

*Administration of Barack H. Obama, 2009*

## **Interview With Michael A. Smerconish of the Michael Smerconish Morning Show**

*August 20, 2009*

*Mr. Smerconish.* Hi, everybody. Welcome back to the program. I'm Michael Smerconish. What an honor for me to say I'm live at the White House, and I'm joined by the President of the United States. Mr. President, what an honor for me, and thank you, sir, for this privilege, and thank you for coming back to my radio program.

*The President.* Michael, it's great to be on the show again. Every time we've been on, it's been a great time, so I appreciate the opportunity.

*Mr. Smerconish.* Folks are stacked up, as you might imagine. They're anxious to pose some questions about health care to the President of the United States. More than 5,000 e-mail suggestions have flowed through my web site in just the last 24 hours alone. If it's all right, I'll start by posing a couple of questions and some of the things that I continue to hear from folks, and we'll welcome phone callers as well.

Allow me, sir, to begin with this. Did Secretary Sebelius misspeak last weekend? You know, a great deal has been made as to what she said pertaining to the so-called public option.

### *Health Care Reform*

*The President.* Yes. She really didn't misspeak. The surprising thing is, she'd been saying this all along. She said the same thing a month ago. And let me just describe what the issue is here. We have consistently talked about the need for health care reform because family premiums are going up three times faster than inflation and wages. The costs of Medicare and Medicaid will bankrupt this country if we don't reduce the cost inflation of health care. You've got families who can't get health care because of preexisting conditions, or they bump up against some lifetime cap if a family member gets really ill.

So what we've said is there are a number of components of health care. One is that for people who already have health insurance, they can keep their health insurance, but we're going to have some consumer protections to regulate how insurers operate. For example, they can't prohibit people from getting it—health insurance—because of a preexisting condition. They can't have lifetime caps or yearly caps that prevent people from getting the care that they need.

We're also going—for people who don't have health insurance—to set up a system similar to what Congress has, where you can buy into a bigger pool, get better rates, have better protections around you. You would be buying that insurance from private insurers. But one of the options we talked about was a public option, where there wouldn't be a profit motive involved; it would be non-for-profit. And that public option would give you affordable health insurance.

Now, what we've said is, we think that's a good idea. But we haven't said that that's the only aspect of health insurance. And what she essentially said was, is that all these other insurance reforms are just as important as the public option. The press got a little excited, and some folks on the left got a little excited about this. Our position hasn't changed. We think that the key is cost control, competition, making sure that people have good, quality options. If

we're able to achieve that, that's the end that we're seeking. And the means—you know, we can have some good arguments about what the best way to achieve it is, but we've got to change, because the status quo is unsustainable.

### *Economic Stabilization and Health Care*

*Mr. Smerconish.* Mr. President, there's a mindset among many folks in my audience who say that the endgame, it's all about single-payer, that it's a public option or it's a cooperative. And, sir, you know that there's a perception out there that you want it all. You know, you want to be in the banks, you want to be in the automotive industry, and now you want to be in health care. Can you address that mindset?

*The President.* I absolutely can. First of all, look, the intervention in the banks wasn't started by me; it was started by a conservative Republican administration. And rightly so, because our banks were on the verge of meltdown. The only thing that we've done is said let's put in place some financial regulations to make sure that this doesn't happen again.

The auto interventions weren't started by me; they were started by a conservative Republican administration. The only thing that we did was rather than just write GM and Chrysler a blank check, we said, you know what, if you're going to get any more taxpayer money, you've got to be accountable. They went through a record bankruptcy, and now GM for the first time is actually hiring folks back.

So I know that there's this perception that somehow we have engaged in these extraordinary interventions. Part of it had to do with the worst financial crisis in history. And the fact that both the auto bailout and the bank bailout were started under a previous, conservative Republican administration indicates the fact that this wasn't ideological; this was a matter of necessity.

Now, as far as health care goes, I've consistently said I would love the private marketplace to be handling this without any Government intervention. The problem is, it's not working. What we're seeing is about 14,000 folks lose their health insurance every single day. We are seeing health care inflation go up about twice as fast as regular inflation. Businesses are being crippled by it. Small businesses especially have almost no access to the marketplace because they've got no leverage with insurance companies.

