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## Barack Obama

### *Health Care Discussion with Bill Clinton at a Clinton Global Initiative Health Care Forum*

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**AUTHENTICITY CERTIFIED:** Text version below transcribed directly from audio

**Hillary Clinton:** Thank you very much. I have the great pleasure to introduce our next two speakers, who are about to have a conversation concerning health care. And I thought hard about how to introduce these two men.

And the more I thought about it, the more I realized how much they have in common. They are both left-handed. They both love golf, a game that does not often reciprocate the love they put into it. They both are fanatic sports fans and go to great lengths to be in front of the TV or on the side of the court or the field. They both are master politicians. Each of them has only lost one election. They are both Democrats. They have fabulous daughters. They each married far above themselves. And they each love our country.

And so please join me in welcoming "Number 42" and "Number 44" -- Bill Clinton and President Barack Obama.



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**President Obama:** Mr. President.

**WJClinton:** Are you interviewing me?

**President Obama:** That would be bad. I've been talking a lot today.

**WJClinton:** I want to thank you for giving Hillary a job. That was a good thing you did. Thank you for coming.

**President Obama:** Well, it is wonderful to be back. And let me start just by saying to all the people who have for years now supported the incredible efforts of CGI, thank you. Because wherever we travel, all across the globe, we see the impact that it's making every single day. And we're very proud of what you all do.

And let me say that we still miss our former Secretary of State. And I should add that there's nothing she said that was not true, particularly the part about us marrying up.

**WJClinton:** Well, that brings me to my first health care comment. This is going to be a conversation about domestic and international health, and America's role in it. But I want to begin by telling you that I think the First Lady has done a great job in this fight against childhood obesity.

We have been honored at our foundation to be asked to represent her effort in 18,000 schools where we've lowered the calories in drinks being served in schools by 90 percent. But she has been great on that one. The other thing I think is that I was a little upset -- and, as you know, called one of your administration members when you got to Africa -- when I read an article that said that you didn't have a big initiative in Africa. And I said -- I can't say exactly what I said -- but I said that is inaccurate. That's the sanitized version of what I said.

Because when the President took office, our program, begun under President Bush, PEPFAR, was giving antiretroviral medicine to 1.7 million people. Because of an agreement that I made with President Bush to use generic drugs that were approved by the FDA, about half our drugs were being purchased in that way. Under President Obama, we've gone to 99 percent. We are treating more than 5.1 million, three times as many for less money.



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That is a stunning legacy -- so that more money has been put into malaria medicine, bed nets, so you saved a lot of money and saved more lives while doing it. And I'm very proud of that. And I want to thank you for it. It's important.

Now, maybe at the end of this conversation we can get back to some of your current global health initiatives. But let's talk a little about the health care law, because we're about to begin on October 1st open enrollment for six months. And I'd like to give you a chance, first of all, to tell them why -- when you took office, we were teetering on the brink of a depression. You had to avert it. You had to start the recovery again. Why in the midst of all this grief did you also take on this complex issue? Many people were saying, why doesn't he just focus on the economy and leave this alone? So tell us why you did it.

**President Obama:** Well, first of all, I think it's important to remember that health care is the economy -- a massive part of our economy. And so the idea that somehow we can separate out the two is a fallacy.

Second of all, the effort for us to deal with a multifaceted health care crisis has been going on for decades. And the person who just introduced us, as well as you, early in your presidency, had as much to do with helping to shape the conversation as anybody.

The fact is that we have been, up until recently, the only advanced industrialized nation on Earth that permits large numbers of its people to languish without health insurance. Not only is there the cruelty of people who are unable to get health insurance having to use the emergency room as their doctor or their health service, but -- we're also more efficient than anybody else and so when we talk about, for example, our deficit -- you know this better than anybody -- the reason that we have not only current deficits but also projected long-term deficits -- the structural deficit that we have is primarily based on the fact that we have a hugely inefficient, wildly expensive health care system that does not produce better outcomes.

