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**Health Care Reform Newsmaker Series: Senator Chris Dodd
Kaiser Family Foundation
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DREW ALTMAN: I think at this point you all know who I am. This is our Newsmaker Breakfast Series with Senator Dodd, who we are thrilled to have here today. I really do prefer doing these in the small room up here as oppose to the cavernous room downstairs. So, I think when we can we will do them up here. I think it just facilitate a better dialogue. I do not know if you are counting, but I was counting.

This is the fourth in our series sponsored by Families and NFIB and the Kaiser Family Foundation. As you know it is the job of the hosts to keep our mouths shut and not say too much at these breakfasts because they are for the newsmakers, for the Senator and most especially they are for you. So my role is to welcome you. It is also to remind you that our next newsmaker will be Senator Hatch and that is on May 7th, so stay tuned for that.

Plus as you know I always try and have one fact for you at each breakfast. Last time it was 19.7 which was the average number of years between these major health reform debates which is why we need to make the most of this window of opportunity or we could be waiting awhile, and this time it is I have picked one out of the blue.

It is 59-percent and that was the percentage of the public who reported in our new tracking poll that they are

treatment altogether because of high health care costs. It is just a very big number and it reminds us that the problems which are behind this debate and which have put this debate back on the agenda are still very much there and in big numbers. So that is my number for the week, 59-percent. I know, sometimes it is hard to come up with a number of the week.

Let me invite Susan Eckerly to say a few words who is here from the NFIB and then Ron will as we always do introduce the Senator and we will be off and running.

SUSAN ECKERLY: Hello everyone, good morning and thanks for coming. I am Susan Eckerly, I am the Senior Vice President for Public Policy at NFIB and we want to thank Senator Dodd for and all of you for taking time out of your busy schedule to come here and discuss this important topic.

The senator I know recently held roundtables on health care in Connecticut. I know some of our members participated and I appreciated the emphasis you put on paying attention to the cost of health care, and I think as you know and as everyone has heard us say many times, the cost and availability of health care has been the number one priority for our members and a problem for our members since 1984.

And we are very excited about the next few months and upcoming debate and just want to emphasize again how important

any new mandates on small business at a time when they are trying to keep their head above water. But with that thank you for coming and I will turn it over to Ron.

RON: Hi, I have the distinct pleasure of introducing our honored guest. This is an auspicious week for health care reform. The budget resolution is being passed that allows for bipartisanship, but allows for the alternative if that does not actually materialize, and it is even more auspicious because we have Senator Dodd joining us here today for this newsmaker breakfast.

Senator Dodd is not just the longest serving senator in Connecticut history, but he has taken on some of the biggest challenges that we as a nation have. All of you know of course, that he chairs the committee on Banking, Housing and Urban Affairs, but we have asked him to join us today because of the role he plays on the Health, Education, Labor and Pensions Committee where he chairs the sub-committee on Children and Families.

As you probably know, Senator Dodd is the ranking Democrat on the Senate HELP Committee, after his good friend the Chair, Senator Ted Kennedy, the HELP Committee is one of the two committees that has jurisdiction over health care reform and the senator's staff has participated quite valiantly and regularly in the so called workhorse meetings that the

committee been hosting, twice a week meetings to get prepared for health care reform.

So there is no doubt Senator Dodd is going to be playing a leadership role when Congress passes health care reform. So with that it is a thrill to welcome you here and we welcome your comments.

SEN. CHRIS DODD (D-CONN): Well thanks very much Ron and I thank all of you for coming out this morning. Let me thank the Kaiser Family Foundation, NFIB and all of you for spending a few minutes this morning. And as Ron has said I suppose in somewhat of a different capacity here obviously and with my Chairman of the Committee Senator Kennedy who is doing very well, and as many of you may know and has been more actively involved in the last couple of months back.

We had a very good long meeting last week with the sort of group of 11, the smaller group with Senator Grassley, Senator Hatch, Senator Enzi, myself, Senator Kennedy talking about where we were at this junction. We had five different meetings at that level over the last number of weeks.

So in a sense I am here as sort of a deputy in a sense. Senator Harkin, Senator Mikulski and Senator Bingaman have been carrying the heavy load in the committee dealing with the 11 hearings they have had on prevention, coverage and quality. In fact, Senator Bingaman has a hearing today with the States who

before the committee as well about their experiences, ones that have been actively engaged in the issue of health care. So in a sense if he were feeling a little bit better, Senator Kennedy would be sitting in this chair. So I want to be clear about here in the sense and taking up on this.

Let me commend Families USA too as well. You have done some great things. The recent announcement with [inaudible] I think it was terrific on dealing with Medicaid raising those levels to 133-percent, I think, at the Federal levels of poverty and expanding for moderate income families who are caught between making too much to qualify for Medicaid and not enough to pay their premiums was a tremendous breakthrough as well and the caps on some of the out of pocket expenses from [inaudible] are great suggestions and deserve a lot of credit for mentioning them.

Let [inaudible] very briefly, because I the questions you might want to get, break this down as to the why, the how I want to spend just a couple of minutes on children. And having spent the last 26 years on the committee and over the last 20 or more years as chairing, or being the ranking Democrat on the sub-committee on Children and Families where the Family Medical Leave Act, the Child Care Program I did with Orrin Hatch, premature birth, infant screening, Autism, a lot of this stuff came out of that sub-committee, so I have a particular interest

as this issue goes forward to focus on children, and so I want to mention a few comments on that.

