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Barack Obama

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President Obama: Thank you. Good morning.

Ms. Kliff: Good morning.

Mr. Klein: Thank you for being here.

President Obama: It is great to be here. And thank you so much for all the good reporting you guys have been doing on this important issue.

Mr. Klein: Thank you.

Ms. Kliff: So we will get started. So there was an expectation that was shared among many of your staff, many congressional Democrats, that as the Affordable Care Act rolled out, as it delivered benefits to millions of people, that it would become more popular. It would be safe from repeal or even substantial reform. And it appears at this point that doesn't seem to be quite true. What do you think that theory got wrong? Why didn't the health care law become more popular?



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President Obama: Well, let's back up and say from the start there's a reason why for a hundred years no President could get expansion of health care coverage beyond the work that had been done for Medicare and Medicaid, targeting primarily seniors. And the reason was that this is hard. The health care system is big; it is very personal. Families I think recognize the need for health insurance, but it's not something that they think about except when things go wrong -- when you have an accident or you're sick. And so any costs, particularly at a time when families are feeling stressed economically, any added costs, higher premiums, higher co-pays, all that ends up having real impacts on families.

And so the challenge of getting it passed was always the fact that, unlike other advanced countries, we didn't start with a system in which everybody was covered, and we have a very complicated marketplace, and we have third-party insurers. And what that meant was that even after we got the law passed anything that dissatisfied people about the health care system could be attributed to -- quote, unquote -- "Obamacare," even if it had nothing to do with Obamacare. And that was something that we recognized even when we were trying to get the law passed.

The other thing is the fact that the unwillingness of Republicans in Congress and around the country, including some governors, to, after the fight was over, say, all right, let's try to make this work -- the way Democrats did during the time when President Bush tried to expand the prescription drug program, Part D -- meant that the public never heard from those who had originally been opposed any concession that, you know what, this is actually doing some good. And that ends up affecting public opinion.

And the third thing is that whenever you look at polls that say 40-something percent are supportive of the law and 40-something percent are dissatisfied -- in the dissatisfied column are a whole bunch of Bernie Sanders supporters who wanted a single-payer plan. And so the problem is not that they think Obamacare is a failure; the problem is that they don't think it went far enough and that it left too many people still uncovered, that the subsidies that people were getting weren't as rich as they should have been, that there's a way of dealing with prescription drug makers in a way that drives down those costs. And so all those things meant that even after the law was passed there was going to still be a lot tough politics.



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Having said all that, the thing that I've been most proud of is the fact that not only have we gotten 20 million people covered, not only have we been able to reduce the pace at which health care costs have been going up -- ever since the law was passed, basically health care inflation has been as low as it's been in 50 years, which has saved the federal government hundreds of billions of dollars, extended the Medicare trust fund by 11 years -- but most importantly, for the people who have gotten insurance through the exchanges, there's been pretty high satisfaction rates, as surveys have shown.

So rather than look at public opinion as a whole, the thing I've been most interested in is, how is this affecting the people who have gotten benefits? These are real families who have gotten real coverage. And I get letters every single day from people who say, this has saved my life, or this has saved my bank account, or this has made sure that my son who got hooked on some sort of opioid was able to get treatment, or I was able to get a mammogram that caught a cancer in time. And that ultimately is the measure of the success of the law.

Mr. Klein: So do you think this dynamic where when you reform the health care system, you own it goes the other way? Republicans are beginning with the repeal-and-delay strategy. President-elect Trump has said that he does want to repeal Obamacare, but he also wants to replace it with something that covers as many people -- or he said that at least at certain points.

Do you think that the dynamic in which you became responsible for what people didn't like is going to hamper Republican movement in their efforts to change a system that maybe they don't like but does have a lot of people relying on it?

President Obama: Well, let me start from a very simple premise: If it works, I'm for it. If something can cover all Americans, make sure that if they have a preexisting condition they can still get coverage, make sure that prescription drugs are affordable, encourage preventive measures to keep people healthy, that makes sure that in rural communities people have access to substance abuse care or mental health care, that Medicare and Medicaid continue to function effectively -- if you can do all that cheaper than we talked about, cheaper than Obamacare achieves and with better quality and it's just terrific, I'm for it.



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I think that part of the challenge in this whole debate. And this is true, dating back to 2009, back to 2010, is this idea that somehow we had a fixed way of trying to fix the health care system, that we were rigid and stubborn and wouldn't welcome Republican ideas, and if we only had, they had all these great solutions. In fact, if you look at how this law evolved -- and I've said this publicly before, if I was starting from scratch, I probably would have supported a single-payer system because it's just easier for people to understand and manage. And that's essentially what Medicare is, is a single-payer system for people of a certain age. And people are very satisfied with it and it's not that complicated to understand or to access services. But that wasn't available; we weren't starting from scratch.

