

Remarks by the President on the Affordable Care Act

The White House East Room July 18, 2013

11:30 A.M. EDT

THE PRESIDENT: Thank you. (Applause.) Thank you very much. Thank you so much, everybody. I want to thank Morgan for that introduction. And I want to thank all of you for being here. There are a couple of people that I want to make sure to especially acknowledge.

First of all, the Leader of the Democrats in the House of Representatives and somebody who worked harder than just about anybody to get the Affordable Care Act into law, Nancy Pelosi. (Applause.)

We have some outstanding members of Congress here, some mayors and elected officials who are here. I want to give a special shout-out -- I'm not going to introduce all of them because it would take too much time and I might miss somebody. But there is one person who's standing in front -- sitting in front, who I want to acknowledge just because he has served for decades, and for decades fought to make sure that everybody had affordable, accessible coverage, and we're so proud of him -- John Dingell. (Applause.) Congressman from Michigan. (Applause.)

So I want to welcome everybody to the White House. Every day, across the country and certainly here in the White House, there are people who are working as we speak to implement the Affordable Care Act and to deliver the security of quality, affordable health care to more Americans.

The good news is that starting October 1st, new online marketplaces will allow consumers to go online and compare private health care insurance plans just like you'd compare over the Internet the best deal on flat-screen TVs, or cars or any other product that is important to your lives. And you're going to see competition in ways that we haven't seen before. Insurance companies will compete for your business. And in states that are working hard to make sure this law delivers for their people, what we're seeing is that consumers are getting a hint of how much money they're potentially going to save because of this law. In states like California, Oregon, Washington, new competition, new choices, market forces are pushing costs down.

Just yesterday, state officials in New York announced that average premiums for consumers who buy insurance in their new marketplace will be at least 50 percent lower next year than they are today. Think about that -- 50 percent lower. (Applause.) So for people like Morgan who are self-employed, who have to buy on the individual market, they're suddenly going to see opportunities not just for the rebates we discussed, but also for even greater savings in their monthly premiums.

So if you already buy insurance on the individual market, meaning that you don't get insurance through a big group plan through your employer, that could mean thousands of dollars a year that can go towards paying a mortgage, or putting a kid through college, or saving for retirement. And what this means is that hundreds of thousands of New Yorkers who don't have insurance will finally be able to afford it -- because these exchanges, this big pool is going to reduce the cost, and you may qualify for health care tax credits; middle-class families will potentially qualify for these credits that will bring the cost down even more.

So this is just an example of how the Affordable Care Act is doing what it's designed to do: deliver more choices, better benefits, a check on rising costs, and higher quality care. That's what it was designed to do, and we're already seeing those effects take place.

Now, I mention all this because yesterday, despite all the evidence that the law is working the way it was supposed to for middle-class Americans, Republicans in the House of Representatives voted -- for nearly the 40th time -- (laughter) -- to dismantle it. We've got a lot of problems in this country, and there's a lot of work that Congress needs to do: get a farm bill passed, get immigration reform done, make sure we've got a budget in place that invests in our children and our future. And yet, instead we're refighting these old battles. (Laughter.) Sometimes I just try to figure out why. Maybe they think it's good politics. But part of our job here is not to always think about politics. Part of our job here is to sometimes think about getting work done on behalf of the American people, on behalf of the middle class and those who are striving to get into the middle class. (Applause.)

And so the progress that we're seeing in California and Washington and Oregon and now New York, that's progress that we want to make sure we're seeing all across the country. Because there are still millions of people out there who not only want to get health insurance, but many who have health insurance who deserve a better deal and deserve the kinds of savings that the Affordable Care Act will offer.

Now, if you're one of the 85 percent of Americans who already have health insurance -- could be through your employer, or through Medicare, or through Medicaid -- you already have an array of new benefits in place. You don't have to wait until October 1st. You're already getting benefits even if you don't know that it's because of the Affordable Care Act. You're getting better protections. You're getting more value for each dollar that you spend on your health care.

And that last point -- the issue of getting better value for your buck -- is what I want to focus on today.

For years, too many middle-class families saw their health care costs go up and up and up, without much explanation as to why or how their money was being spent. But today, because of the Affordable Care Act, insurance companies have to spend at least 80 percent of every dollar that you pay in premiums on your health care -- not on overhead, not on profits, but on you.

Now, many insurance companies are already exceeding this target, and they're bringing down premiums and providing better value to their customers. But those that aren't now actually have to reimburse you. If they're not spending your premium dollars on your health care -- at least 80 percent of it -- they've got to give you some money back.

Last year, millions of Americans opened letters from their insurance companies -- but instead of the usual dread that comes from getting a bill -- (laughter) -- they were pleasantly surprised with a check. In 2012, 13 million rebates went out, in all 50 states. Another 8.5 [million] rebates are being sent out this summer, averaging around 100 bucks each. And for families like Morgan's that are working hard, every dollar counts. It makes a difference.

