

NATIONAL PRESS CLUB NEWSMAKER WITH MICHAEL STEELE

SUBJECT: HEALTH CARE: PRESIDENT OBAMA'S NEXT GRAND EXPERIMENT

MODERATOR: DONNA LEINWAND, PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 9:00 A.M. EDT

DATE: MONDAY, JULY 20, 2009

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DONNA LEINWAND: Good morning, everyone. Welcome to the National Press Club. My name is Donna Leinwand, I'm a reporter with *USA Today* and I'm President of the National Press Club. We're the world's leading professional organization for journalists and we're committed to a future of journalism by providing informative programming and journalism education, and fostering a free press worldwide. For more information about the Press Club, please visit us on our website at www.press.org.

On behalf of our 3,500 members worldwide, I'd like to welcome our speaker and our guests in the audience today. I'd also like to welcome those of you who are watching us on C-SPAN. We're looking forward to today's speech, and afterwards I will ask as many questions from the audience as time permits. Please, hold your applause during the speech so that we have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and members of the general public who attend some of our Newsmakers, and not necessarily from the working press.

Our guest today took a twisting path to politics. At Johns Hopkins University in Baltimore, Michael Steele was class president and a member of the fencing team, but nearly was expelled when his social life eclipsed his academics. He later studied for the priesthood at Augustinian Friar's Seminary at Villanova before turning his attention to law at Georgetown University. A corporate finance attorney by profession, Mr. Steele founded his own company, The Steele Group, a business and legal consulting firm.

Formerly Lieutenant Governor of the blue state of Maryland, he mounted a very strong challenge for the U.S. senate seat in 2006, losing out to Ben Cardin. In January, Mr. Steele was elected Chairman of the Republican National Committee in a close-fought battle that went six rounds of balloting. He is the first African-American to hold that post. With the Republican Party in the political wilderness, Mr. Steele has jostled for a prime spot in the conservative limelight with such figures as Rush Limbaugh and Sarah Palin. Today, he has the stage to himself to talk about the Republican alternative to the Democratic plans of President Barack Obama and the party's congressional leadership regarding the critical subject of health care reform. Raising the stakes of this debate, President Obama has promised a health care bill by the end of the year. The nonpartisan Congressional Budget Office has said Democratic plans do not reduce the spiraling cost of health care programs, as the President has said he wants.

This Wednesday, the President will be holding a prime time news conference to try to take command of the health care agenda, following criticism of his input, or lack of it, from Democrats on Capitol Hill. Mr. Steele now has the chance to get ahead of the President and seize the agenda for Republicans by putting forward an alternative to what the Democrats are proposing. Please join me in welcoming Michael Steele to the National Press Club.

MR. STEELE: Thank you very much, good morning. It's a real pleasure to be here, and I appreciate the National Press Club offering this opportunity to address one of the most fundamentally important issues in generations that our country has to face.

President Barack Obama is a good man and cares deeply about this country. But he is determined, with an unprecedented single mindedness, to transform it into something none of us would recognize. Candidate Obama promised change, President Obama is conducting an experiment. He's conducting a dangerous experiment with our health care and with the quality of our lives. He's conducting a reckless experiment with our economy. And he's conducting an unnecessary experiment with our tax dollars, experiments that will transform the very way of life of our country and its citizens. The President is rushing this experiment through Congress so fast, so soon, that we haven't had a moment to think if it would work. Or worse, to think about the consequences to our nation, our economy and our families if it doesn't work.

The Barack Obama experiment with America is a risk our country can't afford. It's too much, too fast, too soon. Surveys show that a solid majority of Americans are concerned that President Obama has no strategy to reduce the deficit. Perhaps that is because President Obama's strategy is to increase the deficit. In only his first six months, this President's first budget has sought to take on nearly as much debt as we have taken upon ourselves in the entire history of our country. The deficit for this year alone will be the highest in U.S. history, nearly five times as much as it was just two years ago.

His economic experiments have left all of us, and generations to come, with a staggering bill. And the Obama experiments are not working. So far, his experiments in that economic laboratory called Congress have simply failed or blown up. President

Obama told us that a stimulus package would keep unemployment under 8 percent. It's now at 9.5 percent. And now, he tells us that unemployment will go, well, to 10 percent anyway. That experiment cost us \$787 billion. Now, to try to understand the enormity of that number, consider this: the interest on the stimulus package, the interest alone, cost us nearly \$100 million every day. President Obama has committed to borrowing trillions from foreign creditors. In return, they get the lion's share of our nation's future economic output. In short, our children will be working to build productive capacity and improve standards of living, but not here in America, but for our foreign creditors.

Now, let me quantify that a bit. In a typical year, the total profits for all American businesses amount to six or seven percent of GDP. President Obama's own budget projections acknowledge that our country's debt will exceed 100 percent of GDP in the next decade. And that means that, even assuming relatively benign interest rates, which is no safe assumption with all the inflationary policies the President has pursued, roughly five to six percent of our GDP will go to paying interest on our federal debt. That means, in short, capital roughly equal to all the business profits in the country, capital that has historically funded the expansion of our economy and enabled us to improve our standard of living, will go instead to our creditors, largely China and OPEC to extend their economy and improve their standard of living.