So what did I then do? I said, well, where is a system out there that seems to be providing coverage for everybody that politically we could actually get through a Congress and where we could get Republican support. And lo and behold, in Massachusetts there was a plan that had been designed on a bipartisan basis -- including by a Republican governor who ultimately became the nominee for the Republican Party -- that came close to providing universal coverage. And I would have thought since this was an idea that had previously gotten a lot of Republican support that it would continue to get a lot of Republican support. And yet, somehow, magically, the minute we said this is a great idea and it's working, Republicans said this is terrible and we don't want to do this.

So I say all this, Ezra, simply to make something very clear. From the very start, in the earliest negotiations in 2009, 2010, I made clear to Republicans that, if they had ideas that they could show would work better than the ideas that we had thought of, I would be happy to incorporate them into the law. And rather than offer ideas, what we got was a big no, we just don't want to do this.

After the law passed, for the last six, seven years, there has been the argument that we can provide a great replacement that will be much better for everybody than what the Affordable Care Act is providing. And yet, over the last six, seven years, there has been no actual replacement law that any credible health care policy experts have said would work better. In fact, many of them would result in millions of people losing coverage and the coverage being worse for those who kept it.



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And so now is the time when Republicans, I think, have to go ahead and show their cards. If, in fact, they have a program that would genuinely work better and they want to call it whatever they want -- they can call it Trumpcare, they can call it McConnellcare, or Ryancare.

If it actually works, I will be the first one to say, great, you should have told me that back in 2009. I asked. I suspect that will not happen.

And the reason it will not happen is because if you want to provide coverage to people, then there are certain baseline things that you got to do. Number one, health care is not cheap. And for people who can't afford health care or don't get it through the job, that means the government has got to pay some money.

Number two, all those provisions that the Republicans say they want to keep and that they like -- for example, making sure that people can get health care even if they have a preexisting condition -- well, it turns out that the only way to meet that guarantee is to either make sure that everybody has some modest obligation to get health care so that they're not gaming the system, or you've got to be willing to provide huge subsidies to the insurance companies so that they're taking in people who are already sick.

And I think what you're going to see now that you have a Republican President-elect, you have Republicans who control both chambers in Congress -- is that all the promises they made about how they can do it better, cheaper, everybody is going to be satisfied, are going to be really hard to meet.

And this is why the strategy of repeal first and replace later is just a huge disservice to the American people, and is something that I think, whether you're a Republican or a Democrat, you should be opposed to. These are real lives at stake.

I'm getting letters right now from people who say, I am terrified because my son's or daughter's insurance -- their ability to get lifesaving drugs, their ability to get drug treatment, their ability to get mental health services are entirely dependent on us being able to afford and keep our insurance.

And if, in fact, there's going to be a massive undoing of what's one-sixth of our economy, then the Republicans need to put forward very specific ideas about how they're going to do it.



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People need to be able to debate it, they need to be able to study it the same way they did when we passed the Affordable Care Act. And let the American people gauge is this going to result in something better than what Obamacare has produced.

And if they're so convinced that they can do it better, they shouldn't be afraid to make that presentation. It is really interesting to try to figure out why is it that they're trying to rush the repeal so quick. What is it that they're afraid of? Why wouldn't they want to say, here's our plan, and show, side by side, here's why our plan is better than what Obamacare has produced? Because they have said, absolutely, adamantly, that they can do it better.

I am saying to every Republican right now, if you, in fact, can put a plan together that is demonstrably better than what Obamacare is doing, I will publicly support repealing Obamacare and replacing it with your plan. But I want to see it first. I want to see it first. And I want third-party, objective people -- whether it's the Congressional Budget Office or health care experts across the ideological spectrum, or Vox, or whoever --

Mr. Klein: We'd be happy to, yes.

President Obama: -- to just evaluate it. And the public will not have to take my word for it. They can -- we can designate some referees. And if they can show that they can do it better, cheaper, more effective, provide better coverage, why wouldn't I be for it? Why wouldn't I be for it?

This idea that somehow, oh, this is about Obama preserving his legacy -- keep in mind, I'm not the one who named it Obamacare. They were the ones who named it Obamacare, because what they wanted to do was personalize this and feed on antipathy towards me in their party as an organizing tool, as politics.

But I don't have a pride of authorship on this thing. If they can come up with something better, I'm for it. But you have to show -- and I would advise every Democrat to be for it -- but you have to show that it's better. And that's not too much to ask. And that's the challenge.

And the question right now for Paul Ryan and Mitch McConnell is, why is it that you feel obliged to repeal it before you show what it is that is going to replace?



