

Administration of Barack Obama, 2013

Remarks on Health Insurance Reform and an Exchange With Reporters in San Jose, California

June 7, 2013

The President. Good morning, everybody. It is wonderful to see all of you, and I want to thank everybody who is here. I think there's only one problem, and that is that my remarks are not sitting here. People! *[Laughter]* You know, things on—by Friday afternoon, things get a little challenged.

Q. Will you answer a question in the——

The President. I'm going to have a—I'm going to answer a question at the end of the remarks, but I want to make sure that we get the remarks out. People!

[At this point, a staff member walked toward the podium.]

Oh, goodness. *[Laughter]*

[The staff member tripped.]

Oh, somebody is tripping. I mean—*[laughter]*.

[The staff member handed the President a copy of his remarks.]

Folks are sweating back there right now. *[Laughter]*

Well, good morning, everybody. This afternoon, I'm going to be in Southern California to meet with President Xi of China. But before I leave Northern California, I wanted to take a minute to address something that's happening with the Affordable Care Act in this State, and I wanted to meet with a group of people who are doing some very important work on behalf of California's middle class families.

These leaders from California's government, the California Endowment, and major Spanish language media outlets have joined together to help implement the Affordable Care Act here in California and to educate folks about how to sign up and shop for quality, affordable plans. And their efforts have already shown some excellent results in the biggest insurance market in the country.

There are two main things that Americans need to know when it comes to the Affordable Care Act and what it means for you.

First of all, if you're one of the nearly 85 percent of Americans who already have insurance, either through Medicare or Medicaid or your employer, you don't have to do a thing. You've just got a wide array of new benefits, better protections, and stronger cost controls that you didn't have before. And that will, over time, improve the quality of the insurance that you've got, benefits like free preventive care: checkups, flu shots, mammograms, and contraception.

You are now going to be able to get those things through your insurance where they previously were not—didn't have to be provided. Protections like allowing people up to the age

of 26 to stay on their parents' health care plans, which has already helped 6 million Americans, including 6 million [*1 million*]* young Latino Americans.

Cost controls like requiring insurance companies to spend at least 80 percent of the money that you pay in premiums in your actual health care costs, as opposed to administrative costs or CEO pay: Not overhead, but that money has to be spent on you. And if they don't meet that target, they actually have to reimburse you. So in California, we're already getting reports that insurers are giving rebates to consumers and small-business owners to the tune of \$45 million this year. So already, we're seeing millions of dollars of rebates sent back to consumers by insurance companies as a consequence of this law.

Now, all of that is happening because of the Affordable Care Act. All of this is in place right now, already, for 85 percent of Americans who have health insurance. By the way, all of this is what the Republican Party has now voted 37 times to repeal, at least in the House of Representatives. And my suggestion to them has been, let's stop refighting the old battles and start working with people like the leaders who are on stage here today to make this law work the way it's supposed to.

We're focused on moving forward and making sure that this law works for middle class families. And that brings me to the second thing that people need to know about the Affordable Care Act.

If you're one of nearly 6 million Californians or ten million—tens of millions of Americans who don't currently have health insurance, you'll soon be able to buy quality, affordable care just like everybody else.

And here's how. States like California are setting up new, online marketplaces where, beginning on October 1 of this year, you can comparison shop an array of private health insurance plans side by side, just like you were going online to compare cars or airline tickets. And that means insurance companies will actually have to compete with each other for your business. And that means new choices.

See, right now most States don't have a lot of competition. In nearly every State, more than half of all consumers are covered by only two insurers. So there's no incentive to provide you a lot of choices or to keep costs down. The Affordable Care Act changes that.

Beginning next year, once these marketplaces are open, most States will offer new private insurance choices that don't exist today. And based on early reports, about 9 in 10 Americans expected to enroll in these marketplaces live in States where they'll be able to choose between five or more different insurers. So, for example, here in California, 33 insurers applied to join the marketplace. Covered California then selected 13 based on access, quality, and affordability, four of which are brand new to your individual market.