Mr. President, you're putting your party's entire big government wish list on America's credit card. But that card comes with a bill. It is more debt our children will have to pay because this reckless administration has an unrestrainable (sic) urge to splurge. President Obama faced a credit crisis, a struggling economy, a housing bust, bankrupt auto companies, Wall Street failures. Whatever the problem was, he responded by spending, spending and more spending. And now our President's proposing more debt, more risk, more experimentation.

His next big ticket item is a risky multi-trillion dollar experiment with our health care including a government-run health care plan. It not only risks our economy, it risks every American's health, too. President Obama says he wants to reduce health care costs. Well, Republicans agree, health care costs weigh too much. Health insurance premiums have risen three times faster than wages. Health insurance is costing families and businesses too much, and certainly we have to fix that.

But here's my question. How come the Democrats' plan to save money will cost us more money? How come their plan to reduce health care costs will cost us trillions more in tax dollars? Democrats boast that their plans cost only about \$1 trillion. Now, you need to consider the absurdity of that idea alone. But, that assertion is based on a deliberate misreading of the data. The nonpartisan Congressional Budget Office, CBO projections to which they refer, are for the next ten years. But the Democrat plans are only fully implemented towards the end of that window. According to CBO's best guess, once the plan is fully implemented, it will cost hundreds of billions of dollars each year; in the case of the House bill, \$202 billion in 2019 alone. And note that I said best guess. The thousand-plus page House bill was not released until less than 48 hours before mark up. And CBO said that it still had not completed its revenue analysis. For example, CBO

stated, “We have not yet estimated the administrative cost to the federal government of implementing the specified policies.”

In other words, the staggering costs estimated by CBO does not even include one of the biggest expenses in the bill. Only Washington could make saving money more expensive. It doesn't matter if your insurance charges you more through the front door and higher premiums, or whether president Barack Obama charges you more in back door in higher taxes; it's the same thing. Under the Obama-Pelosi plan, costs are going up and you, the American people, are going to pay.

Let's just use common sense here. When was the last time Washington ever made anything cheaper, or cost less? If you're a small business owner, you will see a tax hike on your income, your payroll, and your investments, all of which won't help you to grow and create more jobs. If you're a senior, you face \$400 billion in Medicaid and Medicare cuts. If you're working, you face \$600 billion in new taxes, and they're just getting started, folks. Some Democrats are even complaining that they're not raising taxes enough. If you get health coverage at work, they actually want to tax your health insurance. But they're not finished. If you're thirsty, they're considering a 10 percent tax on a can of soda. And if you need a stronger drink, after hearing that bad news, I've got more bad news for you, they're thinking about raising the alcohol tax, too.

In addition, they're considering a new tax on employers equal to 3 percent of payroll. Under consideration is a value added tax, a sort of national sales tax of up to 1 ½ percent, or more. Now foolish me, all this time I didn't know raising taxes on something actually made it cost less. That's like those commercials that promise, “You can eat all the cake you want and still lose weight.” Who knew?

A good doctor, though, makes a thorough diagnosis and prescribes a remedy that is specifically targeted at what ails the patient. If you come in with a sore knee but are otherwise healthy, the doctor doesn't remove your kidney, put your arm in a sling and perform quadruple bypass surgery. And above all, for thousands of years, physicians have pledged to adhere to one principle above all others. First, do no harm. We should approach health care reform in the same way. We must specifically target reforms at what ails our system. Do no harm to what is right about it. In fact, much about our health care system is in very good shape, and we should make sure those aspects are strengthened, not eliminated.

First, 260 million Americans currently have health insurance coverage, the great majority through private insurance. And polls consistently show that they are overwhelmingly pleased with their current coverage. Second, America is home to the highest quality and most innovative health care in the world. Now, you don't have to take my word for it, ask the Saudis receiving care at Johns Hopkins, the Canadians at the Mayo Clinic, or the British at Mass General. Or ask the committee that awards the Nobel Prize for Medicine. Over the past 25 years, the vast majority of honored researchers have been Americans.

So what is the diagnosis for what ails our health care system, the problem for which we must provide a remedy? In a word, cost. We spent a colossal amount on health care, over 15 percent of our GDP. The next highest industrialized nations spend about 10 percent. And for that amount, in the aggregate, we have similar health outcomes as countries spending less when measured by such metrics as life expectancy. Our uninsured are a symptom of that cost problem, a problem Senator Daniel Patrick Moynihan once characterized as “health care costs disease.” For certain, some of our uninsured have the means to purchase health insurance, but unwisely choose not to in the hopes that, well, they'll stay healthy and save money. Others qualify for government assistance but for various reasons do not receive it. But for most of the uninsured, the problem is easy to diagnose: they just can't afford the insurance. Yet, President Obama's response is to make health care insurance even more expensive.