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Because the majority of Americans have been very clear that they think that's a bad idea. You now have Republican governors, some Republican senators, who have said, we don't think that's a good idea. And there's been no real explanation to why you would actually try to do this before the new President is even inaugurated. What exactly is this rush? Particularly if you're going to delay the actual repeal.

If they were making the argument that this is so disastrous that we actually think we have to repeal it completely today because it's just terrible, well, I would disagree, but at least I could understand it. But here you're saying, we're going to vote to repeal, but then were going to delay its effects for a couple of years. Well, why, if it's so bad?

And if the answer is, well, it would be disruptive and we don't want to take people's insurance away right away, well, then that means you have time to show us and, more importantly, show the American people who need health insurance what exactly you're replacing it with.

In that sense -- Ezra, I know that was a long answer but in that sense, the answer is the Republicans, yes, will own the problems with the health care system if they choose to repeal something that is providing health insurance to a lot of people, and providing benefits to every American who has health insurance even if they're getting it through the job, and they haven't shown us what it is that they're going to do. Then they do own it. Because that is irresponsible. And even members of their own party, even those who are opposed to me, have said that that is an irresponsible thing to do.

Ms. Kliff: Let me follow up a little bit on the congressional fight. So we saw yesterday President-elect Donald Trump, he said yesterday on Twitter, "It's time for Republicans and Democrats to get together and come up with a health care plan that really works" -- which is something -- I remember you saying similar things in 2009, 2010, when I was covering this debate. Knowing what you know now about partisanship, a President who has tried to do this, was, like you said, unable to get Republican votes -- what three pieces of advice would you give someone trying to attempt to pass a bipartisan health care law?

President Obama: Well, look, I think I sort of gave the advice just now, which is, if, in fact, this is not about politics but this is about providing the best possible health care system for the American people, then my advice would be to say what precisely is it about Obamacare



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that you think doesn't work. Because you've already said that there are some things you think do work.

The Republicans keep on saying, well, we want to keep the things that people like and that are working well. So they think that it's a good idea that Obamacare says your kids can stay on your health insurance plan until they're 26. They think that's a good idea. They think it's a good idea that if you've got a preexisting condition you can still get health insurance. I assume they think it's a good idea that seniors have gotten discounts on their prescription drugs -- we closed the doughnut hole during the course of Obamacare. They approve of some of the changes we've made to encourage a health care system that rewards quality rather than just the number of procedures involved, and how we pay providers.

So we could make a list of all the things that, as terrible as Obamacare is, actually they think works, according to them. All right, well, let's make, then, a list of the things they don't like or the American people are concerned about.

Well, what we know is that people would always like lower costs on their premiums and their out-of-pocket expenses. And although the Affordable Care Act provides a lot of subsidies to a lot of people so they can afford health insurance, what is absolutely true is we would love to see even higher subsidies to relieve the costs even more. But that costs money.

What we also know is that where we've seen problems in the implementation of the Affordable Care Act, it has been in certain areas, particularly more rural areas, less densely populated areas, where we're not seeing as many insurers so there's not as much competition. Well, one way that we've suggested we could solve that problem is to say that if, in fact, there aren't enough insurers to drive competition and reduce costs and give people enough choices, then we should have a public option that's available.

So if you look at the things that people are frustrated about with Obamacare, the Affordable Care Act, the big things are the subsidies aren't as high as they'd like and they don't have as many options as they'd like. And I'm happy to provide both those things. I'd sign on to a Republican plan that said we're going to give more subsidies to people to make it even cheaper, and we're going to have a public option where there isn't an option.

Here's the problem. I don't think that's the thing that they want to do.



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Ms. Kliff: I don't think so, no.

President Obama: But I guess my point is this, that it is possible for people of goodwill to try to come up with significant improvements to the law that we already have, but it does require to be specific about what it is that you think needs to be changed. And that, so far, has not happened.

And my advice to the President-elect -- in fact, we talked about this when I met with him for an hour and a half right after he got elected -- I said make your team and make the Republican members of Congress come up with things that they can show will actually make this work better for people. And if they're convincing, I think you would find that there are a lot of Democrats out there -- including me -- that would be prepared to support it. But so far, at least, that's not what's happened.

Mr. Klein: I think Obamacare has exposed an interesting tension between controlling costs in the system and controlling economic pain for individuals. So the law has, until now, come in under budget. But part of the ways it's done that are higher deductibles than people expected, higher co-pays now in networks. In a couple of years, if it doesn't change, the excise tax on high-value insurance will come into play, the individual mandate. And these things -- individual people -- while they keep the usage of health care down and they keep the cost of health care down, they make health care feel more expensive. They make health care feel unusable.

