

Remarks on Health Care Cost Reduction Efforts

July 7, 2023

The President. Thank you, thank you, thank you. Please, have a seat. You know, Cory, what you've exposed is something that I think we don't pay enough attention to in Government. And it's not necessarily about health care, it's just about being played for a sucker.

When I started to deal with junk fees relating to airline costs, ticket seats, baggage, and the like, I think even some of the folks working with me thought, "It's not that big a deal." But you know, in America—it sounds corny—but fairness is something we kind of expect. And I don't know anybody who likes being viewed as having been played for a sucker, taken advantage of. People are ready to meet their responsibilities.

But I think this is a big deal. It's a big deal. And I have to thank my staff—and I mean that sincerely—for focusing on the health care piece. I didn't know some of this. I thought I knew a hell a lot about health care and—[*laughter*—no, I've been a significant—

[*At this point, microphone feedback was heard.*]

Sorry. [*Laughter*] I've been a significant consumer, and my family has as well.

But look, Cory, your story, it turns out, is a very familiar one to too many Americans. You try to do the right thing, only to get ripped off instead.

On too many nights, too many Americans lie in bed staring at the ceiling worrying what will happen if their spouse gets seriously ill; what will happen if something else happens to them. Do they have enough insurance? Will they have to—will they have to—how are they going to pay their medical bills? Will they have to sell their home?

If you can hold—a point of personal privilege, as we used to say in the Senate—I was telling my staff that I was raised—it was a middle class family. We weren't poor. We lived in a three-bedroom house with four kids and a grandpop, a split-level home, and my—"the boys"—quote, unquote—now, the princess, my sister, had her own bedroom—[*laughter*]—as she should have.

But the three boys were—there were four—there were two sets of bunks in the other room. And there was a closet that ran—as you walked down the—you walked up the stairs, you walk straight down the hall, you went into, quote, "the boys' room"—the three of us. And on the left, there was a closet in that whole wall. My parents' bed, headboard, was against that—where that closet was.

And every once in a while, rarely, my—you could hear—you could hear sort of a restlessness going on. You know, like, the—just—and one morning, I get up, and I ask—I said, "What's wrong with dad?" He said that he just got word that his company said they're no longer going to pay for health insurance; doesn't know what they're going to do.

Well, you know, for all of you out there who—and there's so many people who still are in that circumstance. And talk about being deprived your dignity. Not being able to take care of your family if you don't have health insurance is, I think, one of the most consequential things that can happen to a person.

And so, you know, for all of you out there, I just want you to know: I get it. We get it. We have your back, and we're never going to stop fighting for you. And I promise you that.

You know, since I've been in office, we've been carrying out my economic vision——

[As more feedback was heard, the President moved the handheld microphone to a shelf on the podium.]

All right—*[laughter]*—been carrying out my economic vision to move—to move from trickle-down economics what—to what everyone on the Wall Street Journal—from the Wall Street Journal to Financial Times is calling "Bidenomics." It's about growing the economy from the middle out and the bottom up, and—because when that happens, the folks at the bottom have a shot. They get a chance to rise up. And the wealthy still do very well. It's not to hurt anyone at all.

But today's job shows that I think—jobs report—I think shows that Bidenomics is working. We added 200,000 jobs—I think 209,000 jobs last month. And all told, we've created over 13 million—I think it's 13,300,000 jobs—*[applause]*—in 2½ years. That's more than any President ever created in a 4-year term.

And, folks, the unemployment rate is below 4 percent for 17 straight months. Not since 1960 has that occurred. Inflation continues to fall. It's less than half of what it was a year ago. And the rate of Americans without health insurance is at an alltime low. Premiums for coverage under the Affordable Care Act are \$800 less per person than before I took office. And that's Bidenomics.

Today I'm joined by health care advocates and leaders, many I've—if I started to name you all, we would be here all night. *[Laughter]* But I want to talk about key parts of my economic plan. We're protecting consumers and reducing health care costs without—without—in any way hurting insurance companies, docs, hospitals, or anybody else.

You know, in my State of the Union Address, I outlined our fight to end junk fees, the hidden charges for companies who seek—sneak into your bills things that you don't think you're going to pay for. Each year, those junk fees cost hundreds of dollars a month for tens of billion—for tens of billions of dollars, weighing on—down family budgets and making it harder for people to pay their bills.