As she said during her introduction, she'd been buying insurance on the individual market in Maryland for years. After she got a rebate for the first time -- and I'm quoting Morgan now -- she said, "It felt like someone was actually being held accountable for the dollars I was spending on health care." That's one of core principles of the Affordable Care Act -- holding insurance companies and providers accountable so that we all get a better deal.

Dan Hart, who's here, from Chicago, had read these rebates were happening. But he didn't think anything of it until he got a check in the mail for \$136. And Dan is a father of two, and as any parent will tell you, those kids, they suck up a lot of money. (Laughter.) Am I right? (Laughter.) Absolutely. So he used his rebate to pay some bills.

Rick Shewell and Claudia Diamond co-own a stationary store in Arlington, Virginia. They knew about the provisions of the Affordable Care Act, but, Rick said, "I figured we'd never see the money." So it was a complete surprise when they got a rebate for \$320 -- put that money right back into their small business.

And this is happening all across the country, and it's happening because of the Affordable Care Act. It hasn't been reported on a lot. I bet if you took a poll, most folks wouldn't know when that check comes in that this was because of Obamacare -- (laughter) -- that they got this extra money in their pockets. But that's what's happening.

Now, even if you don't get a rebate, even if you didn't get a rebate there's a good chance that these reforms are helping you as well, because one easy way to meet the goal of spending 80 percent of every dollar on care is to charge less for your care. Now, we've got more work to do to get rising health care costs under control. And some of the gains that we've made, some of the progress we've made in slowing the rise of health care costs isn't always passed on to workers. Sometimes companies may keep it and they are charging their employees a higher co-pay or higher deductible, or in some way shifting some costs onto some workers.

But generally speaking, what we've seen is that health care costs have slowed drastically in a lot of areas since we've passed the Affordable Care Act. We've got a lot more work to do, but health care inflation is not skyrocketing the way it was. And because of this new rule, because of the fact that it improves the value of the coverage that you purchase, last year alone, Americans saved \$3.4 billion in lower premiums. That's \$3.4 billion on top of these rebates.

So that's just one way this law is helping middle-class families. But it represents everything the Affordable Care Act means for folks who already have insurance: better benefits, stronger protections, more bang for your buck -- the basic notion that you ought to get what you pay for.

Now, I recognize that there are still a lot of folks -- in this town, at least -- who are rooting for this law to fail. Some of them seem to think this law is about me. It's not. I already have really good health care. (Laughter.)

It's about the dad in Maryland who, for the first time ever, saw his family's premiums go down instead of up. It's about the grandma in Oregon whose free mammogram caught her breast cancer before it had a chance to spread. It's about the mom in Arizona who can afford heart surgery for her little girl now that the lifetime cap on her coverage has been lifted. It's about the folks here today who got a little bit of relief.

And I'm curious -- what do opponents of this law think the folks here today should do with the money they were reimbursed? Should they send it back to the insurance companies? Do they think that was a bad idea to make sure that insurance companies are being held accountable? I know that's not what these folks think.

So the upshot is the American people deserve a fair shot. They expect businesses to play by a fair set of rules. And that's why this fight is so important. Our broken health care system threatened the hopes and the dreams of families and businesses across the country who feared that one illness or one accident could cost them everything they'd spent a lifetime building. And step by step, we're fixing that system.

It's hard. This is a big country, and the health care industry is massive and there are tons of providers. And so as we implement, there are going to be glitches and there are going to be certain states that for political reasons are resisting implementation. And we're just steadily working through all that stuff.

The same was true when Medicare was started. The same was true when Social Security got started. There were folks who, for political reasons, resisted implementation. But once it got set up, people started saying, this is a pretty good deal; it gives me a little more security. It's part of that basic bargain that if you work hard, if you're doing the right thing, that you can get ahead in this country -- and that you can provide some basic protections for your family.

And health care is at the heart of it; it's part of it. Affordable health care is not some privilege just for the few. It's a basic right that everybody should be able to enjoy.

So we're going to keep fighting to secure that right -- to make sure that every American gets the care that they need, when they need it, at a price they can afford. That's the America we believe in. That's what families deserve. That's what we're going to keep on working to deliver. We're going to keep on working to make sure many people around this country who are already paying premiums are getting cheaper prices, that the money is being actually spent on their health care, that you're not having to worry about the fine print, and that if you don't have health insurance, you finally are in a position to get some at an affordable price -- to give you and your family the kind of security you deserve.

That's something that everybody should support. That's not something that should be subject to politics. If the folks who have been trying to make political hay out of this thing, if they had some better ideas, I've already told them I'm happy to hear them. But I haven't heard any so far. (Laughter.) What I've heard is just the same old song and dance. We're just going to blow through that stuff and just keep on doing the right thing for the American people.

So thank you very much. (Applause.)

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