

*Steve Chabot:*

Good afternoon. I'm Congressman Steve Chabot. And I'd like to welcome everyone here today. We want to especially thank Children's Hospital for opening this fine facility. It clearly is one of the leading, one of the best, one of the finest Children's Hospitals in the nation. We also want to thank C-SPAN for their coverage of this and showing it to folks who can't necessarily be with us here today at Children's Hospital in Cincinnati, but will be able to enjoy this. Hopefully, learn something from the debate here that we're going to have today.

I'd like to thank not only Children's but also the Democratic Leadership Institute and the Congressional Institute, which is the Republican version of that, for agreeing to host this important debate on healthcare. This is the second in the Congress debates series. It's the first one outside of Washington. The last one was in Washington. It was on the economy. This one is here in Cincinnati, Ohio. And it's on healthcare. One of the more important issues that we have as a nation facing us at this time. It's also billed as a battle of ideas, not insults.

And we have four Republicans and four Democrats here today, members of Congress, members of the House of Representatives, colleagues of mine. I can tell you all four on both sides are experts in this field, great debaters. So we're lucky to have them here today. We expect this to be free of partisan rancor. Because, unfortunately, that typifies much of the debate in Washington nowadays. But hey, we're not in Washington. We're outside the Beltway today. And so we expect the debate to be lively, issue based but not at all rancorous.

As I travel around my district, which is the first Congressional district of Ohio, revolving around the city of Cincinnati, talking to my constituents, going to small businesses; one of the main issues that I hear about from the people that I represent is the need for affordable healthcare. I happen to be the ranking member of the small business committee. That means that I'm the lead Republican. And Republicans are in the minority in the House of Representatives and the Senate right now.

So I'm the lead Republican and that committee. And have a very good working relationship with the Democratic Chairman Nydia Velazquez, from New York. And we've had quite a few hearings in the small business committee concerning health care. And what, if anything, we can do at the federal level with respect to improving, making more accessible health care, more affordable in this country. We've talked about association health plans.

We've talked about health savings accounts. We've talked about medical malpractice. We've talked about a bill that I've introduced for a number of Congresses now called the Health Care Affordability act, which would allow every individual as well as all small business to fully deduct all of their health care premiums. Right now large corporations can do that but oftentimes small businesses and certainly individuals can't do that. I think everybody ought to be able to do that.

Our goal here, and we come at it from a little different – I think the goal is to provide more affordable, accessible health care to as many people, hopefully, all people in this country. So the debate will not be whether or not we ought to do it. We all agree that we should do it. The question is how do we best do that. And as I mentioned earlier, let me conclude by just noting, again, that Cincinnati Children's Hospital is widely recognized as one of the finest children's hospitals in the entire country.

For example, child magazine recently named Children's Hospital as one of the top five best pediatric hospitals in the country. And U.S. News and World Report agreed, ranking Cincinnati Children's Hospital "among America's best pediatric hospitals." And so without further ado, I'd like to turn it over to the president at this time, of Children's Hospital, Mr. Jim Anderson. Jim?

*Jim Anderson:*

Thanks very much, Steve. And let me add my welcome to that of many others today. It's been an excited early afternoon. We're looking forward to more excitement, more education, more information in the mid-afternoon. It's really a treat for us to be able to host this national health policy discussion. This is, as Steve mentioned, the second in four debates. The first debate was in February. Happily the adventuresome Congressmen and women have come to the mid-west to have their second debate.

And I would note that today happens to be the first day of National Cover the Uninsured Week. So I am delighted to remark that this is an appropriate day to open the debate or continue the debate on health care issues in the United States. The U.S. Health Care system clearly impacts all of us Americans at every stage of our lives. It affects individuals and families, communities and the nation. And ever growing number of Americans work within the health care system.

We have more than 10,200 employees at Cincinnati Children's. We've grown rapidly over the last 10 years adding some 700 plus

employees each year during that period. And increasingly, it's an ever larger share of the national economy. U.S. Health Care system can, in many cases, awe us with the life saving achievements that it delivers.

But it can also frustrate us with the flaws and failures that characterize much of its experience. And at Cincinnati Children's as well as at many other hospitals there's an intense focus on improving the quality and the safety and the value of care that we offer. Our experience convinces us, absolutely, that there's a lot we can do to improve quality and outcomes of the care that we deliver. While, at the same time, we can improve the patient and family experience.

Similarly, we recognize that the work of an individual hospital just isn't enough. There's a growing consensus among healthcare providers that insurers, business, government and the providers need to work together to tackle health care interests and issues in a very collaborative way through constructive partnerships as well as well planned national policy. And we're here today to add greater definition to just those issues.

So today's bi-partisan debate is a timely and important one. I know I speak for everyone here when I say we're looking forward to a substantive and enlightening decision. And we are about to get on with it. I'm delighted to start the program by introducing our moderator, who had something of an adventure to get here. And the real threat was that if he couldn't make it, I would be the moderator. So I'm especially happy to see her.

Our moderator is Julie Rovner, a familiar voice to many of us. Julie is health policy correspondent for the National Public Radio and a contributing editor of National Journal's, Congress Daily. She's the author of a critically appraised reference book on the politics of healthcare. And is the winner of the 2005 Everett McKinley Dirksen Award for her coverage of the passage of the 2003 Medicare prescription drug bill.

Julie is one of three health care policy journalists selected to interview the Presidential candidates for the health care forum in 2008 for the Presidential forums. These will be hosted by the Kaiser Family Foundation and produced by McNeil/Lehrer Productions. Please join me in welcoming Julie.

*Julie Rovner:*

Thank you and welcome to the second bi-partisan Congressional debate. When I was asked to moderate this session it took me

about five seconds to say yes. That's because I've spent the last, oh, about 15 years watching member of Congress mostly fight about health care. And the idea of seeing them talk about ideas, principles and maybe even solutions, actually appeals to the citizen in me, if not the journalist. So with no further ado, I'd like to introduce today's participants.

For the Democrats, on my right, your left, we have Representatives Xavier Becerra of California, Marion Berry of Arkansas, Kathy Caster of Florida and Allyson Schwartz of Pennsylvania. To my left, your right, we have their able Republican opponents. Representatives Charles Boustany of Louisiana, Shelley Moore Capito of West Virginia, Nathan Deal of Georgia and John Shadegg of Arizona. Here's how our debate will work. We'll start with five minute opening statements from the first member of each team.

Then we'll have a round of questions where each team will ask the other team questions. That will last about 10 minutes. Then you, the audience and I, as moderator will get our turn. You should have index cards or some such that have been handed out. Go ahead and write, legibly please - I don't read that well - questions you'd like our teams to address. We won't have time for all of them, obviously, but I'll try to choose a representative sample. We'll alternate between those questions and more questions posed by the teams to each other.

Each team will have a specified time limit to ask and answer and rebut those answers. And I get to keep time. One of those rare cases where I have more power than members of Congress. Finally, at about 3:20 we'll have five minute closing statements by a member of each team. Because we want to get in as many questions as possible, please refrain from applauding or booing or doing anything that will cut into our time until the conclusion of the debate. We flipped a coin backstage and the Republicans won. But they would like to play defense. So I will now turn to the first member of the Democrats team, Representative Castor for her opening statement. You have five minutes.

*Kathy Castor:*

Thank you, Julie. Democrats are committed to quality affordable health care for all Americans. And we are honored to be here at Cincinnati Children's at the University of Cincinnati, one of the premier centers for pediatric care in America. Especially because children's health was the focus of great debate in the Congress over the past year and a half. And, in fact, it was right here in Ohio last year during the debate over the state children's health

insurance program where President Bush declared that people have access to health care in America.

They can go to the emergency room. Well that statement is a characterization, I'm afraid, of the Republican failure over the past eight years while President Bush has been in the White House. And the 12 years of Republican controlled Congress. A failure to provide health care solutions for America's families. And the lack of solutions has had grave consequences. Since 2001 8,500,000 more Americans lack health insurance in this country. We are now up to 74,000,000 Americans who do not have access, affordable access to the doctor's office.

We have more uninsured children in America than ever before. Up to 9,000,000 children do not have access to the pediatrician's office and those all important well baby visits, immunizations and that quality early care. In fact, more than 1,000,000 children have become uninsured just over the past two years. Families with health insurance are paying more. They're paying much more. Family coverage, the premiums for family coverage now are up 78 percent since 2001. Family coverage now costs a family over 12,000 per year.