Junk fees may not matter to the very wealthy—and it's not the wealthy's fault, by the way—but they matter to working folks in homes like the ones I grew up in.

Over the past few months—over the past few months, my administration has cracked down on junk fees across different industries: banking, hotels, concerts, tickets, airlines, cable, internet—and the internet.

And today I'm pleased to announce that we're making some progress on health care.

First, my administration is cracking——

[The President coughed.]

Excuse me—cracking down on junk fees for health insurance plans that are like the ones that are inexpensive, but too often stick consumers with hidden fees.

As Cory just talked about, junk fee plans are "short-term" health insurances that are supposed to provide a few months of temporary coverage for people who are moving from one plan to another. But the prior administration before me decided to let insurance companies make more money by selling junk plans that are up to 3 years long—up to 3 years long.

Americans thought they were buying temporary insurance that would provide real coverage in those plans. Instead, many have been saddled with thousands of dollars in medical bills these junk fees don't cover. And I think it's outrageous.

There are two main ways junk fees stick you with the high bills. The one way you just heard from Cory: He needed emergency surgery to get his appendix removed, but hidden in the front—

in the fine print, his plan said it would only cover a fraction of the \$37,000 the hospital bill was, even though he was paying his insurance premiums every month.

Another predatory way of getting around protection Barack and I fought so hard in the Affordable Care Act to accomplish, protecting millions of people with preexisting conditions, like cancer and heart disease. That was a way to get around that.

Just imagine if you had a heart attack and you expect your insurance company to pay for it, or you're diagnosed with a cancer and you expect your insurance company to pay for it. But they dig into your medical records, discover you had asthma as a kid, claim you had a heart attack was a preexisting condition, and then refuse to pay.

Folks, that's not health insurance, that's a scam. That's a scam. It has to end.

And, folks, today my administration is issuing a new rule that would close the loophole that allows these junk insurance plans to exploit Americans. Under our rule, "short-term" plans would have to be short term. That means 4 months or less, not 3 years. Insurance companies would also be required to provide a clear disclaimer upfront about what's covered and what is not covered, instead of burying it in fine print.

Second, we're cracking down on surprise medical bills, which I thought we had made some progress on. You've already heard stories about people who choose a hospital that's in their insurance network and they get a surprise bill for thousands of dollars because the hospital assigned them an anesthesiologist who wasn't in their network without them knowing that.

In January 2022, we ended surprise medical billing so hospitals that are in-network can't send you a surprise bill for an out-of-network doctor that you did not choose or even know he was consulted.

And over the past 18 months, we've protected 1 million Americans every single month from these surprise bills. But these are bills that cost people hundreds of thousands of dollars.

But get this: Some health care providers are trying to get around the rule by putting in place a—the rule we put in place by prevent—to prevent the surprise billings. The travel industry figured out how to charge customers \$90 a night in resort fees for hotels that aren't resorts. [Laughter] You think I'm kidding. [Laughter]

Hospitals are trying to do something similar by using different designations to charge their higher out-of-network rates or charging hidden facility fees for going to a doctor's office in the building owned by the hospital.

And some hospitals are working with credit card companies to promote medical credit cards. Sounds good. Consumers can use these cards to borrow the money to pay for the procedures and get charged, but—in the hospital—but they get charged higher interest rates as a result of that. It's wrong. It's wrong.

Today my administration is closing these surprise billing loopholes. Evading the law and playing games to charge patients outrageous prices has to end. It has to end.

And, folks, we're putting a stop to insurance companies gaming the networks and making them reveal any hidden facility fees. They've got to reveal them.

And for the first time in history, the Consumer Financial Protection Bureau and the Department of Health and Human Services and the Department of Treasury are teaming up to investigate whether health care providers promoting medical credit cards are violating Federal law.

Third—[*applause*]. Third, we're lowering prescription drug prices for seniors and people with disabilities. With your help, I signed into law the Inflation Reduction Act. Among the many important things it does, it finally gives Medicare the power to negotiate lower prescription drug prices like the Department of Veterans Affairs does now.

We've been trying to get this done for decades. I don't know how many times I made this speech on the floor of the United States Senate. [*Laughter*]

Audience member. Many.

