

interesting concept, isn't it? Since the program began, guests have donated almost 10,000 hours of labor on projects throughout the park. By their good work, the good people at Tauck are inspiring Americans to lend a hand in preservation and making sure that Yellowstone is a natural wonder for the years to come. And we welcome you both. Thank you for coming.

Our fourth award recipient is Hampton Hotels. Probably surprises you, doesn't it? Under their "Save-a-Landmark" program, Hampton Hotels is helping communities rehabilitate roadside attractions along America's great highways. Their efforts have helped preserve landmarks along Route 66, to restore the Jesse Owens Park in Alabama, to refurbish one of the country's classic theme parks in New Jersey, and to save the world's largest Santa Claus in Alaska. [*Laughter*] Each of these landmarks represents a piece of cultural and regional history. By saving them for future generations, they are helping to celebrate the diversity of America and provide educational opportunities for families as they travel across our great land. Thank you very

much; appreciate what you're doing. Congratulations.

All of these award winners set such a wonderful example for our fellow citizens. You've taken the lead in preservation, and we appreciate it. You're showing what is possible when local citizens decide to make a difference in the community in which they live, and your work is preserving America for generations to come.

And so Laura and I welcome you to the Rose Garden. We thank you for your efforts. May God continue to bless our country. Thank you all.

NOTE: The President spoke at 10:22 a.m. in the Rose Garden at the White House. In his remarks, he referred to Columba Bush, wife of Gov. Jeb Bush of Florida; Barbara E. "Bobbie" Nau, wife of Advisory Council on Historic Preservation Chairman John L. Nau III; and Robin Tauck, president and chief executive officer, and Arthur Tauck, chairman of the board, Tauck World Discovery. The transcript released by the Office of the Press Secretary also included the remarks of the First Lady, who introduced the President.

## Remarks to the American Hospital Association May 1, 2006

Thank you very much. It was on this stage 2 nights ago that I had the pleasure of showing up with a George W. Bush look-alike. [*Laughter*] So I walked in, and Dick said, "Is it really you?" [*Laughter*]

Thanks for your introduction, Dick. Thanks for the invitation to be here. I want to, first, thank all the good people of the American Hospital Association. I appreciate the important voice that you provided for our hospitals, but more importantly, I appreciate the compassionate care you give to our citizens.

I have come to talk about a comprehensive health care strategy that will make health care more affordable and available for all our citizens. And I appreciate you giving me a chance to use this forum as an opportunity to discuss our vision for moving forward.

I do want to thank George Lynn, who is the chairman of the American Hospital Association board of trustees. I want to thank all the trustees who are here. I appreciate the leadership of the American Hospital Association. I want to thank the

members of the American Hospital Association.

I understand—there he is—my friend Charlie Norwood is here. Good to see you, Congressman. Thank you so much for being here. You're looking pretty good. *[Laughter]* Looking real good, as a matter of fact. *[Laughter]*

This economy of ours is strong, and that's important for health care. It's important for the hospitals. And the economy is getting stronger. We put our trust in the American people by cutting taxes, and the tax relief we passed is saving—is helping people save and spend and invest. And when people save, spend, and invest, it causes our economy to grow. Thanks to tax relief and pro-growth economic policies, we're now in our fifth year of uninterrupted economic growth.

In the first quarter of this year, the economy grew at 4.8 percent. We've had 18 straight quarters of economic expansion. Last year our economy grew faster than any other major industrialized nation. Over the past 2½ years, we've created 5.1 million new jobs, and that's more than Japan and the 25 nations of the EU combined. Productivity is high; the unemployment rate is 4.7 percent; consumer confidence is at its highest point ever—in nearly 4 years. The new economic report out today contains good news on income growth.

Things are looking good for this economy, but we cannot be complacent. One of my concerns is that the United States of America loses our nerve, fears competition, and we become an isolated and protectionist nation. And health care plays a vital role in making sure this nation remains competitive.

