Remarks in a Discussion of the Deficit at a Bipartisan Meeting on Health Care Reform

February 25, 2010

The President. All right, Joe, let's talk about cost, because—and now we're not talking about cost to families, but we're talking about deficit, how much respective ideas cost. I think this is a good place to talk about Medicare as well, because it's been brought up several times. Joe, go ahead.

Vice President Joe Biden. Mr. President, I'll try to be brief. There's a lot to talk about. I'd like to focus it, though, on the deficit, impact on the deficit, which we're all talking about. And I must tell you, maybe I've been around too long, but I—I'm always reluctant, after being here 37 years, to tell people what the American people think. I think it requires a little bit of humility to be able to know what the American people think. But—and I don't; I can't swear I do. I know what I think, I think I know what they think, but I'm not sure what they think.

And the second point I'd make is, this probably has an echo—this is slightly off point—but this debate about the philosophic difference has an echo of the debate that probably took place in the midthirties on Social Security. It was mandated, and it was mandated because everybody knew you couldn't get insurance unless everybody was in the pool. And they knew if only some people were in the pool, what would happen is a lot of people, when they got old, we'd take care of them anyway, and you'd have to pay for them.

[*At this point, Vice President Biden made brief remarks, concluding as follows.*]

And, Mr. President, we can argue, which we will, about whether or not the way you and I want to go after dealing with the long-term debt, whether commissions make sense, whether or not we're ever going to deal with the entitlement—this is a big entitlement. This is a big entitlement. Medicare—it exists. We've got to figure out how to keep it from bankrupting the country without denying seniors what they're entitled to in a nation like ours: decent health care that provides for their needs.

So I'd like us, Mr. President—I'm going to hush—I'd like us to talk about, if we can, specifically, what we all agree on. What do we do about bending the cost curve? What's the best way to do it? And I yield the floor.

Representative John A. Boehner. Mr. President——

The President. John.

Rep. Boehner. Mr. President, Mr. Ryan's going to open this conversation on behalf of us.

Representative Paul Ryan. Thank you. Look, we agree on the problem here, and the problem is health inflation is driving us off of a fiscal cliff. Mr. President, you've said health care reform is budget reform. You're right. We agree with that. Medicare right now has a $38 trillion unfunded liability. That's 38 trillion in empty promises to my parents' generation, our generation, our kids' generation. Medicaid's growing at 21 percent this year. It's suffocating States' budgets. It's adding trillions in obligations that we have no means to pay for it.

Now, you're right to frame the debate on cost and health inflation. And in September, when you spoke to us in the well of the House, you basically said—and I totally agree with this—"I will not sign a plan that adds one dime to our deficits either now or in the future."

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

Now, I will just simply say this—and I respectfully disagree with the Vice President about what the American people are or are not saying, or whether we're qualified to speak on their behalf. So we are all representatives of the American people. We all do town hall meetings. We all talk to our constituents. And I've got to tell you, the American people are engaged. And if you think they want a Government takeover of health care, I would respectfully submit you're not listening to them.

So what we simply want to do is start over, work on a clean sheet of paper, move through these issues step by step, and fix them and bring down health care costs and not raise them. And that's basically the point.

The President. I'm going to call on Xavier Becerra, but I just want to follow up on a couple points. There are some strong disagreements on the numbers here, Paul, and—but I don't want to get too bogged down in.

First question I have is whether your side thinks Medicare Advantage is working well. Because I think it's important just to point out that when we keep on talking about cuts in Medicare, what we're really talking about is what Joe alluded to, which is—a decision was made a while back to set up a system in which Medicare costs, let's say, a dollar under the Government program that 80 percent of people still use and are perfectly satisfied with, and there's no showing that it's not working for them. We said we'd give it to private insurers, and we'd give them a bonus of a $1.15 for every dollar in the normal plan. And it turns out that people aren't healthier because of that extra $15—or 15 cents. It's estimated that it's costing us about $180 billion over 10 years and, say, $18 billion a year.

