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Remarks on Signing the Executive Order on Improving Price and Quality Transparency in American Healthcare To Put Patients First

June 24, 2019

The President. Thank you very much, everybody. Wow. We must be doing something right lately. [*Laughter*] That's very nice. I appreciate it very much. And welcome to the White House. Great place. No place like it, actually.

We're here to announce new groundbreaking actions that we're taking to dramatically increase quality, affordability, and fairness to our health care system. This landmark initiative continues our campaign to put American patients first. This is a truly big action. People have no idea how big it is. Some people say bigger than health care itself. This is something that's going to be very important.

For too long, it's been virtually impossible for Americans to know the real price and quality of health care services and the services they receive. As a result, patients face significant obstacles shopping for the best care at the best price, driving up health care costs for everyone.

With today's historic action, we are fundamentally changing the nature of the health care marketplace. This is bigger than anything we've done in this particular realm. And probably, Alex, it's not even close, from what they're telling me.

We will empower patients with the information they need to search for the lowest costs and the highest quality care. In other words, they'll be able to seek out their doctor, seek out the doctor they want, and they'll be given vast amounts of information about those doctors.

We're grateful to be joined by Secretary Alex Azar and Administrator Seema Verma. Thank you very much. Alex? Where's Seema? Where's Seema? Hi, Seema.

And I also want to recognize and thank great Senator, Chuck Grassley. Chuck, thank you very much. And by the way, congratulations on ethanol, E–15, right? He fought so hard. Oh, he's tough. When he goes after you, he's brutal. [*Laughter*] But he gets what he wants, and then he likes you, right? Anyway, congratulations to the farmers, frankly, Chuck. Right? Great job. Appreciate it. And that's all year round. And Mike Braun. Mike, thank you. Thank you, Mike. Great job you're doing.

Representatives Greg Walden—we worked so hard together on "right to try," Greg. Right? "Right to try"—people are loving it. Michael Burgess, Doug Collins, Devin—Devin Nunes. Thank you all. Incredible people.

Lieutenant Governors Geoff Duncan and Dan Forest. Thank you, fellas. Thank you. Thank you. You didn't get a very good seat. I can't believe it. [*Laughter*] That's not like you.

And all of our great State legislators. We have a lot of them with us today and a lot of great medical people and doctors.

For decades, powerful insurance companies, lobbyists, and special interests have denied the public access to the real cost of the health care services they provide. It's that simple. This lack of price transparency has enriched industry giants greatly, costing Americans hundreds of billions of dollars a year.

Patients have been billed nearly $800 for saline; more than $6,000 for a drug test, at the simplest methods used, and $6,000—I've seen them; and over $17,000 for stitches to just stitch up a minor wound. Often, prices differ drastically between providers and hospitals for the exact

same services. And there's no consistency. There's no predictability. And there's, frankly, no rhyme or reason to what's been happening for so many years.

As a result, Americans, such as Erika Jay, who is here today, find themselves in deeply unfair situations. Erika, please, if you would come up and just explain what happened to you. Thank you very much. Thank you very much.

Cancer patient Erika Jay. Thank you, Mr. President. Thank you. Over the last 3½ years, while fighting a stage-three cancer, we visited many health care facilities. We saw price variations that just caught us off guard, really surprised us—took us by surprise—from one facility to the next. And it caused us financial hardship.

An example of this is when I had two identical bone biopsy procedures only 11 days apart at facilities that were only 17 miles apart from each other. We learned, when we received the bills for the second procedure, that it cost us more than 330 percent than the first time we had it done. Different facility, identical procedure: drastically different pricing.

This is one of many stories our family has. If price transparency had been required, we would have been empowered to find the best pricing for my care, saving thousands of dollars over the last 3 years.

Mr. President——

The President. Yes. I'm right here. [*Laughter*]

Ms. Jay. Thank you for this Executive order.

The President. Thank you.

Ms. Jay. And thank you for empowering and helping families like mine all over the Nation.

The President. Thank you very much. That's very nice. Thank you. Thanks very much, Erika.

We believe the American people have a right to know the price of services before they go to visit the doctor. Therefore, in just a few moments, I will be signing a breakthrough Executive order. It will create unprecedented transparency about health care prices and provide this information to the American people for the first time ever—first time it's ever been done. People knew it should have been done years ago, but they never got it done. I wonder why.

With this order, hospitals will be required to publish prices that reflect what people actually pay for services in a way that's clear, straightforward, and accessible to all. And you'll be able to price it among many different potential providers, and you'll get great pricing. Prices will come down by numbers that you won't even believe. You won't even believe it. More price transparency will mean more competition, and the cost of health care will go way, way down.

Vanderbilt economist—highly respected—Dr. Larry Van Horn is here with us. Larry was introduced to me by a gentleman who is a great gentleman, great economist: Art Laffer. And Art Laffer just got—as you know, Larry—just got the Presidential Medal of Freedom a couple of days ago. And Art was telling me that he's the head of a hospital, where he comes from. He's on the board. And they did this. He said it is beyond anything he's seen, from an economic standpoint and even a health standpoint.