Out of pocket costs are rising. Co-pays are going up and premiums are going up. In addition to all of that, President Bush and the Republican colleagues have undermined, continue to undermine, our health care safety nets in this country. Medicare and Medicaid. When President Bush entered office eight years ago the solvency of the Medicare trust fund was predicted to go through 2029. As he exits office late in the year, that solvency of the trust fund is now down to the year 2019. He's prohibited negotiation by the Department of Health and Human Services under the new Medicare Part D.

Republicans have tried on every attempt to privatize Medicare. They've wastefully continued unjustified over payments to Medicare HMOs, in contrast to traditional Medicare that works very well. And on Medicaid, Bush and the Republicans have offered administrative rules that offer only cuts to hospitals and cuts to physicians. But I'm glad to say that just last week the House, in a bi-partisan way under Democratic leadership turned back a lot of the administrative cuts to hospitals and providers. But we have a lot more work to do.

And if you liked George Bush and those health care policies I'm afraid that you're going to love John McCain. Because he offers a

lot of the same. Again, voted against the expansion of the state children's health insurance program. Has proposed a \$2,000.00 tax credit for folks who do not have health insurance. That does nothing to address pre-existing conditions.

And, in essence, is saying if you are sick don't go to the clinic. Don't go to the doctor. Go to your accountant's office. That's not going to work. In contrast, the Democrats are committed in a comprehensive way to quality, affordable health care. And we have a comprehensive plan to do it. We must, in this country, focus on an improved primary care system, strengthen our community health centers, make sure people get the screenings and the prevention education that they need. That will help reduce long term costs that's facing the health care system.

Keep people out of the emergency rooms. We gotta harness American ingenuity to modernize the health care system. A lot of what you're doing here. And a focus on quality and better outcomes will save us money. Congresswoman Schwartz has been a leader on health information technology that I'll hope you'll ask her a question on that today. And e-prescribing. We want to offer new creative partnerships with states and community groups for high risk pools. And when it comes to Medicare we're going to make sure that we can negotiate fair drug prices.

That we end the overpayments to the Medicare HMOs. And that we pay physicians a fair wage to stay in the Medicare system. And when it comes down to SCHIP, we are going to continue to fight to cover kids to make sure that they can get to the doctor's office. After all, we are parents, too. We understand that the key to success in life and the future of America is a healthy start in life. Thank you.

*Julie Rovner:* Congressman Shadegg?

*John Shadegg:* Good afternoon. I'm Congressman John Shadegg of Arizona. I'd like to thank the Cincinnati Children's Hospital and the Congressional Institute for organizing this event. I'd also like to thank Julia Rovner. And, of course, I want to thank my Democrat colleagues for their willingness to debate the important issue of health care. Let me begin by telling you what Republicans believe health care reform should look like. First, we believe health care reform in America needs to be family focused and patient centered.

It needs to put patients in consultation with their doctors, in control of their health care. Giving patients choice and control will drive

costs down and quality up. Second, we believe Commissioner health care reform must be provided to every single American. And they must have the ability to afford the health care services they need. Third, we believe those with pre-existing conditions and the chronically ill should have the same access to affordable care as every other American.

They should receive additional help to obtain affordable coverage. State high risk pools are one way to achieve this goal. Republican recognize that while Americans have the best health care in the world, we must make it available to all. We must make it more affordable. And we must continue to improve quality. But rather than moving to a government run health care program, Republicans are proposing patient centered health care reform. The health care decisions made about the children in this hospital should be made by their families and their doctors.

Not by a government program or a bureaucrat. Senator McCain and Congressional Republicans recognize that we can accomplish this with a series of reforms. First, restoring tax fairness is essential. Individuals should be allowed to purchase health care coverage under the same tax treatment given to those who receive their care through their employer. This will help all Americans obtain affordable health care coverage. Today's workers need to know that if they leave their employer they do not risk losing their coverage.

Individuals and small businesses should be allowed to take advantage of additional pooling mechanisms so they can purchase group coverage with the same cost saving benefits that large employers now enjoy. Medical liability reform is essential. Too often the interests of trial lawyers are put in front of the interests of patients and doctors. HHS has estimated that over \$125,000,000,000.000 could be saved if reasonable medical liability reforms were adopted. Americans should be able to have a health savings account so they can put money aside for their ordinary health care expenses.

Recently housed Democrats further restricted HSAs. We think patients, not Congress, should decide whether an HSA is right for them. These reforms will lead to real patient choice. Not a government program. Not more rules and regulations. Not control over your health care by a bureaucrat or a politician but control by you. Just like the success here at Cincinnati Children's Hospital in reducing infection rates, giving people choice and responsibility will improve care. Although many believe we have a market in

health care today, patients have little choice.

They and their families can not select their health care plan because their employer picks the plan. Patients and their families can't choose their doctor, their specialist or their hospital because their plan limits those choices. Today in America, third parties rather than patients control health care. Whether that third party is an employer, a health care plan agent or a government bureaucrat, you are robbed of the ability of making health care choices for yourself. If this were true in any other part of our lives we, as Americans, wouldn't tolerate it.

Yet, as we stand here today, many of my House colleagues on the other side of the aisle, as well as Senator Clinton and Senator Obama; propose taking even more control from patients and giving it to the government. Though our Democrat colleagues argue that they believe in patient choice, they have proposed ideas that will lead us down the path to a single payer, government run health care system. Single payer systems around the world have led to lengthy delays in care, rationed care and have often had deadly consequences.

Under a government dictated health care program, real choice would be non-existent. Cost will go up. Quality will go down. And eventually government will ration the care. Having health care decisions made by the government is as senseless as having them decide what car is best for you. Government doesn't know whether an SUV or a sedan or a hybrid fits your needs. And certainly they don't know what health care plan is best for you and your family.

Consumers, if given the option, and for those who need it financial assistance to purchase their own health care will demand the best quality care at the lowest possible price. Patient centered care not government controlled care must be pushed to the forefront in the health care debate. Otherwise we'll all suffer.

*Julie Rovner:*

Thank you. Thank you for coming in right at time, too. We're now going to move to the next phase which involves the teams asking each other questions. And the first question comes from the Democrats to the Republicans. And actually before you ask, just to let the audience know; the team asking the question will have 45 seconds to ask the question. The team responding will have two minutes to respond. And then the team that asks the question will have 90 seconds to rebut.

*Marion Berry:*

The V.A. and the Department of Defense, the Public Health Service and the Coast Guard all negotiate with the pharmaceutical manufacturers for prescription drug prices. Medicare is this nation's largest public payer of prescription drugs. And it is prohibited by law from negotiating for lower prices. That simply doesn't make any sense. The CBO projects that the cost of Part D will be approximately \$850,000,000,000.00 in the first 10 years.

Retail prices have increased 7.5 percent over the last 10 years. Each year, three times the annual inflation rate. It's estimated that there will be a \$42,000,000,000.00 cost savings with the Medicare run prescription drug plan with negotiated prices. My question is why would it be a bad idea to require the Secretary of Health and Human Services to leverage their power and negotiate with manufacturers on behalf of consumers?

*Nathan Deal:*

Let me start off, first of all, you know, that was the question that was confronting Congress when we, after the 40 years of Democrat control of Congress and they had never delivered a pharmaceutical benefit to the American Medicare patients; when we decided that we were going to undertake that and fulfill that promise that both sides had made but nobody had delivered on. The question was, are you going to simply follow the model of Medicare and Medicaid, a one size fits all government run program where every year, as we now know, in just a few months we're going to be confronted with physicians facing a 10 to 11 percent cut in their payment schedules?

Or are we going to try something different when we have that third component of providing health care? That is a pharmaceutical benefit. Are we going to give an opportunity to private enterprise to see if innovation works? And the good news is it has worked. We are some thirty percent below what was projected to be the federal cost. Premiums to individuals under Medicare Part D are about \$25.00. Much less than was projected to be the cost. The Democrat alternative, however, was a plan that was going to cost a trillion dollars over a 10 year period.

And we've done it for almost a third of that cost. Now there are comparisons, and you've heard it with V.A. The problem is that V.A. is a closed formulary. That is they decide we're not going to offer all the drugs to everybody. In fact, for senior citizens, 33 of the top 100 drugs that seniors use are, in fact, brand named drugs. V.A. uses primarily generic. And as a result, 20 of out of the top 33 drugs are not offered to V.A. beneficiaries. As a result, we find that veterans who are now Medicare eligible and can make a

choice about their drug plan, 27 percent of them have bought Medicare Part D plans. I think that indicates that the government trying to run everything is not what the American public wants. It's not even what many of the Veterans who are Medicare eligible want.

