

Administration of Barack H. Obama, 2009

Remarks at the Organizing for America National Health Care Forum and a Question-and-Answer Session

August 20, 2009

The President. Thank you, everybody. Hey. Thank you.

Audience members. Yes we can! Yes we can! Yes we can!

The President. Yes we can. Thank you. Thank you, everybody. Please have a seat. This looks like a casual crowd; I'm going to—[*laughter*—take off my jacket here. Let me begin by thanking Beth, not just for the great introduction, but for the unbelievable dedication that she showed throughout the campaign, but more importantly, almost, now trying to actually get some things done.

I want to thank Congresswoman Debbie Wasserman Schultz. Where'd Debbie go? I hear you were on a scooter. I want to see that at some point. [*Laughter*] That's pretty cool—[*laughter*—always stylish. [*Laughter*] I want to acknowledge my great friend Tim Kaine, who joined us earlier by phone, and is doing just a great job on behalf of not only the people of Virginia but also on behalf of Democrats all across the country. And to all of my Organizing for America volunteers, thank you so much for your unbelievable dedication. It is good to be here.

It's great to be here with all of you because it reminds me of how we got here in the first place. We're here because you believed that after an era of selfishness and greed, that we could reclaim a sense of responsibility and a sense that we have obligations to each other, not just here in Washington, but all across the country. You believed that instead of growing inequality, we could restore a sense of fairness and balance to our economic life and create lasting growth and prosperity. You believed that at a time of war and turmoil, we could stand strong against our enemies, but also stand firmly for our ideals, and reach out to the rest of the world and describe to them what America is about and how we can forge together a world of common interests and common concerns.

That's the change that you believed in. That's why you worked so hard, knocking on doors and making phone calls and hot sun and—[*laughter*—cold winds and sometimes having doors slammed in your faces and—[*laughter*—your family members all saying, "Why are you doing this"—[*laughter*—"because this guy has no chance." [*Laughter*] That's something I'll never forget.

But we all know that winning the election was just the beginning. I said this—the—election night, I said it at the Inauguration, and somehow I think maybe some people thought I was just fooling. I was serious. Winning the election was just the start. Victory in an election wasn't the change that we sought; it had to manifest itself in the real day-to-day lives of ordinary Americans all across the country. And I know that folks like Beth and all of you at OFA have been working to make that change, doing the same things you were doing during the campaign, going block by block, neighbor by neighbor, having doors slammed in your faces—[*laughter*—people telling you, "Why are you doing this?" [*Laughter*] "It doesn't make any chance."

But just so you don't lose heart as we enter into probably our toughest fight, let's just recall what we've already gotten done. Not 1 month into this administration, we responded to the worst financial crisis since the Great Depression by putting in place a sweeping economic

recovery program that has already made an enormous difference in people's lives. You've got millions of people who have unemployment insurance and got COBRA so they could keep their health insurance, and States who've been able to avoid layoffs of teachers and firefighters; a tax cut for 95 percent of working families, a commitment we made during the campaign that we have already fulfilled; thousands of people being put back to work all across the country rebuilding our roads and our bridges and our hospitals.

As a consequence of everything that we did just in that first month, we've been able to see a stabilization of the financial system where a lot of economists thought that we were going to be dipping into a Great Depression. Obviously, we're not out of the woods yet, but we've taken steps to address the housing crisis and keep people in their homes. We made some tough choices to keep the financial and the automotive sectors from collapsing, which would have further shocked our economy.

That's on the economic side. In the meantime, we lifted the ban on stem cell research; we expanded health insurance programs to 11 million more children across the country. We passed a national service bill that will give thousands of Americans opportunities to serve.

[At this point, the President coughed.]

The President. I get all choked up just talking about it. *[Laughter]*

We passed the Lilly Ledbetter Fair Pay Act to make sure that women are treated the same way as men. We passed legislation to protect consumers from unfair rate hikes and abusive fees for credit card companies, and some of those rules went into effect today. We passed laws to protect our children from marketing by tobacco manufacturers. We've prohibited torture. We've begun to leave Iraq to its people. We've taken the fight to Al Qaida in Afghanistan and Pakistan. We've rebuilt our military, and we're restoring our alliances and our standing in the world. So, not a bad track record—not a bad track record. We should be proud of what we've accomplished. But we're not satisfied. And we should be confident but not complacent. We've got more work to do, and we've got more promises to keep. And one of those promises is to achieve quality, affordable health care for every single American, and that is what we intend to do when Congress gets back into session.

Now, we all know this has been an emotional debate. We've seen tempers flare. Accusations have been hurled. And sometimes it seems like one loud voice can drown out all the civil, sensible voices out there. But remember one thing: Nothing's more powerful than millions of voices calling for change. That's how we won this election. You know this, and that's why since OFA launched its health reform campaign in June, you've hosted 11,000 events in more than 2,500 towns in every single State and every single congressional district, which is remarkable.

And of course, the TV cameras aren't there when you're doing all this. *[Laughter]* And when you notice that nobody is paying attention to what you're doing, just remember, we've been through this before. Some of you were involved when we were in Iowa, 30 points down, and all of Washington said, "Oh, it's over"—hand-wringing and angst and teeth-gnashing. *[Laughter]* And then last year, just about this time, you'll recall that the Republicans had just nominated their Vice Presidential candidate, and everybody was—the media was obsessed with it, and cable was 24 hours a day, and "Obama's lost his mojo," and—*[laughter]*. Do you remember all that? *[Laughter]* There's something about August going into September—*[laughter]*—where everybody in Washington gets all wee-weed up. *[Laughter]* I don't know what it is. *[Laughter]* But that's what happens.