And essentially what my proposal would do, and what the House and Senate proposals would do, would say instead of having the insurance companies get that money, let's take that money—the savings are between 400 and $500 billion a year—and let's devote some of that money to closing the doughnut hole, which has already been talked about. Seniors who need more prescription drugs than Medicare currently is willing to pay for hit this gap where suddenly they've got to use it out of pocket, and they just stop taking the drugs, or they break them in half, or what have you. Let's fill that. That costs around $30 billion a year, or $300 billion. And let's make some other changes that would result in actually the 80 percent of seniors who aren't in Medicare Advantage getting a better deal.

So the—we can address some of the broader issues, but I just want to focus on Medicare Advantage, because I haven't seen an independent analyst look at this and say seniors are healthier for it or taxpayers are better off for it. That's what we're talking about reforming. We're not talking about cutting benefits under the Medicare program as is required under law. What we're talking about is Medicare Advantage.

And it may be that some people here think that it's working. I know that there are some Republicans who are sitting at this table who don't think it's working. You can argue and say, okay, let's not do Medicare Advantage, and let's not close the doughnut hole, for example, or there may be other ways you want to spend that money. But I just want to establish whether we've got some agreement that the Medicare Advantage program, which is what we are proposing to reform, is actually not a good deal for taxpayers or for seniors and certainly not a

good deal for the 80 percent of seniors who aren't in Medicare Advantage, because, by the way, they're paying an extra premium of about 90 bucks a year to subsidize the 20 percent who are in Medicare Advantage.

Senator Addison M. "Mitch" McConnell. Mr. President, John McCain also would like to address that issue.

The President. I'm sorry, so if somebody else wants to address it, if—I——

Senator John McCain. I'd just make one comment. Why in the world, then, would we carve out 800,000 people in Florida that would not be—have their Medicare Advantage cut? Now, I proposed an amendment on the floor to say everybody will be treated the same. Now, Mr. President, why should we carve out 800,000 people, because they live in Florida, to keep the Medicare Advantage program and then want to do away with it?

The President. I think you make a legitimate point.

Sen. McCain. Well, maybe——

The President. I think you do.

Sen. McCain. Thank you. Thank you very much. [*Laughter*]

The President. Yeah.

Senator Thomas A. Coburn. Mr. President, let me——

The President. Tom.

Sen. Coburn. ——just jump in for a minute.

The President. I'm going to Xavier—in fairness, I asked a question, so I'm going to let one of the Republicans respond, and then I'll go to Xavier. Okay? Go ahead.

Sen. Coburn. You know, the assumption—I think it's important for the American public to hear—we have Medicare Part D, except no senior in this country ever paid a tax dollar for it. And we're talking about filling a doughnut hole on a program that they're already benefiting from that's—we're going to leave $11 trillion in debt for our children. I'm not sure the seniors want us to leave more debt for their children to fill a doughnut hole.

And when we talk about filling the doughnut hole by taking away from people who can't afford to buy a supplemental policy—that's where Medicare Part A helps poor people in Oklahoma, is they get to buy Medicare Part C—we never call it Part C, but that's what it is—and they don't have to buy a supplemental policy. So consequently, they get lots of the benefits that other people who have better buying power in Medicare with a supplemental policy. So it's a tradeoff of whether or not we say, where are we going to give the benefits? What we really should be doing is saying, we're broke; Medicare's broke; we're working, struggling together to try to get there. Let's not add new benefits anywhere, and let's make sure the benefits that we have today get applied more equitably.

The President. Well, I think that's a legitimate point. I would just point out that 80 percent of seniors are helping to pay in extra premiums for the 20 percent who are in this Medicare Advantage. And it's not means-tested, so it's not as if the people who are in Medicare Advantage are somehow the poor people who can't afford supplementals. It's pretty random. And what we also know is—and I just want to point this out, Tom—180 billion of it's going to insurance companies. It's not going to seniors. It's going to insurance companies, including big

insurance company profits, without any appreciable improvement in health care benefits. That's not a good way for us to spend money.

I agree with you about the fact that the prescription drug plan added to our deficits, because we didn't pay for it. And I just have to point out, that didn't happen under my watch. That happened under the previous Congress. There's some people—John was—is an example of somebody who was true to his convictions and didn't vote for it.

Sen. Coburn. I didn't vote for it.