And I said, "Let's talk about it." And we discussed it, and it's something known very well, but a lot of people don't do it because there won't be—some rich people that will be too happy about this. But the people will be happy about it.

So, Larry, could you—so, Larry, if you would—one thing, before Larry gets up: One of the other big beneficiaries are really good doctors. The good doctors. And they should be the

beneficiaries—not the bad doctors, but the good doctors. And I think all of the doctors in the audience know exactly what I'm talking about. So thank you for being here, because I guarantee you're all probably very good doctors. [*Laughter*]

So, Larry, if you would, please come up and share a little of your wisdom and what this is all about. Thank you. Thank you very much.

Vanderbilt University Associate Professor of Management (Economics) and Executive Director of Health Affairs R. Lawrence Van Horn. Thank you, Mr. President, for taking this action that will put health care information in the hands of the American consumer. This truly will be transformational.

For years, I've studied the impact of hidden prices and what that's had—the impact that's had on markets—health care markets—as well as American consumers. My analysis suggests that when cash prices are transparent, up front, in the market, on average, they're 39 percent cheaper than the amounts that third-party payers pay for like services.

Even when insurance covers the cost, there is, on average, a 300-percent price variation within a market across—for the exact same services. Your health care transparency initiative will empower consumers and use free market forces to drive health care markets towards lower prices, better outcomes, greater access, and greater value.

But this is bigger than health care. Lower prices for health care leaves more money in Americans' wallets and in their paychecks for the purchase of all other goods and services that are important parts of their lives. This will be good for America and good for Americans.

The President. Thank you very much, Larry.

Today's action is not just about lower prices. It's also about helping Americans find excellent care. Currently, patients do not have adequate tools to find the doctors who would deliver better health outcomes at an affordable cost.

And when they used to talk about Obamacare, "You can keep your doctor," that turned out to be a lie. Twenty-eight different times, it turned out to be a lie. Here, you can keep your doctor, but you can also maybe find somebody other than your doctor at your choice, and that would be based on talent, and it would also be based on price.

Because of this, you'll be able to search out for the right doctor. And it really is, in its truest sense, the opposite of Obamacare. You get much better pricing, and you'll get the doctor that you want, and maybe you'll get better than the doctor that you originally thought about. It's pretty incredible.

Low-quality care often means unnecessary services. For example, a bad doctor may routinely perform an expensive spinal surgery for back pain without first trying physical therapy.

That's why my order directs agencies to help inform the public about the quality of doctors and hospitals by leveraging all of this data. By making much better use of this new information, we will save money and save lives, and your care will be much better. It's incredible.

We're also joined by Dr. Elaina George, a longtime advocate for patients. Elaina, please come up and tell them a little bit about what transparency means. Thank you.

Peachtree ENT Center Owner and Otolaryngologist Elaina George. I love being a doctor. However, one of the most challenging things has been the inability to be an effective advocate for my patients. I've had patients deny themselves care because they don't know how much a service will cost or, worse, be stuck with a costly bill that they didn't expect.

I have felt powerless at times because of my inability to help them, especially if I have to send them to a hospital and we can't find out the price of the service. Price transparency is a solution to this problem. When patients become health care consumers, it will drive prices down, quality up, and most importantly, help doctors serve their patients better.

Thank you, President Trump, for this Executive order.

The President. Thank you, Elaina. Thank you very much. Great job. Thank you, Elaina.

As we fight to increase transparency and lower costs for patients, more than 120 Democrats in Congress support Bernie Sanders's socialist takeover of American health care. It's very dangerous. The Democrat plan would terminate the private health insurance of over 180 million Americans who are really happy with what they have.

Under my administration, we will never let that happen. We believe in giving patients choice and freedom in health care, ensuring access to the doctors they want, the treatments they need, and the highest standard of medical care anywhere in the world. And this will make it much better than it's ever been.

This is a truly historic day. I don't know that it will be covered that way by the fake news. [*Laughter*] But this is truly a historic day. This is a very big thing that's happening right now. And it's pretty much going to blow everything away, Alex, as we discussed. People never thought they'd see us do this.

We're making new affordable health options available to millions of American workers through the association health plans, short-term plans, and Health Reimbursement Arrangements. We're working with Congress to stop surprise medical billing. And when you hear "surprise"—right? Doug. And when we hear "surprise medical bill," we're not talking about a positive surprise. [*Laughter*] We're talking about, you know, not surprise: "Oh, gee. How happy I am." You're talking about, like, a disaster.

Because no American should be blindsided by bills for medical service they never agreed to in advance. Because people get sick. They don't really think in terms of, "Let's sit down and negotiate for 20 minutes." You want to get better. And then, you get hit, and you get hit really hard. And that stops.

We're expanding access to tax-free health savings accounts. To give critically ill patients access to lifesaving cures, we passed "right to try." We were helped so much by these gentlemen in the front row. What a job you all did, and I really appreciate it. And you, too, Senator. I'll tell you, that was really great. We think in terms of the House—because I know how hard you fought for it, Greg and Doug. You guys were amazing. But—and Devin, I know you worked on this one very, very hard with everything else you do, but I appreciate it. And very few people would've done that.