But instead of being preoccupied with the polls and with the pundits and with the cable chatter, what you guys consistently did was you just kept on working steadily, deliberately, sensibly, knocking on doors, talking to people, talking to your coworkers, just giving people the facts, explaining to them a vision of how we're going to move forward. And that's what we're going to have to do today, because we're going to have to cut through a lot of nonsense out there, a lot of absurd claims that have been made about health insurance reform.

There was a poll done—some of you may have seen—Wall Street Journal/NBC poll. It turns out that a huge proportion of the American people are convinced, A, that somehow health reform means illegal immigrants are going to get health care; B, that it's a Government takeover of health care; C, that all the money's going to be funding abortions; D, that—what's the other one?—"death panels," that we're all going to be, you know, pulling the plug on grandma. Now, come on. [*Laughter*]

We can have a real debate because health care is hard, and there are some legitimate issues out there that have to be sorted through and worked on, as Debbie talked about. But what we're going to have to do is to cut through the noise and the misinformation, and the best ambassadors for true information, factual information, is all of you. You have more credibility than anybody on television when it comes to your family members and your friends and your neighbors. And that's why you being involved is so important.

Now, I don't have to explain to you why it's so important to pass health reform for the 46 million people who don't have health insurance. But it's just as important that Americans who do have health insurance, which are the majority of Americans, that they understand what health reform means for them. So let me just make sure I try to give you some bullet points here, because right now the system works very well for the insurance companies, but it doesn't work so well for the American people.

First, no matter what you've heard, if you like your doctor, you can keep your doctor under the reform proposals that we've put forward. If you like your private health insurance plan, you can keep it. If your employer provides you health insurance on the job, nobody is talking about messing with that.

If you don't have health insurance, we do intend to provide you high-quality, affordable options. And that, by the way, is not just poor people who don't have health insurance; in fact, a lot of poor Americans have health insurance under Medicaid. Mostly it's working Americans who don't have health insurance on the job, or it's self-employed Americans, or it's small-business owners, or people who work for small businesses who don't have health insurance. And what we want to do is to give them a menu of options that they can choose from and then a little bit of help in terms of making their premiums more affordable.

So that is absolutely critical. Now, one of the options we want to provide them is a public option, and there's been—this has been a confusion around this—[*applause*]*—there's been a lot of confusion about this, so let me just clarify. I think a public option is important. And let me explain why.*

We're going to have a marketplace where people can select the options that work best for them, the insurance plan that works best for them. A lot of those choices—the overwhelming majority of those choices will be private insurance options, just like Members of Congress have; they're allowed to choose from various proposals or various plans that are part of the Federal employees' health plan.

But what we do think is if we have a public option in there, that can help keep insurers honest; it can provide a benchmark for what an affordable basic plan should look like. And so even though we've got a whole bunch of insurance regulations that ensure that any private insurer that's participating in the exchange is giving you a fair deal, this is sort of like the belt-and-suspenders concept: It means that not only do they have to abide by these regulations, but they also have to compete with somebody whose interest is not just profit, but instead is interested in making sure that the American people get decent health care.

Now, having said that, I want everybody to be clear that the public option is just one option. It will be voluntary. Nobody is talking about you having to be in the public option. Only—the only thing that we're talking about is this being available to you as a choice, expanding consumer choice. And we think that's a good idea.

Now, there are a whole bunch of other aspects to health insurance reform, though, that people have to understand. We want to make sure that, for example, insurance companies can't prevent you from getting health insurance because of a preexisting condition. That will be the law whether you're in the health insurance exchange or you're just keeping the insurance that you already have. You should be able to keep it regardless of preexisting condition. You should be able to purchase it. There shouldn't be lifetime caps or yearly caps where you bump up against it and suddenly you've got huge out-of-pocket costs that drive you into bankruptcy. We've got to make sure that there are basic consumer protections on that.

You should be able to keep your health insurance if you get sick or you lose your job or you change jobs. And all too often what happens is, when you need insurance most, that's when the insurers decide to drop you, and we've got to make sure that that is against the law. And that's part of what health insurance reform is all about.

So it's going to be—bring down skyrocketing costs, it's going to save families money, it's going to save businesses money, and it's going to save Government money. We are going to make Medicare more efficient, guaranteeing today's seniors better benefits than they have right now. We're going to make sure that that doughnut hole in the middle of their prescription drug plan, that that doughnut hole is closed, because we want to make sure that seniors who are already living on fixed incomes during difficult times aren't having to dig even deeper to increase drug company profits.

So I just want everybody to understand that in addition to providing health insurance for people who don't have it, even if you have health insurance, you've got a stake in this debate. Fourteen thousand people are losing their health insurance every single day. Millions of people all across the country are vulnerable to exclusions because of things like preexisting conditions. Millions of Americans have experienced the fact that premiums have gone up three times faster than inflation and faster than incomes.

And if we go at the pace that we're going right now, there are going to be a whole lot of families who make the decision that they can't afford health insurance because the costs are simply unsustainable.

And if you're a deficit hawk, then you should be especially concerned about passing health care reform, because at the pace we're on right now, Medicare is going to run out of money in 8 years. It won't be totally broke, but it will be in the red, because the costs are going up a lot faster than the money that's coming in.

