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McGill Guide 9th ed.

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Administration of Barack H. Obama, 2010

Remarks in a Discussion on Insurance Coverage at a Bipartisan Meeting on Health Care Reform

February 25, 2010

Senator Addison M. "Mitch" McConnell. Mr. President, Dr. John Barrasso's going to make our opening statement on coverage.

The President. Okay. And then I will call on Henry Waxman, and we'll just go back and forth.

Senator John A. Barrasso. Thank you very much.

The President. And because we are short on time, let's keep our remarks relatively brief.

Sen. Barrasso. Well, thank you very much, Mr. President. For people who don't know me, I practiced medicine in Casper, Wyoming, for 25 years as an orthopedic surgeon, taking care of families in Wyoming. I've been the chief of staff of the largest hospital in our State. My wife is a breast cancer survivor. Bobbi's been through three operations, a couple of bouts of chemotherapy. We've seen this from all the different sides of care.

[*Sen. Barrasso made brief remarks, concluding as follows.*]

And I have great concerns that people around this table are not listening to the American people and are fearful of the consequences of this large bill, which is why only one in three people of America support what is being proposed here. And that's why so many people, Mr. President, are saying it's time to start over.

The President. John, the—I mean, let me just—there's one thing I've got to—there are a number of issues, as usual, that I've got significant difference with. I just am curious. Would you be satisfied if every Member of Congress just had catastrophic care? Do you think we'd be better health care purchasers? I mean, you think—is that a change that we should make?

Sen. Barrasso. Yeah, I think actually we would. We'd really focus on it. You'd have more, as you say, skin in the game——

The President. Yeah, because——

Sen. Barrasso. ——and especially if they had a savings account, a health savings account. They could put their money into that.

The President. Would you feel the same way if——

Sen. Barrasso. And they'd be spending the money out of that.

The President. Would you feel the same way if you were making \$40,000, or you had—that was your income? Because that's the reality for a lot of folks. I mean, it is very important for us—when you say to listen—to listen to that farmer that Tom mentioned in Iowa, to listen to the folks that we get letters from—because the truth of the matter, John, is they're not premiers of anyplace; they're not sultans from wherever. They don't fly into Mayo and suddenly decide they're going to spend a couple million dollars on the absolute best health care. They're folks who are left out.

And this notion, somehow, that for them, the system was working and that if they just ate a little better and were better health care consumers, they could manage is just not the case. The vast majority of these 27 million people or 30 million people that we're talking about, they work every day. Some of them work two jobs. But if they're working for a small business, they can't get health care. If they are self-employed, they can't get health care.

And you know what? It is a scary proposition for them. And so we can debate whether or not we can afford to help them, but we shouldn't pretend somehow that they don't need help. I get too many letters saying they need help.

And so I want to go to——

Sen. Barrasso. Mr. President, having a high-deductible plan and a health savings account is an option for Members of Congress and Federal employees.

The President. If—that's right, because Members of Congress get paid \$176,000 a year.

Sen. Barrasso. Sixteen thousand employees did take advantage of that.

The President. Because they——

Sen. Barrasso. And so it's the same plan——

The President. ——because Members of Congress——

Sen. Barrasso. ——that the Park Rangers get in the Yellowstone National Park.

The President. John, Members of Congress are in the top income brackets of the country. And health savings accounts, I think, can be a useful tool, but every study has shown that the people who use them are folks who've got a lot of disposable income. And the people that we're talking about don't.

So—I want to go to Henry. Henry Waxman.

Representative Henry A. Waxman. Mr. President, I just wonder if some of our Republican friends would like to have seniors on Medicare have catastrophic coverage only. I'd say to the seniors in this country—and we've heard mention of them being the people who are worried about this Medicare—this health care bill—they ought to worry if we don't do something. Because not only will we hear ideas of putting them on catastrophic coverage only, because that will save a lot of money, Paul Ryan has a proposal right now to say that Medicare recipients in the future ought to have just a little voucher, and then they can shop for their own insurance. They could be prudent shoppers.

[Rep. Waxman made brief remarks, concluding as follows.]

So you can't solve any problem—insurance reform, holding down costs, protecting Medicare, dealing with the deficit—unless you deal with it all. And, Mr. President——

The President. Henry.