Let me throw another statistic at you, one that remarkably received little or no coverage from the media, as far as I know. According to the latest CBO estimates, under the House Democrat version of the health plan, after it is implemented, the cost of insuring each additional individual would be nearly \$30,000, an amount far greater than the average annual cost of insuring an entire family. In fact, according to the Henry J. Kaiser Foundation, the average cost of an employer health plan for a family of four is about \$12,800. What's more, to add insult to injury, CBO tells us that every version of the Democrat health plan, even after spending trillions of dollars, will leave millions still uninsured. The Democrat plan does not contain costs, it shifts them to the taxpayer, to our children, and to future generations that will have to cope with this crushing debt by implementing huge premium subsidies and establishing a government-controlled health care plan. In fact, the President's plan prescribes short-term pain relief instead of trying to fix the source of the pain. If he was a doctor, that would be malpractice.

And this plan is likely to be worse than the plans those Americans have now. Don't believe me? Then believe President Obama. On his ABC health care town hall a few weeks back, President Obama refused to pledge he'd limit his family to getting the same cures and treatments his public plan would give the rest of us. Now, if the President doesn't have faith in his plans for his own family, how can we trust his plan for ours? The American health care system should not be more like the European health care system where patients who are over 70 are told, “No, you're too old for cancer screenings,” where sick people are told, “You have to wait in line for this test or that medicine.” No, thank you, Mr. President.

The President tells us that he just wants the government-run health care plan as another choice to compete with health care insurance you have now. He says you won't be forced to join, but his plan does exactly the opposite. In fact, the President's proposal creates yet another government czar. Now what are we up to, 20? Who will push government-run health care while dictating to your private insurance company how they should operate, the insurance coverage they should provide and which health care services you should receive?

Now, we all remember Harry and Louise. Harry and Louise helped save us from Hillary Clinton's health care experiments in 1994. This year, Harry and Louise have been replaced by another couple, Harry Reid and Nancy Pelosi. Harry and Nancy aren't really doctors, they're just trying to play one on Capitol Hill by experimenting with health care and assisting on a big government takeover. Now, say you have a job in a grocery business or office store or a hardware store. Imagine if the U.S. government knocked on your door and said, "Hi, we're opening up a business right across the street. It'll be a government-run store. We came here to compete with you. And we're going to have to lower prices a little bit cheaper than yours because we're the government and, quite frankly, we don't have to pay our bills. We'll just leave them for your children to pay later on."

How do you think your store will survive? How long do you think you will stay in business? How long would you have your job? "When big government competes," one congressman said, "it's like an alligator competing for a chicken. And the health care you have now is the chicken." Simply put, experts tell us President Obama and the congressional Democrats government-run plan could lead to 119 million Americans being dumped out of their private coverage into a cheaper, government-run health care program. That's why they're forcing members of Congress to vote on legislation to reshape the economy in a fundamental way before a single member of Congress has even read the bill.

Now, I don't know how you read, let alone understand, over a thousand pages of legislative text in a few hours. Democrats are determined to shove this bill through without permitting any meaningful scrutiny. That's why they're cutting Republicans out of the process. The Democrats have no intention to have a bipartisan bill, they never have. The President is taking care to arrange for some nice photo ops, but that's just about it. Back in 1994, when Hillary Clinton tried to jam a massive health care bill down Congress's throat, Senator Bob Kerry of Nebraska, a highly respected Democrat, gave a speech on the Senate floor in which he flatly stated that he would not vote for a bill which did not have Republican support.

Now, I'm waiting for a Democrat, any Democrat, to show that sort of courage today. And please don't throw up the Blue Dogs at me. Their press releases may talk about fiscal responsibility, but in the end they have been Nancy Pelosi's most reliable voting bloc. And don't tell me that Republicans are unwilling to support a responsible health care reform proposal from a Democrat. The very first major health care reform bill introduced this year was written by Senator Ron Wyden, not just a Democrat, but a pretty liberal one. But his bill had some good ideas, and has drawn almost as many Republican cosponsors as Democrats.

Now, let me be clear. Republican support health care reform that addresses the biggest problem in our system, runaway costs. We don't need to spend more money on health care, we already spend far more than the rest of the industrialized world. What we need to do is spend it better, starting by reforming a third-party payment system that promote waste, limits choice and misallocates resources. We want the 260 million

Americans who have health insurance coverage to keep that coverage. We want people to choose their own doctors and make their own choices regarding their treatment options. We want to focus on health outcomes, keeping people healthy through preventive care, and promoting good fitness and nutrition.

Under the Obama plan, the vast majority of Americans will pay more to get less, it's that simple. We will spend trillions more, trillions, and the 260 million Americans who now have insurance will have fewer options and worse care. And we still won't cover all of the uninsured. This is one-sixth of our economy we're talking about. If we screw this up, it could last a generation. And Congress is trying to do this in the next two weeks? They want to get a bill done in the next two weeks? This reckless approach is an ill conceived attempt to push through an experiment and all of us should be scared to death.