First of all the why, and again you all spend so much time on this issue, have heard a lot of this, it is fairly obvious whether you are looking at foreclosures, Ron mentioned the Banking Committee. Fifty percent of all foreclosures in the country that are occurring are occurring in part because of a medical problem that people are having.

You look at the issues of the economy, and again you are getting 16-percent of gross domestic product as health care costs. Some have anticipated that number jumps to about 20-percent by the 2018, and others have even suggested you could double that figure over the next ten years, the percentage of the gross domestic product that health care costs would consume.

So in addition to the moral, ethical issues if you will, the compelling question of having 45 million of your fellow citizens uncovered, nine million of that 45 million are children in the country. The fact that even those who are paying premiums are strapped financially to the point where they can hardly afford it. In fact, I think it was Ron at USA Families that pointed out that between 2007 and 2008 one out of every three Americans went through one gap period where they had no coverage in that period.

So in addition this notion that everyone has it has it all the time is just not the case. The issue of obviously with unemployment, 20,000 people a day losing their jobs, 10,000 going to foreclosure a day. That obviously puts additional strain and pressures on families. So the personal costs of obviously losing coverage. There are even implications in terms of international competitiveness.

The rationale for this is becoming so compelling that there is a sense of urgency about this that raises my level of optimism. Having been a relatively junior member 15 years ago, but actively involved in the debate on the HELP Committee when the Clinton Administration made the effort, I can just tell you the difference in these meetings has been significant. The Health Care Summit at the White House, I sat next to the guy the *Harry & Louise* Ads back in 1993 and '94, he is now planning on, I do not know whether he is going to write the ads or produce them, but he is at the table wanting to be a part of the solution this time of universal health care.

There are four pillars that we are working on. The quality issue, the prevention issue, obviously, the cost and the universality. That order I have mentioned them is not necessarily the order of preference. You could rearrange those four in any way you would like. And there is the sense that those four elements are going to have to be a part of a plan

So the reasons people being at the table, there are different reasons obviously, but the major change is the economic questions that have really drawn a lot of people to the table that were in fact, opposed to doing anything 15 years ago, but today it is essential that we come up with a plan that can work and there are additional reasons as to the why, but to the how.

This is where I see again a significant difference, there have been the structure. Senator Baucus has done a terrific job on the Finance Committee bringing together the 11 members I have mentioned to meet periodically here to talk about the various aspects of this. They have been quiet meetings, but nonetheless I think very successful.

The staffs have been working hard. Senator Kennedy's staff, on our committee along with Senator Enzi's staff and others who have been interested in the subject matter, the three senators' I have mentioned had very good hearings.

On it Senator Kennedy and Senator Baucus, well as I am not aware of a single announcement on this, I think the idea of a single bill that will begin a markup either in late May or early June with the goal by the end of July before the August break of actually introducing a product out of the Senate is I think very, very encouraging.

Even in the meetings where there has been the debates

discussion about whether or not there will be a public plan or not. My sense is that while there are clear differences in those two areas and others that will emerge, there is still an overriding sense of coming up with an answer to this.

That it is not going to be excusable to turn around and say because we were not able to agree on some process question or a debate about how to emerge with whether or not you have a public plan or not that we are going to lose this moment that many feel may not come again for a long time if we do not get this right.

I guess the major point I would like to make to you this morning as someone who is observing and participating in these discussions is there is a clear determination to get to the goal line to produce this product that will hopefully move us in the direction that all of us are interested in achieving, and that is a universal, quality plan that is rooted in prevention and is affordable in all of those issues.

On children's points, the only reason I want to raise this is because the issues of coverage and prevention and quality with children do not necessarily match up neatly and tightly with adults. There are differences and when looking at health care, children too often I think because, the good news is that it is a relatively small population that need help which is the great news, but nonetheless they are not just

systems relates to them and treats them is very, very important. And there have been discussions about how you might treat Medicaid, and while 21 million children are covered between the CHIP Program and Medicaid, if there is any moderation in those ideas, and there are some that are floating around, then whether or not there is an alternative plan out there as part of exchanges that would actually take into consideration of children and what happens to them.

Just the issue of premature births costs us \$26 billion a year. One out of eight children are born in that category. It is just the economics of it again are pretty compelling. And so as one member of the committee we are going to pay particularly attention to that subject matter as this moves forward to make sure that children will be given the kind of special consideration they deserve.

And I think we are able to make that point that we did with the better pharmaceuticals for drugs or the rule. Senator Clinton at the time was deeply interested in proving that you do need to have a separate set of criteria when you deal with children. So I just mentioned that as a personal note that I intend to keep an eye on during this process and debate.

With that let me sort of stop here. You got a lot more probably more specific questions about some of this stuff and that was to give you sort of a flavor. But the important point

done and that sense of members working together despite the obvious differences we have talked about, I think are going to get us to that goal line. Thanks.

DREW ALTMAN: Well just for the record, we know who you are but if you could say it would be helpful. Thank you.
Karen you want to.

KAREN TUMULTY: Senator, Karen Tumulty from *Time Magazine*. As I was driving here this morning, your voice was coming out of my radio expressing some frustration, however with the Republicans and the sort of a sense that they are not really yet into negotiating mode. Could you talk a little bit about that? Is this a real give and take going on or is this everybody still sitting around the table and telling each other how much they want to get to the goal line?