Do you think the Affordable Care Act got the balance right on controlling system-wide costs versus insulating individuals from their health expenses?

President Obama: Well, let me make a couple distinctions. First of all, part of what happened at the beginning of the marketplaces -- and for those who aren't works -- I was teasing Ezra and Sarah, I said this is like a Wonkapalooza. This is some serious policy detail, here.

But so the marketplaces are basically just those places where insurers put up, here's the insurance package we're offering, and you can choose from a variety of different packages, and then once you've chosen you can figure out the subsidies that you're qualified for and that will give you a sense of what your out-of-pocket costs are.



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And what we discovered was that a lot of insurers underpriced early on, because they had done surveys and -- look, people who are purchasing health insurance are like people who are purchasing everything else, they like to get the best deal for the lowest price. What makes health care tricky is, when you buy a TV you can kind of see what the picture looks like; when you're buying health insurance it's tempting to initially buy the cheapest thing -- until, heaven forbid, you get sick and it turns out, gosh, I can't see the doctor I want or the specialist I want, or this is more inconvenient than I expected.

So what ended up happening was people bought, oftentimes, the cheapest insurance that they could. Insurance companies, wanting to get as much market share as possible, ended up creating very low-cost plans, but those are going to have restrictions on them. And that's not just if you're buying health insurance in Obamacare, that's generally how it is even when employers buy health insurance for their employees.

Now, I think that what we're seeing is insurers now making adjustments, saying, okay, we need to charge more. And that is something that, the good news is, appears to -- may have stabilized and might be kind of a one-time thing, and now we're in a position to be able to do an evaluation of have we gotten this balance right, as you say.

We can't get health care for free. You're going to have to pay for it one way or another.

Either the government is going to pay more so that people don't have as many out-of-pocket costs -- and that means, in some fashion, higher taxes for somebody -- or individuals are going to have to pay more out of pocket in one way or another.

The same is true for employers. Either employers pay more for a really good health care package, but that takes something out of the employer's bottom line, or they're putting more costs onto workers in the form of higher deductibles and higher co-pays.

And I think that a lot of the good work that can be done in lowering costs had to do not with cost shifting, but with actually making the system work better. And we've done a lot of work on that. What I referred to earlier, incentivizing a system that instead of ordering five tests because doctors and providers are getting paid for the test, you now have a system where you're going to get reimbursed if the person gets healthy quicker and is not returned to the hospital. Well, it turns out that that can, over time, be a real cost reduction.



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Those are the kinds of things that we're implementing in the system as a consequence of Obamacare. The more we do that kind of stuff the less we're going to see this cost shifting.

But the intention has never been to say let's make it more expensive for people to get health care so they're going to access the system more. And I think the proof of that is, is that even though per-person costs have not gone up a lot, the overall spending on health care has gone up because more people have come into the system.

We want people to use the health care system. We just don't want them to use it in the emergency room. We want them to use it to stay healthy -- and smoking cessation plans, and making sure that they're getting regular checkups and mammograms, those are the things that are ultimately going to save us as much money as we can.

Ms. Kliff: I have a wonky follow-up question.

President Obama: There you go.

Ms. Kliff: What about controlling prices? We have some of the highest health care prices in the world in the United States. Most other developed countries, they regulate how much you can charge for an MRI, for an emergency room visit, for an appendectomy. That seems like it's really at the core of this tension, the fact that we have these very high prices. Americans don't go to the doctor more, we just pay a lot more when we go to the doctor. That is something the health care law did not tackle. And I'm curious to hear you reflect on that and what you would think about the role of price controls in American medicine.

President Obama: Well, look, this is the irony of this whole debate, is the things that people are most dissatisfied with about Obamacare, about the Affordable Care Act, are things that essentially in other countries are solved by more government control, not less. And so Republicans are pointing at these things to stir up dissatisfaction, but when it comes to, all right, what's the solution for it, their answer is less government regulation and letting folks charge even more and doing whatever they want and letting the marketplace work its will.

I think that there are strengths to our system because we have a more market-based system. Our health care system is more innovative. Prescription drugs is probably the best example of this.



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It is true that we essentially come up with the new drugs in this country because our drug companies are fat and wealthy enough that they can invest in the research and development. They make bigger profits, which they can, then, plow back into drug development. And essentially we have a lot of other countries that are free riders on that system. So they can negotiate with the drug companies and force much lower prices, but they generally don't have a drug industry that develops new drugs.

That's true. This is an example where you probably do want some balance to maintain innovation, but to have some tougher negotiations around the system as a whole. And we are trying to use Medicare as the place where, since there's no health care provider or stakeholder in the health care industry that doesn't in some ways want to get Medicare business, we're trying to use Medicare as a lever to get better deals for consumers and better prices for consumers -- not just those in Medicare, but also people throughout the system.