The President. But the fact of the matter is, is that that was costly. And we do have to deal with that. On the other hand, that—the problem I don't think is, is that we gave seniors prescription drug benefits. I think the problem is, is that we didn't pay for it. And we should try to find a way to pay for it. Taking some of that money out of Medicare Advantage and putting it into that doughnut hole does pay for it.

All right. I really breached protocol here, but I thought that was important to just get clear. We are talking about Medicare Advantage in terms of where these cuts come from, not Medicare benefits through the traditional Medicare Plan.

Xavier.

Representative Xavier Becerra. Mr. President, thank you very much for bringing us all together. And I do want to address something that my friend Paul Ryan said, because I almost think that we can't have this discussion any further without addressing something Paul said, and that—Paul, you called into question the Congressional Budget Office.

Rep. Ryan. No.

Rep. Becerra. Now, we can all agree to disagree, we could all have our politics, but if there's no referee on the field——

Rep. Ryan. Right.

Rep. Becerra. ——we can never agree how the game should be played.

Rep. Ryan. Let me clarify, just to be clear.

Rep. Becerra. No, no. Let me—if I could just finish. And so I think we have to decide, do we believe in the Congressional Budget Office or not? Now—because, Paul, you and I have sat on the Budget Committee for years together. And you have, on any number of occasions in those years, cited the Congressional Budget Office to make your point, referred to the Congressional Budgets Office's projections to make your points. And today you essentially said you can't trust the Congressional Budget Office.

Rep. Ryan. No, that is not what I'm saying.

Rep. Becerra. Okay, well, that was my interpretation.

Rep. Ryan. No. Let me be clear.

Rep. Becerra. I apologize. I apologize if I misinterpreted——

Rep. Ryan. I am not questioning the quality of the scoring.

Rep. Becerra. Paul, Paul, if I could just finish my——

Rep. Ryan. ——I'm questioning the reality of their score.

Rep. Becerra. Okay, I take your point on your clarification. But if I——

Rep. Ryan. Let me just say it: 10 years of tax increases, 10 years of Medicare cuts to pay for 6 years of spending——

Rep. Becerra. Paul, if I could just try to make my point.

Rep. Ryan. Okay.

Rep. Becerra. Okay. So then I'm assuming, then, that you do believe that the CBO is a legitimate agency to render decisions on spending for the Congress.

Rep. Ryan. Xavier, you know I believe that.

Rep. Becerra. Okay, so then let's work with that, because, quite honestly, if we can't work with CBO numbers, we're lost. We're lost, because then we really will get into a food fight. And so I apologize, Paul, if I misinterpreted——

Rep. Ryan. Yes, look——

Rep. Becerra. ——what I had heard. I appreciate that we left the referee on the field.

Rep. Ryan. I'll just simply say——

Rep. Becerra. And so if the referee is on the field, then we have to at least accept what the referee has said. And the referee said that the bills that are before us reduce the deficit, the Federal Government's deficit, by over $100 billion in the first 10 years. The Congressional Budget Office, the referee—not political parties, the referee—said that these bills reduce the deficit in the succeeding years, after the first 10 years, by over a trillion dollars.

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

So I believe, Mr. President, what we have is a chance to discuss how we can actually put this country back on a good fiscal track and still do right by our seniors in Medicare and increase the amount of people who get covered by health insurance by about 31 million.

The President. Okay.

Sen. McConnell. Mr. President, we'll now turn to Chuck Grassley.

Senator Charles E. Grassley. First of all, to clarify something, if anybody says that Medicare Advantage is a subsidy going to insurance companies, let me say what the statute says. The statute says that 75—with a bid differential where it goes—75 percent goes to beneficiaries and benefits and 25 percent to the Federal Government.

The President. I'm sorry, the—Chuck, I just want to make sure—I don't think that's—that doesn't sound right to me, because that would mean 100 percent of it is going to either benefits or the Federal Government, which means the insurance companies aren't making any money there.

Sen. Grassley. No, 75 percent to beneficiaries and benefits and 25 percent to the Federal Government.

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

And so there are these things in this bill—Medicare, Medicaid cuts—that—I don't see any future Congress having any more guts than we do to close a rural hospital. So I think that you got to take into consideration—you've got to take into consideration the consequences of the

acts or the unproven promises of cuts that aren't going to materialize. That's just the way I see it.