And if we spent the same amount of money on health care that Canada or France or Great Britain did, or Japan, or any other industrialized country, with the same outcomes or better outcomes, that essentially would remove our structural deficit, which would then free up dollars for us to invest in early-childhood education and infrastructure and medical research



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and all the other things that can make sure that we're competitive and growing rapidly over the long term.

So my view when I came into office was we've got an immediate crisis -- we've got to get the economy growing. But what we also have to do is to start tackling some of these structural problems that had been building up for years. And one of the biggest structural problems was health care. It's what accounts for our deficit. It's what accounts for our debt. It causes pain and misery to millions of people all across the country. It is a huge burden on our businesses.

I was out at a Ford plant out in Missouri -- making the F series out there -- and this is a big stamping plant. Ford is now the biggest seller in the United States. We took that lead back from the Japanese automakers. But we are still burdened by the fact that every U.S. automobile that is manufactured requires a couple of thousand dollars in added health care costs that our foreign competitors don't have to pay.

So this has everything to do with the economy, in addition to what I consider to be the moral imperative that a mom should not have to go bankrupt if her son or daughter gets sick; that a family who's dealing with a layoff and is already struggling to pay the bills shouldn't also be wondering whether they're one illness away from losing their home. And I think most Americans agree with that.

**WJClinton:** So first of all, folks, for those of you who are from the United States, that's about as good an overview as you're ever going to hear of what this economic issue is. But you remember the President said our structural deficit would disappear if we had a comparable health care system in terms of cost to the French and Germans that are consistently rated the highest. It's about a trillion dollars a year, and somewhere around 44 percent of that money is government-funded money. So you just run the numbers. Think -- over half of our deficit has already disappeared because of economic growth and the revenues you raised and the spending we cut. And you pretty much get rid of the rest of it if we just had a comparably expensive system to any other country.



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Before you took office, we lost a car company that wanted to locate in Michigan that went instead to Canada, and they announced -- they said, look, we're a car company that provides health care benefits to an employee; we're not a health care company that sells cars to cover our bills. We have to go to Canada. And it was one of the few companies willing to go on record and say this. So thank you for doing it.

So let's talk about this. What does this open enrollment mean? How are people going to get involved? When you have universal enrollment you can manage your costs better and cut inflation down.

I'll give the President a chance to talk about all the good stuff that's happened, but I just want you to know one thing. In the last three years, just as we started doing this, inflation in health care costs has dropped to 4 percent for three years in a row for the first time in 50 years. Fifty years. Before that, the costs were going up at three times the rate of inflation for a decade.

So now what? What are you going to do on October 1st? Tell them how this has got to work.

**President Obama:** Well, let me give folks just a little bit of background about what's already in place and then what happens on October 1st.

When we passed the Affordable Care Act, there were a number of components to it. A big part of it was essentially providing a Patient's Bill of Rights that Americans and advocates have been fighting for for decades. So what we wanted to do was make sure if you already have health insurance that you get a fair deal, that you're being treated well by your insurers.

So we eliminated, prohibited insurance companies from imposing lifetime limits, which oftentimes if a family member really got sick, they thought they were covered until suddenly they hit that limit and now they're out hundreds of thousands of dollars with no way of paying.

We said to insurance companies, you've got to use at least 80 percent of your premium that you're receiving on actual health care -- not on administrative costs and CEO bonuses. And if you don't, you've got to rebate anything that you spent back to the consumer. So there are millions of Americans who've received rebates.



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They may not know that they got it because of the Affordable Care Act -- or "ObamaCare" -- but they're pretty happy to get those rebates back, because it made sure that the insurance companies were treating folks fairly.

We said that any young person who doesn't have health insurance can stay on their parent's health insurance until they're 26 years old. And as a consequence, what we've seen is steadily the rate of uninsured for young people dropping over the last three years since the bill passed and obviously providing a lot of relief to a lot of parents out there because a lot of young people, as they've been entering into the job market at a time when jobs are tough to get and oftentimes benefits are slim, this is providing enormous security until they get more firmly established in the labor market.