But as I said, the irony is, is that when we tried to do that the people who are most resistant are the very Republican members of Congress who are criticizing us -- or at least telling the American people that you should want lower prices on various procedures.

If we want to control prices for consumers more, then the marketplace by itself will not do that. And the reason is because health care is not exactly like other products. It's not like buying a flat-screen TV. If you're sick, or if your kid is sick, most of the time you're not in a position to negotiate right there and then. You can't walk out of the store and say, well, I'm going to see if I can get a better deal. You're trying to figure out -- like when Sasha got meningitis when she was four months old -- make my child better, and that's all -- and I'll worry about the costs later. And that's the mentality that most people have when it comes to health care.

So the traditional models of the marketplace don't work perfectly in the health care system. There are areas where we can increase marketplace competition. There are areas in which we can make it work better. But ultimately, if we want to really get at some of these costs, there has to be some more expensive regulation in certain areas than we currently have.



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Ms. Kliff: So I recently took a trip to an area of Kentucky -- on a slightly different topic -- I saw some huge coverage gains under the health care law, but also voted overwhelmingly for President-elect Trump. And one of the people I met there was Kathy Oller, who's here with us today. She is an Obamacare enrollment worker who has signed up more than a thousand people for coverage. She supported you in 2008 and 2012, but voted for President-elect Trump in 2016, and expects him to improve on the Affordable Care Act. And she would like to ask you a question about that.

President Obama: Go ahead, Kathy.

Question: Hello, President Obama. I'm so excited to meet you.

President Obama: It's good to see you.

Question: Thanks. I'm a little bit nervous, as you can see. But over the years, I've enrolled and talked to numerous Kentuckians, and I've signed up some the first time -- so it was working -- in the Affordable Care Act. And also we've been, going over the years, and I've talked to people. But recently we found out that there was fewer choices in our area, and the increase in the premiums and deductibles, and our facilities aren't even taking some of them. And many Kentuckians now are looking at the Affordable Care as unaffordable and unusable.

And I have the opportunity to ask you a few questions that you have probably went over, but how do you think this happened? How can we fix it? Do we start all over again? What do you think we should do?

President Obama: Well, first of all, Kathy, I want to thank you for being out there enrolling people.

Question: Thank you.

President Obama: That's been hugely important.

The second point I would make is that Kentucky is a place where this has really worked, and it's worked for two reasons.



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One is Kentucky expanded Medicaid. And we haven't talked a lot about that, but a big chunk of Obamacare was just making Medicaid accessible to more people. And those states that expanded Medicaid have seen a much bigger drop in the uninsured than those states who didn't.

And by the way, those states that didn't, they didn't do so just out of politics -- I'll just be very blunt -- because the federal government was going to pay for this Medicaid expansion. And there are some states, because they had all this uncompensated care, ended up making money by providing more health insurance to your people. It was a hard bargain -- a hard deal to turn down, and yet you got a number of states that turned it down mainly because Republican governors and Republican state legislatures didn't want to make it work.

Kentucky, under Steve Beshear, was one of those people that did expand Medicaid, had a really active program. Because I don't poll that well in Kentucky, they didn't call it Obamacare, they called it Connect -- Kentucky Connect, right?

And so there were a whole lot of people who said, well, we don't like Obamacare but I like this program and we'll signed you up, right? You signed people up, you didn't tell them it was Obamacare all the time. And it's actually worked. Right?

Now, what is true in Kentucky, though, is true in some other states. You had a governor who ran explicitly on the idea of rolling back Obamacare even though it was working. And so the state marketplace, the state exchange he dismantled, which means we had to shift everything onto the federal exchange. Most people got shifted, but it indicated a lack of interest and effort on his part in making the thing work. He promised to roll back Medicaid, but he started realizing that wasn't as good politics as he thought it was when he was running, so he hasn't done that.

But what is also true is -- and this is my main criticism of Obamacare, of the Affordable Care Act -- is that the subsidies aren't as high as they probably should be for a lot of working people. If you don't qualify for Medicaid where you don't have to pay, for the most part, for your coverage, and instead you're buying health insurance on the marketplace -- so you're a working person but you don't have a lot of money, and particularly if you are older, where you use the health care system more and you need a better benefit package than somebody 18 or 20 might, then there are families where the premiums are still too high.



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And as I said earlier, there are some parts of the country where there are only a handful of hospitals and a few doctors, and where you don't have a lot of competition, and the insurers are looking and they're saying, we're not going to make a lot of money there, so you don't end up having a lot of insurance plans in those areas.