So when you're talking to seniors out there, tell them, number one, nobody is talking about cutting their benefits. Talk to them about the fact that, by the way, Medicare is already a

Government program—[laughter]—so when people say, "Keep Government out of our health care," make sure they know that Medicare is a Government program. But also explain to them that part of what we want to do is strengthen the program so that it's going to be there over the long haul. We don't want a situation in which Medicare runs short of money because we did not make the changes that were needed early on.

I am absolutely confident that we can get this done, but I want everybody to remember, this has never been easy—never been easy. When FDR proposed Social Security, all across what was, I guess, the equivalent of today's Internet, right—[laughter]—all the newspapers and the radio shows and all that—he was accused of being a socialist. He was going to bring socialism to America. How dare he! When JFK and then Lyndon Johnson proposed Medicare, everybody suggested, this is going to be a Government takeover of health care; it's going to destroy your relationship with your doctor. The same arguments that are being made now have been made every time we've tried to propose a significant change that ultimately made people more secure, improved our health care, improved our quality of life.

So we cannot be intimidated by some of these scare tactics. We have to understand that there a lot of people who are invested in the status quo and make a lot of money out of it. We've got to also understand that people are understandably nervous and worried about any significant changes when it comes to something as important as health care, because it touches on your lives, it's very personal, and so they're more vulnerable to misinformation.

And that's why what all of you do is so important, because people trust you—your neighbors, your friends, fellow community members—they trust you. They know you. And if you are presenting the facts clearly and fairly, I'm absolutely confident that we're going to win this debate. But we're going to have a lot of work to do. I'm grateful that you're willing to do it. Let's go get 'em. [Applause] Thank you very much, everybody. Thank you. All right. Thank you. All right.

Organizing for America Director Mitch Stewart. Thank you, Mr. President. Thank you for taking time out of your very busy schedule to talk to all of us, your supporters, about this critical issue. I would just like to add, for folks who are interested, either watching this at home or at work, you can sign up to participate—[laughter]—or host a health care event right now by entering your zip code. And for folks who are listening on the phone, please go to BarackObama.com and sign up to participate or host an event near you.

Sir, we've collected thousands of questions from across the country, and we're going to take three—one from e-mail, one from the telephone, and another one from Twitter—and then we're going to open it up to your volunteers here—these are your best volunteers in the area—to have you call on them and ask questions there.

So with the first question, Cindy.

Health Care Reform/Public and Private Health Insurance/Misinformation Concerning Health Care Reform

Q. Good afternoon, Mr. President. Our first question comes from Julia in Colorado Springs, Colorado. Julia writes: "I am a volunteer community organizer in Colorado. This summer, our volunteers have called 4,800 members of the community and gathered declarations of support from over 2,600 people. The debate is really heating up. What do you think is the most compelling argument we can make for health reform?"

The President. Well, thank you, Cindy, if you're listening. I appreciate the question and the great work that you're doing.

The first thing that you have to explain to folks when we're having a discussion about health care is that the status quo is unsustainable. Or another way of putting it, if you like what you have now, unless we make some changes, you're not going to have exactly what it is that you like.

And the reason is because health care costs are going up so fast—as I said, three times faster than wages, much faster than inflation in every other area of life—that it's going to gobble up a higher and higher percentage of your income in terms of premiums and out-of-pocket costs. More and more employers are going to say, "We just can't afford to provide you health insurance, or if we do, we're going to push more and more costs onto you."

You're going to lose more and more of your paycheck, even if you don't know it. It turns out, in the 1990s, wages and incomes flatlined. And part of the reason was because a lot of the company profits that normally would have gone to salary increases or wage increases ended up being gobbled up by health care.

So if you've got a private plan, you have something to worry about. If you are on a public program like Medicare, you have something to worry about because we're going to be running out of money. And so the status quo is unsustainable. You've got to make sure that you explain that to folks. It's not as if, if we just stand still, everything is going to be okay.

Point number two is that if you don't have health insurance, we're not forcing you to go into a Government plan. We in fact just want to set up a system similar to what Members of Congress enjoy, where you have a menu of private insurance options, and we're just going to give you a little bit of help so that you could afford the premiums. That's all we're talking about.

Now, one of the options will be a public option, because we think that potentially could be a better deal for consumers. But nobody is going to force you into that option. It will, however, help keep the private insurers honest, because if they're charging a lot more—higher profits, higher overhead, worst deal in terms of insurance—then a lot of people will say, "Well, I might as well take advantage of the public option." But it will be the choice of the individual. That's the second thing to emphasize.

The third thing to emphasize, and probably the most important thing to emphasize when you're talking to people about this—because most people have insurance, remember that. The people who don't have health insurance, they're already in favor of reform. But most Americans have health insurance. So the most important thing to describe to them is, this will be a set of consumer protections that provide you more safety and security. You know that you will be provided for if you get sick, because what we're going to do is we're going to say to insurance companies, you've got to do certain things like admit people even if they've got preexisting conditions. You can't hide on—under the fine print a lot of terms that allow you to drop people when they get sick or exclude them from care.

In fact, the House bill actually has a provision that says insurance companies, if they want to participate in the exchange, they can only charge 15 percent in profits and administrative costs. The rest of the care has to go to actually making people well. So that'll be a cost-control element.

But the point is, is that all these forces taken together will help people know that when they pay their premiums and they've got health insurance, that in fact it's there when they need it, and that they can count on it, and they're not going to be jerked around.

And over time, because of the cost-savings measures that we're putting in place, for example, making sure that prevention and wellness is covered, we're actually going to reduce the costs of health care overall over the long term. And that's going to be equally important, because eventually, that's going to show up in your paychecks in lower premiums. Because right now Americans are paying five to six thousand dollars more per person in health care costs than any other advanced nation. So not only do these other countries have universal care, but they're paying five to six thousand dollars less per person. We're not getting a good deal.