We provided additional discounts for prescription drugs for seniors under the Medicare program. And so seniors have saved billions of dollars when it comes to their prescription drugs.

So there have been over the last three years a whole array of consumer protections and savings for consumers that result directly from the law that we passed. And for those who say that they want to repeal it, typically when you ask them about, what are all these various benefits, they say, well, that one is good, and that one is pretty good, and we'd keep that. And you pretty much go down the list, and there's not too much people object to.

You will recall also at the time that part of the way that we paid for the health care bill was we said Medicare is wasting a lot of money without making seniors healthier. And there was a lot of hue and cry about how we were taking money out of Medicare -- well, it turns out that we were right, that we could change how doctors and hospitals and providers were operating, rewarding them for outcomes, as opposed to simply how many procedures that they did. You started seeing practices change among millions of providers across the country. Medicare rates have actually slowed in terms of inflation. Seniors have saved money. Folks are healthier. And some of those savings we've been able to use to make sure that people who don't have health insurance get health insurance.



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Now, this brings me to October 1st. The one part of the Affordable Care Act that required several years to set up, but a critical part, was how do we provide health insurance for individuals who don't get health insurance through the job? It's a historical accident that in this country health care is attached to employers. And part of the problem is if you're out there shopping for health insurance on your own, you're not part of a big pool, well, there's no aggregation of risk taking place for the insurers. So they're basically going to say, let's see, you're 50 years old. You got high blood pressure. And we just look at the actuarial tables and we figure you're going to get sick, so we're going to charge you \$1,500 a month for health insurance, which the average person has no way of affording -- because there's no pooling of risk.

So what we said was we need to set up a mechanism to pool people who currently don't have health insurance so that they have the same purchasing power, the same leverage that a big companies does when they're negotiating with the insurance company.

And essentially what we've done is we've created what we're calling marketplaces in every state across the country where consumers are now able to be part of a big pool. Insurers have to bid, essentially compete for the business of that pool. And what we now have set up are these marketplaces that provide high-quality health care at affordable prices, giving people choices so that they can get the health insurance that they need and they want. And the premiums are significantly lower than what they were able to previously get.

I'll take the example of New York State. The insurers put in their bids to participate in these marketplaces. It turns out that their rates are up to 50 percent lower than what was available previously if you just went on the open market and you tried to get health insurance. Fifty percent lower in this state. California -- it's about 33 percent lower. In my home state of Illinois, they just announced it's about 25 percent lower.

So just by pooling and creating competition so that insurers have to go after people's business the way they go after a group plan, we have drastically reduced premiums and costs. On top of that, what we're now doing is we're saying if with the better deal that you got you still can't afford it, we're going to give you tax credits to essentially subsidize your purchase of health insurance.



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And here's the net result. We'll be continuing to roll out what the actual prices are going to end up being, but I can tell you right now that in many states across the country, if you're, say, a 27-year-old young woman, don't have health insurance, you get on that exchange, you're going to be able to purchase high-quality health insurance for less than the cost of your cellphone bill. And because all the insurers who participate are required to, for example, provide free preventive care, free contraceptive care, that young woman, she may make up what she's spending on premiums just on her monthly use of health care.

So this is going to be a good deal for those who don't have health insurance. Those who already have health insurance get better health insurance. And the best part of the whole thing is, because of these changes we initiated in terms of how we're paying providers, health care costs have grown, as you pointed out, Mr. President, at the slowest rate in 50 years. We are bending the cost curve and getting at the problems that are creating our deficits in Medicare and Medicaid.

**WJClinton:** I should point out that, so far, in most states, one of the good things that at least I didn't know whether it would happen is when we began this in the United States, more than 80 percent of the American states had only one or two companies providing health insurance who had more than 80 percent of the market. So there was, in effect, no price competition. So what I was terrified of was we'd open these things and there would only be one company show up and bid, and this whole thing, we'd be having an academic conversation. Instead, it's actually led to the establishment of more companies doing more bidding.