Rep. Waxman. ——you're not going to be able to do this piecemeal. And I have doubts about whether the Republicans are going to help you, because I haven't heard a lot of willingness to come and work with you now—or did I hear it a year ago. I hope I'm wrong.

The President. Well, I'm going to be equal opportunity here and say we're not making campaign speeches right now. And I think your points I agree with, but I still think that there's a lot of areas of agreement that we've discussed so far. This is an area, though, that—in which

we do have some philosophical disagreements. And so what I—I think it's—I want to go to a Republican.

The question I would ask to my colleagues, my friends on the Republican side, would be, are there areas of coverage for people who don't have health care that you would embrace and agree with, beyond what has been presented in Republican Leader Boehner's bill? There may not be. I mean, that may be, sort of, the threshold at which all of you think we can afford to provide help to people who don't have coverage, but there may be some other ideas that haven't already been presented or aren't embodied in your legislation, John, that I'd be happy to hear about.

Representative John A. Boehner. I want to yield to Peter Roskam from Illinois.

[Rep. Roskam made brief remarks, concluding as follows.]

And I think one of the problems, to get to this coverage issue, is that the premise of this bill is that coverage is expanded through Medicaid, welfare. Speaker Pelosi a couple of minutes ago—or a couple of hours ago, actually—said that health care reform is entitlement reform.

Speaker of the House of Representatives Nancy Pelosi. No, no. Yes.

Representative Peter Roskam. Yeah. I would put a brighter light on that and say it's entitlement expansion. Think about what we're doing. The CBO, when they wrote to Harry Reid—wrote to Senator Reid a couple of months ago, they said, look, there's about 15 million people that are going to be put on Medicaid. And Medicaid is a house of cards. Medicaid is not something that is serving the public very well.

[Rep. Roskam made further remarks, concluding as follows.]

I'll tell you what, a year's worth of work, and this is what is come up with? The American public, as far as the ones that I have heard from, are vehemently opposed to this. And they say, look, take the Etch A Sketch, go like this, let's start over, let's do incremental things where there's common ground. I yield back.

The President. I want to make sure that everybody gets an opportunity to speak. But I just want to caution everybody, it's now 4:15. There are a number of folks who haven't had a chance to speak. The question I had was, were there ideas about expansion beyond the 3 million that was in Leader Boehner's bill? And I didn't get an answer on it, so in addition to—and it may be that the answer is, that's all we can do.

I should point out this one issue about Medicaid that I think that's important. Most of the people, we'd like to be in the exchange and giving them subsidies. And I think over time what you see is an evolution, if you created a large enough pool, where people could purchase it through an exchange the same way that Members of Congress do.

The problem we've got right now is that very poor people, they've got coverage through Medicaid. And it's somewhat flawed. There are problems with doctor reimbursements; there are problems long term in terms of solvency, both for the State and the Federal level. So all those things need to be fixed. But the fact of the matter is, if their kid gets sick, they can go to a doctor.

The people who are really left in the cold are working families who make too much for Medicaid and don't have anywhere to go. That's the group that right now is getting the worst deal. They're paying taxes, they're working, but they've got nowhere to go.

Now, for those 15 million people who've got nothing, I promise you they would say to themselves, having some coverage through Medicaid is a pretty good deal. I'd prefer to have them in an exchange where, over time, we've got everybody in a pool, similar to the pool that Members of Congress enjoy. But that's not the situation that we have right now. I just want to remind everybody, though, that the group that is being left out—because you threw out the word "welfare," which is, you know, one that obviously most American people, they don't want to be part of welfare—the fact of the matter is, is that very poor people right now have coverage that is superior to what a lot of folks who make a little more money, are working very hard trying to support their families, do not.

Now, I know that Max has been trying to get in for a while, but there are some other folks that haven't had a chance to speak, so I'm—I want to call on them first. And then if I've got time, Max, I'll allow you to wrap up.

But I'm going to go to Chris and Murray—Chris and Patty Murray on our side, as well as Charlie Rangel, who want to speak, and I'm—and what we'll do is we'll alternate to make sure that we've got—oh, and I know that Joe Barton is interested in speaking as well, and there may be a couple of other Republicans.

Okay. Go ahead.

Senator Christopher J. Dodd. Well, thank you, Mr. President, and I'll try and keep this brief and turn it over to Patty, so we'll take the time for one person and divide it in two.