*Julie Rovner:* 90 seconds.

*Marion Berry:* Well, obviously, if all that were accurate we would be here talking about prescription drugs today. You don't have to be all broke out in brilliance to understand that what we're doing is still not working. And what the Democrats have proposed is to allow for Medicare to have a program. And anyone that has a plan already, they can keep it. It's fully optional. Nobody has to take the Medicare plan.

The Medicare cost of administration is about one-sixth of what private insurance companies do. And the federal government pays a huge subsidy to the private insurance plans to give them even more profit just to get them to write these plans. None of this makes any sense. It's all your tax dollars. Why would we not want to go into the market place? Not just for Medicare but for all Americans. And say, you can have the best price that is available anywhere in the world. That's our negotiating point.

We buy half of all the pharmaceuticals consumed in the world. WE should the best price. Yet, we pay three to four times as much for our medicine in this country as anybody else. This shouldn't be just applied to Medicare. Let all Americans get that best price. If you were getting that best price you wouldn't even need a prescription drug plan.

*Charles Boustany:* Julie, can we continue to explore this issue?

*Julie Rovner:* I'd really like to move on to another question.

*Charles Boustany:* Okay.

*Julie Rovner:* Go ahead.

*Shelley Capito:* Yes, I'm going to offer the question but as a little addendum, since I don't think I'm going to take 45 seconds, I would like to say in my home State of West Virginia 85 percent of my seniors are on a Medicare Part D plan. In the State of Ohio, 85 percent of your seniors are on a Medicare Part D plan. I think that's a great indication that this is working. We know it's not perfect. But we

know it's moved in the right direction to get those numbers, in such a short period of time, on that Medicare Part D plan.

The question I have is, the Democrat chairman of the three committees that deal with health care issues in the House of Representatives as well as the chairman of the major health care committee in the Senate are all sponsors of a bill entitled, Medicare for all act. This bill would directly create a new multi-billion dollar tax burden on hardworking Americans. And force every American in the United States to receive their health care through the Medicare program. Given the fact that Medicare already severely underpays health care providers and the fact that the Medicare trust fund is already on the verge of bankruptcy; do you support the idea of forcing every man, woman and child into the Medicare program?

*Allyson Schwartz:*

Well, let me say, first of all, that there are many people in this country, certainly constituents I have; I think there are Americans everywhere that are really recognizing that the high cost of coverage, particularly in the individual market place makes it also inaccessible. And they're looking for some options. One of the options that's put forward – and not all Democrats are on this bill that you refer to – but it's one option. That basically says that there's a fall back position.

There's a way that all Americans will be able get health insurance coverage. Make it accessible. Make it affordable, that would cover most of their health care concerns. We are looking for a variety of solutions. Many of us have looked at ways that we can have early retirees buy into Medicare. 55 to 64 year olds so that they can afford it. When looking at ways that we might be able to have small businesses be able to pool their purchasing powers. There are actually a lot of good ideas. CHIP, we've already talked about. The Children's Health Insurance Program.

We are committed to help our seniors make sure that they have access to health services, that we can afford it. We want to make sure that our kids have access. And, as you know, CHIP is really, for most of those kids, a private health insurance. It is subsidized partly by the government but it is making sure that a lot of those children have private health insurance. The fact is that we want to be able to make sure that every American has access to quality, affordable health coverage.

And, in fact, we do have some leadership that has said we have ideas about how to do that. That, we perceive, is a really good

thing. We want to begin the debate. Our Democratic candidates and possible nominees for president are committed to making this work. We have a lot of good idea. We want to make this happen. This is not a one size fits all. There's a lot of options. And that's what we want to put forward. A way to do this to make sure we're providing affordable, accessible coverage, make it quality care, make sure we advance it through technology, \_\_\_\_\_ chronic care management as well. And I'll yield 10 seconds if I may. Go ahead.

*Xavier Becerra:* In eight seconds I will just say we want an American solution to this American problem. We're not looking for Canada's solution or England's or Germany's. We want an American solution. And Americans can come together and find that solution.

*Julie Rovner:* Rebuttal?

*Charles Boustany:* Well, I applaud my colleagues for wanting an American solution. But your actions in Congress belie what your words are. There needs to be flexibility. You need to be more flexible in looking at a wide range of options that create choices for Americans. 'Cause that's the American way. And that's ultimately going to be what helps us solve this. I think one of the big problems that our friends across the aisle have a tendency to do is they tend to confuse coverage with access. And let me speak about that for just a moment.

Because as a cardiothoracic surgeon, practicing in my hometown of Lafayette, Louisiana, I would see a patient sick as could be coming into the emergency room with an acute heart attack, in the throws of acute heart attack, having to go to emergency surgery with a much higher mortality and morbidity because they couldn't get access to good primary care. They didn't have a physician who would see them. And, in fact, my community is not unique.

There are many communities across the country where internists and primary care physicians are limiting the numbers of Medicare and Medicaid patients that they'll see because of the flaws in the reimbursement system and other issues that limit access. So I urge my colleagues, please don't confuse coverage, which sounds nice, but doesn't really lead to access to real health care. A doctor, patient relationship. That's the basis of quality.

*John Shadegg:* Let me just add to that. You heard my colleague on the other side say that SCHIP was a private plan. That's simply not the case. SCHIP is a government run program. One of the things we wanted

in SCHIP to be was the ability for people to keep their private insurance and then have premium support. The government would help them pay for it if they were qualified for that benefit. That, we think, is a better system.

It lets people stay in the private pool. And the more people we pull out of the private pool and put into a public program; the higher the cost goes for the people who are left in the private insurance. I'm with you if you mean what you said. Let's have premium support. Instead of forcing everybody into just the SCHIP government program.

*Julie Rovner:*

We're finished with that question. But I want to actually pursue this a little bit further because I can see the eagerness here. And it is my turn, as moderator, to ask a question. This is actually a question that came up at a town hall meeting I was at a few weeks ago in Kansas City. And the question was, why can every other industrialized country come up with a solution to cover everyone and this country hasn't been able to? And I guess the Democrats get to go first on this one. 90 seconds.

*Allyson Schwartz:*

I mean, I'll start it. Look, we have to make a commitment to do this. We haven't made the commitment as, all of us, as Americans to do this. And I think there is – the view that's put out on the Republican side that somehow this is going to be government run. People actually like Medicare. You know, that is actually a government paid for system. They have choices. They have choices in the way they do that. But we have to be smart about the way we do this.

It turns out the insurance program in eastern Pennsylvania and 33 states, at least, you can buy private health insurance with CHIP. It's a way – we have to work at a way. Again, an American solution that helps make sure that we get health care to all Americans. And if we were just basically doing what the Republicans want us to do, which is, say you're on your own. They say you ought to go into the marketplace as individuals. They want to reduce options for employers. We don't.

We say, 56 percent of Americans get their health care coverage through their employers. You like your coverage? Keep it. But, in fact, if it's getting too expensive for you or for your employer, it's reducing the economic competitiveness to the company, they're putting more burdens on the individual family, which they're doing. The fact is that if insurance is too expensive, if there are too high out of pocket costs, which is what's happening

more and more; then people don't get the health care that they need in a timely fashion.

And that's not smart medicine. And it's not good health coverage. So we have to get together on this and make sure that we start out with a political decision that we're going to find a solution. And then we're going to come up with a very dynamic way of doing that. But we have to make sure that we're in this together. And we're going to come up with a purely American solution.

*Charles Boustany:* Well, let me start by saying – did you want to-

*John Shadegg:* Yeah.

*Charles Boustany:* Go ahead.

*John Shadegg:* I think this is my area so let me jump into it.

*Julie Rovner:* You've got a minute and a half. You can split it.

*John Shadegg:* Alright. It hard for America to do this because the American people are different than people in other countries. We are more individualized and more individual focused and less societally focused. We are engaged in a great debate to try to create a better system than the other countries you site. And my colleagues agree. We are debating this issue and they said they don't want a foreign system. They want an American system.

But Republicans propose, rather than putting people into a government program that we let every American choose the plan they want. For example, our proposal would let you, if you are getting health care from your employer, to keep that health care and continue to get it from your employer. But if you don't like to from your employer, we would let you take that money from your employer and go buy a health care plan of your own that meets your personal needs and has the same tax benefits as the plan that your employer has.