And I think part of it is they have greater confidence that they can deliver health care at a more modest cost. So, so far, it's good. But I think it's important for you to tell the people why we're doing all this outreach -- because this only works, for example, if young people show up. And even if they buy their cheapest plan, then they claim their tax credits, so it won't cost them much -- 100 bucks a month or so. We got to have them in the pools, because otherwise all these projected low costs cannot be held if older people with preexisting conditions are disproportionately represented in any given state. You've got to have everybody lined up.

So explain what kind of -- all the work you've been doing on the outreach for the opening on October.



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**President Obama:** I think President Clinton makes a really important point. And the way pools work, any pool, is essentially those of us who are healthy subsidize somebody who is sick at any given time. We do that because we anticipate, well, at some point we'll get sick and hope the healthy person is in our pool so those costs and those risks get spread. That's what insurance is all about.

And what happens is if you don't have pools that are a cross-section of society, then people who are already sick or more likely to get sick, they'll all rush out and buy insurance. People who are healthy, they say, you know what, I won't bother. And you get what's called adverse selection. Essentially what happens is that the premiums start going higher and higher because the risks aren't spread broadly enough across the population.

So you want to get a good cross-section in every pool. That's why big companies have an easier time getting good rates for their employees than small companies, because if you only have five employees and one person is stricken with breast cancer, let's say, your rates potentially shoot up. But if it's a thousand employees, then it gets spread out.

So on October 1st, open enrollment begins. All these folks can start signing up for the marketplace. And what we want to make sure of is that everybody, in every category, in every age group, understands why health insurance is important, understands why they should sign up, understands the choices that are going to be available to them. They're going to be able to go to a computer, tap on the web page and they're going to be able to shop just like you shopped for an airline ticket or a flat-screen TV, and see what's the best price for you, what's the plan that's best suited for you, and go ahead and sign up right there and then.

And that the open enrollment period will last from October 1st until the end of March and so there will be six months for folks to sign up. Normally, this would be pretty straightforward. A lot of people don't have health insurance. A lot of people realize they should get health insurance. But let's face it, it's been a little political, this whole ObamaCare thing. And so what you've had is an unprecedented effort that you've seen ramp up over the last month or so in which those who have opposed the idea of universal health care in the first place and have fought this thing tooth and nail through Congress and through the courts and so forth have been trying to scare and discourage people from getting a good deal. And some of you may have seen some of the commercials out there that are a little whacky.



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And the main message we have -- and we're using social media, we're talking to churches, we're talking to various civic groups -- and what we're saying to people is, look, just go to the website yourself. Go to [healthcare.gov](http://healthcare.gov); take a look at whether this is a good deal or not and make your own decision about whether this is good for you. Because what we are confident about is that when people look and see that they can get high-quality, affordable health care for less than their cell phone bill, they're going to sign up. They are going to sign up. And part of what I think the resistance that we've seen ramp up particularly over the last couple of months is all about is the opponents of health care reform know they're going to sign up.

In fact, one of the major opponents, when asked, well, why is it that you'd potentially shut down the government at this point just to block ObamaCare, he basically fessed up. He said, well, once consumers get hooked on having health insurance and subsidies, then they won't want to give it up. I mean, that's -- you can look at the transcript. This is one of the major opponents of health care reform. It is an odd logic. Essentially they're saying people will like this thing too much and then it will be really hard to roll back.

So it is very important that people just know what's out there, what's available to them, and let people make up their own minds as to whether it makes sense or not.

Now, one last thing I want to say, because I do think sometimes -- people come up to me and they say, well, if this is such a good deal, how come the polls show that it's not popular? Well, one of the things you and I both know is that when you come to health care, there's no more personal and intimate decision for people. I mean, this is something that people really care about. And frankly, the devil you know is always better than the devil you don't know. And that's what "Harry and Louise" was all about back in the '90s, right? It was scaring people with the prospect of change.