[*Sen. Dodd made brief remarks, concluding as follows.*]

But coverage is the critical issue. We know that in the next 10 years—factually, Mr. President—in the next 10 years, every State in this country will have a 10-percent increase in uninsured people. We know that in 30 States in our country, in that same 10-year period, there will be a 30-percent increase in the uninsured. And half the population under the age of 65 will at one point or another in the next 65—in the next 10 years be without insurance.

So it's not some isolated group out there. This is the critical constituency that is the—sort of the lynchpin that holds all of this together. So coverage is absolutely critical.

The President. Joe Barton.

Representative Joe L. Barton. Thank you. Thank you, Mr. President. I want to commend you for asking us to come here, and I will say that never have so many Members of the House and Senate behaved so well for so long before so many television cameras. [*Laughter*] So if we ever get to a conference committee, we may want you to be the moderator.

[*Rep. Barton made brief remarks, concluding as follows.*]

So what we're saying, Mr. President—we're not talking about incrementalism. We're talking about, as Leader Boehner said and Mr. McConnell—Senator McConnell said, let's start over, in the sense that we change the vision and work together to do the things that we agree upon, but do it in a way that doesn't destroy the fundamental market system that's made the American health care system the best in the world. And if we do that, we can make a deal.

The President. Well——

Rep. Barton. Thank you, Mr. President. Thank you, Leader Boehner.

The President. Joe, I'll respond to you right—[*inaudible*]—because I think we should wrap it up.

You're right, the proposal that John Boehner's put forward doesn't radically change the existing system. And that, I think, is why 3 million out of the 30 million who don't have coverage, or 40 million, don't get coverage. The proposal that's been put forward by the House and the Senate Democrats also doesn't radically change it, in the sense that the vast majority of people who currently have health care will still get it; it's just they'll see it a little cheaper. People who do not have coverage will start getting it. So that's—it's not a—neither of these proposals are radical. The question is, which one works best for the American people? And that's what we'll see if we can determine.

We're running short on time. I know that some folks are going to, at some point, start have to get going. I'm going to reserve the prerogative of making sure that everybody who has not had a chance to speak is allowed to speak, and then I will wrap up. That means that we're probably going to go a little bit later than we had anticipated. But, as I said, by the standards of Washington, we're still in the ballpark here. *[Laughter]*

I'm going to call on Charlie Rangel first. We'll go to one of our Republican colleagues. Patty Murray's going to have an opportunity to speak. Again, there may be some comments—there may be some other Republicans who are interested in speaking. We'll go to—we're going to actually go to Ron Wyden first. Then we're going to go to another Republican. And we're going to end with John Dingell, who was there when the idea of everybody having health care was first introduced by his father many decades ago. So with that—

Rep. Waxman. Mr. President, why don't you just call on Republicans who haven't talked, because some of them have talked numerous times?

The President. I agree, but I want to make sure that they may want to respond to whatever is said. Go ahead, Ron.

Senator Ronald L. Wyden. Thank you very much, Mr. President. And I think this has been a very constructive session. For the last 6 hours, we have essentially heard Republicans talk about incremental coverage and Democrats talk about comprehensive or broader kind of coverage. And I want to outline something that I think could bring both sides together for just a couple of minutes.

[Sen. Wyden made brief remarks, concluding as follows.]

So, Mr. President, when you made that offer to all of us today to work with us on this, not only am I going to follow up on what I think is a very gracious offer to try to bring both sides together, it allows us to build on the exchanges that we have today, which begin to empower people with more choices and competition. And if we just keep building on that, starting with this effort to bring both sides together on interstate competition, looking, in my view, at the Federal employee system to do it, I think we can resolve a lot of our differences. So I appreciate the opportunity to speak, Mr. President. I want colleagues to know that I'm going to be following up with both sides of the aisle this afternoon and your administration to bring this group together.

Sen. McConnell. Mr. President —

The President. Yes.

Sen. McConnell. —all of my members have had a chance to speak at least once, several of them a number of times. Jon Kyl reminds me that the HSAs, for example, are not exactly for rich people; that the median—medium income of a user of a HSA is \$69,000 a year. All of us

are representatives of the American people, but I have a feeling we haven't been listening to them very carefully.