So slow down, Mr. President. We can't afford to get health care wrong. Your experiment proposes too much, too soon, too fast. Your experiment with our health care could change everything we like about our health care, and our economy as well. So it's time to stop the experiment with our economy and our health care and our future, Mr. President. If you will only slow down long enough to see a better way, a better way of helping our families and businesses get hold of and bring down health care costs. Republicans stand with the growing number of Americans supporting the patient-centered health care reform movement. We believe the patient-centered health care reform movement offers the best way to reduce health care costs bottom up, with patients and doctors in control, not the government. The old top-down Washington-centered system the Democrats propose is designed to grow Washington's power to restrict the cures and treatments your doctor can prescribe for you.

The President wants to make health care more affordable, so do we. But Republicans have a completely different vision of how to do it. Republicans support simple, commonsense fixes without the big Washington experiment. Obama, Pelosi want to start building a colossal closed health care system where Washington decides. Republicans want and support an open health care system where patients and doctors make the decisions.

So Mr. President, let's talk about some commonsense reforms that the American people and their doctors can trust. Let's have doctors and hospitals post pricing and outcomes. In this day and age, why aren't the costs of all tests, treatments, procedures and office visits, as well as effectiveness of treatments, posted openly on the internet? That'll bring down cost. And how about if we make health insurance companies compete with each other with simple, understandable contracts and minimal benefit packages so insurance is simpler, cheaper and fairer, just like many banks are doing with car or home loans. And, why not put in place a simple, one-page reimbursement form so folks can navigate a little bit more easily? That will bring down costs.

And let's protect doctors from frivolous, expensive law suits so they can work together with other doctors and patients in their communities to reduce unnecessary and

expensive tests, procedures, and costs. I appreciate the President's very brief flirting with tort reform. We'd like to welcome you back to that tort reform table, Mr. President, because that will certainly bring down costs.

Then we change the law so you can take your health insurance with you if you have to change your job, eliminating expensive and unnecessary insurance turnover. That will bring down costs. And we cut out the Washington health care middle man, reducing expensive bureaucracy to produce big health care savings. That'll bring down costs. Let's support new, paperless computer age health care IT systems to reduce the cost of health care management, as well as reduce medical mistakes. That'll really bring down costs. And let's make sure every American has equal opportunity to get the best value and buy the cheapest insurance, no matter where he or she lives, or who he or she works for. Let's change the law so any American can buy the lowest cost insurance available nationwide, not just in their states, whether from insurance companies, businesses, church groups, college alumni associations, or groups like AARP who often provide it a lot less expensively. Guess what? That'll bring down costs, too.

And don't you agree that companies like Target are best suited to bring down costs than any politician in Washington? So, let's use consumer buying power and group buying power, not Washington price controls to bring the cost of health care down. And by the way, let's support a bipartisan idea: effective prevention, wellness, and disease management programs because they will improve our health, too. And that will also bring down costs.

Let's support bold, new incentives for companies to develop new treatments and cures because that is smarter than paying for chronic, long-term illnesses we can't cure today. That'll bring down costs. Every American should also get a tax credit for their health insurance premiums. Certainly, that will bring down costs. But further, under current law, employees not covered by health care plan, a group which disproportionately includes the working poor, cannot deduct the cost of insurance premiums. Incredibly, rather than remedying that injustice, the Democrats make it illegal for anyone to purchase a new individual plan. We believe in bottom-up health care savings for the middle class and the working poor.

And here's another idea: how about we give small businesses the same cost saving breaks big businesses get by helping them form small business health plans and small business health co-ops? Guess what? That'll bring down costs.

Then let's support tough new penalties against anybody who rips off the health care system, whether they are corrupt big insurance company executives, unethical physicians or patients, or government pen pushers. Guess what? That'll bring down costs, too.

And one more thing: no lifetime health care benefits and insurance for congressmen who leave their jobs unless and until everyone else in the country gets to share in the same benefit. That's the right thing to do, and it brings down costs.

Now, I know President Obama has some tough challenges. I get that, we understand that. And the President tells us he doesn't want to spend more than we have, he doesn't want the deficit to go up, he doesn't want to live off borrowed money. But he also told us he didn't want to run an auto industry. The President has insisted at every step of the way that his health plan will not add to the deficit. But just last Friday, CBO concluded that the Obama-Pelosi plan will add \$239 billion to the deficit by 2019, and hundreds of billions of dollars thereafter. That means, according to CBO, not Michael Steele, the Obama-Pelosi plan does not do either of the two things the President swore they would do: contain costs and not add to the deficit.

President Obama justifies this spending by saying the devil made him do it. He doesn't want to spend trillions we can't afford, but he says he just can't help it. Even though he says he believes in less spending, he says he has no choice but to spend even more. Even though Washington is on fire with spending, he said he's compelled to conduct this experiment with reckless spending and pour more gasoline on an already-growing fire.