So what's happening is, through the Affordable Care Act, we're creating these marketplaces with more competition, more choice, and so the question is, what happens to cost?

Now, a lot of the opponents of the Affordable Care Act said, they had all kinds of sky-is-falling, doom-and-gloom predictions that not only would the law fail, but what we'd also see is costs would skyrocket for everybody. Well, it turns out we're actually seeing that in the States that have committed themselves to implementing this law correctly, we're seeing some good news.

* White House correction.

Competition and choice are pushing down costs in the individual market just like the law was designed to do.

The 13 insurance companies that were chosen by Covered California have unveiled premiums that were lower than anybody expected. And those who can't afford to buy private insurance will get help reducing their out-of-pocket premiums even further with the largest health care tax cut for working families and small businesses in our history. So about 2.6 million Californians—nearly half of whom are Latinos—will qualify for tax credits that will in some cases lower their premiums a significant amount.

Now, none of this is a surprise. This is the way that the law was designed to work. But since everybody has been saying how it's not going to happen, I think it's important for us to recognize and acknowledge, this is working the way it's supposed to. We've seen similar good news, by the way, not just here in California, but in Oregon and Washington. In States that are working hard to implement this law properly, we're seeing it work for people: for middle class families, for consumers.

Now, that's not to say that everything is going to go perfectly right away. When you're implementing a program this large, there will be some glitches. There are going to be some hiccups. But no matter what, every single consumer will be covered by the new benefits and protections under this law permanently.

So the bottom line is, you can listen to a bunch of political talk out there—negative ads and fear-mongering geared towards the next election—or alternatively, you can actually look at what's happening in States like California right now. And the fact of the matter is, through these exchanges, not only are the 85 percent of people who already have health insurance getting better protections and receiving rebates and being able to keep their kids on their health insurance until they're 26 and getting free preventive care, but if you don't have health insurance and you're trying to get it through the individual market and it's too expensive or it's too restricted, you now have these marketplaces where they're going to offer you a better deal because of choice and competition.

And if—even if these lower rates and better insurance that you're getting through these marketplaces, you still can't afford it, you're going to be getting tax cuts and tax credits through the Affordable Care Act that will help you afford it. And that's how we're going to make sure that millions of people who don't currently have health insurance or are getting a really bad deal on their health insurance are finally going to get it.

But—and here's my final point—to take advantage of these marketplaces, folks are going to need to sign up. So you can find out how to sign up at healthcare.gov—healthcare.gov—or here in California, you can sign up at coveredCA.com—coveredCA.com. Because quality care is not something that should be a privilege, it should be a right. In the greatest country on Earth, we've got to make sure that every single person that needs health care can get it. And we've got to make sure that we do it in the most efficient way possible.

One last point I'm going to make on this, because there are a lot of people who currently get health insurance through their employers—the 85 percent who are already out there—and they may be saying, well, if this law is so great, why is it that my premiums still went up? Well, part of what's happening across the country is, in some cases, for example, employers may be shifting more costs through higher premiums or higher deductibles or higher copays, and so there may still be folks who are out there feeling increased costs not because of the Affordable

Care Act, but because those costs are being passed on to workers or insurance companies, in some cases. Even with these laws in place, they're still jacking up prices unnecessarily.

So this doesn't solve the whole problem, but it moves us in the right direction. It's also the reason why we have to keep on implementing changes in how our health care system works to continually drive better efficiency, higher quality, lower cost. We're starting to see that. Health care cost inflation has gone up at the lowest rate over the last 3 years that we've seen in many, many years. So we're making progress in actually reducing overall health care costs while improving quality, but we're going to have to continue to push on that front as well. That's also part of what we're doing in the Affordable Care Act. All right?

But the main message I want for Californians and people all across the country, starting on October 1, if you're in the individual market, you can get a better deal. If you're a small business that's providing health insurance to your employees, you can get a better deal through these exchanges. You've got to sign up: healthcare.gov, or here in California, coveredCA.com.

