money and support around the country, which goes to candidates. The public has got to watch out for them.

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Q: And the insurance companies?

A: I think the insurance companies are going to resist the system that will exclude most of them from being able to participate, because they have been able to make money not by covering everybody but by excluding people or trying to cherry-pick those who are the best risks.

A lot of insurance companies -- especially small insurance companies -- have a lot to lose. I don't see how they can come in and argue that we should allow them to continue a system that will permit those kinds of insurance practices that exclude people from coverage. I think other insurance companies, some of the bigger ones, are going to try to adapt themselves into a system of managed competition.

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Q: What should consumers be alerted to?

A: The consumer should be alert to the fact that there are going to be two areas, generally speaking, of controversy. One will be over whether we're going to have a universal health-insurance program. The President decided to make it universal, building on the employer-employee base and then having a

subsidy for those not covered in that way. But there are going to be a lot of people who are going to come in and fight that and argue that employers not be required to cover their employees or to participate in making sure that their employees have health coverage.

Another major battleground is going to be over some way to control the cost increases in the health-care system. We spend more for our health-care system than any system in the world, and businesses and individuals are finding that health care is unaffordable.

The major battles are going to be over universal coverage and whether we are going to have it or not, and whether we're going to have actual controls to limit the increases in health-care costs.

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Q: Cardinal Roger M. Mahony has criticized the plan's failure to cover undocumented residents. Do you agree?

A: I'm sympathetic with what Cardinal Mahony called for in making illegal aliens eligible for benefits on humanitarian grounds. But I don't think there is political support for it in the Congress -- to entitle illegal aliens to full benefits that Americans have. Mrs. Clinton testified that the Administration could not support such coverage of illegal aliens.

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Q: Are you saying if they are working in the garment district and are undocumented, that the employer doesn't have to provide health insurance?

A: If they are working for an employer, that employer is probably breaking the law by hiring them. But if they are employed, the employer would have to pay for their coverage just as the employer pays Social Security. But whether they will be able to get those benefits is very much in doubt.

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Q: We're talking about a million people in this state who are not going to have coverage. Isn't this a major flaw?

A: The failure to cover undocumented aliens puts a tremendous strain on our health-care system and on the country's taxpayers. That's why we have to insist that the federal government, which has control over our borders, will reimburse the hospitals and local government for the health-care services that are given.

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Q: Do you think the battle has already been won on some kind of basic reform?

A: I don't want to be overconfident. I think there is a serious fight and we still could lose it if the Republicans and conservative Democrats put together a coalition that drops universal coverage, or the medical professions and some of the conservatives get together and say they don't want (cost) controls except on Medicare and Medicaid.

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Q: What is your sense of the current mood in Congress?

A: Members of Congress are looking to see what the public thinks and they are hearing from a lot of the special-interest groups.

I worry that some congressmen may think that, if they appease those special-interest groups, they can vote for a bill that they call health reform, but it may well mean that millions will continue to be uninsured and that the middle class will have to pay more for the coverage they now have.

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Q: Are there circumstances where you would vote against the bill?

A: I think if we don't get a bill that provides for universal coverage, comprehensive health-care benefits, that's fair to the elderly and the poor, as some Republicans and conservative Democrats are proposing, I would have to reach the conclusion that we lost the fight and that it's not worth voting for.