[*Sen.. McConnell made brief remarks, concluding as follows.*]

So this has been a fabulous discussion, Mr. President. We have a lot of experts around the room. But I think it's really important, since we represent the American people, that we not ignore their view on this. They have paid attention to this issue like no other issue since I have been in the United States Senate. Health care is a uniquely personal issue. Obviously, you get more interested in the subject the older you get. But every American cares deeply about the quality of their health care and access to health care and cost of health care. They have followed this debate like no other, and they have rendered a judgment about what we have attempted to do so far.

The solution to that is to put that on the shelf and to start over with a blank piece of paper and go step by step to see what we can agree on to improve the American health care system, which is already—as all of us agree—the finest in the world.

The President. I'm just going to make this remark, and then I'm going to call on Patty Murray. I'm going to save the two lions of the House here for the end, because there's been a lot of comments from every Republican about the polls and what they're hearing from their constituents. And as I said, I hear from constituents in every one of your districts and every one of your States. And what's interesting is, actually, when you poll people about the individual elements in each of these bills, they're all for them. So you ask them, do you want to prohibit preexisting conditions? Yes, I'm for that. Do you want to make sure that everybody can get basic coverage that's affordable? Yes, I'm for that. Do you want to make sure that insurance companies can't take advantage of you and that you've got the ability, as Ron said, to fire an insurance company that's not doing a good job and hire one that is—but also, that you've got some basic consumer protections? Yes, we like that.

So polls, I think, are important in taking a temperature of the public. If you polled people and asked them, is the system working right now, and should we move forward with health reform, they'd also say yes to that. And my hope had been and continues to be that based on this conversation, there might be enough areas of overlap that we could realistically think about moving forward without a situation in which everybody just goes to their respective corners and this ends up being a political fight, because this is something that really has to be solved.

We've got three people who have not had an opportunity to speak today. If you don't mind, I will—would like to, in the interest of time, just go ahead and let each of them speak. If there's an intervention that somebody on the Republican side wants to make, then I will recognize them. And then I will allow anybody of your choice, Mitch, to wrap things up. I think Speaker Pelosi may want to say just a quick summary of what she's thinking. And then I will talk a little bit about next steps. And if everybody could keep their remarks relatively brief, that'd be very helpful.

Patty.

Senator Patty Murray. Mr. President, thank you. And this has been, I think, a very good discussion. And I think all of us come to this table today having heard a lot of stories and talked to a lot of people and bring their passions with us today. And I certainly am one of those. And every time we talk about this, every time I think about this, I remember a little boy that I met last spring who is 11 years old, whose name was Marcelas. And he told me that his mom, single mom, taking care of him and his two younger sisters, was going to work every day, had a job

managing a fast food restaurant, was doing okay, but she got sick. And when she got sick, she had to take time off from work, and because she was missing so much work, she lost her job. When she lost her job, she lost her health care. And because she lost her health care, she couldn't get in to see a doctor, and sadly, Marcelas's mom died.

[*Sen. Murray made brief remarks, concluding as follows.*]

And what I have listened for today is whether the alternative proposal that has come before us gives people those choices that they need. And that's what I'm listening for. And I go back to Marcelas, and I think, will that proposal make sure that nobody loses their mom again because they didn't have a choice? And that's why it's so important that we move forward with what we have and open that door for so many Americans.

The President. Thank you, Patty. Mitch, you have somebody?

Sen. McConnell. Mr. President, Dr. Coburn.

The President. Tom.

Senator Thomas A. Coburn. I just was going to summarize shortly, because you were talking about—[*inaudible*]. If we don't think about what the key goal is—the key goal is to reconnect purchase and payment so we become good purchasers. Whether we create a—what system we do, if we don't reconnect the mechanism of payment with purchase, we're not going to get good value out of our health care system. And I outlined one out of every three dollars that doesn't help anybody get well, doesn't prevent them from getting sick. And there's enough potential there in that pool of money that we don't have to have the Government run it. What, in fact, we can do is we can create and allow that money for everybody to have the kind of access that Senator Murray wants that individual to have.

This—the thing that I think is—draws us apart is the level of involvement in the Government in making those choices. And I would just put forward to you that we ought to have another talk like this, as we can get closer and closer on some ideas, because we all want the same thing, but how we get there, whether or not we're in charge of it or the individual patient's in charge of it, personally making their own choices with the asset value that is capable, based on what we're already spending in health care. We don't need to spend a penny more in health care in this country. What we need to do is spend it much more wisely and much more effectively.