One of the best ways to make sure that we're a competitive nation is to continue to invest in research and technology. If America wants to be the leader of the world, we've got to remain on the leading edge of change. As many of you know, when I came into office, I pledged to continue the doubling of the funding for the

National Institutes of Health, and we kept that commitment. And it's one of the many reasons why our health care system leads the world. And we need to keep—we need to understand the importance of research at the Federal level, and that's why I have proposed that the United States Congress double Federal investment in basic scientific research.

In other words, for this country to be competitive, we've got to invest in the future. See, I don't think we ought to fear the future; I don't think we ought to become protectionists and isolationists. I think we need to continue to lead, and one way to lead is to lead in research and development.

To keep this economy competitive with other nations around the world, we've got to do something about our dependence on oil. Dependency on oil creates an economic problem for us, and it creates a national security problem for us. So I look forward to working with Congress to change—to help speed up research and development so we can change our habits, so we can drive cars fueled by ethanol, or so we can have batteries that enable cars to drive for the first 40 miles on electricity.

To keep this country competitive, we've got to have a health care system that provides our people with good quality care at affordable prices. In other words, you're a part of an industry that must be reformed in order for the United States to continue to be an economic leader.

America has the best health care system in the world, pure and simple. We got the best medicines; we got the best doctors; and we have the best hospitals. And we intend to keep it that way. Yet we are challenged by the fact that health care costs are rising sharply. In the past 5 years, private health insurance premiums have risen 73 percent. And as a result, some businesses have been forced to drop health care coverage for their employees. You know that as well as anybody. Others have been forced to raise copayments and premiums.

Some have been paying increasing health care costs and, therefore, have been unable to give workers the pay raises they need to cope with rising health care costs.

With rising costs, many Americans are concerned. They're concerned they're not going to be able to afford health care. As you well know, millions of our fellow citizens have no health insurance at all. And as you know, that places burdens on our Nation's hospitals. This is unacceptable, for this country to have health care costs rising as fast as they are. If we want to be the leader of the world, we must do something about it. And my administration is determined to do something about it.

To make our health care system work for all Americans, we have to choose between two philosophies: one that trusts government to make the best decisions for the people's health care or one that trusts the people and their doctor to make the best decisions for their health care.

We know from experience which of these systems works best. Other nations that have adopted for bigger government and more centralized control now have long waits for treatment for their people. The quality of care is lower; there's less technological innovation. In America, as you know, we follow a different path. We lead the world in health care because we believe in a system of private medicine that encourages innovation and change.

And the best way to reform this health care system is to preserve the system of private medicine, is to strengthen the relationship between doctors and patients and make the benefits of private medicine more affordable and accessible for all our citizens.

Government has a role to play; don't get me wrong. We're kind of—we're big in the health care field, as you may know. [Laughter] We have a major role to play in strengthening and reforming this health care system, but in a way that preserves the doctor-patient relationship.

And that's what I want to talk to you about today. The first goal of our health care strategy is to meet the obligation the Federal Government has made to take care of the elderly and the poor. We have said, as a Federal Government, we will help the elderly and the poor, and I intend to keep that obligation. We're meeting that obligation, that responsibility through Medicare, Medicaid, and community health centers.

More than four decades ago, the Federal Government established Medicare to provide health coverage for older Americans. The bill was signed by Lyndon Baines Johnson. He came from a State I know pretty well. [Laughter] When I came into office, I found a Medicare program that was outdated, a Medicare program that was not meeting the needs of America's seniors. The way I tried to explain it to the American people was this: We had a system that would pay \$28,000 for an ulcer surgery but not the \$500 it would cost for prescription drugs that would prevent the ulcer from being—with taking hold in the first place. And that didn't make any sense—\$28,000 for the surgery but not a dime of prescription drugs to prevent the surgery from being needed. To me, that's an outdated system. It's one that's not very cost-effective, and it's one that does not provide quality care for our seniors.

So I decided to do something about it. And I worked with the Congress, and we passed critical legislation that modernizes Medicare and provides seniors with more choices through the private sector and has given our seniors better access to the prescription drugs they need.

The benefit allows seniors to choose from a number of private prescription drug plans to find the one that is right for them. It encourages plan providers to compete for the seniors' business, and that helps lower costs. The new Medicare prescription drug benefit is a good deal for America's seniors. The typical senior will end up spending about half of what he or she used to spend on prescription drugs each year.

