



EDWARD M. KENNEDY ORAL HISTORY PROJECT

INTERVIEW WITH MAX FINE

May 25, 2007
Bethesda, Maryland

Interviewer

Janet Heininger

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TRANSCRIPT

INTERVIEW WITH MAX FINE

May 25, 2007

Heininger: This is an interview with Max Fine, who was the executive director of the Committee for National Health Insurance. Let's start at the beginning. Tell me about when you first met Senator Kennedy.

Fine: I believe I first met him in '63, soon after he became a Senator. I was working in the Jack Kennedy White House as part of a group that the President put together to work on Medicare.

Heininger: Tell me what you were doing on that group that worked on Medicare.

Fine: Senator Jack Kennedy had become the principal sponsor of Medicare in his last year in the Senate, and it became an important issue in the Presidential campaign of 1960. It was so important that Richard Nixon, who had denounced the idea of health insurance for the elderly under Social Security, changed his mind. In the last days of the campaign, Nixon came out with his own plan for Medicare. It used the private insurance companies, but it would have provided universal coverage for the elderly. That issue helped Jack Kennedy get senior votes. Seniors normally had been Republican voters, but it was a winning issue for Jack Kennedy.

When he became President, he brought to Washington several people who had been early proponents of Medicare. The two leading people were Ivan Nestingen, who had been the mayor of Madison, Wisconsin, and who had been Kennedy's campaign manager in Wisconsin—he became Undersecretary of HEW [Health, Education, and Welfare]—and Wilbur Cohen, who had been involved in health issues for many years. He was the Assistant Secretary of HEW. Together they formed a unit to work on Medicare. It turned out that there was some internecine warfare between those two, and the unit didn't always work together. I'd been a long-time newsman, first working for INS [International News Service] in New York and then for Reuters. In those days, I'd become very friendly with a newsman named Ray Henry, who worked for the Associated Press; he was their columnist on Social Security. He was recruited, and he left the AP [Associated Press] to work for Nestingen on Medicare. The two of them came to New York and recruited me to work in that unit.

The reason they wanted me is that for two years after leaving the news business, I'd worked for the Health Insurance Institute, an arm of the Health Insurance Association of America. I knew an awful lot about health insurance, particularly about the opposition to Medicare. While I was with the Health Insurance Institute, I, along with a couple of others, had tried to persuade the insurance companies to stop their opposition and to endorse Medicare, for several reasons. One

reason was that they weren't making any money on the elderly, and two, they were getting a terrible image in America. So when I was offered a job in the Kennedy administration, I immediately accepted. I had met the President. He had come to New York to speak at a Madison Square Garden rally for Medicare, and they introduced me to him at that time. Shortly after that, I accepted the offer and came to Washington.

Heininger: This was in 1960?

Fine: This was '62. They gave me the title of Chief of Research Publications for the Social Security Administration. The President had named Nestingen to head the group, and I was working with that group. There were about eight or 10 of us in the group, people like Nelson Cruickshank, who was Social Security director of the AFL-CIO [American Federation of Labor - Congress of Industrial Organizations], and Walter Reuther, the president of the United Auto Workers [UAW]. He was very active in the issue, but he detailed a fellow named Chuck O'Dell. Chuck O'Dell was his representative in the group. Chuck was the head of the retired workers department of the UAW. There was also Jimmy O'Brien, and there were several others in the group. Those are the key people, along with Nestingen and Wilbur Cohen. Different people in the White House were involved. For instance, Kenny O'Donnell would meet with us, and Larry O'Brien, who was the Postmaster General, would meet with us.

The issue was very high on the President's agenda. The White House tried for many months to get Wilbur Mills, who was chairman of the Ways and Means Committee, to hold hearings on Medicare. When he finally agreed, we had a party that night to celebrate just the fact that he was going to hold hearings. Those hearings began in a vast meeting room of the Ways and Means Committee. Every seat was taken, and in the hallways—because Mills didn't allow cameras inside—you had cameramen and cameras and networks and local TV.

Heininger: This was still '62?

Fine: This was '63. It took all that time to get the hearings. I was the expert in the group on private health insurance. I was the only one in the group who had worked in that area, and particularly I knew the insurance industry's positions and the validity of them and the non-validity of them. I was the designated debunker of the insurance industry.

Well, strange things happened, but the first witnesses, several days in a row, were five Cabinet officers. I don't believe there has ever been an issue since where five Cabinet officers spoke on one issue. You had the Secretary of HEW, of Labor, of Commerce, of Agriculture, and the Treasury Secretary. They all testified on different reasons why we need Medicare. The next day, the AMA [American Medical Association], which was the main opposition, testified. They testified all day. The insurance industry was scheduled to testify the following day, and I was the one who was preparing the questions and so forth to ask them. Congressman Al [Albert] Ullman, who was one of the ranking members—and he later became chairman after Wilbur Mills—was going to take on the insurance industry, and so I spent quite a bit of time with him.

The day came for the insurance industry to testify, and they were represented by the chairman of the Health Insurance Association. His name was Lewis Rietz. He was the president of a Texas insurance company. I thought it was called the Great Western Insurance Company of Texas.

Well, in those days, the committees allowed witnesses not just to submit most of their testimony; they could read the whole thing. He read his testimony for a long time, and then Mills said, “Mr. Ullman will inquire.” Ullman had all of my questions in front of him, and he said, “Mr. Rietz, you’ve testified that we don’t need Medicare because you say that private insurance already covers 53 percent of the elderly. You say that the percentage of elderly with coverage is growing even faster than the non-elderly population. I say to you, Mr. Rietz, we know nothing about that insurance unless we know something of its quality. Isn’t it true, Mr. Rietz, that of the 53 percent of the elderly who have private health insurance, 70 percent of those have policies that pay only \$10 a day or less for coverage? If the witness answers no, ask him the following question,” and everybody broke up.

Five minutes later, Mills announced that the President had been shot in Dallas and adjourned the meeting.

Heininger: Oh, my goodness.

Fine: The night before, the President had come in to our little group meeting at the White House and asked, “Well, how is the Medicare fight going?”

Heininger: Wow.

Fine: Of course Lyndon Johnson made a commitment to carry on that fight for Kennedy, and in his first State of the Union message in 1964, he announced that he would fight for Medicare, and we all stayed to work with him on that.

After Medicare was enacted in July of ’65, I was a member of the first group that was involved in different aspects of the administration of Medicare, getting it started. At that point, of course, Lyndon Johnson had named Wilbur Cohen to head the group, and Nestingen was out. And because the old-line doctors in the public health service had sided with the AMA and had given no support to the administration in getting Medicare enacted, they decided that they had to set up a new unit in the public health service to administer the professional health aspects of Medicare. They brought in doctors from the outside who had been supportive, and they set up a division of medical care administration. I went to work in that division. We had many responsibilities.

Heininger: This was within HEW?

Fine: Within HEW. Public Health Service is part of HEW. Before that, the words “medical care” were anathema to the doctors in public health. That was something that other kinds of doctors did. Public health didn’t do medical care. Public health doctors did clean water and clean air and all that sort of thing, but not medical care.

So they set up this division of medical care administration, and they gave us responsibilities for the professional health aspects of Medicare—things like setting the standards for participation of what they called “extended care facilities,” which are part of Medicare. Medicare created those. They’re not exactly nursing homes, but after hospitalization, Medicare covers a certain number of days in rehab and so forth. We set the standards for physical therapists and occupational therapists.

More than just setting standards, in order for a home health agency to participate in Medicare, they had to meet certain qualifications. Among them, in addition to the visiting nurse, they had to have physical therapists, occupational therapists, home health aid. They had to have additional services, and most of them didn't. So we had six months to help these home health agencies, these visiting nurse associations, add on these other people so that they could participate in Medicare. Before the day that Medicare was enacted, there were only 400 of them in the country who could have qualified. Six months later, when Medicare became operative, there were 2,000. So that was one job that we did. We also had responsibility for the integration of hospitals under Title VI of the Civil Rights Act. I spent some months, along with many others, in the South. I was in Mississippi integrating hospitals.