SEN. CHRIS DODD (D-CONN): Well it is a little bit of both, and obviously the issue of reconciliation is the one that has been on the table. My sense of this is that I read Harry Reid's letter to Mitch McConnell which he once again expressed the desire to have this be a bipartisan bill that reaches across those lines. And having been involved in a lot of debates over the years, you do not get major things done without that.

I never would have gotten the Family & Medical Leave Bill had it not been for Arlen Specter and Kit Bond and Dan

have gotten the Child Care Development Block Grants done without Orrin Hatch. I could just go down case after case. Rick Santorum and I did autism together. I mean just in every instance I can think of that whether there was something fairly major you have to have that kind of cooperation. And this is obviously a case where that has got to happen.

So I believe the leadership really is determined to achieve that. Max Baucus has talked about an American plan, and I think that is a good way to start. It is not trying to fashion some carbon copy or weak copy of someone else's doing around the world.

And my sense Karen is that those motivations are very sincere. Now having said all of that, the issue obviously comes back with why reconciliation? This issue is so big and so important that at the end of, at the conclusion of all of this, if it comes down to the point where a minority within a minority are able to sort of side track all of this or gets something done on health care, I think many feel this is too big an issue to have fall prey to that, and so while I do not sense any appetite of whatsoever to invoke reconciliation, none.

I also sense there is even an appetite to lose the health care debate at the end because a handful of people decided they were going to oppose this and make it impossible

felt. So I think we will go through this and I am not going to bother going back or revisiting history on the various times reconciliation has been used by others.

I am sure that will happen during the debates in the coming weeks. The Republicans will truly appreciate the sincerity that this desire to achieve that 70/75, the numbers that get bandied about, a result in the Senate to produce that bipartisan bill.

That is not only important in terms of passing something, I think it is going to be critically important to developing the kind of support that we will have to sustain with the American public if we are going to deal with the issue. There is going to be some additional costs associated with this plan if we are going to bend that curve that people talk about to reducing costs.

So you are going to have to sustain public support for an effort. So something that passes by the narrowest of margins might have a difficult time being sustained over the coming years as we call for the additional investments to make this bill really work.

STEPHEN LANGEL: Stephen Langel with Congress Now. I was just wondering given the reconciliation is just a fall back option, however, how have Republicans responded to this. Is this seen as bad faith on your part? Has this hurt the effort

SEN. CHRIS DODD (D-CONN): That is being said at this point, and I have certainly heard it and listened it in these meetings without attributing to anyone, individual or particular, but generally a held view and you have heard from people here that have spoken to and expressed their concerns about it. And you start going back and can you imagine in August or September where this thing fails and the reason it failed is because there was a battle over reconciliation.

You go ahead and explain that to 10 Americans and tell me whether one of them understand it on this thing. I am sorry we could not deal with the problem of the uninsured. We could not deal with cost equality because there was this problem of reconciliation. That issue loses, falls like a stone when you get to the district line.

And so I, for the life of me, where that maybe a heated debate over the coming days, I would not want to go back to my constituency and stand before it, as we have had three health care forums. One of them I held at 8:30 on a Monday morning, and do not ask me why that ever happened.

I mean I felt that was great, we are going to get about five people showing up at this thing at the Goodwin Community College in Hartford and arrived at 8:30 and there was 700 people at this health care forum. We did one at Danbury at Western Connecticut State University on a Saturday. That was

like at 2:00 with 500 people. The Coast Guard Academy in New London at 11:30 on a Saturday morning, 500 people showing up.

It went on for 2.5 hours on health care. Rosa DeLauro and I are doing one I think is it this weekend or next weekend. And just the issue of coverage, of quality, of cost, all of these matters, people are deeply, deeply interested in this subject matter, not just intellectually, people are showing up with anecdotes, what has happened to them along the way.

And I just, with all due respect to my colleagues, I think it is an important point they are raising. It is a legitimate issue, but they need to listen to what we are saying. And as one who has been involved in a lot of debates over the years, I truly want to see a bipartisan bill and I believe the leader does, I know Senator Kennedy does, I know Senator Baucus feels this way.

And so if we can get through this and get to the work of sitting down and trying to resolve these issues that are out there, I think that issue begins to dissipate and to the extent we are unable, the idea I think is deal with the low hanging fruit first, where we can agree on some things, so you build a kind of confidence that members need to feel in dealing with each other, and then we will get to the tough questions.

You get to the issue of defining what a public plan means, how you are going to pay for this, where the cost is.

leadership on this question from the majority leader through the principals, there is a deep commitment to achieving a bipartisan effort.

STEPHEN LANGEL: You don't believe that this would have any strong impact on your ability to get a deal with Republicans?

SEN. CHRIS DODD (D-CONN): I do not believe so. The sincere effort to try and resolve these matters to the extent possible I think this issue will take on less significance as we move along.

DREW ALTMAN: Drew and then Donna.

DREW ARMSTRONG: Hi, Drew Armstrong, *Congressional Quarterly*. Senator Kennedy and Senator Baucus have talked about moving to separate but related bills before and then dividing them on the floor. Can you explain the process of why [inaudible], puzzle pieces that fit together or are we looking at two overlapping bills? And the senate floor seems to be a messy place to do -

SEN. CHRIS DODD (D-CONN): Well, the puzzle analogy makes sense, rather than overlapping, and there is a lot of work going on to achieve that, the puzzle approach, the fit rather than sitting there and trying to unravel pieces of legislation that have overlapped and that is the strong desire.