In addition, we've provided extra help for low-income seniors. About a third of seniors are eligible for prescription drug coverage that includes low or no premiums, low deductibles, and no gaps in coverage. On average, Medicare will pay for more than 95 percent of the costs of prescription drugs for low-income seniors. I know you shared my concern when we heard the stories of low-income seniors having to choose between food and medicine. And because of this reform, those days are over with.

The Medicare prescription drug benefit went into effect in January. More than 30 million people now have prescription drug coverage through the Medicare program, and hundreds of thousands more are signing up each week. We want every senior who needs coverage to sign up.

The May 15th deadline for seniors to sign up at the lowest cost is approaching. Over the next 2 weeks, this administration will encourage our Nation's pharmacies—pharmacists and doctors and hospitals and others in the medical community to continue to get the word out to seniors about the benefits of this important program. There are some seniors who are risk-adverse; they don't want to change. It is really important for those of us who are involved in health care in this country to get the word out that, at the very minimum, seniors ought to look and see what's available. Americans need to take advantage of this opportunity to choose a plan.

We're also—I also recognize that we got a problem with the long-term viability of Medicare. Today the trustees for our Medicare and Social Security systems will release their annual report. Each year the trustees remind us that these programs are not structured in a way that they will be financially sound for our children and our grandchildren.

The problem is pretty basic. There's a lot of baby boomers like me getting ready to retire—[laughter]—in my case, 2½ years. [Laughter] And there's a lot of baby boomers who are living longer, and there

are fewer workers per beneficiary paying money in the system to support future retirees like me. And so the systems are going broke, and now is the time to do something about it. We've got too much politics in Washington, DC. It's time to set aside politics and restructure Social Security and Medicare for generations to come.

We're honoring our Nation's commitments to take care of the poor by strengthening Medicaid. Medicaid is a program administered in conjunction with the States that provides health care for low-income families with children, poor seniors, and disabled Americans. To help improve Medicaid, earlier this year, I signed legislation to restructure Medicaid and give States more flexibility in designing better programs to cover their citizens.

Under the reforms I signed into law, it's now easier for States to offer alternative benefit plans, provide coverage to more people, and design their Medicaid program to meet their State's needs and budgets. In the coming months, my administration will be encouraging States to adopt commonsense reforms. Our health care system must be guided by the needs of patients, not by rules emanating out of Washington, DC.

Another way we're meeting our commitment to Americans in need is through community health centers. These centers provide primary health care for the poor, so they don't have to go to the emergency room of a hospital to get routine care. This is a really good use of taxpayers' money. It makes a lot of sense to have community health centers so that we can cut down on unnecessary visits to the emergency rooms. Health centers help lower the cost of health care for everyone.

Since I took office, we've funded about 800 new or expanded health centers, bringing our total to more than 3,700 health centers serving more than 13 million Americans a year. And over the next 2 years, we will fund the opening and expanding of 400 more health centers. And Congress

needs to fully support these health centers in the budget that I have submitted.

And so we have got a strategy to take care and help our elderly and the poor and the disabled. The second part of our strategy is to make care and coverage more affordable and available for Americans. And here are five key policies to support this goal.

Our first policy is to expand health savings accounts to help improve health care and to help lower costs. Under the current system, as you well know, most Americans have no idea what the actual cost of their treatment is. Third-party insurers pay their bills, so patients have no reason to demand better prices, and the health care industry is under little pressure to lower prices. When somebody else pays the bills, it seems like everything is just fine. The result is that health care costs are skyrocketing. The insurance companies pass these rising costs on to their workers—on to workers and their employees in the form of higher premiums.

Now, health savings accounts transform what I believe is an outdated system by putting patients in control of how their health care dollars are spent. And when patients and consumers see how their health care dollars are spent, they demand more value for their money. The result is better treatment at lower costs.

HSAs have two components: low-cost catastrophic insurance coverage and tax-free savings accounts. The catastrophic coverage protects you and your family in the event of a devastating medical illness. The health savings account allows your—or your employer to contribute to a tax-free account to pay for your routine medical needs. The money that goes into your account is tax-free, the interest earned on your account is tax-free, and the money withdrawn from your account is tax-free. It means that you own your money in your account, and that you can build your savings by rolling over contributions that you do not spend in any given year.