The President. Okay, I'll pick up on some themes in my close. Charlie Rangel.

Representative Charles B. Rangel. Thank you, Mr. President, and I appreciate the fact that you saved the best for last.

The President. Absolutely. [*Laughter*]

Rep. Rangel. I had really hoped that when we came here that we were really going to push over the top. We are so close to national health insurance, we are so close to allowing people that go to work every day and don't know what can happen to them when they lose their job and lose their health insurance—I know that the—they call the Senate the upper house, but I was amazed how it seems as though they believe the American people only listen to those from Wyoming and Kentucky. But having said that, for my New Yorkers, even though we have more self-confidence than we need—[*laughter*—I would want them to know that they are Americans, and we do listen to them, and that the States that oppose this great plan doesn't speak for all of America.

[*Rep. Rangel made brief remarks, concluding as follows.*]

So I just hope that we can change this to a positive thing, where you can say, let's leave here at least talking about what we agree on, let's stop knocking each other as who's the smartest and who's the most patriotic, and let's really, then, confine the public argument to where we disagree.

And rest assured, I can assure you that they won't be concerned with how big the bill was. I have no clue as to how big the Social Security bill was, how large, how many pages was in the Medicare bill. And I don't really think that someone sick in the emergency room is concerned about the size of the bill that we are trying to help them with.

So I appreciate this and——

The President. John Dingell.

Representative John D. Dingell, Jr. Mr. President, thank you. And God bless you for your leadership in this matter. The country desperately needs you and desperately needs this legislation. I saw the cartoon, two people are sitting down, and one of them says, "Terrible news. Our health care rates are going to go up 40 percent." The other guy says, "Don't worry. Good news is you're not concerned because you have preexisting conditions." [*Laughter*] This solves both problems—the bill. And, Mr. President, again, we desperately need your lead.

[*Rep. Dingell made brief remarks, concluding as follows.*]

We have before us a hideous challenge. The last perfect legislation that was presented to mankind was delivered to the Israelis at the base of Mount Sinai. It was on stone tablets written in the fingers of God. [*Laughter*] Nothing like that has been presented to mankind since. What we're going to do is not perfect, but it's sure going to make it better, and it's going to ease a huge amount of pain and suffering at a cost which we can afford, which has been costed out by the Office of Management and Budget and the Congressional Budget Office saying it's budget-neutral; it, in fact, reduces the budget.

I beg you, my friends, let us go forward on this great task.

The President. Thank you, John.

Rep. Dingell. Thank you, Mr. President.

The President. Speaker Pelosi wants to say a brief word. John, do you want to say anything in closing? And then I will wrap up.

Nancy.

[*Speaker Pelosi made brief remarks, concluding as follows.*]

Speaker Pelosi. Yes, it's hard to do this. The misrepresentation campaign that has gone on about these bills, it's a wonder anybody would support them, as Mr. Waxman said. But the fact is, as the President said, many of these provisions on their own are largely supported by the American people.

So this will take courage to do. Social Security was hard. Medicare was hard. Health care reform for all Americans—insurance reform is hard. But we will get it done. And as we leave this debate, I think that many of the differences that we have are complicated, and they're legitimate. They're differences of opinion about the role of Government and the rest. But I think it's really clear in one point that the American people understand very clearly—they understand that there should be an end to discrimination on the basis of preexisting conditions.

The proposals that we have put forth end discrimination on the basis of preexisting conditions; the Republican bill does not.

With that, Mr. President, I thank you again for the opportunity to discuss the differences and to try to find some common ground on this.

The President. Well, listen, this has been hard work. And I want to, first of all, thank everybody for being here and conducting themselves in an extraordinarily civil tone. And as I said, given the number of folks that were around this table, the fact that we're only an hour late is—it beats my prediction.

Here's what I'd like to do—and I'm going to take about 10 minutes. I want to go through where I think we agree, and I want to summarize where I think we disagree. And then I'll address some of the process issues that have been brought up by a number of the Republicans.