The President. Along—[*laughter*—yes, many—[*laughter*—along with many others, but now. [*Laughter*] And this time, we finally beat Big Pharma. Seniors on Medicare who were paying as much as \$400 a month for insulin are now paying \$35 a month.

And I might add—[*applause*]. I might add: The guy who invented the insulin—the guy who invented it, he didn't even patent it because he thought everybody should have access to it. It costs \$10 to make. To package it may be as high as \$13. They're still making three times what it cost them. It's not like they're being cheated.

You know, we also closed [capped; White House correction] the total out-of-pocket drug costs for seniors on Medicare at \$2,000 a year, even for expensive drug costs like cancer drugs that are \$10-, \$12-, \$14,000 a year.

Today the Department of Health and Human Services released a report showing that when these provisions go into effect—it's not—they don't go into effect until 2025—one in three Medicare beneficiaries—that's nearly 19 million people—will save an average of \$400 a year.

Seniors with the highest drug costs will save an average of \$2,500 a year. This is going to reduce out-of-pocket spending by Americans by nearly \$7.5 billion annually. And guess what? It matters.

When we were negotiating the issue on whether the Government is going to stay open, I spoke to some of my MAGA Republican friends. It not only—it not only—saves the consumer, it saves every taxpayer. [*Laughter*] You're not paying that extra \$7 billion because Medicare doesn't have to take the out-of-pocket and pay it.

Last week, the Centers for Medical [Medicare; White House correction] and Medicaid Services released the final guidance on how they'll negotiate with drug companies to lower prescription drug costs. On September 1, I'll announce the first 10 drugs selected for negotiation under the law.

This will not only save consumers money, it's going to save the Federal Government money, as I just referenced. Negotiating drug prices alongside other parts of my prescription drug plan is going to save the taxpayers so far \$160 billion—\$160 billion.

It lowers drug costs of prescription drugs, and it lowers the deficit. It lowers the deficit. And I might add: All the talk about I'm "Big Spendin' Biden," I lowered the deficit—[*laughter*—1 trillion 700 billion dollars in the first 2 years. No one has ever done that. The last guy increased it by 40—anyway, I won't go into it. [*Laughter*]

Well, that's Bidenomics in action. [*Laughter*]

But guess what? Big Pharma doesn't want this to happen, so they're suing us to block us from negotiating lower prices so they can pad their profits while hard-working Americans foot the bill.

But what we're going to—we're going to see this through. We're going to keep standing up to Big Pharma. And we'll also stand up to MAGA Republicans who have been trying for years to get rid of the Affordable Care Act. They've tried 70,000 times, I think.

To deny Americans—to deny Americans—access to the Affordable Health Care Act—on my watch, health care is not a privilege in this country. It should be a right.

And, folks—[*applause*]*—*but let me—let me close with this. When I ran for President, I promised I would not continue the trickle-down economics of the past, because here's the simple truth: Trickle-down economics represented the moment we walked away from how this country was built in the first place. Bidenomics is just the other way around: restoring the American Dream.

Forty years of trickle-down economics limit the dream to those at the top. I believe that every American willing to work hard should be able to get a good job, afford good health care no matter where they live, in every part of the country, if they're willing to work.

That's the American Dream. That's Bidenomics.

And that's why I can honestly say I've never—I really have—I know I don't look like it, but I've been around a while. [*Laughter*] But all kidding aside, I've never been more optimistic about America's future than I am today. I really mean that. I genuinely mean that.

We just have to remember who in God's name we are. We're the United States of America. There is nothing, nothing beyond our capacity if we work together. There's not a single major problem we've decided to solve as a country together that we've not succeeded in doing. Not a single one.

So why are we stopping now? There's so much opportunity. And because of all of you and the minds and the courage that you all represent in this room—I really mean it—there's no reason why we can't continue this.

And by the way, we're going to be fair. The suppliers, the drug companies, they're still going to do very well. Everybody is going to just do fine. I'm just tired of seeing Americans ripped off.

God bless you all, and God protect our troops. Thank you.

NOTE: The President spoke at 3:48 p.m. in the East Room at the White House. In his remarks, he referred to Long Island, NY, resident Cory Dowd, who introduced the President; and former Presidents Barack Obama and Donald J. Trump. He also referred to his sister Valerie Biden Owens and brothers James B. and Francis W. Biden.

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