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Los Angeles Times Interview

Henry Waxman: Holding the Line on Health Care for America's Poor and Elderly

November 9, 1997

The Los Angeles Times

By Faye Fiore

WASHINGTON--It wasn't hard to tell something had changed dramatically on Capitol Hill. One day, Rep. Henry A. Waxman was subjecting the mighty heads of seven major tobacco companies to a six-hour inquisition on the health hazards of cigarettes. Less than a year later, aides in that same congressional committee room were using an ashtray decorated with Waxman's face, snuffing out butts on his nose.

For more than 20 years, the powerful Los Angeles Democrat had been an architect of the nation's health-care policy, needling the tobacco industry, making sure prescription drugs were affordable, setting federal standards for decent care in nursing homes, ensuring that Medicare and Medicaid protected millions of the poorest children.

But when Republicans took control of the House in 1995, Waxman lost his commanding perch as subcommittee chairman on health and environment and climbed into the back seat. The GOP went forward with a less-government agenda that sought to reverse legislation Waxman had spent years slowly building. Some said it was the end of an era--and it probably was.

But nearly three years after the event Democrats call "the takeover," Republicans have fallen short of their goals to dramatically roll back the federal health-care entitlements Waxman ushered into law. They failed to dissolve Medicaid, the program for the disabled, and put it in the hands of the states. They failed to abolish federal nursing home standards, Waxman's triumph. They fell short of the sizable reductions they had sought in spending for Medicare, coverage for the elderly and disabled.

While Waxman is clearly pleased to have preserved the heart of his provisions, he is frustrated that his energies no longer are devoted to expanding health-care entitlements, but to stopping the hemorrhaging. "When the Republicans tried to eliminate some of the things I felt proudest about, I was beside myself about it. I can take satisfaction after three years of Republican rule in the House that we were able to beat them back from some of their proposals," Waxman said one recent morning in his office. "But instead of addressing the problems our country still faces, we have spent these last three years fighting a fight to defend what we already had on the books."

Though he lost the dominance the Democrats held for 40 years, this astute and stubborn liberal has slipped more easily than most into the minority's role as political-thorn-in-the-side. Continuing as lead Democrat on the health and environment subcommittee, Waxman has also taken on a second assignment of critical importance to his party--chief defender in the House campaign-finance investigations. While the GOP attempts to expose fund-raising improprieties of Democrats, it is Waxman's job to make sure mud splatters on the other side.

Few people are more suited to the task. At home, Waxman is mild-mannered, a devoted and religious family man who keeps kosher. He has been married to his wife, Janet, for more than 25 years and is the

grandfather of three. His chief aide once noted that the three adjectives the media most often use to describe the 58-year-old lawmaker are "short, bald and pudgy."

But, in politics, this 12-term congressman is a commando. He built a political alliance with his old college chum and fellow L.A. Democrat, Rep. Howard L. Berman, that expanded their political influence by helping other Democrats win elections. He remains a strong partisan who hates to lose, a legislator whose tenacity is as legendary as the phrase a GOP senator coined to describe it: "tougher than a boiled owl."

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Question: You have said the Clinton administration was able to stave off the most extreme GOP-proposed changes, many of which would have unraveled pieces of legislation you authored. But do those entitlements still remain at risk?

Answer: Even though I thought earlier this year we made changes that would be the last required for the next five years, many Republicans are talking about reopening some of the issues. A proposal by Sen. Jon L. Kyl R-Ariz. would allow doctors to take Medicare patients outside of the Medicare system, which will mean they can charge those patients more money than is now permitted.

We have to be vigilant about protecting Medicare and Medicaid. It's a worthy objective to balance the budget, but we made deep cuts in the amount of money that will be spent for Medicare and Medicaid in order to have money not just to balance the budget, but to provide extensive tax cuts, particularly to people at upper-income levels.

Q: Congress is beginning to hear consumer complaints regarding managed care's failure to provide quality treatment. What do middle-income people and others have to fear from managed care in the coming years?

A: When you think about the family who has to be concerned that their child may not get the best care because an HMO is more interested in profits than providing decent care, it really is an outrage. Or if you can imagine a 50-year-old worried about a parent on Medicare being denied life-saving services because an HMO is more interested in trying to avoid having to pay for the cost of care to enhance their profit. I think the public becomes so angry that it's hard for legislators to ignore issues like this.

Managed care can be a very useful way to provide care to a lot of people. But what we are seeing is not managed care as an option, but as the only choice people have. People, more and more, get the feeling, with a lot of justification, that they are being denied medical care in order to allow these managed-care systems to hold down costs and increase profits.

Q: What regulations would you like to see Congress pass in the area of managed care?

A: The Democratic leadership in the House met last week and decided this is an issue we are going to insist upon. These are the issues the American people care deeply about and the federal government must act.

We've got to start talking about giving people choices, not just one HMO, so we'll have some benefits of competition in the health-care area. More important, we've got to enact consumer protection for those in HMOs and other managed-care systems. Consumers should be able require the HMO to pay for emergency care and experimental treatments, appeal decisions by managed-care bureaucrats who deny treatments and have those decisions reviewed by an outside third party. We need to make sure these plans divulge information about their contracts to health-care providers in their networks and stop any kind of gag rule that would prevent a doctor from talking freely to

the patient because the doctor might be penalized . . . And we need to make it easier for workers to sue managed-care companies.

