

## Statement from the Secretary of Health and Human Services

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# STATEMENT FROM THE SECRETARY OF HEALTH AND HUMAN SERVICES

*Donna E. Shalala*<sup>†</sup>

Imagine that a mysterious contagious virus has struck many of the nation's certified public accountants. Accountants of all ages have begun suffering from pneumonia and a host of other diseases. These ailments ravage the accountants' immune systems and they begin dying at an alarming rate.

A Los Angeles doctor reports the first baffling case. Within weeks, doctors in New York and San Francisco report similar cases. Accountants in both public and private practice are publicly scorned. Insurance companies begin to drop health coverage at accounting firms, citing pre-existing condition clauses or reimbursement caps that exist only for this mysterious disease.

This scenario seems unbelievable, but its underlying premise raises some interesting questions: If AIDS had first struck tens of thousands of accountants, rather than gay men and intravenous drug users, would our society have responded differently? Would our leaders have spoken out earlier? Would the government have provided significant funding sooner?

For too long in this country, HIV-infected individuals have been fired from their jobs, dropped from their insurance policies, and forced to rely solely on the good will of friends and relatives. For too long, little action was taken to fight AIDS. And for far too long, ignorance, bigotry, and denial prevented a strong, swift response to a disease that now threatens all Americans.

The Clinton Administration is committed to charting a new course. Our efforts include major increases in funding for AIDS research, treatment, and prevention. In fact, after three years of an average increase of about 5 percent in federal AIDS research funding,<sup>1</sup> in fiscal year 1994 alone the Clinton Administration requested an increase in research dollars of 17.6 percent.<sup>2</sup> We have also appointed an AIDS Policy Coordinator,

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<sup>1</sup> At press time, preliminary estimates indicate that Congress has approved the increase.

<sup>2</sup> DEPARTMENT OF HEALTH AND HUM. SERVS., JUSTIFICATION OF ESTIMATES FOR APPROPRIATIONS COMMITTEES: FISCAL YEAR 1994, at 167 (1993)

Kristine Gebbie, an indication of our determination to use all our resources to stop this epidemic.

The government's strong commitment to attacking the AIDS crisis kindles hope, but we must be realistic. Five years ago, AIDS was the fifteenth leading cause of death in the United States.<sup>3</sup> By 1992, it had surged ahead to become the eighth leading cause of death in Americans.<sup>4</sup> The hard truth is that no viable vaccine or cure for AIDS exists. However, we do know the one way to keep HIV from spreading — prevention. That is why the Administration requested and obtained an increase of 12 percent in funding for prevention strategies over fiscal year 1993.<sup>5</sup>

AIDS knows no boundaries. The disease does not discriminate by race, color, religion, sex, national origin, or sexual orientation. In 1992, for example, women accounted for more than 13 percent of all new AIDS cases,<sup>6</sup> a figure that continues to rise. Heterosexual sex has become the leading cause of HIV transmission in women; in 57 percent of cases the infected woman had sex with a partner who injects drugs.<sup>7</sup> In 1992, AIDS surpassed homicide to become the fourth leading killer of American women aged twenty-five to forty-four.<sup>8</sup>

Because AIDS is striking so many women, particularly those who head single-parent households, AIDS will also have a devastating effect on tens of thousands of American children. In addition to those children who are infected with HIV themselves, many other children will suffer because their parents are too sick to care for them. By the year 2000, AIDS will orphan

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[hereinafter JUSTIFICATION 1994].

<sup>3</sup> NATIONAL CTR. FOR HEALTH STATS., HEALTH, UNITED STATES 1991, at 158 (1992).

<sup>4</sup> NATIONAL CTR. FOR HEALTH STATS., 41 MONTHLY VITAL STAT. REP. 1, 1 (Sept. 28, 1993).

<sup>5</sup> DEPARTMENT OF HEALTH AND HUM. SERVS., JUSTIFICATION OF ESTIMATES FOR APPROPRIATIONS COMMITTEES: FISCAL YEAR 1993, at 153 (1992) [hereinafter JUSTIFICATION 1993].

<sup>6</sup> NATIONAL CTR. FOR HEALTH STATS., HEALTH, UNITED STATES 1992 — HEALTHY PEOPLE 2000 REVIEW 92 (1993).

<sup>7</sup> *Update: Acquired Immunodeficiency Syndrome — United States, 1992*, 42 MORBIDITY & MORTALITY WKLY. REP. 547, 550-51 (July 23, 1993).

<sup>8</sup> NATIONAL CTR. FOR HEALTH STATS., MONTHLY VITAL STATISTICS REPORT: ANNUAL SUMMARY OF BIRTH, MARRIAGES, DIVORCES AND DEATHS, UNITED STATES 1992, at 18-19 t.8 (1993).

an estimated 80,000 American children, some of whom will have contracted AIDS themselves.<sup>9</sup>

It is thus particularly important that we focus our prevention efforts on the vulnerable groups in which HIV-infection is increasing most rapidly. To better prevent AIDS, the Administration encourages the dissemination of candid and culturally-specific AIDS education and prevention information. We applaud educational materials specifically designed for children, adolescents, women, gays, heterosexuals, and people of color.

As the number of AIDS cases has skyrocketed over the last twelve years, we have learned a great deal about the most effective treatment strategies. Perhaps the over-riding lesson is that effective treatment requires both early diagnosis of HIV and access to the highest quality of medical care and psychosocial support. Anything less is a national failure, because with increased health awareness, new drug therapies and improved treatment, HIV-infected individuals can remain relatively healthy for many years, both before and after the onset of AIDS.