And so nobody is talking about a Government takeover of health care. We are talking about making sure that people are getting a good deal for the premiums that they're already paying. And I think that argument, most of the time, will win the day. I was just on a conservative talk show this morning—or this afternoon, and a woman called in, and she said, "You know, I have to admit that I'm glad you explained how this public option works, because I thought your whole plan was just the public option."

A lot of people just have a lot of misinformation, partly because, let's face it, health care is complicated, and, you know, it's subject then to a lot of misinformation out there. And that's why your efforts are so important.

So thank you, Cindy, wherever you are.

Mr. Stewart. All right. Thank you, Mr. President.

The President. All right.

Mr. Stewart. We have our second question. And our second question comes from the telephone.

Senior Citizens and Health Care Reform/Medicare

Q. Our second question comes from a caller over the phone. Connie Lind is a volunteer leader from Florida. Go ahead, Connie.

The President. Connie, can you hear me?

Q. Good afternoon, Mr. President.

The President. Hi, Connie.

Q. Hi, Mr. President. Good afternoon. I'd like to thank you for taking my question. My name is Connie Lind, and I live in Dania, Florida. I live in Congresswoman Debbie Wasserman Schultz's district. [*Laughter*] I'm a retired health care administrator. I was a neighborhood team leader during your campaign, and now I'm the new OFA community organizer. My question, sir: Are we winning support from Members of Congress? Do you think we're making a difference, sir?

The President. Well, listen, the fact is, you've already got one of the best Members of Congress, so if you talk to her, you're kind of preaching to the choir—[*laughter*]—especially since she's sitting here right now. [*Laughter*] But can I just say that even if you live in a strongly Democratic district where there's a strong progressive Member of Congress who's already in favor of health care reform, convincing people more broadly about the need for reform still makes a difference, because, unfortunately, Washington is obsessed with the snap

poll; they are obsessed with what is played in—on talk radio or what's said at a town hall meeting. You can have 20 really civil, sensible town hall meetings, but if there's one where somebody is screaming, you know which one is going to get on television.

And so every single person that you talk to whose mind is changed is going to make a difference. And in your congressional district, I think Debbie would confirm there are a lot of senior citizens. Seniors right now are the most worried of any population group about health reform. They are the ones who are most nervous. And it's understandable: A, because seniors need more health care than anybody else, and they already have good health care under Medicare. And so their general attitude is, I don't want change; I just want to make sure that you're not taking away what I already have.

And that's why it's so important to emphasize to seniors, Connie, that you're talking to that we are not reducing benefits under Medicare, that we think Medicare is a sacred trust. In fact, part of what we want to do is strengthen Medicare by closing the doughnut hole that is making prescription drugs really costly for those who need prescription drugs most, and by extending the life of the Medicare trust fund over time, because right now we are spending money on things like subsidies to profitable insurance companies. About \$17 billion a year is taken out of Medicare to pay to insurance companies who are already making a big profit without any competitive bidding whatsoever because they're running a portion of Medicare called Medicare Advantage.

Now, if we just have them compete, have them bid for participation, even if you still included them as a potential provider, that alone would save us \$17 billion a year. And that would extend the life of the Medicare trust fund.

So you've really got to emphasize, I think, to seniors that, number one, nobody is talking about messing with your Medicare benefits; and number two, reminding seniors that, at the same time, you've got kids or you've got grandkids—they need to make sure that they've got the same security that Medicare provides seniors. There are a lot of people who are 50, don't yet—in their mid-50s right now, don't qualify for Medicare, may have lost their job that used to provide health care. It is almost impossible for some of them to get health care because they've already had maybe a heart attack, maybe they've had an incident of cancer, maybe they've had some sort of other preexisting condition that makes insurers want to shy away from them. Their attitude is, no, we'll take the young, healthy ones, and that way we never have to pay out, and we make more profit. And that's part of what we want to change as well, and you've just got to remind seniors that there are a lot of their family members who deserve the same kind of security that they have. Nobody is talking about taking their—away their security. We just want to expand that security to more people.

Okay, great question, Connie. Next question.

Mr. Stewart. Cindy.

Misinformation Concerning Health Care Reform

Q. Our third question comes from Brandy, an OFA summer organizer in Phoenix, Arizona, who submitted her question over Twitter. She writes: "There are too many lies about health insurance reform: "death panels"; rationing; you name it. Where are these lies from? I want people to know the truth."

The President. Well, look, we know where these lies are coming from. [*Laughter*] I mean, I don't think it's any secret. If you just flick channels, you'll—and then stop on certain ones—[*laughter*—then you'll see, you know, you'll see who's propagating this stuff.

I said during the campaign that the best offense against lies is the truth. And so all we can do is just keep on pushing the truth. The truth is, there's no plan that has ever been considered under health care reform in Congress that covers illegal immigrants. Nobody's proposed that. And yet a huge percentage believe that that's the case. So, anybody listening right now, let's dispel that myth.

There are no plans under health reform to revoke the existing prohibition on using Federal taxpayer dollars for abortions. We're not—nobody is talking about changing that existing provision, the Hyde amendment. Let's be clear about that. It's just not true.

Let's be clear about the fact that nobody has proposed anything remotely close to a Government takeover of health care. None of the plans that are out there, the most liberal, progressive plans that have come forward and come out of committee—all of them presume that if you've got private health insurance, you can keep your health insurance. Nobody is talking about getting between you and your doctor and interfering with that relationship. What we have said is, we don't want Government bureaucrats interfering in that relationship; we also don't want insurance company bureaucrats interfering with that relationship.