There has been a lot of cooperation. I want to commend

Senator Kennedy's health issues, he has - this may not be well known, I know first hand he has made a real effort early on, the beginning of this year, to spend a lot of time with Senator Kennedy personally and talking about the issues and how they can work together, and then the past events over that tension obviously that always exists between committees where there is overlapping jurisdiction, but Senator Baucus has been and it is not only because he is gracious and polite but also because he recognizes how important that is.

TODD: [inaudible] agree to split up jurisdictional area and say you handle this part of the public plan issue, and you handle covering the uninsured so that it makes it sort of the [inaudible] or we're talking about a couple of analogies I think the pieces fit together. Have they agreed on jurisdictional split up?

SEN. CHRIS DODD (D-CONN): Not that I know of, Todd. No, that is looking at staff over here to get confirmation of that, but that is not the case, not yet.

DONNA SMITH: Donna Smith with *Reuters*, I just want to go back to something you talked about a little bit earlier at your public forums, you said that everybody has an anecdote, judging from the give and take at these forums, do you get a sense if there is public support out there for a new government insurance program?

SEN. CHRIS DODD (D-CONN): Yes, it wouldn't surprise you that a lot of people sort of with the singer payer constituency have shown up. They have been a bit better organized and so forth. Oh, I think the recognition is that that probably is not going to be part of the plan that emerges here.

But on the debate about a public plan, and I, just last Saturday, was at a forum with Chris Murphy in the western part of Connecticut, not on health care which is the general subject matter, but health care consumed a lot of the subject from the audience, because people want to talk about it, and there is a strong feeling that having a public option is desirable and not necessarily to overwhelm private plans but people like choice in this country.

I was intrigued, it was I guess the administration had one of those Town Hall meetings in Vermont and the crowd that showed up, I don't know if any of you were there, but the crowd that showed up where all very much advocates of the single payer and then someone asked the audience how many of them have private insurance, all that wanted private insurance, all the hands went up in a way.

So what people would like for the country, and what they want for themselves sometimes can differ. And we like the idea of having choices as Americans and we want to have choices

30s or 40s and older is going to change and being able to have the options of being able to sort of fit into a system that fits our needs is going to be terribly important and having a public option I think is competitiveness, it is giving people choices. And you can have - Medicare is a public private option - it doesn't have to be what a public option is, I think the words, I mean first of all I wish we would come up with different language because a lot of times the language over the years has created its own dynamic.

You say certain things, like Pavlov's Dog, and people automatically sort of retreat to their respective political corners rather than thinking it through, what do you mean by that? And I think a public option can mean a lot more than just sort of a single payer option and that is going to be the responsibility I think of the leadership to help define those issues as we move forward. But I believe there is some common ground that can be achieved around that idea.

ROBERT PEAR: Do you think that it is essential to include in any kind of big health care reform bill a way to pay for all of the new coverage and all of the cost or 90-percent of it, 80, 70, are you thinking that there is some play in that?

SEN. CHRIS DODD (D-CONN): Well, obviously what the president did with the \$634 billion as sort of a down payment

I think laying out early on we are going to have two very difficult jobs it seems to me, aside from the specifics in the weeds on this, and that is to change the incentives of health care system where prevention is going to be very different than a system today that depends upon filling hospital beds and people showing up in doctors' offices.

And that isn't just a difficult question for those of us shaping it but at Pitney-Bowes the experience is any indicator of where this is likely to go, in a company that has done a magnificent job of moving to prevention, they had difficulty with their employees moving to prevention, even though they had strong incentives to do so. That and then convincing the American public that we are going to have to make investments in health care in order to reach that point where we can reduce that percentage of the gross domestic product that health care costs are consuming. And that is going to be a hard sell because it isn't going to be one year or two years, it is going to take several years to do it.

So it is a long way to get around, Robert, to your question, but I think we are better off laying out these costs to people and letting the American public know what we are talking about and building that case for it to sustain the political support you will need to have if this is truly going to achieve the results of providing the coverage for people as

insisting upon and getting to the point where the costs are not - I'm looking at the percentage of just the premium increase in the last six or seven years, Connecticut has gone up 42-percent in eight years premium costs.

I was looking at a number here, just nationwide, in 1999 total family premiums stood at \$5,791 which work is paid about \$1,500; 2008 was \$12,600. I mean, it's gone up in just that time, family costs. So I think laying out those costs while there will be those who may want to resist it because I suspect they are not going to be insubstantial.

I think clarity and honesty with people on what it is going to do for us, how it is going to get us there, is absolutely critical, because we are talking about not just getting something through in July. If this is going to work it is going to take a decade to really produce the kind of results you are going to need. And I think stepping up and saying to people, this is what it is going to be, we have got choices to make on this, but I want you to know where we are headed. And I am a great believer if you do that, I think you have a greater possibility of sustaining that support and building on that support.

JULIAN PECQUET: Julian Pecquet, *Inside Health Policy*. Senator you talked about the low hanging fruit and maybe reaching an agreement on a public plan later, creating the

that gets marked up in July isn't going to be the be all, end all, and some of the kinks will have to be worked out over time, how is that going to work out?

SEN. CHRIS DODD (D-CONN): Well because I think it is a fact, you know, there is a debate obviously whether or not you are going to have an individual mandate or an employer mandate and there is a lot of discussion about all of that. We are looking obviously at what has happened, as Senator Bingaman will do today in a hearing on these states.