So the two things that we could do that would really make it work even better for people in Kentucky would be, number one, provide more subsidies to folks who are working hard every day but still find the premiums even with the subsidies hard to meet, and have the public option for those communities where they're not getting a lot of competition and insurers aren't coming in.

The problem is, is that that's not what's being proposed by Mitch McConnell, the senator from Kentucky. Instead what he's proposing, I gather, is you're going to repeal the law, then you're going to come up with something, except you will have taken away all the -- the way we pay for the subsidies for working people is we're taxing wealthier folks at a little bit higher. So he wants to cut those taxes, and that money would be gone right away. And then he's going to promise you, or those people who you've been signing up, better health care, except there's not going to be any money to pay for it. And nobody has explained to me yet how that's going to work.

And so I think this takes me back to the point I made earlier. If, in fact, the people you've been signing up, the folks in your communities, are not fully satisfied with the benefits that they're getting now and are hopeful for something better, then at the very least you should be putting pressure on your members of Congress to say, show us exactly what the deal is going to be for us before you take away the deal that we got. Because the people you sign up, they may not be as happy as they'd like, but -- tell me if I'm wrong -- they like it better than not having any insurance at all.

Ms. Kliff: And some didn't even have insurance.

President Obama: And some people didn't have insurance. Because I get letters from folks who say, for the first time in my life -- I have had a bad hip for 15 years and I've been pain-free for the first time because I finally got insurance. So the answer is not for them not to have insurance. And if we go back to a system where they've got to buy it on their own, they're not going to buy it because they'll have even less subsidy.



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How much time do we got?

Mr. Klein: I think we're quite low.

President Obama: We got low time? Because I got all kinds of more stuff.

Mr. Klein: Well, it's your schedule. We're happy to keep you as long as you'd like.

President Obama: Well, there are a couple points I want to make in closing --

Mr. Klein: Excellent.

President Obama: -- but why don't you ask some questions.

Mr. Klein: So one thing we haven't touched on yet in much detail is the delivery system of follow-ups, which are a big part of the law. So what is a policy or experiment or change in that space that has over-performed your expectations? And what's one that has maybe not panned out as you'd liked or hoped?

President Obama: You know, I think a good example of something that's worked better than we expected, or at least worked as well as we expected is the issue of hospital readmissions. Now, it turns out that a lot of times you go to the hospital -- let's say, you get your appendix taken out, and then you go home and then there's a complication, and then you have to go back into the hospital. That's obviously inconvenient for you and it's expensive for the system as a whole. And it turns out that there are just a few things that you can do that help reduce people being readmitted.

First of all, making sure that the first procedure goes well, but, secondly, making sure that there's good follow-up. So it might be that a hospital or a health care system pays for, when you do go home, you just getting some phone calls to remind you to take the medicine that you got to take to make sure you heal properly -- because they may have done a study and it turns out that people forget to do what they're supposed to do, they don't follow exactly their doctor's instructions, and they can't afford to have a nurse in their house who's doing it for them. Well, maybe there are just a few things that can be done to help make sure that they do what they are supposed to do, and that way they don't have complications.



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What we've seen is a significant reduction in hospital readmissions over the course of this law just by doing some smart incentivizing, just saying to the hospitals we'll reimburse you or we'll give you some other benefit for doing smart follow-up. That's an area where I think we've made some real progress.

The other place -- and this is connected -- where I think we've got some good bipartisan support is just encouraging what's called -- shifting from what's called fee-for-service payments, where you get paid by the procedure, which means that you may end up getting five tests instead of getting one test that's emailed to five providers who are treating you.

And we've started to see some real movement when we say to the system as a whole we're going to pay you for outcomes -- did the patient do well. And that has been helpful.

In terms of areas where I think we haven't seen as much improvement as I'd like, it's probably -- one thing that comes to mind is on the electronic medical records. If you think about how wired and plugged in everybody is now -- I mean, you can basically do everything off your phone. The fact that there are still just mountains of paperwork, and you don't understand what these bills are that still get sent to your house, and nobody -- and the doctors still have to input stuff, and the nurses are spending all their time on all this administrative work -- we put a big slug of money into trying to encourage everybody to digitalize, catch up with the rest of the world here.

And it's proven to be harder than we expected, partly because everybody has different systems, they don't all talk to each other. It requires retraining people in how to use them effectively. And I'm optimistic that over time it's inevitable that it's going to get better, because every other part of our lives, it's become paperless. But it's been a lot slower than I would have expected.

And some of it has to do with the fact that, as I said, it's decentralized and everybody has different systems. In some cases, you have sort of economic incentives that are pushing against making the system work better. For example, there are service providers -- people make money on keeping people's medical records, so making it easier for everybody to access each other's medical records means that there are some folks who could lose business. And that has turned out to be a little more complicated than I expected.