We would also let the self employed, who are not insured or others who do not have employer based health care get money from the government in the form of a tax credit, at cash in your hand to go buy a health care plan that meets your needs. Our goal is to cover every single American. Senator McCain's proposal is that we're going to put cash in the hands of every single American, every American today who is uninsured and let them go buy the plan they want.

That gives them choice and that puts them in control. And it lets them determine the health care plan that they want. Why put them in a government program when you can give them the ability? As I said in my opening statement. Give them cash to purchase a plan that meets their needs. Increase competition. We advocate more pooling mechanisms. The idea that the only place that you can pool risk is with your employer is crazy. We favor HMAs. We favor allowing people to pool their resources by individual membership associations.

If you're a member of the Kiwanis club or the Rotary International or the Daughters of the American Revolution; why can't they sponsor a health care plan and let you buy that plan if it meets your needs better than your employers plan? And we proposed giving a tax credit to every American who can't afford the insurance they need so no one is left out.

*Julie Rovner:* Alright. I'll give you 30 seconds. And then – 'cause then I want to change the subject.

*Kathy Castor:* Okay. Say you're a 25 year old graduate student here at the University of Cincinnati. And you have a chronic condition you have dealt with all of your life. What they're proposing is, here's a \$2,000.00 tax credit. I'm going to take that out. I challenge you to find any private health insurer in America today that will take on someone with a pre-existing, chronic disease for – and I challenge you to find a student that can afford the treatment that they deserve. That's not an American solution.

When you look at the great successes in health care in America; it's been lead by Democrats. The fantastic safety net of Medicare for our seniors. Medicaid. You talk in terms of Medicaid. We're talking poor children, pregnant women, nursing home patients. The Democrats are going to work to strengthen those safety net programs. Not push costs on to families for diseases that they can't afford.

*Julie Rovner:* Pre-existing conditions?

*John Shadegg:* Apparently, my colleague didn't listen. Republican said, in my opening statement, every single American with a pre-existing condition or a chronic illness should be able to buy health care on the same basis as every American. They should get assistance from the government. And we propose state high risk pools. Indeed, it was my state high risk pool legislation, which passed the

Congress two Congresses ago, in a Republican Congress, to assist the states in having high risk pools so the young lady that we're referring to would be able to go to a state high risk pool that would essentially say, you can buy health care. Even though you have a chronic condition or a pre-existing condition. You can buy health care for the same rate as someone who doesn't have that condition. So we're already there. We proposed it and we passed it.

*Julie Rovner:*

Okay. Now can I change the subject? We're sitting here at a very highly thought of Children's Hospital in front of what I presume is an audience that is full of health care providers. Here's a case where the market mechanism has worked all too well, I suspect. And that is in the training of the next generation of health care professionals. When you go out to medical schools today and talk to medical students; they all want to go into radiology and dermatology and anesthesiology and all of these ologies that pay extraordinarily well.

They don't really want to become pediatricians or family doctors or internists. And hence, we are looking at an oncoming shortage of primary care physicians just as the baby boomers are reaching their high health need years. And there's going to be, by most projections, a tremendous shortage of primary care doctors. Does the federal government have some obligation to correct what the market has wrought? And I will open this to the Republicans first.

*Charles Boustany:*

Thank you. That is a very important question. Because not only do we have a looming critical shortage of pediatricians and primary care providers in our cities and in rural areas. But that's the base of medicine, the base and foundation. But also at the pinnacle, we have a shortage, a looming shortage of cardiac surgeons and other specialists like neurosurgeons. In fact, in the United State there are 139 training slots for cardiovascular surgery in this country. 139.

Half of them didn't fill last year. I was talking to one of the doctors earlier who said that they're looking for a cardiovascular surgeon here who's going to provide care for these critically ill neonates and infants and children who have complex cardiac conditions. This is a critical issue. I've introduced lone forgiveness and asked the GAO to look at why we're having this shortage. Is it related to the lengthy training? The student debt?

Is it related to low reimbursements that are driving people away from medicine? All of these things are factors and there are probably many more. So I'm looking forward to getting the GAO

study back. I've tried to introduce language that would provide for loan forgiveness in a higher ed bill. And we got it through in the House and the Senate has stalled it. There's another issue that's critically important as well. And that is the nursing shortage in this country.

And it's affecting communities large and small. And it's also linked to the fact that we don't have enough nursing instructors. So I've introduced a bill that actually creates some flexibilities to get the most seasoned, experienced ICU nurses into a position where they can actually teach and train the next generation of nurses. Because if we don't have nurses and we don't have primary care physicians and we don't have the specialists; well, we're not going to have access to care. And you can talk all day long about coverage and it's going to be meaningless.

*Allyson Schwartz:* Just quickly. I'll try and do this quickly. I am the mother of young physician. So I'm certainly keenly aware. My son, who is at NIH actually right now, which is great. He's an internist for the moment. He's probably going to be one of those terrible specialists that you were talking about. But let me just say that we're in the midst of the President having, in his budget, suggest that we cut academic health centers. I mean, I'm sure you've communicated with your member of Congress about how outrageous that is.

We do have to deal with the high cost of training our, not only our physicians, but our other health practitioners as well. And we've all been very supportive of nurse loan forgiveness and we should do that. But let me also say that this is part of why we have to make some changes in the way we reimburse right now. We reimburse for services provided that encourages the high risk specialties, exclusive of some of the primary care specialties. And that's simply not all we ought to be doing. We ought to be – and we're looking at this certainly under Medicare – to be able to redirect dollars to chronic disease management, to outcomes, to quality measures.

To consider all those factors. So the issue isn't just paying for reimbursements of certain procedures, but to, in fact, encourage our providers to work together in a more integrated delivery system to provide improved quality and improved outcomes for patients. So we have work to do. To change the reimbursement systems. To encourage, really, a broad spectrum of the health services that we know we need that includes primary care and high specialty care. It's not either or. It's really getting to all of it.

*Julie Rovner:* I have some of the audience questions now. First one, if the President and the Congress can not get to universal coverage in 2009; what incremental steps would you take and would you support getting to universal coverage for children first? And this one goes to the Democrats first.

*Xavier Becerra:* I would say that that's probably the approach that we're going to head down. Whether or not you have a Democrat or a Republican in the White House. Because you can see there still are some disagreements about how you get there, to the point of guaranteeing access to quality portable health care for all Americans. We probably will have to do this in way that try to deal with the population segments that we think are most approachable. We've passed a bill to provide another four to five million children access to health care through the SCHIP program.

Unfortunately, the occupant in the White House, President Bush, has vetoed it on three occasions. We've had support – actually one of our colleagues on the other side, has supported our efforts to pass the SCHIP legislation. And we think that we can find more bi-partisan support. It's a bill that, in the past, has received over 270 votes in the House of Representatives, over 69 votes in the Senate. And we think we can do it again.

We also believe that it's time to start looking at the population of those people between the ages of 55 and 65 who aren't quite ready for Medicare but are on the verge of losing any employer health care they might have. Or approaching the point where their illnesses might become acute. We think that we can approach that population as well. But you can do this on a bi-partisan basis. And you can do it with the formula that doesn't use a cookie cutter, isn't one size fits all. We have the best technology. We have the best minds around. And we can come up with a system that will let us get there. But first and foremost, lets take care of the kids.

*John Shadegg:* I think Republicans feel that it's a mistake to divide children from families. As I said in my opening remarks, we're interested in family oriented and patient centered health care. And I think we can take some steps right now. Tax fairness. It is a moral outrage in this nation that today, if you get your health care from your employer it costs one-third less than if you buy it on your own. We tell people it's irresponsible to go out there and be uninsured. But then we smack them in the face and say, go out and pay a third more for it.

We ought to fix that and we ought to fix that today. Pooling mechanisms. Right now, we have one pooling mechanism in America. It's called your employer. What do we say to the people in the individual market? What do we say to the person who's quit their day job and makes their money buying and selling goods on E-bay? Too bad. You have no access to a pool. What do we say to the small business that can't afford health care on the same basis that a big business can?

We can have other pooling mechanisms that give the little guy in America, the individual who's buying his own care or her own care, the family or the small business; the ability to get into a different pool and get the same cost advantage as other Americans. Make no mistake about it. The goal of Republicans is to cover every single American but to put them in charge of their health care.