As a neighbor to Massachusetts, I have watched that very carefully; I have been fascinated about the reaction of the business community to the individual mandate. It has been far more supportive than I imagined it might have been initially, although obviously cost issues are raising some questions.

So I think it is important to tell people that some Monday we pass a health care bill, there is a lot of cheering going on, the world doesn't change on Tuesday. It is going to take time for this all to work, and there will be kinks in this to make it function as well as we would like it to. It is a major, we are talking about a major fundamental alteration of a major economic element in our country, the cost of health care, not to mention all of the dimensions that health care raises on another set of levels.

So, I suspect that this will take some time for it to really kick in, in all of its implications. And there will be some changes; clearly, as we examine what we have done and how it is working as it should be.

JULIAN PECQUET: So, the financing part, will that be spelled out in the bill, this is how we are going to pay for it or will that have to be other bills down the line?

SEN. CHRIS DODD (D-CONN): Well, I think it will be spelled out and there may be changes that occur along the way. There is always that every Congress can go back and de novo begin a process over. So I suspect we will try and lay out why again I think it is important that we get as close to a supermajority on the bill as we can so you can sustain that kind of an effort.

You end up with a narrowest of margins on this, you run the risk of another Congress, another time being able to reverse those matters and then you end up with a chaotic situation without having clarity that people are looking for. And so I go back to the point earlier on the issue of reconciliation and whether or not Democrats are serious about trying to achieve that broad-based support.

And again if this were just to pass one bill, get it done and boy that is the end of that, we have now rewritten the law of the land forever, well you might say look I'm tough, 51

talking about sustaining something over a period of time that is going to require future Congresses where the politics will clearly change, these numbers are going to fluctuate obviously in the make-up of the Congress.

You want to have something that can sustain that kind of change, or you will end up with this thing being a chaotic mess where one Congress took one set of actions and their successor went in a different direction. So there is a lot of reasons for trying to achieve those strong majorities, and, why I feel so strongly about us trying to do it.

TODD LEEUWENBURGH: Todd Leeuwenburgh with Thompson, you are talking about sustained change in order to make this work, and how today a lot of the incentives are misdesigned and it results in much higher cost. Where do you see the heavy lifting in terms of the sustained change and where is the sustained effort going to have to go in terms of achieving the mathematical success of lowering cost and maybe even changing incentives' mindsets, where do you see the heavy lifting -

SEN. CHRIS DODD (D-CONN): Prevention, prevention, prevention is what I would say. The prevention aspect, because it is a fundamental alternation of a system.

TODD LEEUWENBURGH: I mean, if you put more money into prevention, how do you prevent simply costs of prevention going up or a repeat of the same type of problems that we have had

SEN. CHRIS DODD (D-CONN): Well, the idea is obviously with the prevention is you are keeping people away from a system so they don't end up there. And so it is incentivising behaviors that reduce the likelihood you are going to end up with chronic illnesses, obesity, I mean there is a long list that lifestyle changes can fundamentally alter the number of people showing up.

I mentioned premature births as just one example, one out of eight, and it is a staggering cost. Put aside the difficulty and the hardship the families live with in many cases forever with those children because of that. There are things that could be done. While we don't know fully all the answers on why premature births occur, we have some pretty good ideas in certain areas.

Making a difference in those areas if you are not impressed by the morality of ethics of the issue, you can reduce that \$26 billion pretty significantly. Information technology clearly, when you have United States ranks along with the worst countries in the world of industrialized nations in infant mortality as we do, clearly steps can be taken. That itself ought to be a source of collective embarrassment that this country of ours, with all of its opportunities and wealth ranks along with the lowest of industrialized nations or the poorest rather industrialized nations in infant mortality. Steps

The point I want to make here because I was fascinated by this, is when we had the hearing with Pitney-Bowes, and this is a company where the CEO really made an effort on his own and the company did a number of years ago in moving to prevention, was surprised to hear him talk about how difficult it was to get employees, in effect. So the assumption that everyone is going to jump to prevention is lifestyle changes I think is a false assumption.

This is going to be hard. Your question is, is it going to be hard? I think that is going to be hard but that piece of it is I think going to be more difficult in some ways than many. We say the words prevention and it sounds terrific, but how you get from Point A to Point B in this, I don't think it is that simple and it is going to be hard. And that is where a lot of the cost savings are going to come from. And getting from Point A to Point B is going to be a challenge it seems to me.

JOHN REICHARD: John Reichard with *Congressional Quarterly's Health Beat*, just following up on Robert's question, were you suggesting in your answer that wider coverage would hinge on getting cost reductions first? Do you have to have cost reductions before you could proceed to expanding coverage?

SEN. CHRIS DODD (D-CONN): Not necessarily, but

would be I think welcome. And that would be helpful but I would be uneasy as we have seen in the past where cost savings come in Medicaid and Medicare and you end up getting more of a problem for yourself in terms of the longer term issues.

And so there clearly could be some things done there that would help bring down at least some costs but I would get uneasy that is going to jump to that as a way of demonstrating that we are actually bringing down costs initially without the kind of investments that are necessary to ultimately bring down costs.

JOHN REICHARD: You said not necessarily, does that mean that issue is still on the table whether to go in the direction of requiring costs first as a condition of expanded coverage?

SEN. CHRIS DODD (D-CONN): I don't know the answer. That is a question I don't know if Max answered that question, did you raise that with him, with Baucus?

JOHN REICHARD: I haven't.