The "death panel" idea—the genesis of this—I mean, this is an interesting example of sort of tracing how misinformation spreads. There was a provision in the House bill that very sensibly said, you know, a lot of people towards the end of their life, they haven't prepared with things like a living will, they don't understand what their options are in terms of hospice, and we should reimburse people if they want that counseling voluntarily. If they want it, that's something that Medicare should reimburse for. It shouldn't just be wealthy people who get good counseling and information about how to handle their affairs during a very difficult time.

So that voluntary provision that permits reimbursement, which, by the way, Republicans had supported previously—this was previously considered a bipartisan concept—a Republican Senator, former Republican House Member, introduced a even—a much more aggressive bill on this issue in the prescription drug bill passed by the Republican Members of Congress; they had a similar provision for terminally ill patients. So this used to be just a sensible thing that everybody could agree to suddenly became "death panels," and scared grandma. [*Laughter*] And it's just irresponsible.

And I have to say, part of the reason it spreads is the way reporting is done today. If somebody puts out misinformation, "Obama's Creating Death Panels," then the way the news report comes across is: "Today such and such accused President Obama of putting forward death panels. The White House responded that that wasn't true." And then they go on to the next story. And what they don't say is, in fact, it isn't true. [*Laughter*]

I mean, there's never any—I just—you know, it's fine to have a debate back and forth—he said, she said—except when somebody else is just not even telling remotely the truth. Then you should say in your reports, oh, and by the way, that's just not true. [*Laughter*]

But that doesn't happen often enough. And that's why it's so important that all of you deliver that message, and you've got to be able to back it up. And all of you are receiving materials where it's not just us saying this; I mean, these are third-party validators who are out there and can set the facts straight. And when people get the facts and you show them, then most people will end up being persuaded.

Not everybody. There are going to be some people who—look, there are some people who, for partisan reasons, just want to see this go down because they see this—they see a replay of 1993, you know, if we can beat a health care bill like we did with Bill Clinton, then we'll be able to take over the House, you know, next year. There's some of that.

And then there are some people who just ideologically, they just don't believe in Government getting involved in anything. And that's a respectable position. I mean, there's a long American tradition of saying, "Government, just leave me alone and get off my back." And those folks are consistent, and they were critical of Bush when he got involved in Government, and they're critical of me in terms of being—believing that Government can do some good. And I think there you can have a honest, philosophical debate, and they're just not going to agree with it.

But the majority of Americans understand we don't want Government in all our business, but there are certain sensible reforms that we can pass so that consumers are protected, so that the market is working the way it should, so that the American people are getting a fair deal. Those are the people that we're trying to persuade. And I think if the majority of the people have the facts, then in fact they will be on our side. Okay?

All right, next question. Now we can just go to the audience members here, and we'll start with this gentleman right here.

Bipartisan Cooperation on Health Care Reform

Q. Mr. President, I'm Charles Cuttle. I'm from North Carolina, and thank you for turning North Carolina blue. It's been a long time. I have two wonderful children, and I have four beautiful grandchildren. And so I'm working for them, and I'm working for people who, unlike me, don't have health insurance—it's unconscionable.

Now, you've been outrageously good—[laughter]—let me be clear—[laughter]—in trying to get a bipartisan bill through this Congress, and you've got three wonderful Republicans willing to stand with you. But America needs this to happen, and you know that. So where are you going to go from here?

The President. Well, let me—we don't know yet whether we've got any Republican support. We've got three Republicans who've been working very diligently. Charles Grassley, Mike Enzi, and Olympia Snowe have been working in the Senate Finance Committee with Max Baucus, the Senate Finance chairman, the Democrat, to see if we can craft a bipartisan bill coming out of the Senate Finance Committee. I give those three Republicans a lot of credit because they're under enormous pressure not to engage in any kind of negotiations at all. And in the current political climate, they are showing some significant resolve.

I don't know if in the end they can get there. I hope they can. And we're going to just continue to wait to see if they can get a product done. But at some point in the process, there's going to have to be a conclusion that either they can get a bill done or they can't get a bill done. And my commitment to the American people is to get a good product, which will include Republican ideas, but I have no control over what the other side decides is their political strategy. And my obligation to the American people says, we're going to get this done one way or another. All right?

All right. I'm going to—you guys have been to my town hall meetings so you know I always go boy-girl-boy-girl. [Laughter] So—all right.

Paying for Health Care Reform

Q. Good afternoon, Mr. President. My name is Teresa McRae, and I am from Virginia, another State that flipped from red to blue. I live in Spotsylvania County, and it's a rural county, but when I talk to people as a community organizer for OFA, it all comes down to money. And I may suggest, well, there's long-term benefits and quality health care, but they come back to me and say, "Well, what's going to stop people from being in their employer-based health care and just quickly move over into the Government health care? And who's going to pay for it?" What do I say?

The President. Okay. Well, it's a great question. There are a couple of issues involved here. The first issue is, how are we paying for health care reform generally? Now, one thing that's very important to remind people, because you notice there's been a talking point from opponents—"trillion-dollar health care bill"—they love repeating that—"trillion-dollar health care bill."

First of all, it's important to remind people that when they say "trillion dollars," they're talking about over 10 years. So this—we're talking about \$100 billion a year, which is still a significant amount of money, but just to give you a sense of perspective, I mean, the amount of money that we're spending in Iraq and Afghanistan is—what's the latest figure, Debbie? You figure nine—eight to nine billion dollars a month, right? So the—for about the same cost per year as we've been spending over the last 5 to 6 years, we could have funded this health care reform proposal, just to give you a sense of perspective. That's point number one.