We think you can do that with, essentially, giving them the financial ability to buy their own care. But we can do lots of things sort of dividing families from children by helping people get their own care. And there are certainly things that need to be corrected and corrected immediately. Tax fairness and new pooling mechanisms will go a long way.

*Shelley Capito:* Can I say something in addition?

*Julie Rovner:* Yeah, let's go another – I'll give you each 30 seconds.

*Allyson Schwartz:* A quick rebuttal on that. The Children's Health Insurance Program, let me say, one of the reasons that Republicans said that they didn't join us to override the President's veto on Children's Health Insurance Program is because some state included adults. The moms of some of those kids or the parents of some of those kids. So, in fact, if what was just said was true, that they really wanted families covered; we would have had 4,000,000 more children covered in this country.

Instead, they said we absolutely want to make sure that no state includes the parents of the children eligible for CHIP. So, you know, I just want to say that it's really kind of stunning to just hear that having gone through months and months of trying to figure out a way to reach a bi-partisan effort here to make sure that 4,000,000 children currently eligible to sign up for the Children's Health Insurance Program – and we found a way to pay for it – were excluded by this president and by some of the members on the other side of this debate.

I think it's just unconscionable, the idea that we are not doing all that we can for kids in this country. Would we rather they be covered as part of their families? Absolutely. But this was one way for us to say, look, we're going to take care of our seniors. We've promised them that. We're going to keep doing it. Let's make sure that every child in this country, the richest nation in the world, doesn't have an American child without health coverage.

And that's one of the things we said. This president stopped it. So did some of the people on the other side of the aisle. So I just want to say that that's really the first step we ought to take. If we get a Democratic president, I believe it is the first step we're going to take. And then we ought to get to all of the other issues about how to help every American have access to coverage.

*Charles Boustany:* Before Shelley goes – I hope you'll give us an opportunity to fully address the SCHIP issue.

*Julie Rovner:* There are a lot of SCHIP questions here.

*Charles Boustany:* Good. Okay, Shelley.

*Julie Rovner:* I'm going to get to them. Go ahead, Ms. Capito.

*Shelley Capito:* Well, I would like to say that the SCHIP program was created when I was in the state legislature. I was part of the conference committee in West Virginia that started that program. It was started under a Republican Congress. And if you want to prioritize where you're going to go first, I think – I wasn't in the Congress then – but that Congress prioritized children as the number one priority. And it's very fitting that we're here in a children's hospital.

I am the lone person on the Republican side that voted to override the President's veto because, in my state, we have great need. And I think that's what you'll find among all of us panel members. That sometimes the partisan issue is where you go. But most of all, our hearts are in our districts. And we're going to vote our districts at the end of the day. And so that's where my vote to override the SCHIP veto came. But I think we could find a solution here. I think we could find a compromise.

But my state doesn't serve adults. But the State of Minnesota, 84 percent, I think, of the people on that program – and I'll have to check my stats – but a very large majority of the SCHIP, the Children's Health Insurance Program were adults. And I think

that's why some of my colleagues – they can make their own argument – but that's why some of my colleagues were holding the line on that. Thank you.

*Julie Rovner:* Alright. We will get to SCHIP in a minute. But first, here's sort of related question. And there are a number of questions along these lines. So I really wanted to get to it. It says, there seems to be a consensus between the parties on the focus, patients and their families. But who will pay for these changes? Costs are increasing, premiums, co-pays, medications. How will these industries assist in the reform? And I think it's the Republicans turn to go first, if I'm not mistaken.

*John Shadegg:* I'll take it for just a moment. I think in some ways this debate about who will pay misstates where we are in America. The reality is we, as a nation, have already decided that no one should go without health care. We did that when we passed EMTOLA and said that people could present themselves in an emergency room and not be charged. I think we – and we've done that through other programs. The DISH program from hospitals that are in economic disadvantaged neighborhoods and others.

What I think we want to do is reorganize that financing so that it covers everybody. I would suggest that at least Republicans are not proposing that we don't have the money to pay for these programs. I would suggest that no one came here today seeing somebody lying on the street without health care. I think we can do a better job of spending the health care dollars we have now.

One of the things we talk about – and I'll let one of my colleagues join in – is we talk about, if you give patients more choice you can bring down cost. Because right now the inefficiency, driven by third party pay, where your employer pays for the care but you consume it; I think is a disconnect, which causes costs to go up more rapidly than they would if patients were in charge.

*Female:* Well, I do think-

*John Shadegg:* I think we're not done.

*Female:* Oh, sorry.

*Nathan Deal:* I think that we've already stated it pretty clearly. But I think we have to keep in mind that there is a lot of money in the system. When you add up what taxpayers are paying for the current federal programs, whether it be Medicare, Medicaid and SCHIP combined;

it's almost \$2,400.00 for every man, woman and child in this country. Now, we know that we have systems that are broken. And I'm glad to hear my Democrat colleagues say that they're going to fix the system. And I hope they do it quick because July the first is coming.

And doctors are going to get that cut if they don't do something pretty quick. The truth of the matter is, we have a system that has some great inequities and great problems in it. And simply advocating, as their leaders of all their three major health committees have said is, let's just put Medicare for all. But if Medicare was working so great, that might be a good idea.

And I would say to you that those senior citizens who have waited until they have become Medicare eligible are going to be very concerned about their benefits being siphoned off by new additions to a program that is already teeter tottering on bankruptcy. So yes, I think we have a better idea. I think we all recognize that we can get more for the dollars we're currently spending.

*Kathy Castor:*

That was a very good question and it goes to the heart of the matter of how we move forward. I do believe that it is a myth to think that all of us are not already paying. Look at the premiums, the escalation in premiums and co-pays and out of pocket costs. This huge costs shift since President Bush has been in the White House and Republicans in control of Congress. Every time someone goes to the emergency room, we pay more.

And now the recent study shows that people with private insurance who do not have access to care on the weekends, after work; they're adding to the cost of care in the emergency rooms as well. So it goes back to our system of primary care and how we deliver care in our communities. You don't do it by zeroing out community health centers like President Bush's budget has done. You do it by supporting community health centers and working together, like you have in this region through your council effort and hospital collaborations.

You don't do it by undermining the Medicare system. Remember it was the solvency of Medicare Trust Fund when President Bush entered office, 2009. Now, because they have not has the solutions it's down to 2019. You don't do it by trying to privatize Medicare. You do it by strengthening that wonderful health care safety net for seniors.

Not by paying over payments and subsidizes to HMOs that can be

used to lengthen the health care system and improve the quality of care. You do it through a comprehensive wellness and prevention program throughout the country. How about, what if the leadership at the top said, we're going to be a healthier America. We're going to focus on nutrition and childhood obesity so that our kids have a better start in life. It's going to be a comprehensive solution. You have something to add?

*Allyson Schwartz:* I don't know if we can take a couple minutes here. I think there – first of all, let us be really clear that as a Democratic Congress we've made a real commitment to pay for any new expenditures. We call it PAY-GO. Nobody else – it's a silly term maybe. But we said, it's a very simple concept. Is that we're concerned about the national debt. We're concerned about the ongoing deficit. We're not going to spend any additional dollars we can't find in the system.

So when we wanted to spend more dollars under Medicare for chronic care management and for prevention screening; we took it from over payments to Medicare HMOs. But- \$50,000,000,000.00 – no, the President didn't want us to do that. We didn't get it done yet. But we do think we could redirect dollars within the system, be smart about it. We also do believe, very strongly that through health technology and using electronic medical records we can reduce duplication, be able to get timely information to health providers to be able to make the right decision quickly and be able to save dollars.

There are estimates that if we had an integrated, interoperable electronic medical record that we would actually save upwards of \$160,000,000,000.00 in the system. That's really astonishing. And people would get better quality of care. We should be making those kind of investments, giving that kind of incentive to our great hospitals and doctors, help our primary care providers do that as well. So there are a number of actions, I just named those two that really, actually would save literally billions of dollars. Redirect them to the kind of care that's going to improve quality, health outcome, health status for Americans. And do it without spending more dollars.

*Julie Rovner:* They got some extra time. You can have some extra time.

*Charles Boustany:* Thank you. This is a really important question. And much of the focus that you've heard from the other side here has been on the safety net programs. And clearly there are things we need to do to make these safety net programs work better. One of the inherent

flaws, and I know this as a physician. I've seen it. One of the inherent flaws whether you're talking about Medicare, Medicaid, SCHIP is that there really is not good access to a doctor, patient relationship.