So all we've said is let's keep the private system intact, but let's make sure that people who right now can't get health insurance—about 46 million—that they're able to buy into the market. And number two, let's have some consumer protections to make sure that those of us who have health insurance don't end up getting a bad deal because we didn't read the fine print and we think that we have coverage; when we finally get sick and we need it, it turns out that we're vulnerable because insurance companies aren't operating in the interests of their customers.

### *CAR Allowance Rebate System*

*Mr. Smerconish.* I like to drive an MDX and an F-150, and I've communicated by e-mail in the last 24 hours with the woman who sold me the MDX and the guy who sold me the F-150, and each of them, Mr. President, are saying that Cash for Clunkers has been a great idea and a wonderful initiative, and they've closed a lot of deals, but the payments are late. And I'm hearing from a number of folks who say, "Come on, if the Federal Government can't get it together relative to Cash for Clunkers, I don't want to entrust my health care to the Federal Government."

*The President.* Well, let me first address Cash for Clunkers. It has been successful beyond anybody's imagination. And we're now slightly victims of success, because the thing happened so quick, there was so much more demand than anybody expected that dealers were overwhelmed with applications.

Now, this program has only been going on for a few weeks, and we have hired three times as many people to process this stuff as we originally had. There has not been extraordinary delays on the U.S. Government's part. I understand dealers want to get their money back as soon as possible, but the fact of the matter is, this is a good-news story; they are seeing sales that they have not seen in years.

And they will get their money, but we've got to process it properly, because if we were careless about it, if we were just sending out checks where applications were incomplete and so on, first of all, we'd be breaking the law because there are statutes set up in terms of how this is supposed to go; and secondly, there'd probably be some story—you'd be asking me about scandals, where there were a whole bunch of checks of taxpayer money being wasted, going out to people who hadn't actually bought cars.

So I think this is actually a high-class problem to have, that we're selling too many cars too quickly and there's some backlog in the application process. It is getting fixed.

*Mr. Smerconish.* Mr. President, Ernie is a listener of mine on WTKK in Boston and wishes to pose the following question. Ernie, go ahead for the President of the United States.

#### *Health Insurance Exchange/Public Health Insurance Option*

Q. Thank you, Michael. Mr. President—

*The President.* How are you, Ernie?

Q. I'm good. Thank you for taking this call.

*The President.* Great to talk to you.

Q. I understand you've said that the Federal health care plan for Government employees is a pretty good plan.

*The President.* It is.

Q. And Congress has voted, to my understanding, not to join the public plan once it passes because they want to keep their good Federal plan. Would you be willing to either urge Congress to have the Federal employees join the public plan, or would you be willing to urge Congress to somehow open up the Federal health plan to all Americans?

*Mr. Smerconish.* Thank you, Ernie. I hear this all the time, Mr. President.

*The President.* Well, it's a great question, Ernie. First of all, understand that currently, Federal employees have a very good health care plan because they're able to leverage the insurance companies. There are so many members of their—of the Federal workforce that they can get the best rates possible, for every insurance company wants to do business with the Federal Government. So premiums are lower, and it's a better deal overall.

The same concept is what we're trying to do in setting up what's called a health insurance exchange. Essentially, it'd be a marketplace where people who currently don't have health insurance or small businesses could pool their numbers so they have leverage over the insurance companies. And they could go on a web site and look at the various options, the types

of various private health insurance plans that are being offered, and choose the one that's best for their families. So we're actually trying to duplicate what exists for Federal employees. We want to make that available to everybody else.

Now, what we have said is, let's make a public option one choice of many choices that are available to people who are joining the exchange. And I see nothing wrong with potentially having that public option as one option for Federal employees as well.

But the important thing that I think I have to make absolutely clear: Nobody would be obligated to choose the public option. If you went on that web site and you said, you know what, Aetna or Blue Cross Blue Shield are offering a good deal, and I would rather choose that plan than the public plan, you'd be perfectly free to do so. Nobody would be saying, you are obligated to go into a public plan.

*Mr. Smerconish.* I think what folks are saying is that they'd love it if you'd stand up and say, whatever it is that we're creating, be it a co-op, be it a public option, whatever name ultimately might be ascribed to it, we in the executive branch, we in the Congress, we will live with exactly these parameters.