And so part of our goal here is just to make sure people have good information. And there has been billions of dollars spent making people scared and worried about this stuff. And rather than trying to disabuse people of every single bit of misinformation that's been out there, what we're saying is just look for yourself. Take a look at it and you will discover that this is a good deal for you.



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**WJClinton:** Well, first of all, I completely agree with that. I think we've got to just drive people to the websites. The states that are participating -- the Supreme Court decision that upheld the health care law said that states didn't have to set up these marketplaces if they didn't want to, but if they didn't the federal government would set it up. They also said that states didn't have to expand Medicaid coverage to help people whose incomes are up to 138 percent of the federal poverty level buy health insurance.

There are some states, believe it or not, that want the marketplace but don't want the Medicaid. And that's going to lead to a cruel result, and there's nothing the President can do and it's not his fault. That's what the Supreme Court said. So we can have this bizarre situation where, let's say, a business with 60 employees can -- or an individual going into the individual market will get the benefit of tax credits for everybody with incomes of 138 percent of the federal poverty level or above, but they won't get it for people who are between 100 and 138 percent. So lower-income people who desperately need the health insurance -- we would have the cruelest of all situations in those states. And there's nothing the President can do about it because of the Supreme Court decision. So we have to persuade the states to come on. But more and more states with Republican governors, Republican legislatures are doing it.

Tell them about Arkansas, because we're doing well down there.

**President Obama:** A little hometown bias, there's nothing wrong with that. A couple of things that are happening that I think are very interesting. First of all, look, I'm sympathetic to some of these Republican governors who are under a lot of pressure because the whole issue of whether you're for ObamaCare or not has become a litmus test in the other party. So some of them, politically it's been tough; sometimes state legislatures that refuse to allow governors to go ahead and implement.

But as you indicated, what we've seen is that when Republican governors take a look at the deal they're getting where, in addition to these exchanges, we're also providing a much more significant match, much more federal money to provide health insurance -- from the state's perspective, they're not paying; the federal government is picking up the tab -- and this is helping them because people are no longer going to the emergency room and they now have good health care, they're now getting preventive care.



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You're seeing some Republican governors step up and saying, I may not like ObamaCare, but I'm going to go ahead and make sure that my people are benefiting from this plan. So that's one good thing that's happening.

The second thing that's happening is there are a couple of states -- Arkansas is a good example; Kentucky is another good example; Idaho, interesting example -- these are states where I just got beat. I mean, I do not have a big constituency in these states. Well, I take that back. You know what, 40 percent is still a lot of people -- but I'm losing by 20 percent in these states. But the governors were still able to say we're going to set up our own state exchanges, their own marketplaces. And each state is just using their own name for it.

So I had a meet -- I had a conference, a video conference with all the state directors of all the marketplaces, and I'm talking to the director in Kentucky and Idaho. And in Kentucky, it's called like, Kentucky Connect. And in Idaho, it's called the Idaho Health Care Exchange. And there's a story that came out of Kentucky where some folks were signing people up at a county fair somewhere. Some guy goes up and he starts looking at the rates and decides he's going to sign up. And he turns to his friend and said, this is a great deal. This is a lot better than ObamaCare. Right? Which is fine. Because we -- I don't have pride of authorship on this thing. I just want the thing to work.

And Arkansas just came out with its rates, and as has been true in virtually every single state, not only are premiums lower than they were, they're a lot lower than even the most optimistic predictions were about how low they would be.

And once these marketplaces are up and running, it turns out that what has traditionally been a pretty conservative principle, which is competition and choice work, well, in the insurance market, competition and choice work. And what we're seeing is that people are going to be able to get the kind of health care that they have never been able to get before. States are going to benefit from it because they're going to save money.

And one thing that all of you -- there are probably very few people in this room who don't have health insurance, although if you don't, you should sign up starting on October 1st. One of the things that many people don't realize is that the subsidy that all of you provide for the uninsured is about \$1,000 per family.