Mr. President, the time to stand by your principles isn't just when it's easy. You need to stand by your principles when it is not easy. The time your character's tested is when doing the right thing is tough. Mr. President, in your press conference on Wednesday night, I challenge you to be honest with us. Tell us the truth. Don't tell us it's going to cost less when it's going to cost us more. Don't insult our intelligence by telling us Washington has to spend more money to spend less or save more. And I challenge the American people, when you see the President's press conference on Wednesday night, tell this President and this Congress exactly how you feel. If you think his experiment with our health care is too much, too fast, too soon, pick up your phone and call the Congress, call the White House, flood them with faxes, emails. Let them know what you think and how you feel. You are important actors in this process. You should not sit on the sidelines and just wait for what happens to you.

In short, yes you can. Show Washington who is really in control of America's health care. In America, we don't allow one man to roll the dice with our entire nation. We do not allow one political leader to risk our health care system and our entire economy. We do not allow one political group to gamble with the fate of generations. We have never allowed one political party to experiment with the future of our country. That is, until now. It's time to hit the pause button on this administration's reckless experiment with America's economy and our health care system. This type of experimentation is not what America voted for, and it's time to put this experiment on the shelf.

Today, the Republican National Committee is unveiling a multi-platform campaign aimed at informing Americans about the risky experiments that the President is conducting on our economy and our country. We are taking our message directly to you, the voters out there, through grass roots mobilization, through our new website, www.barakobamaexperiment.com, and through advertising such as the TV ad that we are launching today so that you, average Joe and Jane, understand what is at stake and what

this administration is about to do to you and your family and your community. We want you mobilized, and we're going to mobilize voters to oppose further experimentation on the economy, especially health care. Voters may want health care reform; however, they don't want this kind of reform.

Today, we're faced with a lot of challenges. We're stymied with increased costs and burdens that some can't bear. Many Democrats outside of the Obama-Pelosi-Reid-Waxman cabal know that voters won't stand for these kinds of foolish prescriptions for our health care or for ourselves. We do, too. That's why Republicans will do everything humanly possibly to remind voters about the risky experimentation going on in Washington and what we all must do to keep members of the House and Senate out of the laboratory.

This is a time of great economic uncertainty. This is a moment when the very structure of the global economy which depends on our economic might is being challenged. We will get through this global economic storm, but then we will have to compete and win in a new global economy that is going to grow dramatically in size and complexity in the next few decades.

Who's going to get all that prosperity, America or someone else? Who's going to own the new economy with more women and minorities succeeding, the middle class expanding and the entire workforce earning bigger paychecks as we build a wealthier world? Who's going to own the future, the coming era of promising the most powerful economic and technological growth the world has ever known? Who's going to lead a world where health care is transformed and people live longer and healthier lives, building upon the most valuable resources on the planet, the human resource to transform nations and continents? Who's going to settle a new global frontier of peace, prosperity and progress?

I say we are, we the American people. And I'm telling you there isn't anything before us we can't achieve, any challenge we can't overcome. So be optimistic, for the opportunities before you now dwarf the opportunities our parents had. There are new miracles of science to be found and Americans will find them. There are new jobs we cannot imagine, and Americans will create them. There are new economic frontiers to be settled, and yes, Americans will compete and win them. The greatest time to be an American is before us.

All of us here today have a great and noble purpose as our country calls upon each of us to rise to this critical moment and keep America the greatest and healthiest country in the world. Thank you, and God bless America.

MS. LEINWAND: Okay, we'll go to some questions, and if you have some more questions, feel free to pass them up here. Mr. Steele, is it morally acceptable for 30 to 40 million Americans to be without health insurance?

MR. STEELE: I don't know if that's a consideration for politicians versus a pastor. But what I do know is that it is important and imperative that the politicians, the political leadership, get it right. It is morally wrong to saddle future generations with a debt burden they cannot pay. It is morally wrong to stake a claim in the future in which the government controls your individuality, the choices that you make and how you lead your lives. So, I think that this question is a very important one with respect to the 30 or so million people who do not have health care. We as a nation have committed ourselves to doing everything possible to help them.

But, we have to do it in such a way that we don't hurt others along the way. And this opportunity to fix, if you will, the system, to bring those 30 to 40 million people into full insurance, is a great opportunity we can't miss nor mess up. And our concern is that in a rush to try to get it done, we're losing greater opportunities to secure that future so that in five, ten or so years we're not facing something more catastrophic than just 30 million people without insurance. We're talking potentially, under this plan, upwards of 119 million people being kicked out of the health care insurance that they currently have. And that's a moral consideration as well.

MS. LEINWAND: Why didn't the Republicans, when they held both Houses and the White House, do something substantial to address the health care issue?

MR. STEELE: Well, I think there were efforts along the way, certainly. There was the Medicare Part D, Reg. D, passage that the Republicans did get through. There's always been a debate about that particular piece of legislation. But I think the other reality is, you know, the will to do it. And the pressures that have been mounting over the last few years have just grown so great, and I think the will is there now for the people to be involved in this, as well as others. But I just think that there's been just a general lack of focus on this issue by many in both parties.

I've always believed that if you're going to do health care, you've got to do it right, you can't just do it partially. You can't have a conversation with just trial lawyers and insurance companies. You've got to include patients and doctors. You can't have a conversation without including the pharmaceutical companies. You can't have a conversation about health care without including everyone who is touched by the issue.