All of this time, I had a close working relationship with the unions. The unions had an awful lot to do with the enactment of Medicare, and they were very supportive in the development of the administrative apparatus of Medicare. Probably the most knowledgeable and most supportive of all was Walter Reuther. In late 1967, Reuther asked me to come to Detroit, and he said he wanted to start a campaign for national health insurance—not just for the elderly but for everybody. Walter had been a member of President [Harry] Truman's Committee on the Nation's Health.

President Truman is the only President who really worked for national health insurance. Theodore Roosevelt, in 1912, when he was running on the Bull Moose ticket—he wasn't President—had come out for national health insurance. FDR [Franklin Delano Roosevelt] pulled it out of his package on Social Security in 1935 because the AMA threatened that they would work all across the country to defeat the whole thing if he included national health insurance. So he pulled it out and said, "We'll work on that later." So the first President who proposed and really worked for national health insurance was Harry Truman, and he set up a private organization, and Walter Reuther was an active member of that. Of course they failed. In fact, in his autobiography, Truman wrote that that was his greatest disappointment as President.

Walter, along with others, during the second part of the [Dwight] Eisenhower administration, began developing the idea of Social Security Medicare for the elderly. That was the genesis of the Medicare fight in 1956-57. Reuther and Cohen and others started formulating this concept, and they developed—with the aid of technical professionals like I.S. Falk, of Yale, and Richard Weinerman, of Yale, and others—they developed a bill for Medicare, and it took eight, nine years before it was activated.

Everybody in that group knew that they needed four forces in order to get it enacted. They needed to have the President of the United States actively for it, putting it high on his agenda. They needed to have the leaders of Congress with responsibilities in the area—Ways and Means and Finance and Senate—supporting it. They needed to have the large national organizations—the labor organizations, civil rights, citizens' organizations, the educational organizations—they needed to be for it. Fourth, their grassroots constituents had to be actively demanding it, knocking on the doors of their Congressmen when they were at home, demanding it. All those things together were necessary, even in the best political climate, to enact a monumental social program.

That was exactly what Walter presented to me when we were in Detroit. He told me that he wanted to start this campaign for national health insurance. So I left the government. Initially I was hired to be the senior health care consultant to the United Auto Workers, with the idea that at the 1968 convention of the American Public Health Association, Walter would announce that we were starting this campaign for national health insurance. He announced it at that time. Walter said to me, "It's going to take us eight years, and I want an eight-year commitment from you." I said, "You got it."

Heininger: He expected to get it within eight years.

Fine: He was a visionary. People who knew Walter Reuther, even his rank-and-file members, knew that this guy was a visionary. He could see things that other people couldn't see. He understood that if either Hubert Humphrey or Richard Nixon was elected, it was going to take eight years. You had to build the momentum for it. You had to build for eight years.

Heininger: In '68, the country was facing either a Humphrey or a Nixon, and he expected that it would be the same under both.

Fine: Yes.

Heininger: He felt that Nixon, at that point, was committed to national health insurance?

Fine: Let me tell you what happened. Nixon was elected. Let me step back a step. When Walter made that speech to the American Public Health Association, we had front-page coverage in the *New York Times* and many other papers. What helped us a lot was that Nixon had been elected two or three weeks before that. President-elect Nixon came out of his doctor's office after a physical exam in San Diego and denounced us. "Those who perceive a problem in health care and call for government action are a bunch of socialists." He denounced us, which gave us a lot more attention.

Meanwhile, we were forming the Committee of 100, and the 100 had many well-known names and important people. Doctor Michael DeBakey was vice chairman; Walter was the chairman; Mary Lasker, who everybody in this town knew as the driving force behind the NIH [National Institutes of Health]. The Lasker lobby had created NIH. Whitney Young, the president of the Urban League, was the other fellow. Those are the vice chairs. The Committee of 100 had well-known names from academia, from business, the health professionals. We were getting a lot of publicity, and Nixon helped us get a lot of publicity.

It took several months to get the bill prepared. It was a technical committee, again, under I.S. Falk—he was the chair—that worked on a bill. We would meet once, even twice, a week, all day, and formulate this bill. Meanwhile, we had certain spokespeople who were talking about it, and all over the country we had units developing state committees of 100.

Heininger: This is the end of '68? Or is this the end of '68, beginning of '69?

Fine: Beginning of '69. Nixon was President by then, January 20. We had so much attention paid to what we were doing that when the bill was submitted—I'm getting ahead of myself. We

had a lot of attention. They were still working on the bill. Walter asked, “Who do you think ought to be the principal sponsors for it?”

Heininger: Right.

Fine: I said, “Ted Kennedy.” He said, “Why?” I said, “It’s pretty obvious. He’s almost above the battle. He’s the President’s brother. He’s a clear, hard worker. He ought to be our principal sponsor.”

Heininger: This is after Bobby’s [Kennedy] assassination.

Fine: Yes, this was after Bobby. So he and I flew up to Boston, and Kennedy’s office told us that he was making a speech that day at the Hynes Auditorium in Boston. He was speaking to the New England Hospital Assembly. We met with him in a side room, and Walter said, “We’d like you to be the principal sponsor.” He said, “Well, Clay [Claiborne] Pell wants the Health Subcommittee. He’s got seniority.” Walter said, “I’ll talk with Pell,” and Ted said, “Okay, if you can work it out.” That’s how he chose health.

Heininger: Did Reuther say he’d talk to Pell?

Fine: He’d talk to Pell, and he did. He went back to Washington and talked to Pell—not right back, because he spent the rest of that day meeting with the UAW leadership in Boston and with some other people. I went back. He spoke to Pell the next day, and Pell agreed. I wasn’t there, but Pell agreed to give up the subcommittee to Kennedy, and he took education. That had an important aftereffect, because the Pell Grants became an important part of the education system.

Heininger: But at this point, you had met Kennedy. You met him in ’63.

Fine: Just met him. I didn’t know him. He didn’t know my name.

Heininger: So at the point at which you went up there for the meeting, he didn’t know—he did?

Fine: He did by then because I was getting attention for the health insurance thing. He knew my name.

Heininger: But no personal contact?

Fine: No personal.

Heininger: At that point, because of the seniority, Kennedy had not said, “I would like to have the Health Subcommittee.” He was deferring to Pell. Did he expect to take the Education Subcommittee?

Fine: I think he did.

Heininger: Would he have been in line for the Education Subcommittee?

Fine: He would have, yes. You see, Ralph Yarborough had been the chairman of the overall committee, and he had the health thing, and he had given it all up because he was defeated in the primary. I think Kennedy was next on the selection of subcommittees.

Heininger: Had Yarborough not been defeated in that primary, would you have gone to Yarborough?

Fine: Yarborough was on our Committee of 100. We had some important members on that committee.

Heininger: With his defeat, you lost who would have been the logical co-sponsor, principal sponsor.

Fine: Principal sponsor.

Heininger: Was there any attempt at this point to gain a principal sponsor for the House?

Fine: That was a little tricky. Reuther had taken his union out of the AFL-CIO. He had a big flare-up with George Meany. One of the big issues was, Meany didn't believe in national health insurance. Samuel Gompers, the founder of the AFL [American Federation of Labor], was an opponent of national health insurance. He believed that having the ability to negotiate with employers over health insurance was a great organizing tool for unions, and he didn't want to have the government do it. Meany, while not actively professing that same position, nevertheless dragged his heels on national health insurance. His position changed a little later, but that would be getting ahead of the story.

Heininger: Let's stop at this point because there are a couple of questions. Why did Reuther feel so strongly that something that in fact was an important bargaining tool with management for the unions should be turned over to the government? Why was it in the UAW's interest to turn this over to the government?

Fine: Because he was a visionary. Later on, before he died in a plane crash, he met with the leadership of General Motors and said to them, "If you will join us in this fight for national health insurance, I will make a commitment that we will accept what the government program provides, even though we have more generous benefits already through collective bargaining."

Walter Reuther saw, way ahead of his time, that business and industry in America, if it had to bear the burden of health benefits—and foreign manufacturers didn't—were going to lose ground, and we were going to lose out to foreign companies that already were making lots of foreign cars that they could make at prices lower than General Motors because they didn't have the burden of employee health benefits. Even way back then, it cost hundreds of dollars for every car just on the health benefits of the workers.

Walter came out of that meeting and said, "There is something more important to them than their own self-interest," because their self-interest would have demanded that they take the position of, "Let the government do this. Take it off our backs."

Heininger: So he was—

Fine: Way ahead of his time.

