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Subject: Obama Speech - Quick Takes

Last night, the President chose one of the biggest stages in the world in delivering a joint-session speech before Congress hoping to restart his languishing legislative agenda by offering a new prescription for the nation's health care system.

The speech was as expected persuasively delivered. But, it was not what anyone could call "new."

The speech was a repackaging of what President Obama and his aides have been saying for months. He did not define or declare what to do about the government-run public option. He said he wanted it, but that it really wasn't central to reform and that he was open to alternatives. The President did propose a specific number for "his plan": "around \$900 billion over ten years." While this is less than the \$1+ trillion in the House bills, it's still an enormous amount of money.

The speech was "billed" as providing direction to Congress and the public. It did not.

The President did not lay out a plan for health care reform. Rather, he continued to voice 3 points about reform, all of which show that he should oppose the current partisan plans produced by the House and the Senate HELP Committee.

1) Reform should make insurance more stable. The bills proposed so far will not - they will cause millions to lose their jobs, their employer-sponsored insurance, and their private options, according to the nonpartisan Congressional Budget Office (CBO) and outside consultants. The Congressional Budget Office analyzed the health care bill written by House Democrats and said that by 2016 some 3 million people who now have employer-based care would lose it because their employers would decide to stop offering it.

2) Reform should cover the uninsured. But according to the CBO, the current plans will leave tens of millions of Americans without health insurance.

3) Reform should bend the cost curve for government and everyone else. But according to the CBO, the current plans make health care MORE expensive for everyone.

Furthermore, according to a newly released study by the Lewin Group, the bill would be close to deficit neutral over its first ten years but would incur a \$1.01 trillion net cost to the federal government from 2020-2029, "due to rapid growth in health care costs that will outpace the growth in incomes and revenues over the longer-term." The bill expands coverage but ultimately will lower the number of insured and increase overall costs.

Judging by the President's principles, he should oppose the House bill and the Senate HELP bill. The President went on to talk about a public option - but he said it was a means to an end (more choice and competition). We can achieve more choice and competition through an insurance exchange, new pooling arrangements for small businesses, and allowing the purchase of insurance across state lines. Therefore, will

the President support a bill with no government-run plan? The President described the public plan this way - "But an additional step we can take ..." (Rather than "we should take" or "we must take")

He also discussed tort reform, saying he will direct the Secretary of HHS to "consider state pilots." Does he believe this obviates the need for the subject to be addressed in legislation? This is not tort reform, it is a distraction. We need health courts, protections for doctors that follow best practice guidelines, and caps on excessive trial lawyer payments immediately.

The President also said reform must be paid for - not just now, but in the future. Therefore, the President must oppose HR 3200, because it has a \$239 billion deficit over the first ten years, and the debt will balloon outside that window. CBO Director Douglas Elmendorf had this to say in July: "We do not see the sort of fundamental changes that would be necessary to reduce the trajectory of federal health spending by a significant amount."

Overall the President should disapprove of the House bill and the Senate HELP Committee bill, and ask Congress to go back to the drawing board and develop a bipartisan solution that can actually achieve the goals he laid out.