And in the past, that has not been the way we've approached it. It's always been piecemeal from both Republicans and Democrats. And I think I applaud the President with the desire to do this; my concern is the rush to do it. Too fast, too much, too soon. We're not going to get this done effectively and well in the next ten days. I don't think anyone in this room believes that, and I know the people out there in America don't believe it. And what will the bill look like? What kind of health care do you get for something that's done in ten days when it took a year and a half for them to put the Medicare system in place in the 1960s? A year and a half to put Medicare in place, and we're going to revamp the entire nation's health care system, one-sixth of our economy in ten days? In ten days? Amazing.

And so I think we all need to stop and get serious about what we're confronting here and stop playing this Washington game of Russian roulette, if you will, with the livelihood and the businesses and the health care of our communities.

MS. LEINWAND: Wasn't this all litigated in the last election, and your side lost?

MR. STEELE: (Laughter) I don't know who got sued in the last election. Yeah, we lost the last election, so that means we shut up? Oh, I get it. We lose an election and therefore, we just now sit back and let whatever happens happen? Really, you're saying--? That's a serious question, someone asked that question? Last time I checked, I was an American citizen. I didn't stop being a concerned American because I lost an election, all right? So I think the question is a little bit silly because I think it's important for all Americans right now, regardless of who lost and who won. I know a lot of Democrats who won last year are right now sitting there going, "What the heck is this? Is this the change I voted for?" I know a lot of Democrats who won last year who are voting against or walking out on this legislation. I know a lot of Democrats who won last year who are scratching their heads going, "This isn't the bargain I bargained for."

Are they Americans? I think they are, and that's why they're concerned. So for those of us who lost, we're not giving up our right to be concerned about our country and its prospects and its history and its health care.

MS. LEINWAND: When will the Republicans propose the alternative legislation they have been saying since May that they've been drafting?

MR. STEELE: (Laughter) There has been any numbers of efforts by members of the House and the Senate to put within the President's bill, effective changes or accommodations, if you will, to the totality of this process. Now, the Republicans can get up tomorrow and introduce its own bill, but you and I know how Washington works. The bill that matters is the one that the leadership puts in place, the Democrats have the leadership. But it's tough to do when you've been locked out of the process. It's tough to do when your staff is not included in the drafting. It's tough to do when the leadership is not included in the discussions. And then you're given a bill at the 11th hour that says, "Here, you guys need to go vote on this this afternoon."

And that's not a bipartisan process. And Republicans have, as I mentioned in the text of my speech, have been working with Democrats since the beginning of the year to put in place and craft comprehensive, bipartisan health care reform, legislation. And they've been stymied and set aside and castigated as the party of No. We've been put in that position. Well, I'm here to tell you, yeah, we're the party of saying no to expansive government, no to an increase in taxes and spending. That's the No we're concerned about. We want to work with this President, we want to be at the table. We want to work with Nancy and Harry. But they're making it awful difficult when they don't even include members of the leadership and staff in the process.

MS. LEINWAND: Do Republicans still support Senator McCain's plan to tax high cost employer coverage to finance tax credits to help the uninsured?

MR. STEELE: That's something that the Republicans in the House and Senate are going to work through. I know that there are different points of view on that particular issue. I stated very clearly in my comments that the idea of taxing health insurance premiums, to me, is not the way to go. I just don't think taxes work in this economy. I just don't think that is how you're going to solve this particular problem. But the Republican leadership in the House and Senate will work through, with Senator McCain and others, what is an appropriate form to take and we'll see where they come out.

MS. LEINWAND: Do Republicans support an individual requirement to get coverage?

MR. STEELE: An individual requirement? What do you mean by an individual requirement?

MS. LEINWAND: To require people get health coverage?

MR. STEELE: Do we support requiring individuals to get health coverage? Again, that is one of those areas where there's different opinions by some in the House and the Senate on this. Look, I don't do policy, I'm not a legislator. My point in coming here today was to begin to set a tone and a theme, if you will, an approach to addressing this issue that's centered bottom-up, that's centered on real people who are struggling with this issue every single day. My hope and my expectation is that the very smart people that we've elected in the House and the Senate on both sides will come together and recognize exactly what the American people need and want because they're telling them.

Trust me, this White House is polling just like the DNC is polling, just like the RNC is polling. So, everyone has their fingers on the pulse out there, which again befuddles me as to why we're going down this road of more government expansion, more government taxation, more government spending, more government intrusion, when the polls and the people are saying they want as little of that as possible. So we're hoping that the folks on the Hill are paying attention to the people in America who are making very clear what it is they want and what they don't want.

MS. LEINWAND: Why haven't Congressional Republicans united behind a single approach to oppose democratic bills? Wouldn't that make your party more effective?

MR. STEELE: Again, that's a strategy that the leadership works out. I don't get to make that play call and so, you know, I have enough play calls I got to worry about at the RNC. And so, my job now is to work in as close coordination with them as possible, as they see fit, that helps them get their message out to the American people. And they make the decision about with whom and how closely they work with their colleagues and with each other.