Heininger: I'm thinking back. Had the foreign cars made much of a dent in the market by the late '60s?

Fine: The German cars had made a big dent, and the Japanese were starting to come along. He saw this, and General Motors didn't.

Heininger: He saw that in the long run, it would have been in the interest of the automobile industry to do this because it would have been cheaper for them.

Fine: Absolutely.

Heininger: It would not have been in the interest of the UAW or the other unions, because this was a bargaining tool, and there, alike, they already had good coverage. In effect, you had a reversal of what self-interest would have suggested were the logical positions.

Fine: Walter Reuther believed strongly that unions should be a force for the whole country and not just for their members. It's almost diametrically opposed to the ideas of Gompers. Many of the CIO [Congress of Industrial Organizations] unions, as opposed to the AFL unions, were the industrial unions.

Heininger: Right.

Fine: He convinced not only his own members that this was good for them, but he also convinced the leadership of the steelworkers and some of the other industrial unions that this was good for unions and good for America. He always spoke in those terms. It's got to be good for America, not just for our membership—and the membership wildly applauded that. I was at one of their conferences. They had an educational center up on the upper peninsula of Michigan where they used to bring the rank and file, and the members would wildly applaud these kinds of statements by Reuther, and later by his successor, Leonard Woodcock.

Heininger: So he was turned down at this meeting, which I assume took place in late '68, early '69.

Fine: Yes. I think it was in late '69. He was killed in the early '70.

Heininger: All right. So he comes out of this meeting and says, "There is something more important to them—"

Fine: "Than their own self interest." He had an angry look on his face.

Heininger: What did he conclude was more important to them?

Fine: That their own self interest would have—right off the bat, they would have saved money because they had already negotiated better benefits than we'd get under a government program. The UAW was the first to have dental benefits, podiatry benefits, drug benefits. They had everything covered—and at first-dollar coverage—and retirees covered.

Heininger: So why do you think—

Fine: He knew that at some point down the road, the American automobile industry was not going to be able to compete on price with foreign manufacturers if they had this burden on their wages. He also profoundly believed that this country should not be the—he made this speech, “We are the only industrialized country in the world, except for South Africa, that doesn’t have universal health insurance.” At that time, of course, South Africa was an apartheid nation. He felt this was a black mark on the country.

Heininger: So he goes to Kennedy at this point.

Fine: And the end result was that Kennedy got the Health Subcommittee. Kennedy became the principal sponsor.

Heininger: You still had nothing on the House side.

Fine: The bill was introduced. We had S. 1 and H.R. 1. On the House side, with all of this going on under the aegis of Walter Reuther’s leadership, there was a change of heart by Meany. Meany now had Martha [Griffiths], a Congresswoman from Michigan. She introduced the bill. We had all of this going on, and she introduced a bill for national health insurance. The AFL-CIO backed it.

Heininger: But she did it?

Fine: She did it. The AFL prodded her to do it.

Heininger: At this point, where was Wilbur Mills?

Fine: Mills was sitting back like he always did, and he was the chairman of the Ways and Means Committee. He was not doing anything about any of this. We were not talking about Medicare anymore.

Heininger: But at this point, would he not have been—

Fine: Of course we offered it to them, but he wouldn’t do it.

Heininger: Why?

Fine: Wilbur Mills never sponsored anything except a bill intended to derail Medicare.

Heininger: Hadn’t he been responsible for getting Medicare through?

Fine: Oh, he did. I’m sorry. He sponsored a bill with Bob Kerr during the Medicare fight in order to thwart Medicare. They sponsored a bill, which became law, called the Kerr-Mills bill. The idea of the Kerr-Mills bill was to stop the Medicare fight, to stop Medicare in its tracks. The Kerr-Mills bill provided health insurance for the elderly based on means testing, with the states putting up half the money. When Medicare was finally enacted—the key meeting was a closed session of the Ways and Means Committee—and Wilbur Mills put together what he called a

“three-layer cake.” Layer one was part A of Medicare, which was what we had been working for—hospital insurance for the elderly under Social Security.

Let me digress for a minute. I mentioned that President Kennedy had come into our meeting and asked, “How’s the Medicare fight going?” Well, that was a funny moment because Wilbur Cohen had just gotten through lecturing us, saying, “Listen, we have to be—” remember, these are hearings with a lot of coverage— “very careful what we are proposing, what we are providing for, what we are calling, ‘hospital insurance for the elderly under Social Security.’ When you talk about Medicare, people don’t realize that you’re not talking about covering doctors. You’re not talking about anything but hospital insurance. So we have to be careful to call it ‘hospital insurance for the elderly under Social Security.’ That’s what we have to call it.” The President walks in and says, “How’s the Medicare fight going?” Everybody laughed, and we went on. There was no doubt that we were going to call it Medicare.

Heininger: Where did the term “Medicare” come from?

Fine: We’d been using it for years, but the bill that the Kennedy administration submitted was called “Hospital Insurance for the Elderly under Social Security.” Hospital insurance.

Coming back to the three-layer cake, when it became clear in the Johnson administration—Johnson pushing hard—that we were going to get hospital insurance, the AMA came in with its own plan, and that was doctor coverage. The AMA was the one that introduced doctor coverage. Of course Mills had already had his Kerr-Mills plan. That was already two or three years old. So the three-layer cake was what we wanted: Part A, hospital insurance; what the AMA wanted, which became Part B; and Title XIX—that was, all Title XVIII, Part A and B of Title XVIII Social Security Act—and Title XIX is Medicaid, which expanded Kerr-Mills to include not just the elderly but everybody based on means testing. That’s the three-layer cake.

Heininger: That’s very interesting. I need to get this straight. The initial proposal was simply to deal with hospital coverage. The AMA wanted their piece, so they introduced coverage for physicians, which becomes Part B. Part C, which is separate, is really the Medicaid provision, which originated with Mills initially trying to stop the whole thing. But it gets incorporated.

Fine: That’s right.

Heininger: All right. Wasn’t there prescription coverage initially?

Fine: No.

Heininger: Was there any discussion about prescription coverage?

Fine: No. It was not a problem. Prescription drugs back then comprised maybe two or three percent of the health care dollar. Now they’ve gotten to be 12 or 14 percent. We didn’t have all of these drugs for the chronically ill that we have today. It was pretty much acute illness drugs that we had.

Heininger: Okay. So you get this covered. You have a Senate sponsor.

Fine: That's Medicare. That's all back in Medicare.

Heininger: Yes, but you're up at the next level now, and you have a principal sponsor in Kennedy on the Senate side.

Fine: Right.

Heininger: What were Griffiths' committee assignments at that point?

Fine: She was on the Ways and Means Committee. So was the man we chose to be the principal sponsor, Jim Corman, of California, who was strongly dedicated to national health insurance. Martha was too, but there was a problem between Reuther and Meany.

Heininger: Was she Meany's choice?

Fine: She was Meany's choice.

Heininger: And Corman was the committee's, Reuther's choice?

Fine: Yes.

Heininger: Okay. But at this point, you do not have the chair of Ways and Means, which was the committee that would have to act on it. What about the Finance Committee? This goes back to the four forces that you said.

Fine: Right. Russell Long was the chairman of the Finance Committee. Long had a pretty savvy health staff, led by a fellow named Jay Constantine. Is that a name you've come across?

Heininger: Yes.

Fine: He's still around. Jay had worked hard for Medicare. He'd worked for Senator [Patrick] McNamara, of Michigan, who was a very progressive Senator. Jay had worked for the Blue Cross Association when they were headquartered in Chicago. He came to work for McNamara. It was an important help in the Medicare fight. Now he's working for a much more conservative Senator, Russell Long, from Louisiana.

I don't know whether Jay got them together or whether they got themselves together, but Long got together with Abe Ribicoff, who had been Jack Kennedy's secretary of HEW, but he ran for the Senate way before the Medicare fight got important. Long and Ribicoff, when we came out with our Health Security bill, which was a single-payer system administered by Medicare, they soon came out with a bill to provide catastrophic health insurance to everybody. It's called the Long-Ribicoff Bill. After you spent \$2,000, which was a lot more money then than it is today, and after you'd spent 60 days in the hospital—I think it was 60 days—then you were covered. But not until you had expended that or had insurance for that would the government program take over.