We agree that we need some insurance market reforms. We don't agree on all of them, but we agree on some of them. I think that if you look at the ones that we don't agree on—since there's been a lot of reference to what the American people want—it turns out that the ones that are not included in the Republican plans right now, but are included in the Democratic plans, are actually very popular.

I know there's been a discussion about whether Government should intrude in the insurance market, but it turns out that on things like capping out-of-pocket expenses or making sure that people are able to purchase insurance even if they've got a preexisting condition, overwhelmingly people say the insurance market should be regulated.

And so one thing that I'd ask from my Republican friends is to look at the list of insurance reforms and make sure that those that you have not included in your plans right now are ones, in fact, that you don't think the American people should get. Because I strongly believe in these insurance reforms. I've talked to too many families who have health insurance and find out that what they have does not provide them with the coverage they needed, and they end up being bankrupt, or they end up going without care, or they get care too late, as was the case in the story that Patty Murray mentioned.

The second thing I think we agree on is the idea that allowing small businesses and individuals who are right now trapped in the individual market and as a consequence have to buy very expensive insurance and effectively oftentimes just go without insurance could be solved if we allowed them to do what Members of Congress do, which is be part of a large group.

Again, the idea of an exchange is not a Government takeover; it is how the market works, which is, if you have a lot of purchasing power, you get a better deal. That's how Wal-Mart drives its prices down, because everybody who wants to supply Wal-Mart, Wal-Mart tells them, you give me the best deal possible, and as a consequence, the supplier gives them a much better deal than they do the mom-and-pop shop on the corner. Well, we should be able to give small businesses and individuals who are self-employed, who aren't able to get insurance through a large employer, to have that same deal.

It sounds like we've got some philosophical difference as to whether there should be some minimum benefits in that exchange, some baseline of coverage. Again, there's a baseline of coverage for Members of Congress. And the reason we set that up is because we want to make sure that any Federal employee who is part of this big pool is getting good, quality coverage,

not perfect coverage, not gold-plated coverage, but adequate coverage. It may be—and I'd ask my Republican colleagues to look and see is that an area that can be resolved.

There has been a lot of discussion—and one of the main tools the Republicans have offered to drive down costs is purchasing insurance across State lines. This is an idea that is embodied in the House and Senate bill, but, again, the details differ. The approach that John Boehner and some of the Republicans appear to take is to say, let's just open things up; anybody can buy anything, anywhere, regardless of what State insurance laws are, and that will drive competition and cost.

The philosophical concern I have on that is that you potentially get what's been referred to as a race to the bottom. And for people who may not be following the intricacies of the insurance market, let me give an example that people understand, and that's credit cards.

In the credit card market, part of what happened was, is we ended up allowing people to get credit cards from every other—whatever State, and there were a few States that decided, you know what, we're going to have the least restrictions on credit card companies that we could have. And what ended up happening was that every single credit card company suddenly, lo and behold, started locating in that State which had the absolute worst regulations in consumer protections, and all these fees and practices that people don't like, folks weren't happy about.

So the question I'm going to have is, is there a way for us to deal with the interstate purchase of health insurance, but in a way that provides, again, some baseline protections? Because what we don't want is a race to the bottom. We want everybody to have the basic protections that make sense.

And that's not a big Government takeover. That is a standard thing that we do in almost every area of life. We protect people with respect to the food that they buy, with respect to the drugs that they purchase. We license and regulate the medical profession because we don't think anybody should just be able to cut somebody open. We want somebody like Tom or John to actually know what they're doing before they start practicing medicine. And the same should apply when it comes to how we think about insurance.

Medical malpractice has been mentioned. Now, look, let me be honest. This is something, historically, that Democrats have been more resistant to than Republicans. I will note that when we had a Republican President and Republican control of the House and the Republican control of the Senate, somehow it didn't happen, and I'm surprised, but be——

Senator Lamar Alexander. We needed 60 votes in the Senate too, Mr. President.
[Laughter]

The President. Well, the—see there? So as a consequence, what I have suggested is that we explore building on what we've already done administratively without law, asking Kathleen to help States come up with new ideas. I've suggested, well, let's take a look at, Tom, the suggestion you had that gives States even more incentive to start thinking about reducing defensive medicine. I have to tell you, Joe Barton, that how you got from 5 billion to 150 billion, I didn't quite follow the math. It sounded—I'm not sure you did either, but it's okay.
[Laughter] But here's my commitment, is that if folks were serious about getting this done, I'd be interested in seeing if we could work on something.