HSAs can help us move toward a health care system that is no longer dominated by third-party payers, to a system in which consumers make their own decisions. And we see strong evidence that HSAs are making health care more affordable and accessible. From March 2005 to January 2006, the number of HSAs tripled from 1 million to more than 3 million. This is a new product. People are getting—taking a look at it. They're beginning to see the merits of a tax-free savings system coupled with catastrophic care.

Forty percent of the people who bought HSAs have family incomes below \$50,000. HSAs are making health care more accessible for those without insurance. More than a third of those who bought HSAs on their own had previously been uninsured. HSAs are good for small-business owners. HSAs, in my judgment, will mean that Americans who do not have coverage will be able to get coverage and afford coverage, which is good for America's hospitals. You see, by making health care coverage more affordable, more Americans can afford insurance. And with more Americans insured, fewer people will show up at our Nation's hospitals needing uncompensated care.

HSAs also create an incentive for patients to become more informed about their medical options and more involved in their treatment as they shop for the best value for their health dollar. This involvement strengthens the doctor-patient relationship.

Equally importantly is that HSA owners can see the benefits of changing risky behavior. They can follow doctors' preventative recommendations. The healthier you are, the less money you're going to spend out of your savings account. And there will be a tangible return—more of your own money, tax-free. Some employers are even offering employees financial incentives to get regular checkups and lose weight and

get fit. By encouraging preventative medicine, HSAs save lives and save health care dollars.

HSAs will benefit hospitals, doctors, and patients, and they can also benefit hospital workers. Today, only a handful of hospitals offer HSAs to their employees. I encourage the members of the American Hospital Association to consider the benefits of offering health savings accounts to your employees. HSAs will provide your workers with better care and lower your health care costs.

For decades, America's hospitals and health care professionals have led the world in innovation and quality medical care. Now you have an opportunity to help America transform our health care system by choosing the innovation and quality of health savings accounts. As HSAs continue to grow in popularity, my administration is working to expand them to even more Americans.

One way to make HSAs more attractive is to make them portable so they can meet the practical needs of today's workers. Many people are changing jobs, and one of their greatest fears is that they will lose their health care coverage. We believe that no American should have to remain locked in a job to get health insurance. Today, the savings in your health account are portable, and that means you can take your savings accounts from job to job. However, the health insurance within your HSA account is often not portable, and this is because of outdated laws and practices that prevent insurers from offering portable policies. I believe health insurers should be allowed to sell portable HSA policies nationwide.

Another obstacle to expanding HSAs is the Federal Tax Code. Under current law, employers and employees pay no income or payroll tax on any health insurance provided through the workplace. If you buy your own insurance, you do not get the same tax break. That means that the self-employed or the unemployed or workers

at companies that do not provide health insurance are at a great disadvantage. Congress needs to end this discrimination in the Tax Code and give Americans who buy HSA policies on their own the same tax breaks as those who get their health insurance from their employers.

The current Tax Code also limits the amount you contribute to your HSA tax-free. The limit is usually tied to your deductible. Sometimes your total out-of-pocket expenses are greater than your deductible. Those with chronic illnesses often have expenses that go well beyond their deductibles. So we need to fix the Tax Code by allowing Americans to cover their out-of-pocket expenses with tax-free dollars and make HSAs even more practical for more American families.

In addition to these efforts to fix the code, I've proposed a refundable tax credit to help low-income Americans purchase health coverage on the individual market. Under my proposal, low-income families can receive up to \$3,000 in a refundable tax credit to purchase HSA-qualified insurance. By working together, we can reform our Tax Code and make it easier for American families to get health care.

And this week, Congress takes an important step in these efforts. Congressman Eric Cantor of Virginia will introduce a bill that would end many of the biases in the Tax Code, provide a tax credit of up to \$3,000 for low-income families, and make HSAs more attractive. It's a bill called the "Tax-Free Health Savings Act."

