

get loans so they can grow and hire, and extend unemployment insurance benefits for millions of Americans who are looking for work. I'm grateful to the Members of the Senate on both sides of the aisle who worked to

end this roadblock to relief for America's working families.

NOTE: H.R. 4691, approved March 2, was assigned Public Law No. 111-144.

Letter to Congressional Leaders on Health Care Reform March 2, 2010

Dear _____:

Thank you again for the time, energy, and preparation you invested in last Thursday's bipartisan meeting on health insurance reform. I have always believed that our legislative process works best when both sides can discuss our differences and common goals openly and honestly, and I'm very pleased that our meeting at Blair House offered the American people and their elected representatives a rare opportunity to explore different health reform proposals in extraordinary depth.

The meeting was a good opportunity to move past the usual rhetoric and sound-bites that have come to characterize this debate and identify areas on which we agree and disagree. And one point on which everyone expressed agreement was that the cost of health care is a large and growing problem that, left untended, threatens families, businesses and the solvency of our government itself.

I also left convinced that the Republican and Democratic approaches to health care have more in common than most people think.

For example, we agree on the need to reform our insurance markets. We agree on the idea of allowing small businesses and individuals who lack insurance to join together to increase their purchasing power so they can enjoy greater choices and lower prices. And we agree on the dire need to wring out waste, fraud and abuse and get control of skyrocketing health care costs.

But there were also important areas of disagreement. There was a fundamental disagreement about what role the oversight of the health insurance industry should play in reform. I believe we must insist on some common-sense rules of the road to hold insurance companies accountable for the decisions they

make to raise premiums and deny coverage. I don't believe we can afford to leave life-and-death decisions about health care for America's families to the discretion of insurance company executives alone.

No matter how we move forward, there are at least four policy priorities identified by Republican Members at the meeting that I am exploring. I said throughout this process that I'd continue to draw on the best ideas from both parties, and I'm open to these proposals in that spirit:

1. Although the proposal I released last week included a comprehensive set of initiatives to combat fraud, waste, and abuse, Senator Coburn had an interesting suggestion that we engage medical professionals to conduct random undercover investigations of health care providers that receive reimbursements from Medicare, Medicaid, and other Federal programs.
2. My proposal also included a provision from the Senate health reform bill that authorizes funding to states for demonstrations of alternatives to resolving medical malpractice disputes, including health courts. Last Thursday, we discussed the provision in the bills cosponsored by Senators Coburn and Burr and Representatives Ryan and Nunes (S. 1099) that provides a similar program of grants to states for demonstration projects. Senator Enzi offered a similar proposal in a health insurance reform bill he sponsored in the last Congress. As we discussed, my Administration is already moving forward in funding demonstration projects through the Department of Health and Human Services, and Secre-

tary Sebelius will be awarding \$23 million for these grants in the near future. However, in order to advance our shared interest in incentivizing states to explore what works in this arena, I am open to including an appropriation of \$50 million in my proposal for additional grants. Currently there is only an authorization, which does not guarantee that the grants will be funded.

3. At the meeting, Senator Grassley raised a concern, shared by many Democrats, that Medicaid reimbursements to doctors are inadequate in many states, and that if Medicaid is expanded to cover more people, we should consider increasing doctor reimbursement. I'm open to exploring ways to address this issue in a fiscally responsible manner.

4. Senator Barrasso raised a suggestion that we expand Health Savings Accounts (HSAs). I know many Republicans believe that HSAs, when used in conjunction with high-deductible health plans, are a good vehicle to encourage more cost-consciousness in consumers' use of health care services. I believe that high-deductible health plans could be offered in the exchange under my proposal, and I'm open to including language to ensure that is clear. This could help to encourage more people to take advantage of HSAs.

There are provisions that were added to the legislation that shouldn't have been. That's why my proposal does not include the Medicare Advantage provision, mentioned by Senator McCain at the meeting, which provided transitional extra benefits for Florida and other states. My proposal eliminates those payments, gradually reducing Medicare Advantage payments across the country relative to fee-for-service Medicare in an equitable fashion (page 8). My proposal rewards high-quality and high-performing plans.

In addition, my proposal eliminates the Nebraska FMAP provision, replacing it with additional federal financing to all states for the expansion of Medicaid.