You know, "right to try" is interesting because it's been—they've been trying to get it for 45 years. And they couldn't do it. And it sounds simple, but it's not, because everybody had a reason for not wanting it. The insurance companies didn't want it because of liabilities. The country didn't want it because they didn't want to be sued.

But now you have terminally ill patients that used to—if they were rich enough, they'd go Asia. They'd go to Europe. They'd go all over the world looking for a cure. And we have the greatest doctors in the world right here; the greatest lab technicians and labs and medical services. We have everything. But it takes a period of time to get a certain potential cure approved, sometimes 15 years. And by the way, we brought that down to probably an average of 6.

But you need time because you don't want to hurt anybody. But these are patients that are terminally ill, and they didn't want to give them a potential cure because they didn't want to hurt

them, but they're terminally ill. So we agreed that people would sign a waiver. Nobody is going to be held liable. The drug companies, which didn't want it, because they didn't want it on their record, we made it a much less part of their record. And we set up different standards where it would be in other parts, which was great for them.

And everybody is happy, and many lives have been saved. And I'll tell you, we had one the other day that was on—so incredible. A young—incredible young woman where they made a medical mistake, and it was over for her. They were explaining last rites. And then, all of a sudden, she did this, and she's now healthy. They think she's going to be actually fine. You might have seen it. It's been—it was actually an incredible thing.

So I'm really happy. I talk about it a lot. "Right to try," something that sounds so simple, and yet, for 45 years, they've been trying to get it approved. And they got it.

And just so you feel good, Greg and Doug and everybody—tremendous success. Have you been seeing what's going on? So many people that were definitely not going to make it are now living, and in many cases, they're going to be just fine. So it's something very—you can all be very proud of that.

So for the first time in a long time, we're doing things that nobody has ever done before, from the standpoint of what we're here for.

We eliminated the Obamacare individual mandate penalty, which was the most unpopular thing in Obamacare, by far. And I had a decision to make: Do we do a good job with Obamacare—the remnant of Obamacare? Or do we do a bad job? If I do a bad job, well, there you can blame Obama and the Democrats. If we do a good job, they'll get a little bit more credit. But it's still very faulty. It doesn't work, and it's too expensive. And I told our great Secretary Alex Azar: "Don't do a good job, do a great job. Do what you have to do. Work with the States. Do whatever you have to do to make it as good as possible." Once we got rid of the individual mandate, it made it better.

But Obamacare doesn't work, but it works at least adequately now. And we had that choice to make. And politically, it's probably not a good thing that I did, but it's the right thing to do for a lot of people. So I want to thank you, and I want to thank Seema for doing a fantastic job. I appreciate it.

And we spend a lot of time defending Medicare and Social Security, and we're always going to protect patients with preexisting conditions. People don't understand that: that we are fighting very, very hard to get it taken care of for preexisting conditions. And if we weren't, that wouldn't happen.

But the Republicans are very much behind that. Totally behind that. And if we do anything and if you see anything a little unusual, it doesn't make it, because we're putting in very, very strong—taking care of patients with preexisting conditions. And I would say, Alex, that that is, really, a very strong foundation of what we're doing and what we're all about. So it's very important.

Together, we're taking power away from bureaucrats. We're taking it away from insurance companies and away from special interests. We're giving that power back to patients, and we're giving Americans the right to know. So we have the right to try, and now we have the right to know and the right to negotiate and the right to pick your own doctor and the right to get great prices. And other than that, you know, what can I tell you? [*Laughter*] You can't do better than that.

But we're taking one more giant step toward a health care system and a health care system that's really fantastic, and it's going to be good, and it's going to work for the people.

So I just want to thank everybody for being here. I'm going to go and sign the Executive order. And if this is half as big as some people are saying it will be, it will be one of the biggest things ever done in this world, in this industry, in this profession.

And I want to especially thank all of the doctors for being here. We have a lot of doctors in this room, and they're very proud of what they do, and they want to have our system work. And this is something that I think is going to get it to really work efficiently and well.

Thank you very much for being here. I'm going to sign the Executive order. Thank you.

[*The President signed the Executive order.*]

NOTE: The President spoke at 3:17 p.m. in the Grand Foyer at the White House. In his remarks, he referred to Centers for Medicare and Medicaid Services Administrator Seema Verma; Lt. Gov. Geoff Duncan of Georgia; Lt. Gov. Daniel Forest of North Carolina; Sen. Bernard Sanders; and Orange County, CA, resident Natalie J. Harp.

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Names: Azar, Alex M., II; Braun, Mike; Burgess, Michael C.; Collins, Douglas A.; Duncan, Geoff; Forest, Dan; George, Elaina; Grassley, Charles E.; Harp, Natalie J.; Jay, Erika; Laffer, Arthur B.; Nunes, Devin G.; Obama, Barack; Sanders, Bernard; Van Horn, R. Lawrence; Verma, Seema; Walden, Gregory P.

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