Point number two: About two-thirds of the costs are actually going to be paid for from money that's already in the health care system that taxpayers are already paying for, but is not a good deal. So it's reallocating money that's being wasted right now, taxpayer money that's being wasted right now, and using it in a way that actually makes people healthier. That's point number two.

So remember I told you about those subsidies that we're providing to insurance companies? That's an example. Another example is the way we reimburse hospitals right now. We don't incentivize hospitals to get their patients the best treatment the first time out, because if a patient is immediately readmitted, well, we just pay them the same rate as they were the first time.

Now, think about if your car needed repairs, and you sent it in—it got fixed—you thought. A week later, the same thing breaks down. When you went back to the auto shop, you'd probably want them to give you a little discount on fixing it the second time. But we don't do that right now with respect to hospitals. And those are the kinds of changes that we can make that would pay for about two-thirds of the cost of health reform.

That leaves one-third, and we do have to pay for that. I actually think that we're going to get even more savings with prevention and wellness, but unfortunately, we can't count that. It's not, in congressional lingo, "scoreable." We can't—nobody gives us credit for it because it's not provable how much money we'd save on those things, even though everybody understands that the investment we're making in prevention and wellness and health IT are going to make a difference.

So a third of it we're going to have to pay for. And what I've proposed was that we would pay for it by having people over \$250,000 a year have their itemized deductions go to the same rate as everybody else's—28 percent. Right now they get more because their marginal tax rates are a little bit higher. And if we just went back to their deductions that existed under Ronald

Reagan—that radical—[laughter]—then we could pay for all of the health care reform that we're talking about.

Now, there are other ideas that are being floated out there both in the House and the Senate. But the bottom line is, what we're really talking about is about thirty to forty billion dollars a year that we've got to come up with. And I am absolutely committed—and you can say this to people—President is absolutely committed to making sure that that is not funded on the backs of middle class families. We're trying to help middle class families and give them additional resources to get health insurance. We're not trying to add to their tax burden. Okay? So that's very important.

Now, there was another question that you asked, though, and that is, how do I know that my employer is not just going to dump me into the public plan? Well, there are actually provisions in the law that say if your employer is already providing you with good health insurance, then you can't just send your employee over into some sort of public option. It's what's called a firewall. And so there are provisions to prevent that kind of shift.

Now, there are going to be a lot of employers, small-business owners, who immediately are going to qualify for signing up for the health insurance exchange, because right now they can't afford to provide their health—health insurance to their employees at all. And we want to make sure that they are getting some help, partly because small businesses, they don't have any purchasing power when it comes to insurance companies. If you've only got 5 employees or 10 employees or 15 employees, and you go to an insurance company and say, "I want to get a good insurance policy," they're not going to give you a great deal, compared to if Xerox shows up with its thousands of employees. And so when a small business joins this plan, they are going to be able to pool their purchasing power with all the small businesses and individuals out there who don't currently have health insurance, and that will help drive down cost.

Okay. All right, who's next? This gentleman right here.

Health Care Reform/Public and Private Health Insurance

Q. Thank you, Mr. President. My name is Michael Pearlmutter. I'm from Durham, North Carolina. I'm the cochairperson of Durham for Obama's health care committee. We have 11,000 members.

The President. Great.

Q. And all of my volunteers say the same thing: They're behind reduced cost; they're behind guaranteed choice; they're behind health care for all. And they believe, and I believe, that the only way to do this is to guarantee a public option available to anybody who wants one. And my question is, if that's the solution that you believe in, why aren't we pushing it harder? And if that's not the solution, what other solutions out there would accomplish all three goals that you have?

The President. Well, it's a great question, and this is an example of sort of a controversy that has been somewhat manufactured this week. So let me just be clear: I continue to support a public option. I think it is important, and I think it will help drive down costs and give consumer choices.

The only thing that we have said, and this continues to be the truth—and I mean, sometimes you can fault me maybe for being honest to a fault—is that the public option is just one component of a broader plan. So let's just talk—let's just use the example of making sure that insurance companies are treating their customers right.

One way that we're doing this in this health reform bill is very directly through insurance reforms. We're saying to them, you have to take people with preexisting conditions; you cannot have caps on lifetime expenses or yearly expenses that people bump up against and suddenly have to pull out a lot of money out of pocket that they may not have. So we're putting in place a whole bunch of insurance reforms that regulate the behavior of insurance companies.

Now, alongside that, if there's a public option that is also offering a good deal to consumers, then the insurance companies have to look over their shoulder, and they say, "Gosh, you know, if the public option is providing that good deal to consumers, then maybe we can't just charge exorbitant rates and then mistreat our consumers." So it gives them a benchmark from which to operate.

Now, my point is, this is sort of like the belt-and-suspenders concept, to keep up your pants. You know, the insurance reforms are the belt; the public option can be the suspenders. And what we're trying to just suggest to people is, is that all these things are important, and that if the debate ends up being focused on just one aspect of it, then we're missing the boat.

If all we're talking about is the public option, then the 80 percent of the American people who already have health insurance in the private insurance market, they say to themselves, "Well, what's in it for me?" Their attitude will be, "This is not relevant to me," and in fact they start getting scared thinking, "Maybe what the public option means is that you're going to force me to give up my current private insurer and go into a public option."