So while they saw the need for action, what they proposed, to us, was filled with problems. For one thing, if you had those kinds of deductibles, they would run up the \$2,000 faster than

otherwise—and spend many more days in the hospital than otherwise—just to meet the level of coverage. There were many problems in that their program had no controls on the health care system, whereas our program had all kinds of controls. We believed that the Canadian experience had already shown how to control hospital costs, and we had incorporated those features—namely, in Canada, in each province the provincial authorities sit on one side of the table, the hospitals sit on the other side, and they negotiate hospital budgets. There isn't much redundancy. We felt that you had to have strong cost controls in any health insurance plan, and the Long-Ribicoff bill didn't have any. It couldn't have, because it didn't have coverage until after you'd spent \$2,000 and 60 days in the hospital. There were other problems with the bill. Nevertheless we thought we had a better principal sponsor in the Senate than Russell Long, and that was Ted Kennedy.

Heininger: But he didn't have the committee.

Fine: He had ways of pushing the bill.

Heininger: He had ways of pushing the bill but not the committee. He was going to have to deal with getting it past the jurisdictional committee.

Fine: Right. But again, we thought it was going to take eight years. Now, we were getting so much attention that in June, President Nixon, who six months earlier had denounced the whole thing, comes out with, "We face a health care crisis in this country, and if we do not take action rapidly, there will be a complete collapse of the health care system." You can find all of these quotes in LexisNexis—big stories. Nixon does a 180 degree about-face. Why? In my opinion, for two reasons. He saw the potential for political damage unless he had something to put forward in this area, just like he'd suffered by opposing Medicare until it was too late way back then. He comes out with a strong statement: "We face a massive—" and those were the words—"health care crisis unless we act." This is the guy who, six months earlier, had denounced the idea of there being a crisis.

Heininger: What did he see as the crisis?

Fine: He saw that we were getting a lot of attention.

Heininger: So his definition of the massive health care crisis at this point was, you all were getting the attention.

Fine: And that we were getting a lot of sponsors. We had, like, 35 sponsors in the Senate and over 100 in the House. It was growing all of the time.

Then real tragedy struck us on July 18, 1969—Chappaquiddick. I'm sure your history will inform you that Ted Kennedy, at that point, was even thinking of giving up all public life. But I'm not so sure that you see how it hit us, the Committee for National Health Insurance and the Committee of 100. I'll give you some illustrations. We had people who made speeches for us all the time. One was E.G. Marshall, the actor, who was a member of the committee, and he was strongly committed, and he never turned us down. When I'd call and say, "E.G., could you speak here on that occasion to this group?" "Sure." There were others like that.

I also gave a lot of speeches. I had several speeches booked on that date, and about four days later, I flew up to Cleveland to speak to the Lorain County Medical Society of Ohio. They picked me up at the Cleveland Airport in their own helicopter, and they flew me down to Oberlin College where they were having this meeting. I had a very good image of Oberlin, and I still do because of something that happened that night. The cocktail party was already in full swing, and we had dinner, and then the president of the medical society introduced me. As I stood up, a guy in the back yelled out, "How much is the hero of Chappaquiddick paying you, buddy?" Several voices after him said the same thing. Things just like that. I said, "I gather you're not interested in what I have to say." "No, we're not."

Later, right across the street—there was a hotel that I stayed at—I got a call. I was already in bed. "This is Doctor So-and-so, Mr. Fine. Several of us would like to come up and speak with you." I said, "What do you want to talk about?" "We'd just like to talk with you." I said, "I'll come down." I came down, and they said, "We wanted you to know that we're not all like that." I asked, "Why didn't you speak up when this was going on?" That was just one of several things like that that happened—the same at the Virginia Medical Society in Richmond. They gave me hell for Chappaquiddick. Doctor DeBakey resigned from the committee. We were pretty much knocked for a loop, and the issue was too. We carried on.

Walter was killed in a plane crash about six months after that, and that was another devastating blow. But Leonard Woodcock made the same commitment that Walter did, and he actually went over and met with Meany and convinced Meany, "Let's join together on this." Martha Griffiths' bill—I think she was getting ready to leave Congress, so Corman remained the principal sponsor. The AFL-CIO then joined, and Lane Kirkland became the vice chairman of the committee, and he became a very active vice chairman. So at least from that point on, labor was united on the issue and not divided. But we never really recovered from Chappaquiddick, no more than he has recovered from Chappaquiddick.

Heininger: When did the Committee of 100 become the Committee for National Health Insurance?

Fine: The proper name of the committee was the Committee for National Health Insurance, but because we had 100 members, the press started calling us the Committee of 100. This went back to things like, way back in Napoleon's [Bonaparte] era, there was a Committee of 100. It had a certain connotation to it.

Heininger: So it was the press that—

Fine: The press called us that.

Heininger: The press called you the Committee of 100. That's the first I've heard of that. That's an important distinction. So the first blow comes with Kennedy. This is in '69. This is before he's taken over the committee.

Fine: He had not taken over the subcommittee. But he was a member of the committee from the time that Walter signed him up.

Heininger: This is before he becomes subcommittee chair.

Fine: Yes, he soon becomes subcommittee chair, I believe. No?

Heininger: He doesn't become subcommittee chair until Yarborough loses the primary in the spring of '70. The elections take place in the fall of '70. Kennedy comes in as subcommittee chair in January of '71.

Fine: But the deal that Walter worked out with Clay Pell was that Kennedy would get this Health Subcommittee.

Heininger: That's after Chappaquiddick.

Fine: Was it?

Heininger: Yes. Chappaquiddick takes place in '69.

Fine: Chappaquiddick was July 18, '69.

Heininger: Right. In June, you've got Nixon reversing himself because so much momentum had been built. In July you get Chappaquiddick, but at this point, you've gone to Kennedy, and Yarborough hadn't lost his primary yet. He was still the head of the Health Subcommittee.

Fine: Yes, he was chairman of the committee and chairman of the Health Subcommittee.

Heininger: So Kennedy had to have been chosen at, likely, your suggestion.

Fine: He was chosen early in '69. That's when Walter went up to Boston to talk to him.

Heininger: Was he chosen at that point because you already had the subcommittee chair and—

Fine: Maybe Yarborough was going to give up the Health Subcommittee. I don't know. The subcommittees were up for choice. Pell had decided on the Health Subcommittee, and Walter talked him into stepping aside for Kennedy and taking the Education Subcommittee. I'd have to look at my papers and stuff to get that pinned down.

Heininger: What I'm getting at is, given the timing, I am aware that Pell agreed to give up the subcommittee and that Yarborough had lost in the primary. But if Yarborough was already on the Committee of 100, you already had that committee. Was Kennedy then approached because of his profile?

Fine: Kennedy was approached because he was Ted Kennedy.

Heininger: Because he was Ted Kennedy?

Fine: Yes, absolutely. That's why I urged Walter to ask him. Walter asked a lot of questions. "What about so-and-so and so-and-so?" "I think it ought to be Ted Kennedy." I'm sure Walter talked to different people, but he made a decision, and he immediately flew up. He said, "Come on, we're going to Boston," and we flew to Boston. There may have been a side room there at the Hynes Auditorium. I remember the conversation like it was yesterday. It was before Chappaquiddick.

Heininger: Okay. So he was approached because of his profile before Chappaquiddick.

Fine: Yes.

Heininger: When was the bill—

Fine: It took quite some time to put that bill together.

Heininger: Actually the timeline that our research staff did for health care issues says, in '68, Kennedy joined the Committee of 100. So he was one of the 100.

Fine: Well, the Committee of 100 wasn't formed until the end of November '68. That was when Walter made his speech at the APHA [American Public Health Association]. Maybe Walter had talked to him about joining. I don't know. We sat down with a bunch of people and decided who we'd like to invite to be on the committee. We were going to have a certain number from business, a certain number from labor—five from business, five from labor, five from the arts, five from here, five from there, and so on. I, by that time, had a staff, and we were given the job of calling these people. I didn't ask Ted Kennedy to be on the committee. Walter must have asked him to be on the committee. I didn't ask John Sherman Cooper to be on the committee. Walter asked him. He was a Republican Senator from Kentucky, but he became a very good member of the committee. I think Walter took care of the legislators.

Heininger: But shortly after—if all of this is taking place in early '69—

Fine: Right.