And so, if you're going to have preventive care, if you're going to have nutritional counseling and smoking cessation. And dealing with obesity, whether childhood obesity or adult obesity. Those risk factors that cause so many problems. We can't cut costs until we tackle those types of problems. And that takes good preventive care. And it means a doctor patient relationship. It means a doctor who's willing to listen to the patient and can provide advice to that patient that that patient will actually follow.

And the same thing about the patient. The patient has to trust the doctor. And too often these programs – and I know it first hand as a physician. And I can give you numerous examples where there's no emphasis on the prevention side. And so we can not get control of the cost unless we do these things. I believe on a broad note, to get health care under control we need three things; information, choice and control. Information is information technology. To cut out duplication of testing. To cut down on liability.

To enhance communication between physicians so that they all are speaking the same language when they talk about a patient, if there are multiple providers involved. Choices. A wide range of choices of insurance products that will create competition in the insurance market. Real competition. Not what we have today. Real competition that will drive premium costs down. Bills like what Mr. Shadegg has introduced allows you to buy health insurance across state lines. Health savings accounts, which are in their infancy in showing promise. Letting small businesses pool together. Let's create choices.

That's what Americans are all about. That will create competition and it'll drive it down. And the final ingredient is we've got to put the patient back in control, the family back in control of their health care destiny. And they're not in control of it. Whether you're taking about Medicaid, Medicare, SCHIP or even private insurance arenas today. The patient is not truly in control. And some of the steps earlier that Mr. Shadegg outlined would help put us back into that type of mode of thinking. Those are the things, I think, that will constitute meaningful reform. Thank you, Julie.

*Julie Rovner:*

Okay. Now let's talk about SCHIP. And here's one of several SCHIP questions I've gotten. It says would you commit to

pushing for passage of re-authorization of the Children's Health Insurance Program within the first 100 days of the next Congress? And the Democrats go first on this one.

*Allyson Schwartz:* In a heartbeat. Absolutely.

*Xavier Becerra:* We'll reserve the rest of our time.

*Julie Rovner:* No, no, no. That doesn't work. You get to use it.

*Allyson Schwartz:* I'd actually say 90 days but I'll take 100.

*Julie Rovner:* If you want to give it up

*Male:* I'm not sure if there's-

*Marion Berry:* The four of us certainly support extending SCHIP and expanding it. I don't think there's any question about that. To address the point that has repeatedly come up, Medicare and Medicaid and SCHIP – you pick your own providers, doctors or any other provider that you're going to use. The only way that the choice of the provider gets limited is by private health insurance companies. And one of the greatest examples of that are the poor people that have been hoo doo-ed out of Medicare into Medicare Advantage plans.

Where they suddenly find out that they don't get covered anymore. And they have to go to whoever the plan says they have to go to. And they have to take the medicine that whoever the pharmaceutical provider says they have to take. They have completely lost their freedom when they go to these private plans. The only way those plans make any money is to game the system. And they've been great at it.

My question is, why do the Republicans and George W. Bush love the insurance companies and the pharmaceutical companies to the point where they demoralize the entire country to make it possible for them to make billions and billions and hundreds of billions of dollars more in profit?

*Julie Rovner:* Now you have two questions.

*Charles Boustany:* Marion, that kind of comment really demeans this debate. Look, I know for a fact in my hometown of Lafayette, Louisiana, a city of 120,000, that a Medicare patient has a hard time finding an internist or a primary care provider that'll even see them. I used to do heart surgery on these patients who came in through the

emergency room and then couldn't find a doctor who would help them with their hypertensive medication or diabetic management. So to just simply say that because you have Medicare that's your magic card to access is not true. There's a problem.

The system is not working. And we have to do some things. And so we don't want to over simplify this debate. I urge you not to do that. Lets talk about how we can really dig into this and create better access for every man, woman and child in this country. That's what we're about on this side. And we're looking for ways to explore that. And we're looking for ways – and hopefully would get some flexibility on the other side to look at things other than just government, one size fits all program, which does not emphasize preventive care.

Which, if you look at England – I'll tell you, I have a heart surgeon who's a friend in Oxford, England. Six months into their fiscal year he was told by the chief of surgery at the hospital, "You can not do any more heart surgery in this hospital for the rest of the year." He had a waiting list of patients who needed surgery. And it made him so angry that he couldn't continue. He had to stop. And he was told that not only would it not be paid for, he would be kicked off the staff of that hospital. And this is a very reputable heart surgeon with and international reputation.

I don't think Americans want that kind of health care program. I know when I was a resident in training in Rochester, New York. We had a list of Canadians coming down to have heart surgery because they were being told it was going to take 18 months to get the surgery. And they were willing to pay out of pocket to have that heart surgery done in the United States. So there are problems. We can fix them but I think we have to have an honest debate and not get caught into the rhetoric.

*Julie Rovner:* Did you want to answer the SCHIP question?

*Charles Boustany:* Yes. Could I answer part of it, at least?

*Nathan Deal:* I need a full two minutes on SCHIP.

*Julie Rovner:* You can have a minute and a half. Then I'll give them back some extra time.

*Nathan Deal:* Well, let me try to answer it. The question is would we extend it. We have already extended it through March of 2009. And that was done probably with a vote of every one of us that are here in the

podium. One of the real debates about the SCHIP expansion was, what was the program designed to do? It was designed to deal with the children in near poor families. That is children in families at 200 percent of poverty and below. And yet, we found four states over the 10 year period that it had been in place; four states had more adults on their program than they had children.

And these weren't just parents of children. Many of these were single adults. And that was the way the states had chosen to spend their money. We also found that states were wanting to ratchet up their percent of poverty and coverage. New Jersey, for example, is at 350 percent of poverty. But they still had 27 percent of their children in families below 200 percent of poverty that were not enrolled in either Medicare – excuse me – Medicaid or the SCHIP program.

What we were saying was before you go up the economic scale in a government sponsored program, why don't we make sure that we take care of the children at the low end of the scale for whom the program was originally designed. It becomes very politically popular to say to people in the middle income and if you go to 400 percent of poverty, in excess of \$80,000.00 a year for a family of four; to say, "Oh, we're going to give you a government sponsored program and forget about the ones at the 200 percent and below, for whom the program was originally intended." That was what got us off track. That was the reason that Republicans said, "Let's go back to the purpose of the program. Make sure it is solid first."

*Charles Boustany:* Not only that, we had a situation where we were offering amendments to the bill that would have the state take steps or demonstrate that they were trying to prevent crowd out from private insurance. Or to demonstrate that they were doing everything that they could to enroll the kids at 200 percent of poverty before they could then expand the program. And we were not even allowed to take those amendments to the floor for open debate. So what kind of flexibility is that? That's what I ask my friends on the other side of the aisle.

*Julie Rovner:* Another minute and a half for response.

*Xavier Becerra:* For some four months this bill was negotiated between Republicans and Democrats after the President first vetoed the bill. We heard about the argument about crowd out. We did everything we could with many of our Republican colleagues who sat down and negotiated some language. We did everything we could to deal with the eligibility question to make sure Republicans

wouldn't have a concern about providing families that make under \$40,000.00 access to the SCHIP program for children's health care. We did everything we could to address those concerns. Three times we put the bill on the floor. Three times it passed overwhelmingly in the House and the Senate.

And three times President Bush vetoed children's health care. For the first time since 1998 we have seen an increase in the number of kids in this country who lack health insurance. 9,000,000 kids. Were it not for SCHIP there would be another 7,000,000 kids that would be uninsured. The bill that we passed tried to provide health insurance coverage to an additional 5,000,000 children. We would still leave 4,000,000 kids without access to care.

We did what we could. We passed it overwhelmingly with bipartisan support. But we couldn't overcome a do nothing White House and ultimately, a do nothing set of members of Congress who were unwilling to let us go forward. And at least, with children, try to move forward. This was a bill that was completely paid for. Unlike the Medicare Prescription Drug bill passed by a Republican led Congress four or five years earlier.

This SCHIP though was completely paid for. It would have cost the federal treasury no further money in deficit spending. But to finalize the point, I don't think we still heard the answer. Would our Republican friends be willing to expand health care for children within the first 90 days of this new administration and Congress?