That's what those who are opposed to reform have been counting on, is to try to twist the debate and feed into Americans' natural suspicion about Government and to use that to cloud the fact that right now people are not getting a good deal from their insurance companies.

So I just want to make sure that we're focusing on all the elements of reform—what will benefit people without health insurance, what will benefit small businesses, what will benefit people who do have health insurance—so that we can build the largest coalition possible to finally get this done. Okay?

All right, go ahead. Here, you got a mike right behind you.

Wellness Programs/Healthy Lifestyles

Q. Thank you. Hello, Mr. President. I'm Katina Rojas Joy. I was a convention delegate—

The President. Good to see you, Katina.

Q. —Prince George's County, Maryland. I have a two-part question. One is choice, the choice that we make to eat the foods that we eat and the lifestyle that we choose to engage in. And the second part—your family is very fit. What do you and the First Lady and the girls do to encourage physical fitness, and what can we—not the Government, not private corporations—do to encourage activity in the public school system and in young people?

The President. Well, this is a great question. Look, this is an interesting statistic. If we went back to the obesity rates that existed back in the 1980s, the Medicare system over several years could save as much as a trillion dollars. I mean, that's how much our obesity rate has made a difference in terms of diabetes and heart failure and all sorts of preventable diseases.

And so what we want to do is to, first of all, in health care reform, in the legislation, encourage prevention and wellness programs by saying that any health care plan out there has

to provide for free checkups, prevention, and wellness care. That's got to be part of your deal, part of your package. And that way nobody has got an excuse not to go in and get a checkup.

Now, even if we do all that—and there are a lot of businesses out there that on their own are already providing incentives to their employees—Safeway, for example, is a company that has given financial incentives to employees to make sure that they are taking care of themselves and getting regular checkups and mammograms and colonoscopies and so forth, and it has saved them a lot of money in the terms of their premiums. So there's a financial incentive for a lot of businesses to get in the business of prevention and wellness.

But you're absolutely right that even if we've got legislation, even if companies are encouraging it, part of what we also have to do, though, is teach our children early the importance of health. And that means that all of us have to, in our communities, in our places of worship, in our school systems, encourage nutrition programs, provide young people outdoor activities that give them exercise. Michelle and I always talk about the fact, when we were kids during the summer, you know, basically mom just said, See ya" after breakfast—[laughter]—you were gone. [Laughter] You might run in, get some lunch, go back out. And you wouldn't be back till dinner. And that whole time, all you're doing is moving.

Now, unfortunately, times have changed. Sometimes safety concerns prevent kids from doing that. Sometimes there are a lot of kids just don't have a playground. Little leagues may be diminished. That means that we as adults in the community may have to provide more and more outlets for young people to get the kind of exercise that they need.

When it comes to food, one of the things that we are doing is working with school districts, and the child nutrition legislation is going to be coming up. We provide an awful lot of school lunches out there and reimburse local school districts for school lunch programs. Let's figure out how can we get some fresh fruits and vegetables in the mix, because sometimes you go into schools, and you know what the menu is. You know, it's french fries, tater tots, hot dogs, pizza. Now that's what kids—let's face it, that's what kids want to eat anyway. [Laughter] So it's not just the school's fault: A, that's what kids may want to eat; B, it turns out that that food is a lot cheaper because of the distributions that we've set up. And so what we've got to do is to change how we think about, for example, getting local farmers connected to school districts, because that would benefit the farmers delivering fresh produce. But right now they just don't have the distribution mechanisms set up.

So, you know, Michelle set up that garden in the White House. One of the things that we're trying to do now is to figure out, can we get a little farmer's market outside of the White House—I'm not going to have all y'all just tromping around—[laughter]—but right outside the White House so that we can, and that is a win-win situation. It gives suddenly DC more access to good, fresh food, but it also is this enormous potential revenue maker for local farmers in the area. And that—those kinds of connections can be made all throughout the country and has to be part of how we think about health. Okay.

Mr. Stewart. Sir, sir, we have time for one more question.

The President. One more question, all right. This gentleman gets the last question here. Here, you got a microphone right there.

Health Care Coverage for Young Americans

Q. Thank you, Mr. President. Fred Smalls, the city of Laurel, Maryland. Mr. President, there is a large number of young adults who are trying to figure out where they fall into the

health reform plan. Many of them are too old to be continued carrying on their parents' insurance plan, yet they may be underemployed and cannot afford good health care. How does your plan account for these young people?

The President. Well, it's a great question. Look, first of all, one of the things that we've proposed is to extend the number of years that young people can stay on their parents' insurance plan to 25 or 26. That then fills the gap between college, where typically they can get health care, and those first few jobs they get. I remember my first few jobs—[laughter]—and, you know, you're broke. [Laughter] And a lot of times they're not giving you any health care. And if they do offer you health care, you're opting out of it because you're trying to buy food—[laughter]—which you think is important for your health. [Laughter] So being able to stay on a parent's health care plan a little bit later, until you've got a more stable job, that can help pull in a whole lot of young people.

Now, after that, it turns out that young people are actually relatively cheap to insure. And so them being part of this pool, part of the exchange where they can go directly and buy health insurance, they will be able to get a premium that's priced comparable to if they worked for a big company. Now, it's still going to cost them some money. And there are going to be some young people out there who still would opt, you know, prefer, even if they can afford it, just not to get health insurance. And this is where there are going to be some young people who may be frustrated, because what we're going to tell them is, you know what, we don't want to treat you in the emergency room where everybody else has to subsidize you if you get hit by a truck. So you are going to have to buy some minimal coverage, just like you have to do with auto insurance, to make sure that at the very least you're protected against some sort of catastrophic illness, and that you're also able to get some regular checkups. But it will be affordable based on a sliding scale based on their income.