Admittedly, there are areas on which Republicans and Democrats don't agree. While we all believe that reform must be built around our existing private health insurance system, I believe that we must hold the insurance industry to clear rules, so they can't arbitrarily raise rates or reduce or eliminate coverage. That must be a part of any serious reform to make it work for the many Americans who have insurance coverage today, as well as those who don't.

I also believe that piecemeal reform is not the best way to effectively reduce premiums, end the exclusion of people with pre-existing conditions or offer Americans the security of knowing that they will never lose coverage, even if they lose or change jobs.

My ideas have been informed by discussions with Republicans and Democrats, doctors and nurses, health care experts, and everyday Americans—not just last Thursday, but over the course of a yearlong dialogue. Both parties agree that the health care status quo is unsustainable. And both should agree that it's just not an option to walk away from the millions of American families and business owners counting on reform.

After decades of trying, we're closer than we've ever been to making health insurance reform a reality. I look forward to working with you to complete what would be a truly historic achievement.

Sincerely,

BARACK OBAMA

NOTE: Identical letters were sent to Speaker of the House of Representatives Nancy Pelosi, and House Minority Leader John A. Boehner; and Senate Majority Leader Harry M. Reid, and Senate Minority Leader A. Mitchell McConnell. An original was not available for verification of the content of this letter.

Remarks on Health Care Reform March 3, 2010

Thank you. Please, everybody, have a seat. Thank you so much, all of you, for joining us today. And I want to thank Julie, Barbara, Roland, Stephen, Renee, and Christopher, standing behind me—physicians, physician assistants, and nurses who understand how important it is for us to make much needed changes in our health care system.

I want to thank all of you who are here today. I want to specially recognize two people who have been working tirelessly on that—on this effort, my Secretary of Health and Human Services, Kathleen Sebelius, as well as our quarterback—[laughter]—for health reform out of the White House, Nancy-Ann DeParle.

We began our push to reform health insurance last March in this room, with doctors and nurses who know the system best. And so it's fitting to be joined by all of you as we bring this journey to a close.

Last Thursday, I spent 7 hours at a summit where Democrats and Republicans engaged in a public and very substantive discussion about health care. This meeting capped off a debate that began with a similar summit nearly 1 year ago. And since then, every idea has been put on the table. Every argument has been made. Everything there is to say about health care has been said—[laughter]—and just about everybody has said it. [Laughter] So now is the time to make a decision about how to finally reform health care so that it works, not just for the insurance companies, but for America's families and America's businesses.

Now, where both sides say they agree is that the status quo is not working for the American people. Health insurance is becoming more expensive by the day. Families can't afford it; businesses can't afford it; the Federal Government can't afford it. Smaller businesses and individuals who don't get coverage at work are squeezed especially hard. And insurance companies freely ration health care based on who's sick and who's healthy, who can pay and who can't. That's the status quo. That's the system we have right now.

Democrats and Republicans agree that this is a serious problem for America. And we agree that if we do nothing, if we throw up our hands and walk away, it's a problem that will only grow worse. Nobody disputes that. More Americans will lose their family's health insurance if they switch jobs or lose their job. More small businesses will be forced to choose between health care and hiring. More insurance companies will deny people coverage who have preexisting conditions, or they'll drop people's coverage when they get sick and need it most. And the rising cost of Medicare and Medicaid will sink our Government deeper and deeper and deeper into debt. On all of this, we agree. So the question is, what do we do about it?

On one end of the spectrum, there are some who've suggested scrapping our system of private insurance and replacing it with a Government-run health care system. And though many other countries have such a system, in America, it would be neither practical nor realistic.

On the other end of the spectrum, there are those—and this includes most Republicans in Congress—who believe the answer is to loosen regulations on the insurance industry, whether it's State consumer protections or minimum standards for the kind of insurance they can sell. The argument is, is that that will somehow lower costs. I disagree with that approach. I'm concerned that this would only give the insurance industry even freer rein to raise premiums and deny care.

So I don't believe we should give government bureaucrats or insurance company bureaucrats more control over health care in America. I believe it's time to give the American people more control over their health care and their health insurance. I don't believe we can afford to leave life-and-death decisions about health care to the discretion of insurance company executives alone. I believe that doctors and nurses and physician's assistants like the ones in this room should be free to decide what's best for their patients.