*Charles Boustany:*

We reauthorized SCHIP. And let me just say this. That I know in my home state of Louisiana, there's 68,000 children currently eligible who are not enrolled. 110,000 are enrolled. Now that's what? Some 40 percent or so that have eligibility but they're not enrolled. We gotta get those children enrolled into the program. Furthermore, in Louisiana and many other states these children are enrolled into the Medicaid program. And they don't have access to a primary care provider.

I don't know what it's like here in Ohio but I can tell you in Louisiana they're all going to the emergency rooms. I've talked to numerous pediatricians and others. They're all going into the emergency room to get care. So we can do better. We definitely can do better. The plan that was proposed initially by the Democrats would have crowded out 2.4 million children from the private insurance rolls.

That was going to exacerbate a problem rather than fixing a problem. And finally, the mechanism by which they opted to pay for it was declining source of revenue, which the chairman, the Democrat chairman of the ways and means committee in a conversation with me admitted that it only covered it for five years. And from five to 10, from the 5th year to the 10th year; we're going to have to invent a new way to pay for this. Because it's not really paid for. And that's a significant problem. That's not a responsible way to legislate.

*Male:* And so we could just-

*Female:* Rebuttal-

*Julie Rovner:* Alright, Mr. Shadegg you get one point. And then you get one point. And then we're going to move on.

*John Shadegg:* We can talk about SCHIP until the cows come home. If you enact Senator McCain's refundable tax credit proposal, which has no income floor, every single American family who doesn't pay taxes now would get a check for \$5,000.00 essentially to go out and buy their own health care. They would have the assets to buy that care. One of the things Republicans want is to put cash in the hands of consumers for all the kids covered by SCHIP, instead of expanding a government program.

If you would look at these programs, including SCHIP, the performance standards imposed on doctors are such that in many incidents you don't get the best care under those programs. Whereas, if you let people shop for a plan of their own by giving them a refundable tax credit, as Senator McCain proposes, they're going to be able to buy the plan that meets their kids' needs and their needs.

*Xavier Becerra:* John, the problem with Senator McCain's proposal is that the average cost of premiums for a family of four is around \$12,000.00. Even if it were up to a \$5,000.00 refundable tax credit – and Senator McCain hasn't said how he would pay for it – it still benefits those who are wealthiest, who have more taxes to deduct. And even though it's refundable it still makes it difficult from someone who earns \$30,000.00 to figure out how to cover the other \$7,000.00, if you have kids. And so what you do is you leave people in the lurch.

You don't really give them the type of coverage they need.

Because what you simply do is give those who already have access, better access.

*John Shadegg:*

No.

*Xavier Becerra:*

And you continue to leave those who have never had the access in the lurch. And what we are saying is, let's take the step. Today, by the end of today we could have had \$340,000,000.00 available to us to help children get health care if we were not in Iraq. And tomorrow we would have another \$340,000,000.00 to help our kids have health insurance. And the day after that another \$340,000,000.00. And every month about 10 to 12 billion dollars. And it adds up. Based on our priorities, we've decided what we're going to do. We haven't yet, with this president, been able to fund the health care for 9,000,000 uninsured children. And we believe that we should start somewhere.

And we think we have a good prescription when it's proven bi-partisanly that it can work, the SCHIP, the Children's Health Care Program. A tax credit proposal, as we've seen in the past simply helps those who already have enough money to take advantage of tax cuts. It continues to leave those who haven't been able to afford health care and won't be able to afford health care, even with a tax credit, out in the lurch.

*Julie Rovner:*

Alright. My turn. And you may be able to come back to this, if you want to. But here's another question from the audience. Do you believe there should be a mandate on all working Americans to buy at least a catastrophic health insurance plan? And do you believe that this would help cover – oh, help lower all premiums? And the Republicans get to answer this one first.

*John Shadegg:*

Republicans, by and large, do not believe that mandated coverage will work. It was opposed in Massachusetts. And it's not working there. To us, to order somebody to buy a health care plan when they don't have the money to buy a health care plan makes no sense. And one of the presidential candidates on the Democrats side had said she'd possibly even garnish their wages if they didn't buy a mandatory plan.

Let's talk about mandatory or government mandates. In almost every state in America people are mandated to buy auto insurance. In California, they're mandated to buy auto insurance. But about four out of every 10 drivers in California, even though the law mandates they buy auto insurance, don't buy it. They buy it for a day or two. It's cancelled. And they drive around without auto

insurance. That's why most people who live in California and most people who live in a state with mandatory coverage buy uninsured motorists coverage.

We think that helping Americans get care is better than mandating it. And this is where we need to have a discussion. If this is going to be a discussion, Xavier, we need to know the terms. Number one, Republicans are not proposing a tax deduction which would aid the wealthy. We are proposing a tax credit. What a tax credit is – since we are proposing that it be both refundable and advancable – it would be just like the earned income tax credit that the poor in America get today.

That is, it is cash. We would hand Americans who can't currently afford to purchase health care the money to go buy that health care. And they could buy a plan they want. That is precisely what Senator McCain is proposing. And quite frankly, the average cost of a health care plan is probably no where near \$12,000.00 if you count out all of the government mandates that are unnecessary. But whatever the figure is, at least we're putting a proposal on the table that would help every single uninsured American today by giving them the resources to go buy a health care plan that met their needs.

The alternative is to put them in a government program where they must meet all the rules and regulations of the program. We think that Americans do a good job of making choices for themselves. And for those who don't have the money to afford health care now; we want to give them the resources. A refundable tax credit, cash money to go buy a health care plan for their needs. That's exactly what Senator McCain's proposal says.

*Allyson Schwartz:*

Well, actually, let me just say – first of all, the Republicans, George Bush and the Republicans were in charge for, well eight years for George Bush. They could have done this if they wanted to. The fact is that they did nothing. And during that time we saw 8,500,000 more Americans be uninsured. More people paying part of their premiums, paying co-payments, seeing higher deductible, seeing dependent excluded from employer coverage.

So the fact is when you say should we give a tax refund or put the people into government to plan; what you've actually done is done nothing. And on our side, what we think is we have to do something. We've seen premiums go up 78 percent in the last eight years. That's not affordable. Even if you get \$5,000.00 for a family for a refundable tax credit. It's simply not enough money

for you go out and buy a real policy that means something. What it really would give you the option of buying a policy that wouldn't be very meaningful. You'd have high deductibles. High out of pocket expenses. It might be catastrophic coverage.

It simply wouldn't be meaningful. I think you have to look at the fine print here. We want to do something meaningful for American families and American businesses. And we want to be able to help them be able to get the kind of health coverage that they deserve. So when we look at these proposals we really know that you can always look for an excuse.

But to find an excuse after excuse to not cover kids is really again, unconscionable. Let's cover all these kids. Again, these are working families who are trying to do right by their kids. And then we still have work to do to find ways to get all of the uninsured access to affordable health insurance that's meaningful. And right now it's not meaningful.

*Julie Rovner:* And on the mandate question?

*Allyson Schwartz:* Oh, on the mandate. I knew there was something else I was supposed to – I support Hillary Clinton. I think she has the right ideas on health care. I'd be happy to talk about that at great length. The fact is that the actuaries all tell us that what we need to be doing is putting more of us in the same pool. In fact, we should put all of us, you know, in as big a pool as possible. And what the Republicans want to do is to have you do this individually. That's the most – buy insurance individually.

That's the most expensive way to do it. What we're saying is the more people you have in it the cheaper it is for all of us. We're already paying for people who don't have health insurance. They go to the emergency room. We all pay for that. If they don't – they have pre-existing conditions excluded; we pay for that. So I know there's some controversy even on our side about whether we should make it a mandate or not and what would that mandate mean. But the fact is that we want to get all Americans insured. And the best way to do that, the cheapest way to do that is something that we ought to take pretty seriously.

And that probably does mean getting all Americans into some kind of system, whether through their employer coverage, through Medicare, through the federal employee's insurance. There are a number of options. We're not looking at a single government plan. That's just Republican rhetoric. We're not looking at that. I'm not

saying there aren't some Democrats somewhere but there are other options. Certainly both of our nominee possible candidates for president are saying there are a lot of options here. We want to cover all Americans. We don't want you to have to go it alone because it's the most expensive way to do it. We want to make sure that you're going to be in some pool of people so it can be cheaper and it can be meaningful coverage. So you can get the health care you need and deserve as Americans.

*Julie Rovner:*

We've reached the time for our closing statements. And the Democrats will give their closing statement first. Mr. Becerra?

