

Rangel for addressing this issue in the health reform legislation they unveiled this week. This is a tangible example of the type of re-

form that will lower costs while assuring quality health care for every American.

Remarks on Health Care Reform

June 22, 2009

Thank you. Well, first of all, I want to thank Barry Rand for the introduction, but also AARP, the organization he so ably represents, for coming together with us on this critical issue today.

Last week, in my address to the American Medical Association, I spoke about the urgent need for health care reform and what will be required to achieve it. And one of the things that will be required, I said, was that everyone in our health care community is going to have to come together and do their part.

In recent days, Chairman Max Baucus, who has been doing an outstanding job leading the Finance Committee on this issue, as well as members of my administration, have been in discussions with the pharmaceutical industry to find a way to bring down costs of prescription drugs for America's seniors. And I'm pleased to report that over the weekend we reached an understanding that will help close the notorious doughnut hole in Medicare Part D. This is a significant breakthrough on the road to health care reform, one that will make the difference in the lives of many older Americans.

I think many of you in the press are familiar with the issue. The doughnut hole refers to a gap in prescription drug coverage that makes it harder for millions of Medicare beneficiaries to pay for the medication they need. The way the program is structured, Medicare covers up to \$2,700 in yearly prescription costs and then stops, and the coverage starts back up when the costs exceed 6,100, which means between 2,700 and 6,100 folks are out of luck. And this gap in coverage has placing a crushing burden on many older Americans who live on fixed incomes and can't afford thousands of dollars in out-of-pocket expenses.

Chris Dodd, who has been an outstanding leader on a whole host of health care issues throughout his career and who is helping to

lead the HELP Committee while Senator Kennedy is undergoing his treatment for his illness—Chris, I think, will tell you that as we travel around the country, seniors would constantly be coming up to us and saying, how do we deal with this extraordinary burden? And as a consequence, you'd have seniors who would be taking half their medication, even though the doctor said that is not going to be as effective; you are putting your life at risk. They had no other choice.

So as part of the health care reform I expect Congress to enact this year, Medicare beneficiaries whose spending falls within this gap will now receive a discount on prescription drugs of at least 50 percent from the negotiated price their plan pays. It's a reform that will make prescription drugs more affordable for millions of seniors and restore a measure of fairness to Medicare Part D. It's a reflection of the importance of this single step for America's seniors that it has earned the support of AARP, which has been fighting for years to address this anomaly in the system on behalf of older Americans. AARP is committed, as I am, to achieving health care reform by the end of this year. And I'm committed to continuing to work with AARP to ensure that any reforms we pursue are carried out in a way that protects America's seniors, who know as well as anyone what's wrong with our health care system and why it's badly in need of reform.

Our goal, our imperative, is to reduce the punishing inflation in health care costs while improving patient care. And to do that we're going to have to work together to root out waste and inefficiencies that may pad the bottom line of the insurance industry, but add nothing to the health of our Nation. To that end, the pharmaceutical industry has committed to reduce its draw on the health care system by \$80 billion over the next 10 years as part of overall health care reform.

Real health care reform that reduces the spiraling costs of health services and extends quality, affordable health coverage to all Americans will require these kinds of commitments throughout the system. And drug and insurance companies stand to benefit when tens of millions more Americans have coverage. So we're asking them, in exchange, to make essential concessions to reform the system and help reduce costs; it's only fair. Today marks a major step forward, but it will only be meaningful if we complete the journey.

So I want to commend the House for coming together last week to produce a health care reform bill, a bill, I might note, that protects seniors and has received the support of the AARP. I will continue to work closely with the relevant chairs in the House and the Senate, and leaders like Senator Dodd and Senator

Baucus, and with members of both parties who are willing to commit themselves to this critical task. Our families, our businesses, and our long-term fiscal health demands that we act and act now. Today we are, and I'm grateful to all those who helped make this day possible. And to those who, here in Washington, who've grown accustomed to "sky is falling" prognoses and the certainties that we cannot get this done, I have to repeat—revive an old saying we had from the campaign: Yes we can. We are going to get this done.

Thank you very much, everybody.

NOTE: The President spoke at 11:58 a.m. in the Diplomatic Reception Room at the White House. In his remarks, he referred to A. Barry Rand, chief executive officer, AARP.

Remarks on Signing the Family Smoking Prevention and Tobacco Control Act of 2009

June 22, 2009

The President. Please, everybody, have a seat, have a seat. I am thrilled to be here for what is I think an extraordinary accomplishment by this Congress, a bill we're about to sign into law.

I want to acknowledge a few of our special guests. First of all, we've got the crew from the Campaign for Tobacco Free Kids: Eamon, Christopher, Sarah, and Hoai-Nam. We have our FDA Commissioner, Dr. Peggy Hamburg. We have our CDC Director, Tom Frieden. And we have just some extraordinary Members of Congress here on stage—Senator Dodd, Senator Durbin, Senator Enzi, Senator Harkin, Senator Lautenberg, Representative Waxman, Representative Dingell, Representative Christensen, Representative Pallone, and Representative Platts—all of whom did extraordinary work in helping to move this legislation forward. Please give them a big round of applause. I want to thank all of them.

Now, there are three Members of Congress that I have to especially thank: Representative Waxman, Representative Dodd, and—excuse me—[laughter]—Senator Dodd—

Senator Christopher J. Dodd. Things are tough enough. [Laughter]

The President. —and most importantly, Senator Ted Kennedy, who can't be here today.

You know, the legislation I'm signing today represents change that's been decades in the making. Since at least the middle of the last century, we've known about the harmful and often deadly effects of tobacco products. More than 400,000 Americans now die of tobacco-related illnesses each year, making it the leading cause of preventable death in the United States. More than 8 million Americans suffer from at least one serious illness caused by smoking, and these health problems cost us all more than \$100 billion a year.

What's even worse are the effects on our children. One out of every five children in our country are now current smokers by the time they leave high school. Think about that statistic, one out of every five children in our country are now current smokers by the time they leave high school. Each day, 1,000 young people under the age of 18 become new, regular, daily