Heininger:—and Chappaquiddick—so Kennedy is already developing a profile in association with the issue. Nixon reverses himself. Chappaquiddick takes place, which takes some of the air out of the sails.

Fine: Right.

Heininger: Then the Health Subcommittee turns over, but not for another year and a half, because the elections don't take place until the fall of '70.

Fine: But Kennedy, I think, mainly because of the committee—as I say, it developed quite a lot of sponsors, with Kennedy as the principal sponsor and with Nixon speaking on this issue and with Russell Long and others speaking on the issue—Kennedy got identified as the health guy, not Yarborough. Although Yarborough was strongly for the issue, I don't remember him holding any hearings on it, because I think he ceded to the Finance Committee.

Heininger: How long did it take Kennedy to come back to active work on this after Chappaquiddick?

Fine: I think we pretty much carried on without him for three to five months. As I say, six months later, after Chappaquiddick—it was about six months—Walter died in that plane crash. Leonard Woodcock immediately stepped in and went over and met with Meany, and he said,

“This is an important issue. Let’s work together on it.” It was pretty much implied that he would bring the UAW back into the AFL-CIO through that route, and he did.

Heininger: So in another six months, you get another blow with Reuther’s death, but what kind of a leader was Woodcock in terms of public profiling the issue, in terms of setting the agenda, or was everything really in place before Woodcock takes over and then he draws the union side together?

Fine: Everything was pretty much in place. Up to this point, all of the UAW leadership was supportive of Reuther, but Reuther was the public face and rightly so. There was a close vote as to his successor. Woodcock won by a vote of 13-12 over Doug Fraser, so the union itself, the UAW itself, was seemingly divided, but Woodcock was able to pull the whole thing together, and the commitment was that he would serve one five-year term and then Fraser would take the next presidency. They worked that out fine. Woodcock made a strong commitment to national health insurance. If you want to get into it, I can show you how important it was to him in terms of Jimmy Carter. But that may be beyond your scope.

Heininger: No, not, but we’ll get there. At this point, the committee has had two big blows. Kennedy comes back into active work on the issue about six months after Chappaquiddick, so by the beginning of 1970, which was moving into the election period, Kennedy is back leading this. We’ve got him introducing the bill in August of 1970.

Fine: That sounds about right.

Heininger: Who wrote the bill?

Fine: It was written by a technical committee, and the principal person was I.S. Falk, who was a professor at Yale. Falk had been involved in FDR’s Committee for Economic Security, which was the committee that put together the Social Security Act. FDR had brought this group together in July of ’34, and it took a year to put together the Social Security Act. He was a staff member of that and had been involved in the Social Security Administration, in charge of research, for years. Then he went to Yale, where he set up the Yale Health Plan and was also a professor there.

We had a dozen people on that technical committee. Alanson Willcox, who had been the general counsel of HEW in the Medicare fight, was a key member. He did the legal part of it. Richard Weinerman, another professor at Yale, was important. He was killed when the Arabs took over a plane and blew it up in Rome. He was a smart guy. A fellow named Roy M. Fleming. Jim Brindle was a key member. He was the president of the Health Insurance Plan of New York. We had Agnes Brewster, who had been a member of the research department of Social Security, who had retired and come to work with us on this technical committee—a lot of technical people. We had a lot of smart people who worked on that bill. It took a long time. I have the minutes of those meetings. I’m sure you don’t want to go through that, but there were extensive discussions on every issue.

From the start, everybody agreed that we’d have to deal with the costs, the quality of health care, the system itself. Walter and his colleagues at APHA said, “We do not have a health care system. What we have is an inefficient, ineffective, incoherent, overly costly non-system. We have to

deal with all of that.” This bill dealt with all of that. It’s ironic. Our bill was called “Health Security.” It’s ironic that Hillary’s [Rodham Clinton] bill, when she put out that 1,300-page bill, they called it “Health Security,” and it bore no resemblance to our bill, because it was just a mishmash. But it took a long time.

Heininger: So it takes a long time to do this bill. Was there any input by Kennedy, or at that point, did he have nothing to do with it?

Fine: Yes, there was input. He had staff members who would come over and meet with the technical committee at times. One of them was Phil Caper, who I mentioned told me about you.

Heininger: But Phil doesn’t come to work for him until ’71.

Fine: I remember that the technical committee didn’t stop meeting after that. Because remember, after the health security bill, Kennedy was off on other tangents with Wilbur Mills. The technical committee was asked to look at some of that. We can get into that if you want.

Heininger: Did you call Carey Parker?

Fine: Carey Parker kept in close touch with me.

Heininger: Okay. So Carey Parker was designated by Kennedy to be your liaison to him.

Fine: Right. Carey wanted to know what was going on, and we kept in close touch.

Heininger: To what extent does Kennedy have a hand in this initial drafting, the initial putting together of the proposal? It sounds like it was much more the whole committee’s responsibility and the technical committee’s responsibility and that Kennedy then becomes the person who is able to take the bill and run with it.

Fine: That’s right. He had a lot of confidence in that technical committee. He praised Falk at times, and I think he had a lot of confidence in that technical committee.

Heininger: Okay. So Kennedy introduces the bill in ’70.

Fine: Right.

Heininger: You go through the process of Yarborough moving off the committee after the election and Kennedy taking over the subcommittee in ’71.

Fine: I knew and liked Ralph Yarborough and his staff. He was the chairman of the full committee, and he was good on the issue, but he was never much identified with the issue like Kennedy was, even when Kennedy was a lower member of his committee. That’s because he was Ted Kennedy.

Heininger: How then did Kennedy make it his issue? Why did he make it his issue? He was just as committed on education issues.

Fine: Yes.

Heininger: Why did he choose to make this his issue?

Fine: You got me. All I know is that Walter Reuther urged him to. I'm not saying that he hadn't thought about it before, but I know that Walter urged him to take it and said that he would talk with Clay Pell about moving aside for him, and he did. That's how Kennedy got into it. Whether he was thinking about it before, I don't know. Of course his brother had been the moving force on Medicare. It could have had something to do with that. I think he also saw it as a winning issue. The polls showed that even if they were required to pay more taxes, the majority of Americans wanted national health insurance. I think the issue offered a lot more visibility than education.

Heininger: Why did everybody think that this was going to pass? Why was there such momentum? Why did it fall apart? Did anybody foresee that it might fall apart?

Fine: Never having been accused of any self-effacing modesty, I have to tell that you I knew all of the key reporters on it. I knew Stu Auerbach of the *Washington Post*, who covered this area. Dick Lyons with the *New York Times* covered this area. Judy Randall of the *Washington Star* was covering it. All of these people were willing to give us a lot of attention, a lot of coverage, Associated Press coverage as well.

Heininger: Obviously, from what Reuther had said, you were expecting it to take eight years.

Fine: Right, it would take eight years because you needed the confluence of those four forces. That's what Medicare was based on, and that's what the concept of this campaign was based on.

Heininger: Did you have a President who was actively for it with Nixon?

Fine: Of course not, but we had a President who was helping us get a lot of attention for it. Nixon was probably going to be in office for eight years. But as a lame duck President in his second term, what was going to happen with his successor? If we had continued to build this issue up as much as we had in the beginning, wouldn't this issue have been as important as any other issue could be in that next go-around after his eight years?

Heininger: By the time you get to the early '70s, where the real legislative effort takes place, how had the political environment changed from when Medicare had been enacted?

Fine: Of course everything changed on health care with Watergate. While he was being buffeted by Watergate, Nixon once again turns to health care. What does he do? He introduces something called HMOs [Health Maintenance Organization]. There was no such thing as an HMO before Nixon. He gets the Congress to appropriate \$600 million for planning grants and development money for entrepreneurs to get into the health care business. Our committee fought against all of that, by the way. We were more trying to hold back those kinds of things. He invited all the medical mercenaries in the country to get into health care.

He also introduced his own national health insurance plan. It had two parts to it. One was every employer had to offer health insurance to every employee and pay 75 percent or more of the premiums. The government was going to cover all of those who couldn't afford it and didn't work. That was Nixon's health insurance plan. It's a lot better than anything any Republican

since then has offered. It was all a product of Watergate. He was trying to get the spotlight off of Watergate. He succeeded in enacting some terrible laws, laws requiring employers to offer these HMOs even though they were already offering Blue Cross. They had to offer that as an alternative.