All right? So thank you very much.

Q. Mr. President?

The President. I'm going to take one question. And then, remember, people are going to have opportunities to also answer questions when I'm with the Chinese President today. So I don't want the whole day to just be a bleeding press conference. But I'm going to take Jackie Calmes's [*New York Times*] question.

National Security Agency's Electronic Surveillance Program

Q. Mr. President, could you please react to the reports of secret Government surveillance of phones and Internets? And can you also assure Americans that the Government—your Government—doesn't have some massive secret database of all their personal online information and activities?

The President. Yes. The—when I came into this office, I made two commitments that are more important than any commitment I made: number one, to keep the American people safe; and number two, to uphold the Constitution. And that includes what I consider to be a constitutional right to privacy and an observance of civil liberties.

Now, the programs that have been discussed over the last couple days in the press are secret in the sense that they're classified. But they're not secret in the sense that when it comes to telephone calls, every Member of Congress has been briefed on this program. With respect to all these programs, the relevant intelligence committees are fully briefed on these programs. These are programs that have been authorized by broad bipartisan majorities repeatedly since 2006.

And so I think, at the outset, it's important to understand that your duly elected representatives have been consistently informed on exactly what we're doing. Now, let me take the two issues separately.

When it comes to telephone calls, nobody is listening to your telephone calls. That's not what this program is about. As was indicated, what the intelligence community is doing is looking at phone numbers and durations of calls. They are not looking at people's names, and they're not looking at content. But by sifting through this so-called metadata, they may identify potential leads with respect to folks who might engage in terrorism. If these folks—if the

intelligence community then actually wants to listen to a phone call, they've got to go back to a Federal judge, just like they would in a criminal investigation.

So I want to be very clear—some of the hype that we've been hearing over the last day or so—nobody is listening to the content of people's phone calls. This program, by the way, is fully overseen not just by Congress, but by the FISA Court, a court specially put together to evaluate classified programs to make sure that the executive branch, or Government generally, is not abusing them and that it's being carried out consistent with the Constitution and rule of law.

And so not only does that court authorize the initial gathering of data, but I want to repeat: If anybody in Government wanted to go further than just that top-line data and want to, for example, listen to Jackie Calmes's phone call, they would have to go back to a Federal judge and indicate why, in fact, they were doing further probing.

Now, with respect to the Internet and e-mails, this does not apply to U.S. citizens, and it does not apply to people living in the United States. And again, in this instance, not only is Congress fully apprised of it, but what is also true is that the FISA Court has to authorize it.

So in summary, what you've got is two programs that were originally authorized by Congress, have been repeatedly authorized by Congress, bipartisan majorities have approved on them, Congress is continually briefed on how these are conducted. There are a whole range of safeguards involved, and Federal judges are overseeing the entire program throughout. We're also setting up—we've also set up an audit process, when I came into office, to make sure that we're, after the fact, making absolutely certain that all the safeguards are being properly observed.

Now, having said all that, you'll remember when I made that speech a couple of weeks ago about the need for us to shift out of a perpetual war mindset, I specifically said that one of the things that we're going to have to discuss and debate is how were we striking this balance between the need to keep the American people safe and our concerns about privacy? Because there are some tradeoffs involved.

Now, I welcome this debate. And I think it's healthy for our democracy. I think it's a sign of maturity, because probably 5 years ago, 6 years ago, we might not have been having this debate. And I think it's interesting that there are some folks on the left, but also some folks on the right, who are now worried about it, who weren't very worried about it when there was a Republican President. I think that's good that we're having this discussion.

But I think it's important for everybody to understand—and I think the American people understand—that there are some tradeoffs involved. I came in with a healthy skepticism about these programs. My team evaluated them. We scrubbed them thoroughly. We actually expanded some of the oversight, increased some of safeguards. But my assessment and my team's assessment was that they help us prevent terrorist attacks. And the modest encroachments on the privacy that are involved in getting phone numbers or duration without a name attached and not looking at content, that on net, it was worth us doing. Some other folks may have a different assessment on that.