And working in those 31 meetings, hundreds of hours of meetings with Senator Baucus, I learned a lot about health care. Now, we didn't get a bill out of that bipartisan effort, but I'm sure glad I spent all that time there, because I learned a heck of a lot about our health care system that I wouldn't have otherwise known.

The President. Thank you, Chuck. The—I'm going to go to Kent next. I just want to make one point. The—if the notion is, is that we can't make some hard decisions about how entitlements work because it's just not realistic, nobody's going to have the guts to do it, then we're in big trouble, because that means that the Federal budget and State budgets and then business budgets and family budgets are all going to be gobbled up by this thing. So I hope that in fact we've got the courage to make some of these changes.

Now, when I say that Medicare Advantage is not a useful way for us to spend tax dollars to provide health care to seniors, at least the way it's currently structured, as I said, that's not a Democratic idea. I mean, there are a whole bunch of Republican commentators and some of the folks who've sat around this table before who suggested that that's probably right.

You can make an argument that whatever savings we get out of Medicare Advantage should not go to filling the doughnut hole, for example. That's a legitimate argument. You can make an argument that it should go just to deficit reduction. Those are all legitimate arguments. But my point is that the savings that are obtained here are from a program in which insurance companies are making a lot of money but seniors who are in these kinds of programs are not better off, and the 80 percent of the people who are [not]* in these programs are paying an extra 90 bucks a year to subsidize the folks who are in them. And that just doesn't seem like a good deal for them or for the taxpayer.

Kent Conrad.

Sen. Grassley. Would you give me 30 seconds, please?

The President. Sure.

Sen. Grassley. Yeah, I think we've already had it laid out here in four or five different ways how a heck of a lot of money can be saved. And I think that those things that we can agree on we ought to proceed on. But I think that it's legitimate to take into consideration that if you're going to have program cuts that CBO says out there in the second decade could be 15 to 20 percent a year, that you got to have a system left to serve the people that we're promising health insurance to.

The President. But what I'm saying is, Chuck——

Sen. Grassley. And that's the point I'm making.

The President. ——I think it's a legitimate point. What I'm saying is that on Medicare Advantage, that does not have to do with the concerns that you've got about hospitals or doctors getting properly reimbursed. This is a program that's going to insurance companies.

But I want to make sure that Kent gets in here, because Kent knows something about the budget as the chairman of the Budget Committee.

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* White House correction.

Kent.

Senator Kent Conrad. Well, thank you, Mr. President. Thank you for allowing us to come and to visit about what really is the 800-pound gorilla facing the Federal budget, and that is the health care accounts of the United States—Medicare, Medicaid, and the rest.

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

And my conclusion, after all of these hundreds of hours of hearings and meetings that Senator Grassley and Senator Baucus were part of, and Senator Enzi, was that, indeed, we do—we have a system that is characterized, especially for those people, by chaos. We can do better, and we really don't have a choice, because we've got a debt now, a gross debt, 100 percent of our GDP—headed for 400 percent—that nobody believes is sustainable. So I just pray that we find a way to come together and deal with these things seriously, because if we don't, we will rue the day.

The President. I want to make sure that we're balancing off time between Democrats and Republicans here——

Sen. McConnell. Mr. President, John—oh, I'm sorry.

The President. ——and House and Senate as well.

John, go ahead.

Rep. Boehner. Mr. President, I'm going to say thank you for having us here. I think it's been a useful conversation. And as I listened to you open up this meeting, I thought to myself, I don't disagree with anything that you said at the beginning of the meeting, in terms of the premise for why we're here.

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

So, Mr. President, what we've been saying for a long time is let's scrap the bill. Let's start with a clean sheet of paper on those things that we can agree on. Let's take a step-by-step approach that will bring down the cost of health insurance in America, because if we bring down the cost of health insurance, we can expand access.

Mr. President, I told you the day after—maybe it was the day you were sworn in as President, that I would never say anything outside of the room that I wouldn't say inside the room. I've been patient. I've listened to the debate that's gone on here. But why can't we agree on those insurance reforms that we've talked about? Why can't we come to an agreement on purchasing across State lines? Why can't we do something about the biggest cost driver, which is medical malpractice and the defensive medicine that doctors practice? Let's start with a clean sheet of paper, and we can actually get somewhere, and we can get it into law here in the next several months.