The Clinton Administration has taken two major steps to improve health care for HIV-infected people. First, the Administration has obtained a 66 percent increase in Ryan White Act<sup>10</sup> spending for fiscal year 1994.<sup>11</sup> Second, President Clinton has sent to Congress the Health Security Act of 1993, which will provide health coverage for all Americans.

Prior to the passage of the Ryan White Act of 1990, people suffering from AIDS received patchwork care from emergency room doctors and an over-extended network of non-profit and community-based AIDS advocacy organizations. During this time, every health care organization was hurting for funds.

But most of all, HIV and AIDS patients were hurting. In the early years of the epidemic, there was a more rapid acceleration to full-blown AIDS for those HIV-infected people who were uninsured. At the same time, opportunistic infections killed people more rapidly than they do today because we did not know the most effective health care treatment for people suffering from HIV and AIDS.

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<sup>9</sup> *Toll of American AIDS Orphans Put at 80,000 by End of Decade*, N.Y. TIMES, Dec. 23, 1992, at B6.

<sup>10</sup> Ryan White Comprehensive AIDS Resource Emergency Act, 42 U.S.C. §§ 300ff-11 (Supp. 1993).

<sup>11</sup> JUSTIFICATION 1994, *supra* note 2, at 171-72.

It took the government far too long to devote significant resources to the fight against AIDS. Throughout the 1980s, the government failed to provide stable funding to health care providers to ensure adequate treatment for people with HIV and AIDS.

The Ryan White Act of 1990 makes valuable inroads toward improving the lives of people with HIV and AIDS. The Act allocates money for primary health care and a broad range of support services. It also frees up funding for drug therapies, provides funds for home and community-based care, and helps pay insurance premiums for people who have lost their jobs. Significantly, the Act requires decisions regarding fund allocations in each region to be made by a broad coalition of community participants, including HIV-infected individuals and organizations providing AIDS health care and support services. To maximize benefits and avoid duplication, the Act provides funds for states and cities to develop systems of coordinated outpatient care. The federal government does not dictate how to spend the funds.

Between fiscal year 1991, the first year of federal Ryan White Act funding, and fiscal year 1993, funding increases under Titles I and II of the program were modest.<sup>12</sup> President Clinton, however, obtained \$509 million in funding in 1994 for these two title programs, an increase of 70 percent over the \$300 million provided in fiscal year 1993.<sup>13</sup>

President Clinton's Health Security Act<sup>14</sup> will also help people with HIV and AIDS by ensuring that people with chronic illnesses have the right to insurance and the dignity of health care. The plan will build upon the Americans with Disabilities Act<sup>15</sup> and the Ryan White Act and offer those living with HIV-disease and AIDS the security of knowing that their health care needs will be met. It will provide all Americans with a comprehensive health benefits package as good as those offered by most Fortune 500 companies.

The plan will emphasize preventive care, and benefits will include doctor and in-patient hospital care, diagnostic and

<sup>12</sup> *Id.* at 169-71; JUSTIFICATION 1993, *supra* note 5, at 153-54.

<sup>13</sup> H.R. CONF. REP. NO. 103-275, 103d Cong., 1st Sess. 49 (1993).

<sup>14</sup> See President William J. Clinton, Health Care Remarks — Address by the President of the United States, 139 CONG. REC. H6,895 (daily ed. Sept. 22, 1993).

<sup>15</sup> 42 U.S.C. §§ 12101-12213 (Supp. 1991).

emergency services, home care, nursing care and prescription drug coverage. Above all, the Health Security Act will provide leverage to individual Americans in their quest for health security. Some insurers currently use a number of discriminatory practices, including:

- Experience Rating — charging higher rates based on an individual's medical history or risk of disease or illness;
- Pre-existing condition exclusions — refusing coverage to individuals who are ill, injured or pregnant;
- Cherry Picking or Cream Skimming — offering lower rates to customers with good health histories; and
- Refusing to grant renewal or continuing coverage — retaining the option of dropping clients from a plan at any time.

The Health Security Act outlaws all pre-existing condition clauses and cherry picking. It requires that insurance plans be open to all Americans and eliminates the practice of refusing or cancelling coverage in individual cases. The new system will require insurance companies to follow the same rules and offer the same coverage to everyone.

The President's plan will also offer other benefits to people living with HIV and AIDS:

- The acute care segment of our Medicaid population will be folded into regional health alliances and will be given the same Health Security Card, the same package of benefits, and the same guarantee of portability as all other Americans.
- All insurance plans will provide extensive coverage of outpatient prescription drugs, which will provide significant savings to people with HIV and AIDS.
- Individual out-of-pocket health care costs will be limited to no more than \$1,500 for an individual and \$3,000 for a family.
- Local AIDS service organizations, which have filled a huge vacuum for the last thirteen years, will receive

new support from health alliances and health plans so that they can continue to provide their unique blend of care and savings.

For people with HIV and AIDS, the President is ushering in a new era of justice and equality in health care. There will be no more caps on insurance coverage in the face of mounting bills. There will be no more denials of treatment for inability to pay. And there will be no more stigmatizing people because they have HIV-disease or AIDS.

In return for this security, we will ask all Americans to contribute to their health coverage throughout their working lives. We will ask that all employers provide health coverage for their employees. And, we will ask that everyone take responsibility for leading healthy lives and making smart choices with the only lives they have.

To better prepare people to make these smart choices and to support communities in their efforts to educate residents about public health, the President's plan assures funding to make the public health infrastructure strong enough to respond to both the AIDS epidemic and other emerging health crises. As a society, our challenge is to create a health care system that makes good health and high quality care possible for everyone. The Health Security Act is a giant step forward in meeting this challenge.

*November 10, 1993*