Q: Do you foresee Congress passing any of those reforms or a Patients Bill of Rights like the one recommended by the president's advisory commission on consumer protection in the health-care industry?

A: There is legislation introduced by a number of members of Congress, and it remains to be seen whether the Republican leadership is going to move these bills and allow us to debate them. It could be they will be forced to act because there is so much public pressure.

The concern about managed-care plans short-changing their patients is not just here at the federal level. We are seeing a lot of proposed legislation at the state level as well. Unfortunately, Gov. Pete Wilson hasn't seen fit to move on this issue. I think we need federal legislation.

Q: What do you foresee in the area of Alzheimer's disease as baby boomers age? Will there be sufficient care available in the event there is no cure?

A: I sure hope there is a cure. Alzheimer's is a particularly awful disease and with a growing elderly population, we are seeing incidents increase. But it's not the only disease that threatens the elderly. With a longer life span, a lot of people are just becoming too frail to take care of themselves. And we have a very inadequate system for long-term care or assistance for people with chronic medical conditions.

When people want to live at home and need some help, Medicare will not pay for it. Even if those people become poor as a result of trying to pay for these costs, Medicaid doesn't usually pay, either. To get coverage, people are required to be so sick that they have to go to nursing homes and then exhaust all their assets, until they have no more than around \$ 2,000 left of all their holdings to be eligible for Medicaid to pay the nursing-home bill.

We should provide people assistance to stay in their homes if they want to live there as long as possible and not be forced into nursing homes. I know from my own personal experience from my parents and my in-laws how difficult these matters are. It's just very costly.

Q: Congress recently passed a federal health-care program designed to cover poor children without health insurance. How well has California implemented that federal entitlement?

A: We have the shocking fact that there are 10 million kids in this country without any health-insurance coverage. The president proposed that we cover five million, a good step, but you have to ask why we are not covering all of them.

Congress finally got around to adopting legislation. It was a positive step but it was very weak in the way it sought to cover the children. We fought hard to get as much money as we could for California, and right after the law was enacted, the California Legislature acted very precipitously and adopted their own legislation, which was even weaker than I would have thought. They didn't even take advantage of the federal money we fought for to cover uninsured kids in California. We will still be left with an enormous number of kids who will not get the coverage they should have.

When we look at these issues of outrage over the failure of managed-care plans to provide coverage that's needed, we don't see the Congress holding oversight hearings to look into those issues.

There are people with no health insurance, people with health insurance who end up in a managed-care system where they don't get care so the plan can maximize its profits. But Congress is spending millions

to hold oversight hearings, not on these issues but to try to find scandals to embarrass President Clinton and the Democrats.

Q: A settlement has been proposed between the tobacco industry and the attorneys general in states that sued to recover the cost of smoking-related illnesses. What is your view of that plan?

A: The so-called settlement ended up as a proposal that turns out to be a great deal for the tobacco industry. The Federal Trade Commission, at our request, studied it and concluded it would lead to \$100 million in extra profits for the tobacco industry. For the executives themselves, who managed the decades of public deception and the lying to the Congress about tobacco, its health consequences and their manipulation and targeting of kids, these executives would end up with hundreds of millions of dollars in their pockets. They would receive a windfall because the stocks of the tobacco companies would dramatically increase as they are given immunity from any wrongdoing as a result of this settlement.

The people involved in the settlement thought that Congress would simply pick it up and pass it this year. But the more all of us looked at it, we have found it grossly inadequate.

Next year, we are going to get to this issue of tobacco legislation. The tobacco industry has hired an impressive array of very high-priced lobbyists, including such notable and prominent people as former Senate leaders George Mitchell and Bob Dole, former Texas Gov. Ann Richards, former chairman of the Republican Party Haley Barbour and former Sen. Howard Baker. And they are spending whatever it will take as they see it to get a deal for the tobacco industry that, as one tobacco executive said, would allow them to "live in peace and buy off their opponents."

Since we held our historic hearings in 1994, we have not held a single hearing, even though every day 3,000 kids start smoking and over 400,000 Americans die each year from tobacco-related diseases.

What we're going to have to do next year is fight for legislation that will lead to tobacco control, especially for our kids.

Q: Your other hat, aside from health care, is campaign-finance reform. Polls show the public clearly wants it. We hear a lot of partisan back-and-forth about what each side is doing to block it. Yet, neither party seems to have taken the opportunity to change the current system. Why?

A: There are people in both parties who want campaign-finance reform and people in both parties who don't. The last time we adopted campaign-finance reform legislation was in 1974, after Watergate. We put limitations on campaign contributions and expenditures. But that law has been gutted by loopholes that have allowed the use of soft money, such as corporate and labor-union money. The loopholes have swallowed the law so much that in 1996 we saw President Clinton and both parties doing things that have to make everyone feel uncomfortable.

There is something wrong with a system in which you can call somebody up and get a contribution of \$ 50,000 or \$ 100,000 or more. But no party is willing to refuse to take advantage of these loopholes when the other party is doing it. I know from my own personal experience that . . . I have made calls to people to contribute huge sums of money because it's legal to do it, even though it shouldn't be legal.

Ultimately, we need to adopt some kind of public-financing system for campaigns to limit the amount of special-interest money that gives the public the sense that special interests have more to say than ordinary voters. We are probably not in the position to do that yet, so at a minimum we ought to pass legislation to end the soft money loopholes.