MS. LEINWAND: Does President Obama's health care plan represent socialism?

MR. STEELE: Yes. Next question.

MS. LEINWAND: In 1965, Republicans said Medicare would lead to socialized medicine. How are you so sure health care overhaul will have the dire consequences you predict when your party was so wrong about Medicare?

MR. STEELE: Well, I think that there's a legitimate debate there about the impact that Medicare and Medicaid are having on the overall fabric of our economy. You look at its attendant costs and the fact that you have to keep feeding this particular engine. I think, though, in this case, unlike 1965, the level of spending, the level of government control and intrusion is far greater and much more expansive than anything we've ever seen. I mean, come on folks. I mean, you guys, you're journalists, you scrutinize this stuff. I mean, you're sitting here and tell me that this is not unprecedented, that even you aren't shocked at the degree to which this administration is bringing the government not just into our lives, but into the very relationship between the doctor and the patient? Between the patient and his insurance company? Between the insurance company and the market?

So I think that what we're talking about here is something far beyond anything we've seen in 1965 or since 1965. This is unprecedented government intrusion into the private sector, period. And you can sweeten that any way you want, but it still tastes bitter and I think the American people know that.

MS. LEINWAND: How would your plan make the \$12,800 affordable to those who can't afford it? How many of the uninsured would it cover and what cost in subsidies? Would you change the way doctors and hospitals are paid per patient rather than per procedure?

MR. STEELE: Well, I think that's a very good question and it really goes to the crux of what we have to get to, the meat of this situation, is drilling down on questions like that and really looking at the fiscal as well as the relationship impact that's involved here. Hey look, I'm not proposing any quick fixes, I don't have my head in the sand or my eye up in the sky dreaming. I know this is going to take hard work and it's going to take a real effort by both parties to come to the table and seriously talk about health care. Not just in the abstract, not just in the self interest of promoting one special interest over another, but in the interest of promoting what's best for the people.

So when you're looking at how we're going to pay for it, how you take that \$12,800 cost to families, and how that is apportioned and how that is paid out, that's a legitimate question. But we haven't begun to do that dissection yet. We're rushing to get a health care bill passed by the end of the year, by the end of the month, without that discussion, without anyone answering that question who really need to. Not Michael

Steele. I mean, I can pontificate all day long on what we should do, but it's the legislators that write the bill. They're the ones who have to put it into practice and into law. But we're not having that discussion. We can't even get into the room to ask the question of the legislators. I mean, we saw what they did on cap in trade; a thousand page bill with a three hundred page amendment which came at around four in the morning. No one read, and everyone in the Democratic Party voted for it. I mean, how crazy is that?

So what are you going to do with this bill? Ask the congressmen. Folks out there in America, call your congressman up and ask them if they've started reading the bill. Can they tell you what's in it? Well, they can't because they haven't seen it yet. And they'll get it at the last minute and they'll vote on it and they'll think they've done something. Well, what they've done is put us on the road to ruin if we do that.

And so, I want to see us get to the table so we can address-- So the people who need to seriously address a question like that can do it and then come back to us and tell us what these costs really are and what they really mean and how we're going to pay for them. Because at the bottom line for us, folks, still remain very simple, who's going to pay? And if you tax every wealthy person in this country, I don't care how you define them, you still don't cover the cost of what the President's proposing. So the 95 percent of you who were told last year that you were getting a tax cut? Huh-uh. You're not getting a tax cut, you'll get a whammy of a tax increase that's going to come in the form of a whole bunch of other taxes besides what you see coming out of your paycheck.

MS. LEINWAND: So if Republicans actually get to the table, do they have answers to those questions that were just posed? What are they going to actually bring to the table?

MR. STEELE: Well, I just laid out-- You want me to go through them again? I can go through them again. Let's talk about portability, let's talk about tort reform, let's talk about creating networks for small businesses to co-op so they can go into the marketplace and compete for the best insurance packages for their employees. There are a host of ideas that Republicans have put on the table that have, quite frankly, just been ignored. They're not a part of the discussion.

So all I'm saying is, Mr. President and Nancy Pelosi, Harry Reid, let us come to the table and sit down in a real bipartisan way to do this. We like coming down to the White House and having a beer and watching a game, but someone is going to lose a health care opportunity here if we don't get this right, mainly the American people. And so I think that we've put on-- I mean, I just went through the list, and I'll be happy to go through them again if you didn't get them, but I think we've kind of-- I've laid out in very broad terms, and then there are more specific pieces of legislation that our members, House and Senate, have proposed, that should be part of the bill and part of consideration.

MS. LEINWAND: What will the political price for the Republican Party be if it succeeds in blocking health care reform?