*The President.* I think there would be—I think it would make perfect sense for us to make the public option available to Federal employees as well. But keep in mind, it would just be a choice.

*Mr. Smerconish.* Understood. Let me keep moving, if I may. Tracy listens on WXNT News Talk 1430 in Indianapolis. Tracy, your question for the President.

#### *Health Care for Illegal Immigrants/President's Health Care Reform Must-haves*

Q. Mr. President, thanks for taking my call.

*The President.* Hi, Tracy.

Q. Hi. Until I heard you say that a private option is just a sliver of your health care proposal recently, I think myself and many Americans thought that pretty much was your proposal.

*The President.* I know.

Q. So my question is, could you please quickly list five or six bullet points of what legislation must include for you to be willing to sign it? For instance, employer mandates, tort reform, illegal immigrants, what about them? Must it include a public option?

*The President.* I'd be happy to. First of all, you mentioned illegal immigrants. This has been an example of just pure misinformation out there. None of the bills that have been voted on in Congress and none of the proposals coming out of the White House propose giving coverage to illegal immigrants, none of them. That has never been on the table; nobody has discussed it. So everybody who is listening out there, when you start hearing that somehow this is all designed to provide health insurance to illegal immigrants, that is simply not true and has never been the case.

*Mr. Smerconish.* What is their fate, if I might ask? Because there's a 1986 law on the book that says if you show up at an ER, you've got to be treated.

*The President.* Well, that will continue, because we don't want a situation in which some child, even if they're an illegal immigrant, shows up in an emergency room with tuberculosis

and nobody is giving them treatment, and then they're going back to the playground and playing next to our kids.

So there—I think there is a basic standard of decency where if somebody is in a death situation or a severe illness, that we're going to provide them emergency care. But nobody has talked about providing health insurance to illegal immigrants. I want to make that absolutely clear.

Now, Tracy, you had a good point about what are the bullet points that I want. Number one, it's got to be deficit neutral. This has to be paid for, because in the past, some of the health care plans that we've put forward have not been paid for. A good example of this was the prescription drug benefit for seniors. That was a important thing to do, but we never actually figured out how to pay for it. That just went directly into the deficit and the national debt. We can't afford to do that. So that would be point number one.

Point number two, it has to bend the cost curve. What that means is that we've got to create a plan that experts credibly say will reduce health care inflation, because if all we're doing is adding more people, but we're not controlling costs, that will blow up the deficit over the long term, and it will blow up the burdens on individual families and businesses. We've got to get control of our costs. We spend \$6,000 more than any other advanced country per person on health care. That's number two.

Number three, we've got to have the insurance reforms I talked about for people who already have health insurance. And that means making sure you can get health insurance even if you've got a preexisting condition, making sure that you're not burdened by lifetime caps, making sure that insurance companies can't drop you just because you get sick or because you're older or because you're not as healthy; so making sure that there are basic insurance protections, that's very important.

Number four is I want to make sure that we have a health exchange, as I just described, that is similar to what Members of Congress have, where you will have a set of options. If you're a small business, if you're an individual, self-employed, you have trouble getting health insurance right now, you can go and look at a bunch of options. And we've got to make it affordable for middle class families, so part of the plan has to be that if you can't afford a market-based premium, that we're giving you a little bit of help and you're able to get health insurance.

Choice, competition, reducing costs, those are the things that I want to see accomplished in this health reform bill.

### *Personal Responsibility for Health*

*Mr. Smerconish.* Where, Mr. President, does personal responsibility factor into all this? There was a front-page story in USA Today recently that talked about obesity being the single most significant factor. I mean, you're a fit guy. How about rewarding those who get on a StairMaster every day?

*The President.* Well, the interesting thing is, you're already starting to see this happen among a lot of private companies. Safeway, for example, is a company that has done a great job in helping encourage its employees to get fit, and they actually give them an incentive. They say, "Look, we're—you're going to save X amount on your insurance premiums; you'll see that in your paycheck if you are taking steps to take care of yourself." And I think that creating incentives like that for prevention, for wellness, creating cash incentives for people who—

where it shows up they're saving money on their health insurance because of it, I think that's something that should be part of this.