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Ms. Kliff: Do you have any closing remarks? And one thing I'm interested in is kind of what you see your role in this debate we're gearing up for.

President Obama: Well, let me make a couple of closing remarks. Number one, I think it is important to remember that just because people campaigned on repealing this law, it is a much more complicated process to repeal this law than I think was being presented on the campaign trail, as my Republican friends are discovering.

The way this process is going to work, there's this rushed vote that's taking place this week, next week to -- quote, unquote -- "repeal Obamacare." But really all that is, is it's a resolution that is then instructing these committees in Congress to start actually drafting a law that specifically would say what's being repealed and what's not. Then, after that, they'd have to make a decision about what's going to replace it and how long is that going to take. And that stretches the process out further.

And so I think, whether you originally supported Obamacare or you didn't, whether you like me or you don't, the one thing I would just ask all the American people to do is adopt the slogan of the great state of Missouri -- "Show me." Show me. Do not rush this process.

And to Republicans, I would say: What are you scared of? If you are absolutely convinced, as you have been adamant about for the last seven years, that you can come up with something better, go ahead and come up with it. And I'll even cut you some slack for the fact that you've been saying you can come up with something better for seven years and I've never seen it. But we'll restart the clock.

It's interesting that we're here in the Blair House because this is a place where I met, in front of the American people, with Republicans who had already indicated their adamant opposition to health care. And I sat with them for a couple hours -- how long was it?

Secretary Sebelius: Eight.

President Obama: Eight hours. Kathleen Sebelius, who is my Secretary of Health and Human Services, remembers -- for eight hours, on live TV, to talk about here's why we're trying to do what we're doing here, and challenging them to come up with better answers than the ones we had come up with. And we spent a year of really significant debate.



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And I would think that given that we now have proof that 20 million people do have health insurance, that we're at the lowest rate of uninsured in our history, that health care costs, rather than spiking way up, have actually gone up slower than they have in 50 years; given that the vast majority of people who get health insurance through Obamacare have said they're satisfied with their care and that they're better off than when they didn't have care; given that even though a lot of people don't know it, even if you're not getting health insurance through Obamacare, you've benefitted, because if you get health insurance on the job, it now doesn't have a lifetime limit, it doesn't have fine print that could end up costing you a lot of money -- given all those things, I would think that you'd at least want to explain to the American people what it is that you want to do.

And that, I think, is a minimum expectation out of this Congress and out of the President-elect.

I'm make a second point, and that is that we just worked, on a bipartisan basis, to sign something called the Cures Bill that included two really important bipartisan priorities. One was Joe Biden's Cancer Moonshot initiative -- because we're seeing so many medical breakthroughs in so many areas that we have an opportunity to make a real dent in how we deal with cancer, which affects everybody in some fashion -- somebody has been touched in your family with this terrible disease. So we got a lot more money for research in that, and the bill also contained a big investment in the opioid challenge.

As many of you know, you're seeing more and more communities that are being ravaged by, initially, prescription drugs; then that ends up being a gateway into heroin, some of which, like synthetic heroin being produced called Fentanyl, just has terrible rates of overdose deaths. And this is not an inner-city problem, per se, but this is reaching every community. In some ways, it's worse in a lot of rural communities.

So there was a bipartisan effort for us to put some more money into that. But here's the thing. If we just put money into cancer research, and we just put money into dealing with the opioid crisis, and now we're taking away money that is providing drug treatment services in those very same communities by repealing Obamacare, and taking away the ability to access a doctor to get new cancer treatments, then we're not really helping anybody. So that's a second point I want to make.



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A third point I want to make is that I would encourage local communities to get involved in this process. And I think part of the problem with this whole law has been that the people who benefit aren't out there making noise, and the people who ideologically have opposed it have been really loud. Well, now is the time for people who have benefitted or seen their families benefit to tell their stories.

Because, ultimately, this is not a political game. This is really something that affects people in the most personal ways. My friend, Natoma Canfield, is here in the front row. Some of you heard Natoma's story before, where -- a cancer survivor who, because she had now a preexisting condition, was faced with either keeping her health insurance at such a high rate - - the only way she could get health insurance with a preexisting condition was to basically pay so much that she could no longer afford to pay the mortgage on her house.

And I remember her writing to me, and I thought, that could be my mom. That could be yours. And that's not a choice that people should have to make. And when most people, even if they're not Obama supporters, hear Natoma's story or the stories of other people who have been helped, they know it's wrong to just take away their health care. And it becomes less about who's winning here in Washington. It becomes about how are we doing right by our fellow Americans.