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You pay \$1,000 -- everybody here who has got health insurance pays about \$1,000 more for your families' insurance than you otherwise would have, because hospitals are mandated, they are required to provide service to anybody who shows up. And so what happens is when you've got 15 percent of the population without health insurance, they end up showing up at the emergency room typically at a point when they're much sicker than if they had been getting regular checkups and preventive care. So you pay for the most expensive care there is, because hospitals have got to recoup that money somewhere.

And the way they do it is to charge higher prices. And people who have health insurance end up picking it up. So part of what will help reduce the increase in health care costs is making sure that that hidden subsidy no longer exists.

**WJClinton:** Let's talk a little bit about business, because we're out of time, but I think it's really important. As you pointed out, most people who have insurance work for a living, or somebody in their family does, and they get their insurance through their workplace. The law says that all employers have to participate if they have 50 employees or more. Many employers with fewer than 50 employees already voluntarily provide some health insurance.

Both the companies with 50 or more and the companies with fewer than 50 are somewhat concerned. And the employees that have to be insured are those who work 30 hours a week or more. So there were many people who speculated that when this law came into place that it would add to the cost and there would be a lot more part-time workers instead of full-time workers. I'll save the President the time in the interview on this -- so far, that's not true. The overwhelming number of people who have been hired coming out of this recession have been -- they have been hired at lower wages, but they have been full-time employees.

There has not been an increase in the percentage of our employment in part-time work. There has been an increase in relatively lower-wage new jobs. But that means they need health insurance even more. So explain very briefly to them how this is going to work, how private employers are helped to buy their insurance and the requirements.

**President Obama:** Well, first of all, if you're a large employer or an employer with more than 50 employees, you're already providing health insurance, you don't have to do anything other than just make sure that you can show that you're providing health insurance.



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And there was a lot of news recently about how we delayed the so-called employer mandate for a year -- because under the law, what it says is if you have more than 50 employees, you're not providing health insurance to your employees, then you're going to pay a penalty to help pay for the fact that we, the taxpayers, are going to have to provide your employees with health insurance -- which, by the way, is only fair.

A lot of the controversy around the Affordable Care Act had to do with these so-called mandates, both an employer mandate and an individual mandate. And the employer mandate says, if you don't meet your responsibilities by your employees, and they end up getting Medicaid or they're ending up in the emergency room, you're basically dumping those costs onto society. That's not fair. So we're going to charge you a couple thousand dollars to help pay for health care for those employees.

To the individuals, what we said was we're going to make health insurance so affordable, so cheap for you, so heavily subsidized if you're not making a lot of money, that if you're not getting health insurance then it's because you just decided you don't want to, you don't need to. And in that circumstance, what happens when you get hit by a bus, heaven forbid, or somebody in your family gets sick, and you hadn't had them covered? Well, we're going to end up having to pay for you anyway because we're not going to just let somebody bleed in front of the emergency room. So what we've said is you've got to take responsibility, and so there's a small penalty if you don't get health insurance.

This is where a lot of the controversy and unpopularity came in, because people generally don't like to be told, "you've got to get health insurance," and employers don't like be told, "you've got to give your employees health insurance." But, as a society, what we cannot do is to say, you have no responsibilities whatsoever, but you've got guaranteed coverage.

And this raises the whole issue of preexisting conditions, which we haven't talked a lot about but is really important. One of the central components of this law, one of the main perversities of the health care system before this law passed was there were millions of people around the country who, if you had gotten sick before, if you had had a heart attack, if you had had cancer, if you had diabetes; let's say, when it first happened you had a job, you got cured; then you lose your job or you're trying to change jobs or you're trying to start a business, you try to go out and get health insurance, the health insurance company not only could deny you but had every incentive to deny you.



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Because, basically, they'd rather have healthy people who are paying premiums and never asking for a payout. They don't want somebody who actuarially they can anticipate might get sick.