I actually agree with Dick Durbin with respect to hard caps, because of the story that he told about the woman who burned her face. I think there are situations in which there is

actually a very severe problem, and I would distinguish that between some of the frivolous lawsuits that are out there that really do create a defensive medical problem. And ob-gynies are the ones who get hit the hardest, because people are so sympathetic when a child is born with severe disabilities, and it can just be crippling on ob-gynies. The same is true on—for neurologists and so forth. So there may be some ways that we can work on that.

Now, I guess what I'm saying is, I've put forward, then, very substantial ideas that are embraced by Republicans. Peter, they're not—I forget what metaphor you used about—before you popped it in the microwave, whether it was bacon bits or sprinkles or—breadcrumbs, that was what it was. When it comes to the exchange, that is a market-based approach; it's not a Government-run approach. There were criticisms about the public option—that's when, supposedly, there was going to be a Government takeover of health care—and even after the public option wasn't available, we still hear the same rhetoric. And it turns out that what we're now referring to is we have an argument about how much we should regulate the insurance industry.

We have a concept of an exchange, which previously has been an idea that was embraced by Republicans before I embraced it, and somehow suddenly it became less of a good idea.

With respect to the most contentious issue, I'm not sure we can bridge the gap, and that's what we're going to have to explore, and that's the issue of how do we provide coverage not only for people who don't have health insurance right now but also for people who have preexisting conditions and are being priced out of the market or potentially lose their jobs and will find themselves in a situation where they don't get coverage.

An interesting thing happened a couple of weeks ago, and that is, a report came out that for the first time, it turns out that more Americans are now getting their health care coverage from Government than those that are getting it from the private sector. And you know what, that's without a bill from the Democrats or from President Obama—has nothing to do with, quote, unquote, "Obamacare." It has to do with the fact that employers are shedding employees from health care plans. And more and more, folks, if they can, are trying to get into the Social Security system and the Medicare system earlier, through disability or what have you, so that they can get some help.

The point that Tom Harkin made, the point that Chris Dodd made, the point that Henry made, and a number of other people made, I think, is very important to understand. I did not propose—and I don't think any of the Democrats proposed—something complicated just for the sake of being complicated. We'd love to have a five-page bill. It would save a awful lot of work. The reason we didn't do it is because it turns out that baby steps don't get you to the place where people need to go. They need help right now.

And so a step-by-step approach sounds good in theory, but the problem is, for example, we can't solve the preexisting condition problem if we don't do something about coverage.

Now, it is absolutely true—and I think this is important to get on the table, because we dance around this sometime—in order to help the 30 million, that's going to cost some money. And the primary way we do it is to say that—for example, people who currently get all their income in capital gains and dividends, they don't pay a Medicare tax, even though the guy who cleans the building for them does on his salary or his wages. And so what we say is, if you make more than 200—\$250,000 a year if you're a family and your income is from those sources, then you should do—you should have to do the same thing that everybody else has to do. Somebody mentioned the fact that we say to small businesses—I think Jon or—Jon Kyl, you said we're

taxing small businesses. Look, we exempt 95 percent of small businesses from any obligations whatsoever because we understand that small businesses generally have a tough time enough. They don't need any more Government burden.

What we do say is, if you can afford to provide health insurance, you have more than 50 employees, meaning you're in the top 4 percent of businesses, and you're not providing coverage and you're forcing other businesses or other individuals to pick up the tab because your employees are either going into the Medicaid system or they're going to the emergency room, we don't think that's fair. So we say, you've got to pony up some. It's not an employer mandate. It just says you've got to pay your fair share, because otherwise, all of us have to pick up the tab. And that, by the way, contributes to the overall deficit that Medicaid is running.

In fact, most small businesses through this program get huge subsidies by becoming members of the exchange. That's where the money's going. The money's not going to some big welfare program; the money's going to give tax credits to small businesses, tax credits to those who are self-employed to buy into this pool. And that's not a radical proposition; it's consistent with the idea of a market-based approach.