*Mr. Smerconish.* Mr. President, Joe listens to me at Home Base, which is the Big Talker 1210 in Philadelphia. Joseph, go ahead for the President of the United States.

### *Bipartisan Support in Congress for Health Care Reform*

*Q.* Thank you for taking my call, Mr. President.

*The President.* Hey, Joe, how are you?

*Q.* Oh, I'm scared out of my mind talking to you here. [*Laughter*] I'm a supporter, worked hard for you last year.

*The President.* I appreciate you.

*Q.* And I'm getting a little ticked off that it feels like the knees are buckling a little bit. You have an overwhelming majority in both the House and the Senate, and you own the whole shooting match. And I'm just not getting—it's very frustrating to watch you try and compromise with a lot of these people who aren't willing to compromise with you.

*Mr. Smerconish.* Are your knees buckling? That's his question.

*The President.* Well, look, I guarantee you, Joe, we are going to get health care reform done. And I know that there are a lot of people out there who have been hand-wringing, and folks in the press are following every little twist and turn of the legislative process. You know, passing a big bill like this is always messy. It's—FDR was called a socialist when he passed Social Security. JFK and Lyndon Johnson, they were both accused of a Government takeover of health care when they passed Medicare. This is the process that we go through, because, understandably, the American people have a long tradition of being suspicious of government until the government actually does something that helps them, and then they don't want anybody messing with whatever gets set up.

And I'm confident we're going to get it done, and as far as negotiations with Republicans, my attitude has always been, let's see if we can get this done with some consensus. I would love to have more Republicans engaged and involved in this process. I think early on a decision was made by the Republican leadership that said, "Look, let's not give them a victory, and maybe we can have a replay of 1993, '94 when Clinton came in. He failed on health care, and then we won in the midterm elections, and we got the majority." And I think there's some folks who are taking a page out of that playbook.

But this is—shouldn't be a political issue. This is an issue for the American people. There are a bunch of Republicans out there who have been working very constructively. One of them, Olympia Snowe in Maine, she's been dedicated on this. Chuck Grassley, Mike Enzi, others—they've been meeting in the Senate Finance Committee. I want to give them a chance to work through these processes.

And we're happy to make sensible compromises. What we're not willing to do is give up on the core principle that Americans who don't have health insurance should get it, that Americans who do have health insurance should get a better deal from insurance companies and have consumer protections. We've got to reduce health care inflation so that everybody can keep the health care that they have. That's going to be my priorities, and I think we can get it done.

### *Release of Abdelbaset Ali Mohmed Al-Megrahi*

*Mr. Smerconish.* A bit off message, today the Scots released the Lockerbie bomber due to—actually, maybe it is health care-related. He's got terminal cancer. Your take on this—a lot of folks very offended over a perceived lack of justice.

*The President.* We have been in contact with the Scottish Government indicating that we objected to this, and we thought it was a mistake. We're now in contact with the Libyan Government, and want to make sure that if in fact this transfer has taken place, that he's not welcomed back in some way, but instead should be under house arrest. We've also, obviously, been in contact with the families of the Pan Am victims and indicated to them that we don't think this was appropriate.

### *Afghanistan/Pakistan*

*Mr. Smerconish.* Mr. President, in each of our prior three conversations, I spoke with you extensively about the need for closure, and we agreed relative to bin Laden and Ayman Al-Zawahiri. And as a matter of fact—and this is well documented; I've written and spoken about it extensively—things that you said during the course of the campaign played a critical role in my personal decisionmaking pertaining to the 2008 election. So I feel I'd be derelict in my duty if I didn't come here today and say, where are we? I know we had a major victory recently with the number-one individual for the Taliban in those tribal regions. But pertaining to bin Laden and Ayman Al-Zawahiri, where is it?

*The President.* Well, here's where we're at. We are continuing to ramp up the pressure in Afghanistan. And we had a—what appears to be a successful election in Afghanistan despite the Taliban's effort to disrupt it. You've got General McChrystal now over there and more troops who are putting pressure on the eastern and southern portions of Afghanistan.

On the other hand, you've got the Pakistani Army for the first time actually fighting in a very aggressive way, and that's how we took out Baitullah Mehsud—

*Mr. Smerconish.* Right.