But I think it's important to recognize that you can't have a hundred-percent security and also then have a hundred-percent privacy and zero inconvenience. We're going to have to make some choices as a society. And what I can say is, is that in evaluating these programs, they make a difference in our capacity to anticipate and prevent possible terrorist activity. And the fact that they're under very strict supervision by all three branches of Government and that they do

not involve listening to people's phone calls, do not involve reading the e-mails of U.S. citizens or U.S. residents absent further action by a Federal court that is entirely consistent with what we would do, for example, in a criminal investigation, I think, on balance, we have established a process and a procedure that the American people should feel comfortable about.

But again, this—these programs are subject to congressional oversight and congressional reauthorization and congressional debate. And if there are Members of Congress who feel differently, then they should speak up. And we're happy to have that debate.

Okay? All right. And we'll have a chance to talk further during the course of the next couple of days.

Classified National Security Information/Privacy

Q. You welcome the debate, sir? Do you welcome the leaks, if you welcome the debate?

The President. I don't welcome leaks, because there's a reason why these programs are classified. I think that there is a suggestion that somehow any classified program is a quote-unquote secret program, which means it's somehow suspicious.

But the fact of the matter is in our modern history, there are a whole range of programs that have been classified because, when it comes to, for example, fighting terror, our goal is to stop folks from doing us harm. And if every step that we're taking to try to prevent a terrorist act is on the front page of the newspapers or on television, then presumably, the people who are trying to do us harm are going to be able to get around our preventive measures. That's why these things are classified.

But that's also why we set up congressional oversight. These are the folks you all vote for as your representatives in Congress, and they're being fully briefed on these programs. And if in fact there was—there were abuses taking place, presumably those Members of Congress could raise those issues very aggressively. They're empowered to do so.

We also have Federal judges that we put in place who are not subject to political pressure. They've got lifetime tenure as Federal judges, and they're empowered to look over our shoulder, at the executive branch, to make sure that these programs aren't being abused.

So we have a system in which some information is classified, and we have a system of checks and balances to make sure that it's not abused. And if in fact this information ends up just being dumped out willy-nilly without regard to risks to the program, risks to the people involved—in some cases, on other leaks, risks to personnel in very dangerous situations—then it's very hard for us to be as effective in protecting the American people.

That's not to suggest that you just say, trust me; we're doing the right thing, we know who the bad guys are. And the reason that's not how it works is because we've got congressional oversight and judicial oversight. And if people can't trust not only the executive branch, but also don't trust Congress and don't trust Federal judges to make sure that we're abiding by the Constitution, due process, and rule of law, then we're going to have some problems here.

But my observation is, is that the people who are involved in America's national security, they take this work very seriously. They cherish our Constitution. The last thing they'd be doing is taking programs like this to listen to somebody's phone calls.

And by the way, with respect to my concerns about privacy issues, I will leave this office at some point, sometime in the last—next 3½ years, and after that, I will be a private citizen. And I suspect that, on a list of people who might be targeted so that somebody could read their e-

mails or listen to their phone calls, I'd probably be pretty high on that list. It's not as if I don't have a personal interest in making sure my privacy is protected.

But I know that the people who are involved in these programs, they operate like professionals. And these things are very narrowly circumscribed. They're very focused. And in the abstract, you can complain about Big Brother and how this is a potential program run amuck, but when you actually look at the details, then I think we've struck the right balance. All right?

Thank you very much, guys. That's it.

NOTE: The President spoke at 9:01 a.m. at the Fairmont San Jose. In his remarks, he referred to Get Covered public-private partnership members Peter V. Lee, executive director, CoveredCA; Robert K. Koss, president and chief executive officer, California Endowment; Manuel Abud, president, Telemundo Station Group; Monica K. Lozano, chief executive officer, impreMedia; and Stephen Keppel, economics editor and director of financial content, Univision News. He also referred to former President George W. Bush.

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