And finally, with respect to bending the cost curve, we actually have a lot of agreement here. This is an area where if I sat down with Tom Coburn, I suspect we could agree on 95 percent of the things that have to be done. Because the things you talk about in terms of—and I wrote some of them down—in terms of reducing medical errors, in terms of incentivizing doctors to coordinate better and work in groups better, in terms of price transparency, improving prevention, those are all things that not only do I embrace, but we've included every single one of those ideas in these bills.

Now, the irony is that that's part of where we got attacked for a Government takeover, because what happened was when we set up the idea of a MedPAC, which is basically a panel of doctors and health care experts who would recommend ways to make the delivery system better so that we can squeeze out that one-third in Medicare and Medicaid that's wasted—a Republican idea—that was part of the ammunition you all used to say that the Government is going to take away your health care.

So if we're serious about delivery system reform, if we're serious about squeezing out the waste that Tom Coburn referred to, you should embrace those mechanisms that are in this bill.

I will end by saying this. I suspect that if the Democrats and the administration were willing to start over and then adopt John Boehner's bill, we'd get a whole bunch of Republican votes. And I don't know how many Democratic votes we'd get, but we'd get a whole bunch of Republican votes.

The concern, I think, that a lot of the colleagues, both in the House and the Senate, on the Democratic side have is that after a year and a half—or more appropriately, after five decades—of dealing with this issue, starting over, they suspect, means not doing much or doing the proposal that John Boehner or other Republicans find acceptable, and that it's not possible for our Republican colleagues to move in the direction of, for example, covering more than 3 million people; it's not possible to move more robustly in the direction of dealing with the preexisting condition issue in a realistic way; it's not possible to make sure that we get people out of a high-risk pool and get them into a situation where, as Tom Harkin put it, healthy people, young people, rich people, poor people, old people, sick people—everybody is part of a system that works.

That, I think, is the concern. Having said that, what I'd like to propose is that I've put on the table now some things that I didn't come in here saying I supported, but that I was willing to work with potential Republican sponsors on. I'd like the Republicans to do a little soul searching and find out are there some things that you'd be willing to embrace that get to this core problem of 30 million people without health insurance and dealing seriously with the preexisting condition issue.

I don't know, frankly, whether we can close that gap. And if we can't close that gap, then I suspect Mitch McConnell and Harry Reid, Nancy Pelosi and John Boehner, are going to have a lot of arguments about procedures in Congress about moving forward. I will tell you this, that when I talk to the parents of children who don't have health care because they've got diabetes or they've got some chronic heart disease, when I talk to small-business people who are laying people off because they just got their insurance premium, they don't want us to wait. They can't afford another five decades.

And the truth of the matter is, is that, politically speaking, there may not be any reason for Republicans to want to do anything. I mean, we can debate what our various constituencies think. I know that—I don't need a poll to know that most of Republican voters are opposed to this bill and might be opposed to the kind of compromise we could craft. So it would be very hard for you politically to do this.

But I thought it was worthwhile for us to make this effort. We've got a lot of other things to do. I don't think, Tom, that we're going to have another one of these, because we—people don't have 7, 8 hours a day to work some of these things through.

What I do know is this: If we saw movement—significant movement, not just gestures—then you wouldn't need to start over, because essentially, everybody here knows what the issues are. And procedurally, it could get done fairly quickly. We cannot have another year-long debate about this.

So the question that I'm going to ask myself and I ask of all of you is, is there enough serious effort that in a month's time or a few weeks' time or 6 weeks' time, we could actually resolve something? And if we can't, then I think we've got to go ahead and make some decisions, and then that's what elections are for. We have honest disagreements about the vision for the country, and we'll go ahead and test those out over the next several months till November.

All right? But I very much appreciate everybody being here. Thank you for being so thoughtful. And hopefully, we'll all keep our constituents in mind as we move forward. Thank you, everybody.

NOTE: The President spoke at approximately 3:51 p.m. in the Garden Room at the Blair House. In his remarks, he referred to Sens. Thomas R. Harkin and Max S. Baucus; and Secretary of Health and Human Services Kathleen Sebelius. The transcript was released by the Office of the Press Secretary on February 26.

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Harkin, Thomas R.; Hoyer, Steny H.; Kyl, Jon L.; McConnell, Addison M. "Mitch"; Murray, Patty; Pelosi, Nancy; Rangel, Charles B.; Reid, Harry; Roskam, Peter; Sebelius, Kathleen; Waxman, Henry A.; Wyden, Ronald L.

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