SEN. CHRIS DODD (D-CONN): Okay. Let me get back to you on that one. I don't have an answer for you on that one. I mean, my sense is no. If you are asking me personally, I would say no. That is not a condition precedent for me to move forward on it, but I mean the question seemed to imply whether or not that was something that the broader group embraced and I

ANNA EDNEY: Anna Edney with *Congress Daily*. Senator do you support to pay for some of the possibly some kind of tax on health benefits and have you been able to talk to Senator Kennedy about his thoughts on that?

SEN. CHRIS DODD (D-CONN): It comes up as probably - doesn't come up with the same frequency that we have been discussing reconciliation of public plans, but obviously it is on the table. There has been no decision that I know of on that at all. And the president of course took a very firm position on that in the campaign, of not wanting to change the tax issue, and that is going to be an important consideration obviously, as you point out.

So there has been no decision that I know of on that. I know it is part of the debate but no decision has been made to change anything at this point.

ANNA EDNEY: Do you personally would you support?

SEN. CHRIS DODD (D-CONN): I am reluctant. I think I am willing to listen to some ideas in this. I wouldn't reject ideas in this area but obviously, you know, to a large extent that will have more appeal if you are able to deal with issues that can ultimately bring down costs to that extent. The tax exclusions are obviously an incentive to keep people in and particularly when the pressure is on smaller businesses and so forth, that can mean an awful lot.

And at a time when you are trying to keep people at the table, having employer based plans which I support as being a part of this, I would not want to cause them to be discouraged from participation, so I would be a little careful about changing that unless you can tell me the other pieces that are going to keep people in the mix.

DREW ALTMAN: My hometown newspaper. Susan?

SUSAN MELLENCROFT: Susan Milligan [inaudible]

[Laughter]

DREW ALTMAN: Get to you quick, right? While you're still there. [Laughter]

SUSAN MELLENCROFT: While we are still publishing. Susan Milligan from the *Boston Globe* or what is left of it. When you talk about the political environment in the next decade or whatever and the difficulty of that, is that because of the pressure on the budget or will people, you know, lives change so much in the way that they get health care that they are going to have - members are going to have a difficult time sustaining support among their constituents?

SEN. CHRIS DODD (D-CONN): I think both. I think the budget pressures are going to be huge. These matters are all interrelated, I mean, Ron mentioned in his introduction dealing with the banking committee issues and what to do with the energy issues, they are not stove pipes sitting around and

well, what happens in each one of them sort of have no bearing on the other, I mean they all do in a sense.

I mean I think the president has been criticized by some because he is biting off an awful lot here, but in a sense he is biting off pieces that are all integrated with the question of whether or not you get the economy back up. You cannot have a serious conversation about economic recovery and exclude health care. I don't know how you debate a discussion if you exclude that.

So, this is a critical component. We are all talking about foreclosure mitigation and credit flowing and all these other issues which are very important, but you have got to deal with this question. And the reason that that table got filled with people who are willing to sit and work at this was because people are coming with different perspectives, not the least of which is the economic one, and that has increased the size of the table and, I think, the likelihood that you can get a result. That was what was missing in many ways 15 years ago from that table. And the fact they weren't at that table made it I think almost from the beginning if you look back on it in hindsight very difficult to assume that was going to work.

Even if you changed how the process worked, you know, whether or not the Congress was more involved with the White House in '93 and '94 that might have been a better climate, I

interests made that very difficult anyway. This is different, in my view. And so that's a major factor.

I also believe, Susan, that that once this gets moving, and if in fact we can do this as we hope it will, that that sense of loss, that one out of three Americans that I mentioned between 2000 and 2008 that were at one point or another in that period without health care coverage. And that gripping fear that something happens to you in that window, or a member of your family, and all of a sudden your life has just been fundamentally altered, forever, is going to sustain, I think, the effort to move forward.

I think once this happens, much as it was with these other debates that have occurred earlier, it was on Medicare and Medicaid going back all of the concerns raised about it. You don't hear anybody today unraveling that. And those were bitter debates, back long before I got here, but nonetheless watching, listening to the discussions, listening to Bob Dole talk about it years ago, where he opposed Medicare as a new member, relatively new member of Congress in those days. So I think if we can get this going and it's producing the kind of security that people are seeking, that it's going to be awfully difficult to roll that back. Yes.

MATTHEW DOBAIS: Matt DoBais with *Modern Health Care*.

Senator, you mentioned that you want to see children's health

bit more about that? What kind of initiatives would you like to see, what are you specifically targeting? And also, where does that fall under the jurisdiction of the committee as well?

SEN. CHRIS DODD (D-CONN): Well both, it falls back and forth obviously, because things like child care, the Finance Committee has a lot to say about some of that as well.

[inaudible] Grey, people like Olympia Snowe have been terrific on the issue; she's been a great partner as we've tried over the years to get some additional support in the childcare development block grant.

So it's one that, even though it was a real battle back some twenty-odd years ago, the first childcare program since World War II, and we went through a tough period the last eight years because it was pretty much we didn't have – had very little growth in the program that I think it still is an idea that people are very supportive of.

On the issue of – even with the CHIP program and Medicaid, we're still an awful lot – there's a substantial number of kids that still are not covered. I mentioned 21 million are covered in those programs; you have 9 million of the 45 million who are without any. That's pretty staggering, that the most innocent, if you will – whether innocence is a legitimate description of people here – but nonetheless are excluded from any kind of coverage, is a pretty significant gap.

