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Remarks on Health Care Reform

May 11, 2009

Hello, everyone. All right, well, I just concluded a extraordinarily productive meeting with organizations and associations that are going to be essential to the work of health care reform in this country, groups that represent everyone from union members to insurance companies, from doctors and hospitals to pharmaceutical companies. It was a meeting that focused largely on one of the central challenges that we must confront as we seek to achieve comprehensive reform and lay a new foundation for our economy, and that is the spiraling cost of health care in this country.

They're here because they recognize one clear, indisputable fact: When it comes to health care spending, we are on an unsustainable course that threatens the financial stability of families, businesses, and government itself. This is not news to the American people, who, over the last decade, have seen their out-of-pocket expenses soar, health care costs rise, and premiums double at a rate four times faster than their wages.

Today, half of all personal bankruptcies stem from medical expenses. And too many Americans are skipping that checkup they know they should get, or going without that prescription that would make them feel better, or finding some other way to scrimp and save on their health care expenses.

What is a growing crisis for the American people is also becoming an untenable burden for American businesses. Rising health care costs are commanding more and more of the money that our companies could be using to innovate and to grow, making it harder for them to compete around the world. These costs are leading the small businesses that are responsible for half of all private sector jobs to drop coverage for their workers at an alarming rate.

And, finally, the explosion in health care costs has put our Federal budget on a disastrous path. This is largely due to what we're spending on Medicare and Medicaid, entitlement programs whose costs are expected to continue climbing in the years ahead as baby boomers grow older and come to rely more and more on our health care system. That's why I've said repeatedly that getting health care costs under control is essential to reducing budget deficits, restoring fiscal discipline, and putting our economy on a path towards sustainable growth and shared prosperity.

We as a Nation are now spending a far larger share of our national wealth on health care than we were a generation ago. At the rate we're going, we are expected to spend one fifth of our economy on health care within a decade. And yet, we're getting less for our money. In fact, we're spending more on health care than any other nation on Earth, even though millions of Americans don't have the affordable, quality care they deserve, and nearly 46 million Americans don't have any health insurance at all.

This problem didn't just appear overnight. For decades, Washington has debated what to do about this. For decades, we've talked about reducing costs, improving care, and providing coverage to uninsured Americans. But all too often, efforts at reform have fallen victim to special interest lobbying aimed at keeping things the way they are, to political point-scoring that sees health care not as a moral issue or an economic issue but as a wedge issue, and to a failure on all sides to come together on behalf of the American people.

And that's what makes today's meeting so remarkable, because it's a meeting that might not have been held just a few years ago. The groups who are here today represent different constituencies with different sets of interests. They've not always seen eye to eye with each other or with our Government on what needs to be done to reform health care in this country. In fact, some of these groups were among the strongest critics of past plans for comprehensive reform.

But what's brought us all together today is a recognition that we can't continue down the same dangerous road we've been traveling for so many years, that costs are out of control, and that reform is not a luxury that can be postponed, but a necessity that cannot wait. It's a recognition that the fictional television couple, Harry and Louise, who became the iconic faces of those who opposed health care reform in the nineties desperately need health care reform in 2009. And so does America.

And that's why these groups are voluntarily coming together to make an unprecedented commitment. Over the next 10 years, from 2010 to 2019, they are pledging to cut the rate of growth of national health care spending by 1.5 percentage points each year, an amount that's equal to over $2 trillion—$2 trillion.

Their efforts will help us take the next and most important step, comprehensive health care reform, so that we can do what I pledged to do as a candidate and save a typical family an average of $2,500 on their health care costs in the coming years. Let me repeat that point: What they're doing is complementary to and is going to be completely compatible with a strong, aggressive effort to move health care reform through here in Washington with an ultimate result of saving health care costs for families, businesses, and the Government. That's how we can finally make health care affordable, while putting more money into the pockets of hard-working families each month. These savings can be achieved by standardizing quality care, incentivizing efficiency, investing in proven ways not only to treat illness but to prevent them.

This is a historic day, a watershed event in the long and elusive quest for health care reform. And as these groups take the steps they are outlining, and as we work with Congress on health care reform legislation, my administration will continue working to reduce health care costs to achieve similar savings. By curbing waste, fraud, and abuse and preventing avoidable hospital readmissions and taking a whole host of other cost-saving steps, we can save billions of dollars, while delivering better care to the American people.

Now, none of these steps can be taken by our Federal Government or our health care community acting alone. They'll require all of us coming together, as we are today, around a common purpose: workers, executives, hospitals, nurses, doctors, drug companies, insurance companies, Members of Congress. It's the kind of broad coalition, everybody with a seat at the table that I talked about during the campaign, that is required to achieve meaningful health care reform and that is the kind of coalition which—to which I am committed.

So the steps that are being announced today are significant. But the only way these steps will have an enduring impact is if they are taken not in isolation, but as part of a broader effort to reform our entire health care system. We've already begun making a downpayment on that kind of comprehensive reform. We're extending quality health care to millions of children of working families who lack coverage, which means we're going to be preventing long-term problems that are even more expensive to treat down the road. We're providing a COBRA subsidy to make health care affordable for 7 million Americans who lose their jobs. And because much of every health care dollar is spent on billing, overhead, and administration, we

are computerizing medical records in a way that will protect our privacy, and that's a step that will not only eliminate waste and reduce medical errors that cost lives, but also let doctors spend less time doing administrative work and more time caring for patients.

But there's so much more to do. In the coming weeks and months, Congress will be engaged in the difficult issue of how best to reform health care in America. I'm committed to building a transparent process where all views are welcome. But I'm also committed to ensuring that whatever plan we design upholds three basic principles. First, the rising cost of health care must be brought down. Second, Americans must have the freedom to keep whatever doctor and health care plan they have or to choose a new doctor or health care plan if they want it. And third, all Americans must have quality, affordable health care.

These are principles that I expect to see upheld in any comprehensive health care reform bill that's sent to my desk; I mentioned it to the groups that were here today. It's reform that is an imperative for America's economic future, and reform that is a pillar of the new foundation we seek to build for our economy, reform that we can, must, and will achieve by the end of this year.

Now, ultimately, the debate about reducing costs—and the larger debate about health care reform itself—is not just about numbers; it's not just about forms or systems; it's about our own lives and the lives of our loved ones. And I understand that. As I've mentioned before during the course of the campaign, my mother passed away from ovarian cancer a little over a decade ago. And in the last weeks of her life, when she was coming to grips with her own mortality and showing extraordinary courage just to get through each day, she was spending too much time worrying about whether her health insurance would cover her bills. So I know what it's like to see a loved one who is suffering, but also having to deal with a broken health care system. I know that pain is shared by millions of Americans all across this country.

And that's why I was committed to health care reform as a Presidential candidate, that's why health care reform is a key priority to this Presidency, that's why I will not rest until the dream of health care reform is finally achieved in the United States of America. And that's why I'm thrilled to have such a broad, diverse group of individuals from all across the health care spectrum representing every constituency and every political predisposition who feel that same sense of urgency and are committing themselves to work diligently to bring down costs so we can achieve the reforms that we seek.

So thank you very much to all of you for being here. Thank you very much everybody.

NOTE: The President spoke at 12:35 p.m. in the State Dining Room at the White House.

Categories: Addresses and Remarks : Health care reform.

Locations: Washington, DC.

Subjects: Budget, Federal : Deficit; Economy, national : Recession, effects; Health and medical care : Cost control reforms; Health and medical care : Health insurance, protection of coverage; Health and medical care : Medicare and Medicaid.

DCPD Number: DCPD200900346.