Heininger: Doesn't he introduce a bill earlier than that one, though, in '71, which is pre-Watergate?

Fine: Yes, but the HMO Act was Watergate. His first health insurance bill was '71. That's right. Again it shows you how important that issue was. He remembered what happened to him on the Medicare fight. That probably cost him the election, because polls before 1960 had the elderly always supporting the Republican Presidential candidate, and Jack Kennedy got their vote in '60. See, in '60, the labor movement and others set up a National Council of Senior Citizens. Its purpose was to lobby for Medicare and to get votes for Jack Kennedy on Medicare. They did an awfully good job.

Heininger: That lobbying group, which in essence was for seniors for Medicare, many people say it was important for getting Medicare, as you just said. Did you have any grassroots counterpart to that?

Fine: We developed a grassroots counterpart to that in every state. We had committees in every state—not every state. We didn't have Alaska, and I don't think we had one of the Dakotas, but we had people who formed local groups in every other state—some more active than others, but they existed. Remember, Nixon's plans were called CHIP [Comprehensive Health Insurance Plan] and CHAP [Child Health Assistance Plan]. The Comprehensive Health Insurance Plan, that's the one where the employers had to offer coverage and pay most of the premiums.

Heininger: Employer mandates.

Fine: Yes, right. CHAP was Child Health Assistance Plan. That's where the poor and the unemployed got government help. All of it was based on private insurance.

Heininger: Do you remember what Kennedy's response was at this point?

Fine: Oh yes. He attacked it. We all attacked it. We made fun of it. I remember Ruth Hanft, who had been one of the people who put it together, along with—neither one of these people like to be reminded of it—Stuart Altman. He's a professor at Brandeis now. He was one of the people who put together the Nixon plan. They don't like to be reminded of it, but I always remind them of it when I see them. They're good people. I guess they believed it was better than nothing, and maybe it would have been.

Heininger: Did the committee have any contact with them? Who was your liaison to the White House itself? If you believed you needed a President who was committed to it and you had a President who came up with a version of it, did the committee have a liaison who dealt with the White House people?

Fine: We never felt we'd get it through Nixon, so we didn't have a liaison. By the way—and I don't know that this has ever been reported—we did have a meeting with Gerald Ford. He hadn't

been President more than two weeks, and he invited us to the White House to say, “Why don’t we all get behind the Nixon plan?” Maybe we should have. I don’t know. But nobody took him up on that offer. That was in August of ’74. I know that there were people in our group who felt that the Congressional elections were coming up in two or three months and, “Let’s get a veto-proof Congress,” which was a lot of wishful thinking.

Heininger: By ’74, Kennedy went to Mills and tried to develop a bill that Mills could support. Why did he go to Mills?

Fine: I think it’s the same thing that motivated him to support No Child Left Behind and to support Part D of Medicare, which I think are terrible ideas. Just get something. Get something.

Heininger: At this point, the committee was not supportive of this.

Fine: No, we weren’t.

Heininger: Why?

Fine: We believed that it had to be something based on Medicare, based on a single-payer kind of system. As long as you had the insurance companies, they were going to siphon off good risks and leave the bad risks behind, and they were going to do all kinds of shenanigans that they were well known for. The health insurance industry was more interested in making money for its investors than in providing good health care for the American people. That’s what we always felt.

Heininger: Was there no room for compromise in the committee’s position?

Fine: We tried. Falk tried to come up with different concepts that, for example, might use the insurance companies just to pay the bills but without taking risks. But Mills was never going to go for anything like that. Of course it wasn’t much longer after that that Mills fell into the Tidal Basin with Fanne Foxe.

Heininger: So Falk tried to come up with a compromise whereby the insurance companies would be, in essence, the claims processors.

Fine: But not claims carriers, not risk carriers.

Heininger: Was that the same role they had under Medicare?

Fine: Somewhat the same, except that under Medicare, they were unfortunately allowed to provide gap coverage. There wouldn’t be any gaps to cover under this plan.

Heininger: So the gap coverage plans went all the way back to Medicare’s enactment?

Fine: Yes. We fought against it. We thought it would create unnecessary utilization.

Heininger: How was the committee perceived on the Hill?

Fine: We had a lot of sponsors on the Hill. After Corman, Henry Waxman became the principal sponsor. He's still around. Henry and I go back a long way. We came from the same neighborhood in Los Angeles. He's a lot younger than I am, though.

Heininger: Was it perceived as a union effort, or was it perceived as a broader-based coalition? With Reuther being so out front on it—

Fine: It was labor-backed, but labor generally had a lot more support then than it does today, and it was because of people like Reuther, who really worked beyond the membership's interests. Not that he didn't do a lot for his members, but labor had a broader base of support then than it has today. That was the idea of the Committee of 100, to limit it to five people from labor, five from business, five from here, five from there, and to make it representative of the whole population. It's a different era now.

Heininger: Was it perceived as being broader based, or was it seen as a labor effort?

Fine: I think it was mainly perceived as a labor effort.

Heininger: It's hard when you have a visionary as a chair initially.

Fine: Medicare was perceived as a labor effort, and it was enacted. Listen to the LBJ [Lyndon Baines Johnson] tapes if you want to see how important labor was in his program, particularly in Medicare.

Heininger: In your dealings with Kennedy in the early '70s, did he share your sense that it would take eight years for enactment?

Fine: I don't know that that was discussed with him. The only time it came up was when Walter hired me and said, "I want an eight-year commitment because it's going to take eight years." I figured that's how long it would take, and this was based on how long it took to get Medicare enacted.

Heininger: Let me put it a different way. In discussions with Kennedy, who in essence would be responsible for carrying things on the Congressional end, how long did you think that he thought it was going to take? What was the timeline for how long this was going to take, and when did that timeline start slipping?

Fine: As the Chappaquiddick event receded and receded, Kennedy clearly was looking toward the White House. Jumping over Jimmy Carter for a minute, if you remember, the Democrats held a midterm convention in Memphis in 1978. I wrote Kennedy's speech for that. Larry Horowitz edited it a bit, but I wrote his speech. It got a tremendous response. I remember him standing there, people coming up to him and shaking his hand and congratulating him, and I was standing next to him. A tall, young man in a white suit came up to me and said, "Are you with the Senator?" I said yes. He said, "I'm Governor Bill Clinton of Arkansas. Would you introduce me to him?"

Heininger: So Clinton came up to you there.

Fine: Yes, that's when I met Clinton. He was thinner then. He's become thinner again now.

Heininger: He has.

Fine: I introduced them. They had a conversation there. The Carter people who were in that audience—Joe Califano and a fellow from Massachusetts, I forget his name—they were unhappy with what was happening. Califano would tell you today that that was so. Califano was caught in the middle. He thought of himself as part of the Kennedy group, but on the other hand, he was Carter's HEW secretary. That event was clearly the start of Kennedy's effort to win the primary away from Carter, which he failed to do. As Chappaquiddick receded, his ambitions grew again, because they were there before Chappaquiddick, and everybody knew that.

Heininger: If you go back to this earlier period—and we'll come back to the Carter era, which is another attempt to do this—did anybody foresee that it would fall apart? Where did the players stand in terms of thinking that national health insurance would be enacted? Obviously Nixon felt threatened enough that he had to come up with his own plan.

Fine: The thing that killed it was Jimmy Carter. We didn't expand these groups across the country. We had a growing and active constituency for health security, the bill that we developed. After Kennedy-Mills fell off, health security was going again. I went back to Leonard Woodcock. As I said, he was very active, as active as Walter. He didn't have the image or name of Walter Reuther, but he was just as dedicated and had the UAW. Now he had all of labor, not just the UAW and the industrial unions. We certainly had the civil rights groups, and we had things like the Association of University Women and all kinds of groups like that that were active on the issue.

Well, Jimmy Carter announces for the Presidency. He's the Governor of Georgia, and he's a three percent possibility, and he's gaining a bit. He invites Leonard Woodcock to meet with him, and Woodcock meets with him. As a result, the UAW jumps into his primary campaign and strongly works for him in Florida against George Wallace, who had never lost a primary in the South or anywhere else. He defeated George Wallace in a Democratic primary in Florida, and that's what made Carter a viable, leading candidate. He owed an awful lot to the UAW retirees, 45,000 of whom lived in Florida—not to mention the other union retirees in Florida—and 45,000 of whom voted for Jimmy Carter.