And so, keep in mind that a huge percentage of our society has some sort of preexisting condition, and they can be locked out. You can do everything right, work hard, build a strong middle-class life, but if you've been sick and then you lose your job or something happens, you may suddenly be locked out of the insurance market, or the premiums may be so high that only somebody fabulously rich could afford it.

So what we said is, all right, you know what, insurance companies, you can no longer bar somebody from getting health insurance just because they've got a preexisting condition. But the only way that works is if everybody had a requirement to get health insurance. Because think about what happens if you don't have that rule. Well, all of us -- not all of us, but a lot of us who were trying to figure out how to save some money would say, well, I'm not going to worry about it until I get sick, and then right when I'm diagnosed with something that's going to be expensive I'll go to the insurance company and say, you can't prevent me from getting health insurance just because I've got a preexisting condition. So they could potentially game the system and it wouldn't work.

So now what we've done is said you've got to provide health insurance to anybody, all comers -- that's the deal. The flipside of it is everybody has got some responsibility and we'll help you pay for it to get health insurance. And that's where a lot of the misunderstandings, the frustrations about health care reform came in.

I should add, by the way, that this was the same proposition that was set up in Massachusetts under a governor named Mitt Romney that's working really well. Ninety-nine percent of the people in Massachusetts have coverage. And that same principle was, ironically, considered a very smart Republican conservative principle. But it was the right one. The economics of it are true.

So, just to finish up the question, when it comes to businesses, if you're already providing health insurance for your employees, that's great. You don't have to do much other than just make sure that you show us that you've got health insurance for your employees.



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If you have more than 50 employees, and you're not providing health insurance for them, you now have the opportunity to join a pool of small businesses to get a better price and a better deal on health insurance. You're eligible for tax credits in providing health insurance to your employees. Up to 35 percent of the premiums for each employee will be a tax benefit -- a tax credit from the federal government. But if you still aren't providing health insurance for your employees after that, then we're going to go ahead and penalize you for it.

And I can understand why some businesses wouldn't want to pay for it. If they're not currently providing health insurance for their employees, what that means is that they'd rather have those additional profits than make sure that their employees are getting a fair deal.

In some cases, they may be operating under some very small margins. But keep in mind, since people are -- companies are exempted, the average small business with five employees, mom-and-pop shop, 10 employees, they're not under that requirement. So I'm not that sympathetic to a company, typically, if it's got more than 50 employees and generating some significant revenue, we're making it affordable for them to provide health insurance for their employees. They should do the right thing.

**WJClinton:** I agree with that. We have to close, but I think there's one last issue we ought to deal with. The most important thing obviously is just to get people enrolled in this. We'll work through it as we go along.

But you just heard the President say that so far in virtually every state, the actual prices of the insurance are coming in quite a bit lower than they were originally estimated to. With the original price estimates and with the government obligated to provide subsidies -- which costs money on the budget, right? -- it was, nonetheless, estimated that in the first 10 years, this would keep the national debt \$110 billion lower than it otherwise would have been, which means if we come in at even less, we can bring the debt down more, or we can subsidize more small businesses and get more small businesses into this loop.

A lot of people come up to me and say, now, you sound like the people you used to criticize who say we could cut taxes all day long, increase spending and balance the budget. Don't give me that; this sounds too good to be true.



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So I think before you leave, you should tell people how we can spend more -- not so much in direct spending, but in tax credits -- and still wind up reducing overall federal spending by \$110 billion during this decade.

**President Obama:** Well, a couple of things just in terms of how this whole thing got paid for. First of all, I think it's really important to point out here that the total cost of the Affordable Care Act to provide health insurance for every American out there at an affordable rate is costing about the same amount over the course of 10 years as the cost of the prescription drug bill that President Bush passed -- except that wasn't paid for. We felt obliged to actually pay for it and not just add to the deficit.