The President. John, the challenge I have here—and this has happened periodically—is we're—every so often we have a pretty good conversation trying to get on some specifics, and then we go back to the standard talking points that Democrats and Republicans have had for the last year. And that doesn't drive us to an agreement on issues. There are so many things that you just said that people on this side would profoundly disagree with and I would have to say, based on my analysis, just aren't true, that I think the conversation would start bogging down pretty quick.

Now, we were trying to focus on the deficit issue. And the fact of the matter is, as we indicated before, that according to the Congressional Budget Office, this would reduce the deficit. Paul has different ideas about it. Other folks may think that there are better ways of doing it. But right now what we're doing is focusing on the issue of Federal entitlements and whether we can make some changes. I will come back to you, I think, at the end of this session to answer a range of the questions that you just asked.

Right now what I want to do is go to Jim Cooper, who I think everybody knows cares pretty deeply about the Federal budget. He's been championing this for a very long time. Jim, do you want to address some of the issues that have been raised in terms of both Medicare and Medicaid?

Representative James Hayes Shofner Cooper. Thank you, Mr. President. We're all here, we're dressed up, we're on good behavior, but I think folks back home are wondering how we behave when the camera's off. The deficit, in my opinion, is probably the most important single issue we face. Paul Ryan said it well: Health inflation is driving us off a cliff.

And I'm kind of intrigued by the conversation, because so far, we've heard a lot of folks trying to outdo each other in deficit reduction. I welcome that competition, especially if it's backed up with votes, because it's easy to talk tough on this; it's harder to deliver. I personally like Senator McCain's suggestion. Let's get rid of all the special deals. That's just a starting point.

[*Rep. Cooper made brief remarks.*]

The President. I want to see if there are any Republicans who want to speak. I still have Dick Durbin.

Sen. McConnell. Mr. President, I think John McCain.

Sen. McCain. Thank you, Mr. President. I say to my friend from North Dakota, none of us want to do nothing, but we do want to start over. And we've just had a discussion about the 800,000 carveout and all of the other special deals and special interests that were included in this bill, which is more than offensive. But I want to talk about one specific issue on deficit reduction, and that is medical malpractice reform.

Last year, Mr. President, you said when you gave—spoke to the Congress, you asked your distinguished Secretary of Health and Human Services to look at ways that we could address the issue, and then again this year, and I pay close attention to all of your speeches.

The President. Thank you. That's more than Michelle does. [*Laughter*]

Sen. McCain. And the point is that we don't have to go very far. There's two examples right now of medical malpractice reform that is working. One's called California; the other called Texas. I won't talk about California, because we Arizonans hate California because they've stolen our water. [*Laughter*] But the fact is that Texas has established a $750,000 cap for noneconomic damages, caps doctors at 250,000, hospitals at 250,000 and any additional institution, 250,000, and patients' harm due to a finding of medical malpractice are not subject to any limitations on recoveries for economic losses. And I hope you'll examine it.

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

And I'd just like to finally mention one other thing. There's an issue that's overhanging this entire conversation. We all know what it is. It's whether the majority leader of the Senate will impose the, quote, "reconciliation," the 51 votes. Now, having been in the majority and the

minority—I prefer the majority—I understand the frustration that the majority feels when they can't get their agenda through, and it's real, and I understand it, and I have some sympathy.

But I remember—and I think you do too, Mr. President—the last time when there was a proposal that we Republicans in the majority would adopt a 51-vote majority on the issue of the confirmation of judges. There was a group of us that got together, said, no, that's not the right way to go, because that could deal a fatal blow to the unique aspect in the United States Senate, which is a 60-vote majority. And then we came to an agreement, and it was brought to a halt.

If a 51-vote reconciliation is enacted on one-sixth of our gross national product, never before has there been—there have been reconciliation, but not at the level like—of an issue of this magnitude, and I think it could harm the future of our country and our institution—which I love a great deal—for a long, long time.

The President. Okay. Let me just address two of the points that you've made, and then I'm going to turn to Dick.