So making sure that we close that gap, as I mentioned earlier, whether it's medical devices, pharmaceutical drugs and so forth, understanding that children are not just small versions of adults and so being conscious of that, as you look at the FDA, in terms of how we proceed, I think is important.

And I'd like - it isn't just with children. I think this has got to begin with maternal care in a way. An awful lot can be done. I mentioned the premature birth issue. If you can really begin early on this matter, and insist that be a part of the debate, you could make a big difference, both financially as well as the lives of people. So those are some aspects that I'd want to see as part of the debate.

And Kathleen Sebelius, by the way, and I hope we can move on this quickly. I mean, if this issue of the swine flu and so forth make it clear that we need to get a Secretary of Health and Human Services on board. But at her confirmation hearing, talking about maternal care and the value of it and how much cost savings can be achieved if that's all that motivates you - significant cost savings can be made.

What about the infant screening legislation a few years ago, huge cost savings, not many cases, thank God, that emerged, but when they do, they're staggering in their cost. And by having the infant screening tests that go on now up to 32 from the eight that you could take advantage of, have been

able to save lives and significant cost savings. So there are aspects of that

CRAIG PALMER: Craig Palmer, *ADA News*. Since you raised swine flu, is the committee considering any hearings on that matter and more importantly, by your earlier scenario, the increasing numbers of people who are having catastrophic problems, fueling the need for reform of some kind. Could swine flu play into that?

SEN. CHRIS DODD (D-CONN): Well, as a part of the debates I don't know how many years ago on BARDA? Where with the pandemic issues that we raised and Congress isn't always ahead of itself, but I must say for those who are urging this committee, after 9/11 those issues began to emerge and people began to think about it, the kind of manufactured attack rather than one that necessarily comes about in this case.

So we're in actually much better shape to respond to this situation than we would have been even a few years ago, not that there are any blessings out of 9-11. But the fact that there was action taken on these issues was a positive event.

And Tom Harkin is having a hearing today under his auspices as Chairman of the Subcommittee on Appropriations. Senator Kennedy has scheduled a hearing for Wednesday?

FEMALE SPEAKER: Tomorrow.

SEN. CHRIS DODD (D-CONN): Tomorrow afternoon on the HELP Committee. And I think there are others as well. So there are going to be some hearings on this, obviously. I'm told this morning that about 40 cases in the United States, 150 deaths in Mexico. I gather the restrictions on travel have been lifted – or, is that what I heard?

FEMALE SPEAKER: The U.S. issued a travel advisory for U. S. citizens traveling to Mexico.

SEN. CHRIS DODD (D-CONN): Is that still in place? Okay. But the one in Europe?

FEMALE SPEAKER: The EU one I think –

SEN. CHRIS DODD (D-CONN): The EU one has been changed, backed off of. That's what I heard. Okay. And I'm told that we have, the dosages are adequate and available, and there are some efforts, because there is a strain of this that is raising some issues but I gather there's a lot of work being done as we speak to make sure that that kind of protections will be there. Is that correct? Anything else on that point? No? Yes, thanks.

ALIZA MARCUS: Aliza Marcus of Bloomberg News. I'm just wondering how flexible democrats are willing to be when it comes to this issue of the public plan, given all the pressures on the Republicans on reconciliation. I mean, if they come to you finally and say okay, we're willing to support this, but we

don't want a public plan, is there any flexibility in the Democratic Party do you think?

SEN. CHRIS DODD (D-CONN): Well, there's flexibility. I don't want to – again, I'm hesitant to speak for my colleagues under any set of circumstances, but I think competitiveness is going to be important. If it's a plan that just makes it impossible for private plans to function, then I think we've done a disservice. I mean, I don't feel that way at all. I want to see us to the extent there's a public plan that it creates an opportunity for people that wouldn't otherwise fit into a private plan, someplace. I don't want to end up excluding people in a way because they don't fit into the narrower plans that may be out there.

And so again, I think it's the language. I think if we take a breath here, and people relax and step back and let's have a conversation about what we really mean by this, I think the temperature can get lowered. The danger here is that they're all of a sudden attributing certain conclusions to certain language. And I don't feel hard over at all on a public plan as the other side envisions it that excludes private participation or even as part of a public plan having some private features to all of this.

So I'm very open, sort of agnostic, on the question of how that could work. And I suspect most of my colleagues are.

point that people are going to sort of back away from a public plan. I don't sense that. The question is whether or not reasonable people can sit down and craft something that will hopefully satisfy enough of a strong majority. Yes?

MARK SCHOEFF: Mark Schoeff of Crain's Workforce Management. I have a question about paid sick days and paid FMLA. Could those ideas move along with health care reform and be seen as part of access, or do those kind of bills have to wait until after the health care debate is done?

SEN. CHRIS DODD (D-CONN): Well, as the author of Family Medical Leave, and I've got a bill in on -- did we introduce it again? Have we introduced it again? Or we're about to, I guess. We may have introduced it. We did it last Congress, we'll do it again. But I suspect that one will probably have to wait.

I think it's a very creative and imaginative plan [laughter] but I suspect given the hostility just to family medical leave, let alone paid leave, that it will probably have to wait for further debate. That if I threw that into the mix on this thing I can imagine the kind of reaction it might get. So, yes.

Let me make a case for it though. I'll tell you, not the specifics of it, but 80% of the people who don't take family medical leave don't take it because of cost. They can't

income working families that just can't take – they might get a few days, but the idea of taking six weeks or seven weeks of the 12 weeks is just out of the question for them.