So what we did -- it's paid for by a combination of things. We did raise taxes on some things. We, for example, said that for high-end income individuals, you can pay a slightly higher Medicare rate -- Medicare tax. So we bumped that up a little bit. We said that for employers who are currently providing a so-called Cadillac health care plan, where there are so many bells and whistles, there's no incentive to actually spend wisely when it comes to health care -- we're actually going to penalize you for that -- not only to raise a little bit of money, but also to say you're encouraging the worst aspects of a health care system where you spend a lot of money, you don't get better outcomes.

I mentioned to you Medicare. We basically said -- there's a program in Medicare called Medicare Advantage that provides some additional options for Medicare recipients above and beyond standard Medicare. And it's very popular with a lot of seniors. You get eyeglasses and other benefits. But it turned out that it was so uncompetitive that we were providing tens of billions of dollars of subsidies to the insurance companies under this Medicare Advantage Plan without getting better outcomes, health outcomes for seniors.

So what we said was we'll keep Medicare Advantage and we'll give them a small premium if they're providing better services for seniors, but we're going to make you compete for it a little bit. And we're going to save tens of billions of dollars in the process, and that will go into paying for the Affordable Care Act.



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So the bottom line is, through these various mechanisms we raised enough money to pay for providing health insurance for those who don't have it, to provide these tax credits in the marketplace, and at the same time, because we're driving down costs, we actually end up saving a little money. It is a net reduction of our deficit.

The irony of those who are talking about repealing ObamaCare because it's so wildly expensive is if they actually repealed the law, it would add to the deficit. It would add to the deficit.

Now, there have been a couple of Republicans in the House who have been smart enough to say, we're going to repeal all the benefits so that 25, 30 million people don't get health insurance, but we're going to keep the taxes that Obama raised, we just won't talk about that. And then, that way we can say we reduced the deficit. But obviously, you're doing some funny business there with the budget.

But, look, nothing is free. The bottom line, though, is do we want to continue to live in a society where we've got the most inefficient health care system on Earth, leaving millions of people exposed to the possibilities that they could lose everything because they get sick? Or we've got little children and families going to the emergency room once a week because they've got asthma and other preventable diseases, because their families aren't linked up with a primary care physician who is providing them regular care? Where the costs to society for reduced productivity, illnesses, et cetera, all burden our businesses? Is that the kind of society we aspire to?

And I think the answer is no. And the notion that we would resist, or at least some would resist as fiercely as they have, make this their number-one agenda, perpetuating a system in which millions of people across the country, hardworking Americans don't have access to health care I think is wrong.

**WJClinton:** We have to close. But I will close with a story. I told you all this morning that the employee that our health access program lost in the Kenya mall shooting was a Dutch nurse. And we spend a lot of time in the Netherlands; we get a lot of support there. Oxi is one of the biggest insurance companies in Europe. They're one of our partners here. I went to celebrate their 200th anniversary with them. They started as a fire insurance company with 39 farmers, 200 years ago.



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And we were out there in this big farm field in a tent in the shadow of a 13th century church and a big Dutch windmill. And I asked the chairman of the company, I said, do you write health insurance? Because in the Netherlands there's no Medicare and no Medicaid, everybody is on an individual mandate and you just subsidize people based on their incomes.

He said, yes, I write it; we all do. And he looked at me and he said, but we don't make any money on it. And he said, we shouldn't. This guy is running a huge -- can you imagine somebody saying that in America? He said, we shouldn't. If I can't make money on this business doing traditional insurance business, I've got no business in the work. He said, look, health care is a public good and you've got to find a way to finance it for everybody. And he said, it's just an intermediary function that somebody has to handle. But in the end, it's how it's delivered, how it's priced, and how healthy you can keep your people.

So the First Lady is trying to keep us all healthier, and you're trying to change the delivery and the pricing. And you have to cover everybody to do it. I think this is a big step forward for America. This will, over the next decade, not only make us healthier, but it will free up in the private sector largely funds that can then be reinvested in other areas of economic growth, and give us a much more well-balanced economy. But, first, we've got to get everybody to sign up.

**President Obama:** Everybody, sign up. Go to [healthcare.gov](http://healthcare.gov). Thank you very much.

**WJClinton:** Thank you