*The President.* —the top Taliban leader in Pakistan, who was also one of bin Laden's key allies. So the goal here is essentially to have a pincher, where we are squeezing them on both sides. We're eliminating their allies. It's making it more difficult for them to communicate, making it more difficult for them to operate safe havens, and over time, what we hope to do is to flush them out. We are going to keep on putting pressure on them, and I know that it's at great cost. I mean, I have to sign letters to family members who have fallen, and a lot more are falling in Afghanistan than in Iraq. And as a consequence, we've got to make sure that we are really focused on finishing the job in Afghanistan, but it's going to take some time.

*Mr. Smerconish.* Mr. President, Susan listens to WOR News Radio 710 in New York City. Susan, go ahead for the President of the United States.

*Q.* Yes, thank you very much, Mr. President, for talking to us directly about this important issue.

### *Health Care Reform at the State Level*

*The President.* Thank you, Susan.

*Q.* We all want reform. I guess it's really a matter of what the best solution is. And a lot of us feel that the Federal Government is just not equipped or it's their role to be getting involved

in delivering health care services. And we're very concerned that most of the money will actually go—instead of taking care of people, it will go to, you know, the cost of administering a huge government bureaucracy. Why not do something more like giving incentives to the States? Like here in New York, we already have free health care for people who can't afford it. And you know, it should only be for people who can't afford it, not for the 20- and 30-somethings that choose to spend their money on SUVs and the latest electronic gadgets. And it's not free because we all know that we're going to be paying for it, and it should be only for the people who can't really afford it. And we want to have our own health care decisions locally, and we don't want the Federal Government making those decisions for us.

*Mr. Smerconish.* Is there a State solution here, Mr. President?

*The President.* Well, look, first of all, Susan, I think that it's important to understand that part of the health reform proposal that we've put forward would involve the States. The States, in some cases, would be empowered to expand Medicaid to cover more people the same way that they've been able to cover more children under the Children's Health Insurance Program. So a sizable portion of the people who are currently uninsured would in fact be getting their insurance through the States. That's how the current Medicaid program is able to allow States to cover more people.

Keep in mind that nobody is talking about the Government administering all of health care. What we're talking about here is a public option that people could sign up for, but in that situation, they'd have to operate like any private insurer. They'd have to be collecting premiums and so forth.

The track record for Government administering health care actually is surprisingly good. Medicare, for example, a Government program, has much lower administrative costs than private insurers do. Now, part of it is, is because they don't have—either somebody is qualified or they're not, and so signing them up is a lot more automatic.

But that points to one of the big problems that we have. In private insurance, huge amounts of insurance companies are spending a lot of money and a lot of effort and a lot of staff just trying to cherry-pick people who are healthy and sign them up and then eliminate people who are sick. And part of what we want to do here is just reform the system so that insurance companies are operating more fairly to all people.

If you're young, actually, it's easier to get health insurance these days. The really tough population are folks who are from 50 to 64. Maybe they just got laid off. Maybe they're self-employed. They have a whale of a time trying to buy health insurance, and we want to make sure that there is a market for them.

Last point that I would make is that, you mention the fact that a lot of young people opt out. One of the things that we would do under reform is to say, if you want, you can stay on your health insurance—or your parents' health insurance up to the age of 26. That would cover a lot of young people who they—fall in that gap. Their first job doesn't necessarily offer them insurance. It gives them a way of having coverage until they get that job that has a little bit more security.

*Mr. Smerconish.* You're needed across town. I appreciate very much the privilege of coming to the White House. Mr. President, thank you so much for being on the Michael Smerconish program.

*The President.* Mike, it's always a pleasure. And I want to thank all your listeners, terrific questions. There's a great dialog that takes place on this show, and I just hope that we can continue that dialog in the same spirit to solve some of America's big problems.

*Mr. Smerconish.* Thank you, sir. I'll be back in just a moment from the White House.

NOTE: The interview began at 1:05 p.m. in the Diplomatic Reception Room at the White House. In his remarks, the President referred to Secretary of Health and Human Services Kathleen Sebelius; Gen. Stanley A. McChrystal, USA, commander, NATO International Security Assistance Force, Afghanistan; and Usama bin Laden, leader of the Al Qaida terrorist organization. Mr. Smerconish referred to Ayman Al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate.

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