I also want to thank Senators Burns and Allen, Ensign, and DeMint for introducing bills to improve HSA options for all Americans and Senators Santorum and Murkowski for introducing legislation supporting the low-income tax credit. Congress needs to pass these reforms and make sure the doctor-patient relationship remains central to our health care system.

The second policy for making health care more affordable and accessible is to increase transparency in our health care system. To be smart consumers, we need to be informed consumers, and this is especially true for patients with HSAs who have an incentive to spend their HSA dollars wisely. They need to know in advance what their medical options are, the quality and expertise of the docs and the hospitals in the area in which they live, and what their medical procedures will cost.

My administration is working with the AHA and other health care associations to provide patients with reliable information about prices and quality on the most common medical procedures. And I want to thank the AHA board for adopting a resolution this week supporting transparency. I appreciate your leadership on this vital issue.

We must work together to get patients the information they need so they can get the best quality care for the best price. If you're worried about increasing costs, it makes sense to have price options available for patients. That's what happens in a lot of our society; it should happen in health care as well. By increasing transparency, the idea is to empower consumers to find value for their dollars and to help patients find better care and to help transform this system of ours to make sure America remains the leader in health care.

Secretary Leavitt has met with leaders in the health care industry in 13 cities to encourage them to work with the Department of Health and Human Services to increase transparency in the marketplace. We're asking doctors and hospitals and other providers to post their walk-in prices to all patients.

I directed the Department of Health and Human Services to make data on Medicare's price and quality publicly available on the Internet. The first data will be available to all Americans by June 1st. We're also asking insurance companies to increase health care transparency by providing their

negotiating prices and quality information to their enrollees. And the Federal Government will do the same. My administration will be requiring transparency from insurance plans participating in Federal programs. Beginning this year, the Federal Employees Benefit Program and the military's Tricare system are asking contractors to begin providing price and quality information.

Today I'm asking for your help. Every hospital represented here should take action to make information on prices and quality available to all your patients. If everyone here cooperates in this endeavor, we can increase transparency without the need for legislation from the United States Congress. By working together, transparency—to increase transparency, we can help lower costs.

Third policy is to provide modern information technology to our medical system. Too many doctors' offices and hospitals have the most advanced technology in the 21st century but still use last century's filing systems. Doctors are still writing out files by hand, and that's kind of dangerous because most doctors don't write too well. [Laughter] In hospitals, there's more risk of medical error and duplicate tests when records are handwritten on paper instead of cross-checked on a computer.

So in 2004, I set a goal that most Americans would have an electronic health record within 10 years. And we're making good progress toward that goal. The first thing is, we needed to develop a common standard of language so that health care providers in Los Angeles and health care providers in New York knew what the—knew what we are talking about.

Imagine how valuable this access to information will become. If you had someone who had an epileptic seizure outside their hometown and ended up in a hospital in a nearby town, these electronic records would help save lives. Information would be valid and clear. There wouldn't be any

confusion amongst those who are working hard to provide compassionate care.

As we develop an information network—nationwide information network, we will make sure that we protect the privacy of a patient's medical record. But make no mistake about it, bringing information technology into our health care system is going to reduce costs and increase quality care for American people.

And I hope you're aggressive on this front. I urge you to work with the AHA to come up with a plan to help develop a nationwide information system that is modern and helps you do your job better.

Fourth policy is to make it easier for small businesses to obtain the same discounts that big companies get when obtaining health care insurance. Unlike big businesses, small companies cannot negotiate lower health insurance rates because they can't spread their risk over a larger pool of employees. So we proposed association health plans that will allow small firms to band together across State lines and buy insurance at the same discounts available to big companies. The House has passed a bill. The Senate hasn't acted, and now it's time for the United States Senate to do something good for the small-business employers of this country.

Our fifth policy to confront high-cost health care and to make sure private medicine is central in the United States is to confront the glut of frivolous lawsuits that are driving good doctors out of practice and driving up the cost of health care. To avoid junk lawsuits, professionals in the health care field are forced to practice defensive medicine. They order tests and write prescriptions that are not necessary so they can protect themselves from trial lawyer lawsuits. One hospital CEO in New York said, "Fear of liability does nothing but threaten patient safety by discouraging open discussion of medical errors and ways to prevent them."