The commitment that Jimmy Carter made to Leonard Woodcock was for national health insurance based upon our plan. So it was viable right through the election of Jimmy Carter. Then Jimmy Carter announced. He got the headlines. He spoke to the UAW convention, one of his first convention speeches as President, out in Los Angeles. You can find it in the *Herald Express*: "Carter Promises National Health." But he never did. He never did anything to introduce a bill, never did anything but talk about principles, never did anything to help the cause at all. He had people in his administration working on it, and they came up with some principles. Joe Califano, as I say, was caught in the middle. He was, in my opinion, mortified by all of this, but he never came through. So having the President of the United States for it, which we all hoped and assumed would be Jimmy Carter, the first President since Truman who was going to really be for it, never came through. There went the whole strategy and the whole concept, and everything else fell apart.

Heininger: Why do you think that Carter didn't come through?

Fine: He was facing inflation of 20 percent, and nothing was working for him. The irony of it, he appointed Leonard Woodcock as Ambassador to China, where Leonard got married. He met a nurse over there. Leonard was mortified by all of this too.

Heininger: When there was a chance for a compromise under Kennedy-Mills, where there was a chance for a legislative compromise, one in which there had been negotiations with the administration—

Fine: It wasn't just us. There was no support for Kennedy-Mills. They didn't have any other sponsors. Mills wasn't there much longer after that. I don't think they had another Senate sponsor that I recall.

Heininger: What was the committee's response to it?

Fine: We were against it. We didn't say no to anything that Kennedy wanted. We didn't say yes either. We continued to work with Kennedy, trying to show him the error of his ways. In effect, he came back into the fold. The fold wasn't working very well, though. As I said, I wrote his speech in '78, and it got a tremendous response.

Heininger: On what grounds was there an unwillingness to support a compromise that had been agreed to by Kennedy and [Caspar] Weinberger, one where the two branches come up with something that might have had a chance of being enacted even if it wasn't perfect?

Fine: Remember, we could have had a better bill than that with Gerald Ford.

Heininger: In making the decision not to back a compromise in this early '74 period before Nixon resigns, was there ever a discussion within the whole committee itself? Was there a formal decision within the committee? Was this an informal discussion? Were there discussions with Kennedy over it? Were there any meetings between the committee and Kennedy?

Fine: There was a strong voice in labor. He's deceased, so I don't want to identify him for you, but he strongly pushed the point—and nobody contested it—"No, we don't need to do this with Ford. Let's wait for a veto-proof Congress. It's only two or three months off. We can get a much better plan." That had a lot of impact.

Heininger: But you got a veto-proof Congress, and you still didn't get a bill.

Fine: Exactly.

Heininger: Why? What had changed about the political environment?

Fine: President Ford had not mentioned health insurance in his State of the Union speech. You weren't going to get anything past Gerald Ford that was anything like what we wanted. The idea always had been that you had to have a President who was committed to the idea of a health security, single-payer system.

Heininger: Let's skip ahead to Clinton. You had a President committed to a single-payer system, and it still doesn't get enacted.

Fine: I'll tell you this about the process that they developed. As far as I can tell, they never asked people who had been involved in the Medicare fight to give their advice—none of them. They produced an insanely complex, 1,300-page document that was so full of targets that anybody who looked at it could find a reason to dislike it. I have it downstairs if you want to see what's wrong with that plan. It was absurd to produce such a plan. It was absolutely dead on arrival, had to be dead on arrival. I forget her name, but there was a woman who became Lieutenant Governor of New York just by writing, by picking the plan apart in the *Wall Street Journal's* op-ed pages. Everything she wrote about it was accurate. It was an incredibly complex plan and was filled with things that I don't know who thought them through. They didn't make any sense.

One of their advisors was Dick Morris, who has become infamous now, but at that time, he was a close advisor both to Bill and Hillary. Both of them gave him credit for a lot of their success. He's the only one from that group who asked me what I thought they should do, and I said that I thought they should expand Medicare. Start with children. Cover children on Medicare. Cover the 60- to 65-year-olds under Medicare. Expand Medicare incrementally. Medicare is the most popular program we have in this country. It's the only health insurance program that the people like. That was my only exposure to the Clinton health plan. Obviously nobody gave that much thought.

Heininger: Actually that's the proposal that Carter came out with.

Fine: Carter came up with no proposal.

Heininger: But his set of principles were, in fact, to expand Medicare. That became the subject of dispute between him and Kennedy, implementing this move in phases. Kennedy didn't want to do it in phases where each expansion had to be debated, because it would be another way of killing it. Carter thought, try it with the kids and see whether that works and then debate expanding it the next time and see whether that works.

Fine: Kennedy's position was, "Put it all in one bill, then let's make midcourse corrections if we have to. But don't say that we have to go step-by-step, because it will never happen that way."

Heininger: Right.

Fine: That was Kennedy's position. But Carter never put forward anything to the Congress, anything except principles.

Heininger: Do you think that Carter wasn't committed to health care, or was he not able to do it?

Fine: I think he was in the quicksand of inflation, and there was no way to extricate himself. Any health plan was going to have him sink more into that abyss. I think that's what it was. When he made the commitment to Leonard Woodcock, I think he meant it, but he didn't carry through. Maybe he couldn't. But he was the President that we were all banking on to lead the country to

national health, because, since Harry Truman, he was the first one who really meant it—or seemed to mean it.

Heininger: How active was the committee at that point under Carter?

Fine: We were very active until he went out of office. We were always pushing him, even though he, time and again, would come out with principles and that was it. Some of the people who worked in his health group had worked for us before that, but they were technical people.

Heininger: Who were some of those people?

Fine: One was Susanne Stoiber. Another was Dick Warden.

Heininger: Before Kennedy, in the early '70s, took over the Health Subcommittee, you had had the opportunity to watch how Yarborough had handled the Health Subcommittee. What did Kennedy do differently? How did he conduct the business of the Health Subcommittee?

Fine: With Yarborough you had a gray figure, and with Ted Kennedy you had a star. That was the difference. Ralph used to tell us stories about Texas and things like that. He was a nice guy and, I thought, a good Senator, but he was pretty much invisible compared to Ted Kennedy.

Heininger: Did you have much contact with his staff, with the Health Subcommittee staff?

Fine: Just with one, Creekmoore Fath, I remember.

Heininger: Did you deal with Phil Caper or Stan Jones or Lee Goldman?

Fine: Yes. Well, Goldman got in trouble with Kennedy, and I don't know what the trouble was, but he wound up at NIH. I remember that. Horowitz ran that group after Goldman. I still communicate with Phil. Stan Jones, I don't know what happened to him when he got named to head the Blue Cross Association. Suddenly he got a swelled head, and he never returned phone calls. Before that, he was a very nice guy. Horowitz went out to Palo Alto and became rich making movies or something. Yes, I'm sure you're going to talk to him.

Heininger: I'm going to try to.

Fine: He's an arrogant guy, but he'll talk to you.

Heininger: Do you stay in touch with him?

Fine: Only in this way: I have a cousin who is a neighbor of his out in Palo Alto, and Larry asks him, "Why doesn't Max come to see me when he's out here?" I don't like Larry Horowitz. He was too arrogant for me—smart guy, but too arrogant. Carey Parker was the solid person on the staff, I thought.

Heininger: Did you, at any point, recommend people to Kennedy to hire?

Fine: No.

Heininger: Did the Health Subcommittee ever turn to you for any assistance on anything?

Fine: All the time. We would do the displays that Kennedy would show in the Senate of why we need this and what the data shows and all of that. We would prepare all of that stuff for him. Of course our technical committee was always available to him, and they would call him directly.

Heininger: Did you work with the subcommittee on the health care crisis field hearings that he held?

Fine: Yes, I did.

Heininger: Can you talk about those?

Fine: Yes. We went out to Denver and Orange County and Seattle, and I was on all of those. There were a couple of amusing incidents. In Seattle we had an Indian testifying who looked just like the Indian on the old nickel. I remember he said, “We’re not able to get medical care here, so I’m going to go to Canada to get medical care.”