And then there are going to be hardship exemptions. There are going to be some folks who fall in a different category. They may be a little bit older. They're quite poor. But even with the subsidies, they still just can't afford health insurance. And we may have to give some hardship exemptions to folks like that, where basically we say to you, okay, if you make—you have the option of buying insurance at, let's say, 10 percent of your income. But if you are just in such a strapped situation that you just can't afford that, then you are exempted. Okay?

So here is my closing message, everybody. The easiest thing to do as a politician is to do nothing. You don't offend anybody. You say all the right things. You don't rock the boat. Your poll numbers go up. Everybody in Washington says, "Boy, that guy is a great politician." [Laughter] "Look at his poll numbers." [Laughter] And you can get away with doing that for years. But that's not why I came here. And that's not why you worked so hard to win this election. You came here because you knew that America can be a little fairer, a little more just, a little more efficient. We can provide better health care coverage; we can make sure that we use less foreign oil and develop clean energy here in the United States; that we can make our school system work for every child and not just some, and produce more scientists and engineers that are going to be the key to unlocking a 21st century economy.

We understood that we're human, and government is a human enterprise, so it's imperfect, but we can do better than we've been doing. And this debate that we're having right now, this health care debate, is a test to that proposition. There are a whole bunch of folks in this town who were just waiting for this debate to take place, because the storyline they want to write about is, all the naive, idealistic folks—"change we can believe in," "yes we can"—that all their hopes were dashed, because this is a tough, cynical town, and we are going to be able to

show them that basically you can't get anything done in this town. You can't change things. Everything always immediately becomes partisan. Government's way too complicated and Congress is way too paralyzed and the special interests are way too powerful to bring about meaningful, big changes that help the American people.

That's the storyline they're operating on, but that's the storyline we've been fighting against this entire time. From the day we announced this race, we were fighting against that. And they have been trying to write that story again and again and again. We are not going to give up now. We are not going to give up now. We are going to get this done and show the American people that Government can work for them.

Thank you, everybody. God bless you.

NOTE: The President spoke at 2:45 p.m. at Democratic National Committee headquarters. In his remarks, he referred to volunteer Beth Kimbriel of Chester, VA, who introduced the President; Gov. Timothy M. Kaine of Virginia; and Sen. Johnny Isakson of Georgia.

Categories: Addresses and Remarks : Organizing for America National Health Care Forum.

Locations: Washington, DC.

Names: Baucus, Max S.; Bush, George W.; Clinton, William J.; Cuttle, Charles; Enzi, Michael B.; Grassley, Charles E.; Isakson, Johnny; Kaine, Timothy M.; Kimbriel, Beth; Lind, Connie; Obama, Michelle; Palin, Sarah; Pearlmuter, Michael; Rojas Joy, Katina; Smalls, Fred; Snow, Olympia J.; Stewart, Mitch; Wasserman Schultz, Deborah.

Subjects: Afghanistan : U.S. military forces :: Deployment; Armed Forces, U.S. : Expansion; Budget, Federal : Deficit; Business and industry : Automobile industry :: Strengthening efforts; Business and industry : Credit Card Accountability, Responsibility, and Disclosure Act of 2009; Business and industry : Preventive health and wellness, employer-based incentives; Business and industry : Small and minority businesses; Civil rights : Lilly Ledbetter Fair Pay Act of 2009; Congress : Bipartisanship; Congress : Senate :: Finance Committee; Democratic Party : Organizing for America; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : School lunch programs, improvement efforts; Education : Standards and school accountability; Edward M. Kennedy Serve America Act; Employment and unemployment : Unemployment insurance; Energy : Alternative energy products and technologies, U.S. production; Energy : Foreign sources; Family Smoking Prevention and Tobacco Control Act of 2009; Foreign policy, U.S. : Diplomatic efforts, expansion; Health and Human Services, Department of : State Children's Health Insurance Program (CHIP); Health and medical care : Abortion; Health and medical care : Cost control reforms; Health and medical care : Employer-based health insurance coverage; Health and medical care : End-of-life care; Health and medical care : Exercise; Health and medical care : Health insurance exchange, proposed; Health and medical care : Health insurance, protection of coverage; Health and medical care : Hospitals :: Medicare and Medicaid reimbursement; Health and medical care : Hospitals :: Reimbursement for treatment of uninsured patients; Health and medical care : Hospitals :: Renovation and improvement funding; Health and medical care : Illegal immigrants, health insurance coverage; Health and medical care : Information technology; Health and medical care : Insurance coverage and access to providers; Health and medical care : Living wills; Health and medical care : Medicare Advantage Plans, elimination of overpayments; Health and medical care : Medicare and

Medicaid; Health and medical care : Nutrition; Health and medical care : Preventive care and public health programs; Health and medical care : Seniors, prescription drug benefits; Health and medical care : Young adults, insurance coverage as dependents, proposed age limit extension; Housing : Housing market, decline; Housing : Mortgage refinancing regulations; Iraq : U.S. military forces :: Deployment; Pakistan : Federally Administered Tribal Areas, suspected terrorist safe havens; Science and technology : Stem cell research; Taxation : Itemized deductions, proposed limits; Taxation : Tax relief; Terrorism : Al Qaida terrorist group; Terrorism : Terrorists :: Interrogation procedures; Transportation : Highway system, modernization efforts; Virginia : Governor.

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