The total cost of defensive medicine to our society is estimated at 60 to a 100

billion dollars a year, and that includes \$28 billion billed directly to the American taxpayers through increased costs of Medicare, Medicaid, Veterans Affairs, and other Federal health programs. The costs of frivolous litigation are more than financial; they hurt patients all across America.

Most Americans are shocked when I cite the fact there are nearly 1,500 counties in the United States without an ob-gyn. We want our doctors focused on providing compassionate care, not fighting junk lawsuits. We want our hospitals pursuing innovative and promising ways to heal, not battling lawyers who second-guess them in the courts. This is a national issue that requires a national response. The House of Representatives have passed a good bill; the Senate has done nothing on medical liability reform. For the sake of affordable and accessible health care, we need medical liability reform this year.

I'm looking forward to working with the Congress to enact these reforms. This is a commonsense way of dealing with rising health care costs. And by dealing with rising health care costs, we will strengthen private medicine and fight off the calls of those in Washington, DC, who want the Federal Government making all the decisions for health care.

The story of America's hospitals is a story of America's commitment to be a nation of care and compassion. America's strength and its goodness and prosperity is built on a trust in the extraordinary wisdom and power of the American people. And so I believe that by giving more Americans more control over their health care decisions, we will strengthen the doctor-patient relationship, and we will preserve the system of private medicine that has made our Nation's hospitals and health care the best in the world.

People here in Washington need to trust the people. People here in Washington need to do commonsense things to address the rising costs of health care. And this person in Washington has come to thank



you for your compassion and what you do for the communities all around America. May God continue to bless your work, and may God bless our country. Thank you.

NOTE: The President spoke at 1:17 p.m. at the Washington Hilton Hotel. In his remarks, he referred to Richard J. Davidson, president, American Hospital Association.

## Remarks to the American Council of Engineering Companies May 3, 2006

Thanks for the warm welcome. Thanks for inviting me. *[Laughter]* I was looking for something to do this morning. *[Laughter]* I'm really thrilled to be here. I thank you, Mr. Chairman, for letting me come by. I've got something to talk to you about, about the economy. What I'm really thrilled is, is that the American Council of Engineering Companies would allow a history major to come by to speak to you. *[Laughter]*

I want to first say, I appreciate the good work you do for the country. I want you to know that I know how vital your contribution to America is. And it means a lot, and thanks a lot for doing what you're doing. I remember the work you did to help repair the Pentagon after September the 11th. I know full well the work that members of your group do to help construct schools and hospitals in some of the world's newest democracies, particularly Afghanistan and Iraq. And for those of you who encourage your employees to do that or if you've done that yourself, thank you from the bottom of our Nation's collective hearts.

I know that members have been down to help rebuild the communities along the gulf coast. And for those of you who have been down there or may live down there, you know what that storm did. I mean, you talk about wiping out a part of our country; it just flat did. And it makes a difference in people's lives when good-hearted citizens come down and lend their talents and expertise to help rebuild. I've been down there quite a bit; Laura, as a

matter of fact, was down in New Orleans last night, and she's there this morning and heading over to Mississippi. And it's amazing what the collective compassion of America has done to help lift the spirits of our fellow citizens. And some of our Nation's engineers were down there helping.

I also want to thank you for helping to build on this country's prosperity. Through your hard work, your vision, your ingenuity, you're helping this economy of ours. You know, I like to remind people that the government's role is not to engineer the economy. The government's role is to create an environment in which people can find work, risk capital, grow their companies, so that, collectively, we all benefit.

I appreciate the entrepreneurial spirit represented here in this room. One of the most important jobs of government is to make sure the entrepreneurial spirit remains strong. We want America to be entrepreneurial heaven, the place where people can come and realize their dreams.

Laura sends her best. I'm a lucky man to have her as my wife. I believe the country is lucky to have her as the First Lady. She is a—*[applause]*—she's pretty busy. She's busy telling me what to do and not what to say. *[Laughter]* It's an interesting life in the White House, as I'm sure you can imagine. There's nothing better, to have somebody by your side who you love, right here in the middle of Washington, DC. *[Laughter]* And Laura is that way. You