But those stories have to be heard. And I would just encourage people to start telling their stories. And tell their stories -- you're not always going to get a lot of attention here in Washington because they want to know this vote and this insult that was hurled back-and-forth between whoever. But you know what, tell that story in your local newspapers. Talk to your local reporters. Congregations that are involved in caring for those in need, make sure that you're telling stories in church and in services so that people know.

Because the one thing that I'm convinced about is the American people want to do the right thing. They just -- it's hard to get good information, and unless you're reading Vox every day, which is hard to do --

Mr. Klein: It's not that hard to do.

President Obama: -- getting the details of all this policy is hard. It's complicated. You don't know what's true; you don't know what's not true.



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I mean, those folks in Kentucky that you've signed up -- there are a lot of people who voted for not just a President, but also for a member of Congress who said, explicitly, we're going to eliminate this. Well, I understand why people might think, okay, well, he's going to eliminate it, but he will give us something better. But this is hard. And what you don't want is a situation where they make a promise that they can't keep.

And I've worked on this a long time. If we had had a better way to do this, we would have done it. It would have been in my interest to do it, because I knew I was going to be judged on whether or not it worked. And those areas that don't work had to do with there not being enough money in the system and not having a public option. And I'm more than happy to put those fixes in place, anytime, anyplace. But that's not, so far, what the Republicans are proposing. You deserve to know what it is that they're doing.

So, anyway, I appreciate you guys taking the time to tell the story.

Mr. Klein: Real quick, Sarah had asked about your role going forward.

President Obama: Oh, my role going forward? Well, look, I mean, I do deserve a little sleep. And I've got to take Michelle on a vacation. But I've said consistently that the most important office in a democracy is the office of citizen. And I will be a citizen who still remembers what it was like when his mom died of cancer younger than I am now, and who didn't have all the insurance and disability insurance and support, and wasn't using the health care system enough to have early detection that might have prevented her from passing away.

You know, Michelle's dad had multiple sclerosis -- MS -- but was part of that generation that just didn't have a lot of expectations about health care and so just kind of suffered for years. I mean, those are our stories. So it's not like I'm going to suddenly fade away on this. I will be a part of the work of our fellow citizens in trying to make sure that the wealthiest country on Earth is able to do the same thing that every other advanced country is able to do.

I mean, it's not as if this has never been done before. If you're in Canada, you got health care, no matter who you are. If you're in France, you got health care. If you're in England, you got health care. If you're in Australia, you got health care. If you're in New Zealand, you got health care.



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I remember talking to my friend, John Key, who was the Prime Minister of New Zealand. He is part of the Conservative Party in New Zealand. And he said to me in the middle of this health care debate, he said, boy, if I proposed that we took away people's health care, that we repealed it, I'd be run out of office by my own party. Because it was just assumed that, in a country this wealthy that this is one of the basic rights, not privileges, of citizenship in a well-to-do country like ours.

So I'll be working with all of you. But my voice is going to be less important than the voices of people who are directly affected. And so I would urge everybody to make your voice heard. Now is the time to do it.

The people who have opposed this were opposing it not based on facts, but were opposing it based on sort of an ideological concern about expansion on the state, and taxes on wealthier people that are helping people who don't have as much money. And I respect their role in the democracy. They've been really fighting hard. Well, folks here got to fight just as hard.

My final piece of advice would be to the news media, which is, generally speaking, when Obamacare has worked well it wasn't attributed to Obamacare, and when there were problems they got front-page headlines. And I think that, hopefully, now is a time where people can be a little -- this doesn't apply to Vox, by the way. But I think it would be a good time for people to be a little more measured and take a look at what are the facts of this thing. Because the stakes are high.

Even on this whole premium issue -- increase issue that happened right before the election, it is true, as I said, that insurers adjusted and hiked premiums. But I kept on trying to explain, number one, if you're getting a tax subsidy, this wasn't going to affect your out-of-pocket costs because the tax credit would just go up. But nobody kind of heard that.

And number two, these increases in premiums only applied to people who were buying health insurance on the exchanges. In fact, 85 percent of the people don't get health insurance through Obamacare. And for you, your health care premiums actually have gone up a lot less since Obamacare was passed than they did before Obamacare was passed. The average family has probably saved about \$3,000 in lower health care premiums than if you had seen those same health care cost trends increase at the pace that they did before the law was



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passed. But I didn't see a lot of headlines about that -- which I understand, I mean because it's not controversial enough, or it's a little bit too complicated to get in a sound bite.

So that's why the individual voice is so important. And that's why I'm so appreciative of journalists who actually know what they're talking about.

Mr. Klein: Thank you, Mr. President.