This issue of reconciliation's been brought up. Again, I think the American people aren't always all that interested in procedures inside the Senate. I do think that they want a vote on how we're going to move this forward, and I think most Americans think that a majority vote makes sense. But I also think that this is an issue that could be bridged if we can arrive at some agreement on ways to move forward.

Medicare—or the issue of malpractice that you brought up, I've already said that I think this is a real issue. I disagree with John Boehner that—John, when you say that it's the single biggest driver of medical inflation; that's just not the case.

The Congressional Budget Office took a look at the proposal you've got for medical malpractice and estimates that the Government system would save about $50 billion over 10 years, which is $5 billion a year, which is real money, but understand that we've got a $2 trillion system. Let's assume that you extrapolate that into the private marketplace. Let's say it's another 5 billion or another 10 billion. It's still a small portion of our overall health inflation problems.

But having said that, it's still something that I care about, and I've said I care about it. Now, not only have I asked Kathleen to initiate some pilot programs at the State level, but there are some examples of legislation that I actually would be interested in pursuing. Tom Coburn, you and Richard Burr have talked about incentivizing and allowing States to experiment much more vigorously with ways to reduce frivolous lawsuits, to pursue settlements, to reduce defensive medicine. That's something I'd like to see if we could potentially get going.

So I might not agree to what John Boehner has proposed, and it's interesting that I think I've heard a lot today about how we shouldn't have Washington impose on the States' ideas, except when it comes to the ideas that you guys like, in which case it's fine to override what States are doing. There seems to be a little bit of a contradiction on this, but I think there may be a way of doing it that allows States to tackle this issue in a very serious way.

And I'd be interested in working with you, John, and working with Tom to see if we can potentially make that happen, if we can arrive at a package that also deals with the other drivers of health care inflation that are so important.

Now, we're running out of time. I've got Dick Durbin, and then what we're going to just do is go into coverage, and that will—I know that Henry and John and Charles have been interested in talking about it, and, frankly, is something that we haven't spoken a lot about lately, and that is a whole bunch of people who just don't have health care. Okay.

Senator Richard J. Durbin. Mr. President——

The President. Go ahead, Dick.

Sen. Durbin. ——I've been biding my time throughout this entire meeting. I thank you for inviting us on the issue of medical malpractice. Before I was elected to Congress, I worked in a courtroom. For years, I defended doctors and hospitals, and for years, I sued them on behalf of people who were victims of medical malpractice. So I've sat at both tables in a courtroom.

At least many years ago, I think I kind of understood this area of the law better than some. But I listen time and again as our friends on the other side, when they're asked what are the most important things you can do when it comes to our health care system in America, the first thing they say is medical malpractice. It's the first thing they say; today it was the first thing that was said.

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

But step back for a second and look at who we are in this room. As was said many years ago, "The law in its majestic equality forbids both the wealthy and the poor from sleeping under bridges." When it comes to the wealthy and health care, per capita we're the wealthiest people in America. The Federal Employees Health Benefit program, administered by the Federal Government, setting minimum standards for the health insurance that we enjoy as individuals and want for our families, is all we're asking for in this bill for families across America.

If you think it's a socialist plot and it's wrong, for goodness sakes, drop out of the Federal Employees Health Benefit program. But if you think it's good enough for your family, shouldn't our health insurance be good enough for the rest of America? That's what it gets down to. Why have this double standard? Tom Harkin is right. Why do we continue to discriminate against people, when we know that each one of us is only one accident or one diagnosis away from being one of those unfortunate few who can't afford or can't find health insurance?

The President. All right, what I'd like to do is this. The—it is now a quarter to 4. I said we'd try to get out of here at 4:15. We have not spoken about coverage, and we're going to need to wrap this up. I know that some people may be on a tight schedule. I'm going to ask that people are willing to stay until 4:30 , which gives us 45 minutes.

And what I'd like to do is to round out this conversation by focusing on what I think is probably at the core one of the bigger philosophical disagreements between the parties in how we address health care moving forward.

I think we've identified one already, which is the issue of insurance and minimum standards. And that was a debate surrounding the exchange; that was a debate that we discussed when it came to being able to buy insurance across interstate lines.