I remember that they were going to hold a hearing in LA [Los Angeles], it must have been, because we were staying at the Beverly Wilshire Hotel. We had just come from Denver, and Kennedy knocked on my door and said, “Come on. Let’s take a walk.” We walked down Wilshire Boulevard and across the street. On the next corner was a big window display—cars behind it—that read “Physicians Limousine Rental Service.” We thought that was funny, and we took a picture of it. It turned out to be a bunch of physicians who owned this limousine rental service. Of course the AMA was a big opponent of what we were trying to do.

Because I had made so many speeches to medical groups, I had gotten to know many of the medical politicians pretty well. I became friendly with the president of the AMA, Russell Roth, of Erie, Pennsylvania. I remember that Russ testified before Ted’s subcommittee, and they didn’t know each other the way I knew Russ. One of the positions of the AMA was if you’re going to have a program with no deductibles and no co-payments, the utilization is going to go way up. Kennedy said to him, in very strong terms, “Doctor, what makes you think that people love to go see the doctor? What makes you think that people love to go to see the dentist?” Russ said, “Well, Senator, I’m a urologist, and I can tell you, people don’t love to come to see me.”

I’ll tell you a sidebar on Russell Roth, if you’re interested. I got a call from Bill Buckley’s office. He had a TV program on PBS [Public Broadcasting System] called *Firing Line*. They asked me if I would agree to go on the program. I said okay. He said, “We’re going to do a program on national health insurance.” I said fine. They said, “We want to do this in Erie, Pennsylvania. We’re going to have the president of the AMA.” I said, “Good. I know Dr. Roth.”

He asked me to take a certain flight from Washington to Pittsburgh because Buckley would fly in from New York, and we could meet on the connecting plane to Erie and then have a chat, the three of us, him and Buckley and me. But they weren’t on that plane. There were only about six or eight people on that plane. So we land in Erie, and there is Dr. Roth, waiting. He explained that Buckley had flown in on a private plane, and they held a big airport reception for him about two hours earlier. They were all in the studio, and he had offered to stay behind and bring me out there. He, on the way, showed me the sights of Erie—the zoo and things like that.

We got to the studio and people rushed us into the dressing room, and they put on the pancake makeup. The audience was already there, and there were three seats on the stage. They sat me on one side and Russell Roth on the other. The klieg lights were on, and I started to perspire. We were sitting there for about 10, 15 minutes. Finally Buckley comes in, and he had a yellow legal pad, and he said, "I'm Bill Buckley. How do you do?" He sat down, and as soon as he sat down, behind the cameras, behind the lights, we heard, "60 seconds."

Buckley was looking at his notes, and he said to me, "An ophthalmologist, that's not a physician, is it?" I said, "Yes, an ophthalmologist—perhaps you're thinking of an optometrist." He said, "You're from San Francisco?" I said, "I'm from Washington, DC." A voice offstage said, "Thirty seconds." Buckley asked, "Where did you get your medical degree?" "I don't have a medical degree." He said, "You were born in Poland?" I said, "I was born in Tennessee." [laughter] He said, "Hold it," and he went away. In a few minutes, a young man came out—turned out to be the one who had called me—and he said, "Mr. Fine, can I get some information on you in a hurry?" I said, "I sent you that CV [curriculum vitae] you asked me for." He said, "I don't know where it is." He asked me some questions. He went away.

They had turned off the lights, thankfully, but Buckley returned. Back on go the lights. Buckley sits down. "Sixty seconds." "Thirty seconds." Red light goes on. "Once again the nation is debating the issue of national health insurance," Buckley says. "There are two major proposals. One is backed by Senator Kennedy and the labor movement. It would provide for socialized medicine in America. The other is a more credible plan supported by the American Medical Association and others who have given a lot of thought to this issue. Our first guest is Mr. Max Fine, of San Francisco, who is here to support the labor plan." He said a few words about me. He said, "Our next guest is Dr. Russell Roth, the distinguished president of the American Medical Association. Dr. Roth received his undergraduate degree at the University of Pittsburgh, his medical degree also at the University of Pittsburgh. He's a renowned urologist. For 12 years, he served as the Speaker of the House of Delegates at the AMA." He went on and on. Then he turned to me and said, "I'd like to ask you the first question, Mr. Roth."

Heininger: My goodness.

Fine: People who saw that program thought that Buckley was pretty well versed on the issues. But he was so off that Roth—it ended, and I had dinner with Roth and his wife that night, and we were just laughing at his inanities. He just didn't know. But when you saw the program with all of those big words, you thought he knew what he was talking about.

Heininger: It happens, doesn't it? Tell me, and you've given me an extraordinary amount of time—let's summarize. What is your assessment of Ted Kennedy on health care issues?

Fine: I believe that he feels that he has spent a lot of years in this area, and whatever he can get to show for it, he's going to get it if it provides something for the American people. I think that's why he supports things like Part D of Medicare, which gives far more to the insurance carriers and the pharmaceutical manufacturers than it does to the people on Medicare. I think it's the same reason he supported No Child Left Behind. He felt that you could spin your wheels for years and get nothing, but he was getting something. I think that's what he feels about health care. I'm not sure he felt that way before Chappaquiddick. Without Chappaquiddick, I think we

would have had a different story on national health insurance. I think the momentum was rising and would have continued to rise. It would have taken years, but we would have had universal health care in the country long ago. That's what I believe.

Heininger: Are there other people you think we should talk to?

Fine: There aren't too many of us still around. I'm sure you're going to talk to Bob Ball, right?

Heininger: Tell me about him.

Fine: Bob Ball was Jack Kennedy's Commissioner of Social Security. He is a living legend on Social Security. He's well into his 90s now, but he's still coherent and articulate.

Heininger: Where does he live?

Fine: He lives both in New Hampshire and in Washington. In the summer, I think he's in New Hampshire. You can get the phone number and everything from the National Committee on Social Insurance. I haven't talked to him in years, but he's a great man. I remember when Cap Weinberger took over as Nixon's secretary of HEW, and Bob Ball was still there as the commissioner of Social Security. They had a farewell party for him at the State Department, and they said such glowing words about him that Bob said, "If I'm that good, how come we're here?" He was pushed out, but he has remained very active. You say you've already got Jay Constantine on your list. He lives over in Virginia now. I know that. He gave me all of his files.

Heininger: Really?

Fine: Because I've been writing a book.

Heininger: What's the book about?

Fine: It's called *The Medical Mercenaries*. It's about all of those people that Nixon brought into the health care system. They're still around.

Heininger: Another name that's surfaced that I wanted to ask you about is Karen Ignagni. Is she somebody we should talk to?

Fine: She worked for me for several years. I brought her into the Committee for National Health Insurance. Today she's on the opposite side of the field.

Heininger: Would she be able to shed light on Kennedy?

Fine: I think she would be careful not to say anything negative, because she works for a lobbying organization and doesn't want to get any more on the wrong side of Kennedy than she is now.

Heininger: Didn't she work for Kennedy for a short time?

Fine: She worked for Clay Pell. She also worked for the AFL-CIO. That's a job I got for her.

Heininger: Why did she switch sides?

Fine: Money.

Heininger: Would she be worth talking to in order to get the health insurance industry's perspective on Kennedy?

Fine: Yes, she'd probably be worth talking to. I think she'd be careful to not say anything negative about Kennedy. She would say all kinds of positive things about the HMOs that may or may not coincide with the truth.

Heininger: It's important that we get the other side, to get the opponents. Are there any, particularly from the 1970s time period, who were opponents of Kennedy? Anybody from the AMA, anybody from the health insurance industry then, hospital association then, who could give us that perspective? We can't have only people who thought he was on the right side.

Fine: You might want to talk to Jim Doherty, who was her predecessor at AAHP [American Association of Health Plans]. It had a different name then. It was called GHAA [Group Health Association of America]. Jim lives on East-West Highway over here. Many of them are dead.

Heininger: How far back does he go?

Fine: I think Jay Constantine will forthrightly tell you the good and the bad about Kennedy, because Russell Long and Kennedy were not friends.

Heininger: Okay. If you can think of anybody else, please let me know, because we're always looking for people who can help get pieces of the puzzle put together.

Fine: Every name I come up with is dead.

Heininger: I understand that. Well, thank you very much.

Fine: You're welcome. You ought to talk to Jimmy Carter about Kennedy.

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