Their economics, their family economics just don't allow it, despite the fact they might have a very legitimate need for that kind of time. And we fashioned a plan here that would involve employee participation as well as employer participation in some public on sliding scales in a way so it isn't, you know, one size fits all, as a way of making it possible for people to do this.

And the value of it, aside from 60 million people now, since 1993, have used family and medical leave. And everywhere I go, almost on a daily basis, someone stops me to tell me how valuable it's been to them, whether it was for a week or two or whatever. And that that ability to be there with a child recovering or a family member, every doctor I know of will tell you that the rate of recovery of someone that has family or loved one around just is significantly higher, and quicker.

And so there's a value beyond just people's fear of losing a job or the emotional attachment. There actually is a cost benefit to this. But I would not at this juncture want to throw that into this mix.

DREW ALTMAN: We're going to do a couple more and then see if the senator wants to do a final benediction. Yes.

FEMALE SPEAKER: [inaudible] what, if any of the [inaudible], did you hear anything [inaudible]. What makes [inaudible]?

SEN. CHRIS DODD (D-CONN): Well I think you've hit it pretty much. And it seems more what I call sort of bumper sticker reactions to this. This is going to be socialized medicine, that it's a takeover, that I won't have choices, I won't be able to choose my doctor, I won't be able to choose my plan, it's just something else Washington is going to be deciding. It's almost like some old ads in a way. And I just don't think they're resonating terribly well except within that similar constituency, which is shrinking it seems to me.

Again, the fact that people like the National Association – the Small Business – the NFIB and others are involved and really engaged in this. When you have Andy Stern and Jeff Kindler from Pfizer forming that kind of coalition talking about issues. Can you imagine 13 years ago, the head of a labor union and the head of a pharmaceutical company sitting down and working on plans together, going forward? It would have been unheard of. So that's what I hear. But I don't think it has much currency with the general population.

So I mentioned earlier, I say respectfully to my colleagues, deciding to kill health care over reconciliation, I just can't imagine anyone who's sitting around saying you

to be in a very tough position. This is an issue now that really reaches.

This isn't just a question of poorer people or children or some narrow group out there. This is one that is widely felt, from a lot of different perspectives. And I think to derail this at this critical moment would be a huge mistake. Let me gratuitously offer a comment as well, since you haven't asked the question. But I want the White House involved. And they need to be at the table.

This is a question where people going back and they sort of a people's memories of 15 years ago get exaggerated to some degree. And it's not quite as bad as people remember it about the White House and excluding the Congress. But nonetheless I think it is very important that as we move forward over these next very critical few weeks that the White House is not sitting around waiting to see what we do and then deciding whether or not they like it or not. I think they've got to be there with us.

FEMALE SPEAKER: Is the president on board with that idea too? Because this has been a very deliberate strategy on their part.

SEN. CHRIS DODD (D-CONN): Well, I don't know if they are and that's why I raised it here this morning, Karen.

[Laughter] I was waiting for someone to raise it until I was

fearful it wasn't coming, so then I thought I might bring it up on my own.

DREW ALTMAN: One more question. Who wants the last question?

JEFF YOUNG: [inaudible].

SEN. CHRIS DODD (D-CONN): Yes, Jeff.

JEFF: -The Hill Newspaper, how are you? Without giving short shrift to the many, many issues that are involved, with this [inaudible] briefing on Friday, I still would like to know, does it concern you that about six weeks away from the markups, according to the schedule the chairman gave out, that even among Democrats and between Democrats in the Senate and the White House, there don't seem to be any decisions or even strongly held feelings about which way to go on the public plan or financing or what have always been the most difficult issues to resolve?

SEN. CHRIS DODD (D-CONN): Well, it's classic Washington. And there's nothing like moving forward that gets people to make decisions. As long as you don't have to, no one wants to. And so by what Max is doing, and I think wisely, and Senator Kennedy, is saying we're now going to have a lot of conversations, a lot of meetings, a lot of sitting around tables and raising very legitimate issues, and now we're going to sit down, and we're going to start writing.

And so people have to start making decisions or seeking compromises in a way that will allow you to go forward. That just doesn't happen until you force it. I always say, you have to schedule a markup to get people to come to the table, to really sit down and figure something out together.

This is always going to be a subject matter that obviously there's strong feelings about and the direction we head in. But I think that's not going to change until you actually have a moment in which you force people to be at that table to make decisions.

And so you could schedule a mark-up next November, and I don't think you'd end up with any better decision making between now and then if you waited that long. I think you'd still be sitting around the table debating the pros and cons of various ideas. When you actually schedule – we're going to start writing and working at this thing that you end up people coming and getting serious about making decisions. And so I in the absence of having this schedule, I think it would be difficult to get those kinds of answers. So I applaud it.

DREW ALTMAN: Senator, you've made a number of really strong final comments just in the last five minutes but would you like to make another one?

SEN. CHRIS DODD (D-CONN): I'd probably better not.

[Laughter]

DREW ALTMAN: Alright. Well, thank you so much for coming. Last time was all public plan, all the time, and this was incredibly far-reaching and dealt with a number of issues. So thank you, and thank you all for being with us. Remember, May 7 is Senator Hatch, so we'll see you then.

SEN. CHRIS DODD (D-CONN): That ought to be interesting.

DREW ALTMAN: Well, you're welcome to come.

SEN. CHRIS DODD (D-CONN): Maybe I'll show up, just to freak him out a little.

[END RECORDING]