I think the second issue, which Eric Cantor alluded to earlier, John Boehner just alluded to, is the issue of coverage, and that is, can America, the wealthiest nation on Earth, do what

every other advanced nation does, which is make sure that every person here can get adequate health care coverage, whether they're young or old, whether they are rich or poor? And I think that the effort in the House and the Senate has been to control costs, to reform the insurance industry, to deal with some of the structural deficit issues surrounding entitlements, and to do that all in a context in which everybody is getting a fair shake.

And right now, frankly, there are 30 million people who don't have health insurance at all. There are a whole bunch of people who aren't added to that list who all they have is a catastrophic plan, and again, they never go visit a doctor unless they're really sick.

The way we tried to do it was not a Government-run health care plan, Paul. I mean, that was some good poll-tested language that has been used quite a bit, but the fact of the matter is, is that, as Dick just alluded to, the way we've structured it through the exchange would be to allow people to pool, allow everybody to join a big group, and for people who can't afford it, to give them subsidies, including small businesses. And so the question is whether there is a way for us to arrive at an agreement that would reach those people.

John, I'm—Boehner, I looked at your bill. I think, as I said, there is some overlap on some issues. But when it comes to the coverage issue, the Congressional Budget Office says yours would potentially increase coverage for 3 million people, and the efforts of the House and the Senate would cover 30 million. So that's a 27-million-person difference.

We can have an honest disagreement as to whether we should try to give some help to those 27 million people who don't have coverage. And I—so that's, I think, the last aspect of this, and this is probably going to be the most contentious, because there is no doubt that providing those tax credits to families and small businesses costs money. And we do raise revenues in order to pay for that. And it may be that the other side just feels as if, you know what, it's just not worth us doing that.

But one of the things I hope we don't do is to pretend that somehow for free we're going to be able to get those 30 million people covered. We're not. If we think it's important as a society to not leave people out, then we're going to have to figure out how to pay for it. If we don't, then we should acknowledge that we're not going to do that. But what we shouldn't do is pretend that we're going to do it and that there is some magic wand to do it without paying for it.

So with that, what I'm going to do is I will go to whoever you want first, Mitch.

NOTE: The President spoke at approximately 2:42 p.m. in the Garden Room at the Blair House. In his remarks, he referred to Secretary of Health and Human Services Kathleen Sebelius; Reps. Henry A. Waxman, John D. Dingell, Jr., and Charles B. Rangel.

Categories: Addresses and Remarks : Health care reform, bipartisan meeting on, discussion of the deficit.

Locations: Washington, DC.

Names: Becerra, Xavier; Biden, Joseph R., Jr.; Boehner, John A.; Burr, Richard M.; Cantor, Eric; Coburn, Thomas A.; Conrad, Kent; Cooper, James Hayes Shofner; Dingell, John D., Jr.; Durbin, Richard J.; Durbin, Richard J. ; Grassley, Charles E.; McCain, John; McConnell, Addison M. "Mitch"; McConnell, Addison M. “Mitch”; Obama, Michelle; Rangel, Charles B.; Ryan, Paul; Sebelius, Kathleen; Waxman, Henry A.

Subjects: Budget, Federal : Deficit; Budget, Federal : Entitlement spending, reform; Business and industry : Small and minority businesses; Congress : Bipartisanship; Congress : Senate :: Majority vote issue, reconciliation efforts; Health and Human Services, Department of : Secretary; Health and medical care : Cost control reforms; Health and medical care : Health insurance exchange, proposed; Health and medical care : Hospitals :: Medicare and Medicaid reimbursement; Health and medical care : Insurance coverage and access to provider; Health and medical care : Insurance coverage and access to providers ; Health and medical care : Insurance coverage and access to providers; Health and medical care : Medical liability reform; Health and medical care : Medicare Advantage Plans, elimination of overpayments; Health and medical care : Medicare and Medicaid; Health and medical care : Physicians :: Malpractice insurance; Health and medical care : Seniors, prescription drug benefits; Health and medical care : Seniors, prescription drug benefits ; Health and medical care : Small businesses, proposed tax credits to purchase insurance coverage; Legislation, proposed : "America's Affordable Health Choices Act of 2009"; Legislation, proposed : "Patient Protection and Affordable Care Act of 2009"; Legislation, proposed : "Patient Protection and Affordable Care Act of 2009".

DCPD Number: DCPD201000126.

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