*Xavier Becerra:*

First we'd like to begin by saying thank you very much to our colleagues and friends on the Republican side of the aisle. We engage in this kind of discussion all the time. But it's nice when we can go on the road and talk to each other and talk about the concerns that all Americans have. In this case, health care is perhaps the most important concern that most people tell us about these days. We know that today the greatest cause of bankruptcy for families is the cost of health care and the inability to pay a health care bill.

We know that we've seen increase in – the number of uninsured grow by over 8,000,000 during President Bush's term. We know that we're the only developed country in the world that can't find a way to provide coverage to all of its citizens. We're up to now some 47,000,000 Americans who can't gain access to a doctor, a hospital the way they should. But we know we can do some things on a bi-partisan basis. We can use our own ingenuity to come up with our American solution to our health care crisis.

We can move forward and try to at least, if we can't agree with everything, at least agree with some things. And we believe children should be the first place to start. We believe that you could then move on, show the efficiencies and move on to provide adults, as we said before. Perhaps those adults that are reaching their age of retirement, first and foremost, that opportunity to be covered so they don't have to worry about those final years that they should be able to live in dignity, if they're preparing to retire. We think there are many ways that we can do all of these things. But you've got to start somewhere.

After eight years of going nowhere; we think it's a time for change. We believe that we can go on a bi-partisan basis on a path that will take Americans towards guaranteed affordable access to quality, portable health care for all Americans. We don't think it's that

tough. We have more money in the system than any other country in the world. \$2,000,000,000,000.00, we spend on an annual basis to provide health care and still leave out \$47,000,000.00 people. We know that too many Americans are losing their health care from their employer.

We know too many Americans are deciding not to take that prescription drug 'til this time around, today or next week because they have to make it last a little longer. We know that some kids aren't getting the preventative health care that they need. They're not going to see the eye doctor. They're not seeing the dentist. And the results are that we pay more and more and more. But we think we can get there. We think there's an American solution that will not be difficult.

And we believe we have candidates that are running for president that will take us there. The commitment is there to expand children's health care. The commitment is there to extend that coverage to the point where no American has to say that he or she can not send his or her child to a doctor. I, as a father, have learned a number of things from my parents. I see how much I am more and more like my father and my mother.

One of the things that my mother said to me as I was going to have my first child was, she said it to me in Spanish. She said, (*foreign language*). "Son, remember the worst thing that can happen to you as a father is to lose one of your children." No parent wants to see a child die before him or her. Well, we have children in this country who are going without health care who, in many cases, may perish because they don't have access to that doctor or that hospital. We are the wealthiest, more ingenious country in the world and yet we can't figure out how to give 9,000,000 children in this country access to health care.

We believe we can get there. And it shouldn't be that tough. We've heard the debates during this presidential campaign. We think there are two candidates that are talking seriously about getting there. The difficulty we see with moving towards a tax code to try to provide health care is, tax accountants have never made good doctors. We don't believe that President Bush has the right ideas in his budget.

When he talks about cutting graduate medical education, \$300,000,000.00, 10 and a half million of which came to Cincinnati's Children's Hospital last year. We think that's a bad idea. We think we must improve access to health care. We must

train the next generation of leaders. And we must do it working together. But when you start cutting GME, graduate medical education.

When you start taking \$5,000,000.00 out of Medicaid, at a time when the states are crying for help from the federal government to help poor seniors and children; you can't go in that direction. We intend to go in a different direction. We intend to change the debate because we intend to try to provide every single American in the future with access to affordable, quality, portable health insurance coverage. And then we will let the ingenuity and the marvelous exploration and invention of the American physician and health provider do the rest. We think we can get there. And we think we can get there on a bi-partisan basis. We thank you all for letting us be here today.

*Julie Rovner:*

Thank you. Mr. Deal?

*Nathan Deal:*

Well, first of all I want to thank the Cincinnati Children's Health Center here for hosting our event today. And to our moderator, Judie Rovner, one of the most professional and thoroughly informed journalists on the issue of health care in the country. And to my colleagues on both sides for engaging in this discussion. While you see there are differences in opinion among us, I think we all understand that solving the solution of health care in this country is truly the great challenge of our generation. Now, Xavier told you what his mother said to him.

I'm going to tell you what my mother said to me. My mother was four months short of being 100 when she died about 18 months ago. And every time I came home from Washington, she'd say, "You haven't done anything to my Social Security or my Medicare; have you?" *(Laughter)* I suppose, fortunately, she wasn't here when the Democrats did want to try to do something on Medicare to pay for SCHIP. Don't let them fool you. They were cutting Medicare. They were cutting oxygen. They were cutting wheelchairs. They were cutting home health care to pay for it.

Yes, SCHIP is a laudable program as long as we keep it within the perimeters for which it was intended. Now there is a philosophical difference. And you've heard it discussed here today. We believe the Republican Party is the party of innovation. We've heard a lot of finger pointing and seen finger pointing here in the issue of mistakes of the past. I think everybody can accept the fact that both political parties have made mistakes of the past. But we believe the solutions for the future are new ideas and new

approaches.

We all recognize that if a system is broken, just simply putting more money into it is not going to solve that problem. And by and large all, I've heard my colleagues on the other side say is, if we just put a little more money into the programs that we have there it'll all be solved. I think if we do that we'll be back five years from then saying, well just a little more money. Because we haven't been willing to involve innovation and new approaches.

For example, my local hospital is much like your hospital here. The number on presentation is for ear infections and upper respiratory problems, which are not emergency room situations. One of the things that we proposed as Republicans when we were trying to deal with the DRA was to say give hospital emergency rooms the alternative of diverting non-emergency cases to another facility. And give them the opportunity to deal with it in a lower cost environment. \$340.00 for an ER versus probably \$75.00, \$76.00 in a doctor's office.

But the only way you'll make those kind of changes is to do what our Democrat friends, unfortunately, have not been willing to do across the board. And that is to deal with the issue of liability reform. An ER doctor is not going to make a decision to send somebody to a non-ER setting if they're going to get sued for having made that decision. You want to talk about the lack of specialists? You want to talk about why people are choosing to go into the areas of medicine other than the pediatricians and the cardiovascular surgeons and the high risk areas? Part of that is because of malpractice reform that has not materialized.

We were able to pass it under Republican control but unfortunately, were never able to finalize it with the Senate during the Republican control of Congress. States are taking initiative on that. And we ought to learn from those states. Those states that have made those reforms, many of them are seeing those specialists come back to their communities, that had seen them leave because they couldn't stand the exposure to high medical liability claims. Yes. There are many things that need to be done.

But I think we have to be willing to think outside the box. We have to be willing to say that this is an issue that involves all of us. We have to be able to say, first of all, for all of us here and all of our constituents, it has to start with us. We are the potential consumers of health care. We control the largest single variable in the cost of that care. And that is the way we live our lives. We

ought to encourage lifestyle changes. Those corporations that are self insurers of their own employees have put in those incentives. They've made sure that they are on weight control programs, that they have disease monitoring if they've got potential diabetes. And they have not seen their health insurance cost rise. They've actually seen them drop.

You can not do those kind of things if all you want to do is to pour more money into a monolithic system that has absolutely no flexibility to allow those kind of reforms to take place. So all of us, as consumers, can do a lot about the cost of health care. Government programs, I've already pointed out most of them are now 45 years old or later. None of you would suggest that we could solve our environmental problems by putting everybody in a 1964 automobile and let them drive around in it. That that was going to solve the problems.

We're trying to do the same thing with health care. We have to update and modernize. Medical providers, you're a part of the community of problems as well as the community of solutions. You've already done a lot as we learned here today. You have done a lot in terms of preventing infections within the hospital. Those are areas where the medical community has to continue to put emphasis. Insurance companies, they too have a part. They provide 100,000,000 people in this country with a piece of mind because they do provide coverage.

But they've got to do more too. They've got to make sure that they continue to push for those innovative approaches that not only allows them to make a profit but also make sure that their insured are healthier people. Pharmaceutical industry, we are engaged in Congress and will soon be debating the question of things like follow on biologics. We've got to make sure that we allow the people of the United States to have access to the best medical care, pharmaceutical and otherwise. That is the great challenge. I thank you for your attention today. I thank you my colleagues and I look forward for us continuing this debate as we deal with these issues that will affect the health care of all of us in this great country. Thank you.

*Julie Rovner:*

Thank you all. And thank you for your excellent questions. This concludes our debate.

*[End of Audio]*