MR. STEELE: I'm not concerned about a political price that the Republican Party is going to pay, I'm concerned about the price the American people are going to pay if this thing passes. It's that simple. I'm not looking at this through the rose-colored glasses of what are our political fortunes. I'm not worried about that. I'm worried about my health care for my family. I'm worried about what my 21 year old son and my 17 year old son are going to do if they get sick or injured. I'm worried about my mother and my father, God love them, who are still living up here in D.C. trying to figure out how to pay their health care bills. That's my concern, that's the concern of every American and certainly, I know, the concern of everyone who does what we do. I just want us to do it right. I want us to get it right, and I think that the consequences will come for those who fail here, those who saddle this economy and our people with something they can't afford, not just in this generation, but in future generations.

So the price to be paid is steep, but it's not a political price, it's an economic one. It's a community one. It's one that your families and your neighborhoods will, you know, really, really come to bear. And I think that's a bigger consideration right now than who's up and who's down politically.

MS. LEINWAND: Okay, in light of the date, I have to ask this question. If we could put a man on the moon 40 years ago, why can't we give health care to more than 40 million Americans this year?

MR. STEELE: Bingo. I mean, that's it. That's it. And, the addendum to that is why do we have to upend an entire health care system to do that when the polling-- Everybody's polling, it doesn't matter. It's not just Republican polling, but everybody, nonpartisan and partisan on the Democrat side, polling show that the vast majority of Americans like their health care coverage. The vast majority of Americans like the quality of their health care. The vast majority of Americans don't want Uncle Sam to touch their health care. What they're concerned about is the cost. And so if we can just deal with that issue, that will solve a lot of the opportunities that we've avoided in getting those 40-some million people to the table.

Now, you got to look at that number very carefully and just realize that the number may not be as big as you think it is because it includes folks, in the case of some who don't qualify for health care, in the case of others who have access to health care but just haven't accessed it because they didn't know they qualify for health care, for Medicaid or Medicare. Or those, like a lot of young folks who run around saying, "Well, I'm not going to get sick. I don't want to have to pay for it," and they just opt out all together.

But whatever the situation may be, whether it's one American or 40 million Americans, we have to do our level best to make sure that every single day they have quality health care at their fingertip when they're ready to access it, however they want to access it. And the government should have very, very little to do with that.

MS. LEINWAND: Okay, we are almost out of time. But before I ask the last questions, we have just a couple of announcements. First of all, let me remind our members of future speakers. On tomorrow, July 21st, Gail McGovern, President and CEO of the American Red Cross will address a luncheon. And on July 24th, Representative John Conyers, a Democrat from Michigan, will address also the press club also at a luncheon. And also, I would like to give you our National Press Club mug.

MR. STEELE: Oh, cool. Excellent.

MS. LEINWAND: But you're not quite off the hook, so here we go. The last ten years--

MR. STEELE: Get the gift before I'm done, I love it.

MS. LEINWAND: We like to make sure you don't run. The last ten years, CBO scoring for the Iraq War was \$2.4 billion, twice the initial ten-year scoring for health care reform. Are you similarly worried with the cost of the war? If so, why aren't you expressing those concerns now?

MR. STEELE: Well, the cost of the war, like the cost of everything else, certainly is of great concern to the American people, as it is, I'm sure, to the administration. But I think in a real sense, the cost of health care is something that's up close and right here, it's something that people touch, it's something that people have to deal with in a real way. When they go to get their medicines, when they go to get health services, they're either paying or they're seeing what that cost is in a real way. I think that it doesn't take away from the fact that the cost of engaging militarily is a cost like all other costs. But when you're looking at the entire cost of health care as a proportion of our GDP, as the bottom line for our state governments. I know in the state of Maryland, health care was about 48 percent of our budget, 30 percent of that budget was education. So 78 percent of our budget was tied up in two things: all the things we did on homeland security and national defense with respect to the military institutions that we have in our state, was a very small portion of that.

So clearly, whether you're talking at a micro level or a macro level, the cost of health care, the cost of providing that health care, is a major, major piece of anyone's budget. And I think that right now, this is something that's impacting our economy. It takes up a significant portion of the dollars that we're allocating, and we need to get it under control. And our concern is that additional spending is just out of line. We're not driving this nation into debt, trillions and trillions and trillions of dollars of debt, by the spending that's going on right now with the war in Iraq and Afghanistan. Health care is driving that number. You look at what this administration is proposing, it is astronomical amounts of cash and we're going to have to pay that bill. And it's bill that's related to the health care expenses that this administration wants to put into place.

And so I think that the federal government, the state governments are going to be grappling with this issue in a real way for some time. But, we need to do so smartly, we

need to do so with a sense of urgency, yes, but with the right amount of pause to make sure we get it right. And right now, I don't think we're getting it right. We're getting it very wrong because it's, I think, in the long-term, going to cost us more harm than the good that's intended for it to do. Thank you all very, very much.

MS. LEINWAND: I'd like to thank you all for coming today. I'd also like to thank the National Press Club staff members who helped organize this; Melinda Cooke, Pat Nelson, JoAnn Booz and Howard Rothman. Also, thanks to the NPC Library for its research and NPC member, Toby Harnden. The video archive of today's Newsmaker is provided by the National Press Club Broadcast Operation Center.

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