

**Conference: 10th Annual Grassroots
Conference — Health Action 2005:
Opening Plenary Session: Time to Roll Up Our Sleeves
January 27, 2005**

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[START RECORDING]

RON: I've got to say, it's always a great pleasure to walk on the same stage with Hillary, because it gives me the illusion of being very popular [laughter]. Good morning!

AUDIENCE: Good morning.

RON: Let's do it again. Good morning!

AUDIENCE: Good morning!

RON: Terrific! Welcome to Health Action 2005. As this opening plenary reflects, this, Families USA 10th Annual Conference will be a terrific one. We're pleased with the wonderful turnout, which demonstrates the abundance of energy and commitment of key leaders in America's movement for high quality, affordable health coverage for everyone.

If we had to pick a theme for this year's conference, I would borrow from the words of the late Tish Summers, the visionary founder of the Older Women's League. Tish would always tell us, "Don't agonize, organize!" And indeed, we don't intend to agonize. We intend to face our work at this conference and in the year ahead with an abundance of energy, vision, and determination. To be sure, we confront many difficult challenges. Over the past four years, healthcare premiums rose three times faster than wages, and this is despite the fact that those premiums purchased less coverage and required families to pay more in deductibles and copayments. Increasingly, employers, who themselves are

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staggered by increasing and often unaffordable health costs are passing on those costs to their workers. And not surprisingly, over the past four years, the number of people without health insurance has grown from 40 million to 45 million.

Astoundingly, according to the last report Families USA issued a few months ago, at some point during the two-year period 2003 through 2004, 85.2 million people—one out of every three people under 65 years of age—were uninsured at some point in that two-year period, and most of them were uninsured for at least nine months. States like Tennessee and Florida are announcing huge cuts in their Medicaid programs, and on the federal level, we are about to enter the mother of all battles about the future of Medicaid.

And I don't need to tell you prescription drug costs continue to rise much faster than inflation, with no cost containment efforts in sight, thereby making drugs unaffordable for seniors despite the enactment of Medicare legislation 13 months ago. We intend to rise to these challenges. And just like the states of Maine and Illinois that achieved enactment of groundbreaking legislation to expand coverage, we intend to play offense, as well as defense [applause].

So let's turn to our outstanding speakers today, starting with Senator Hillary Rodham Clinton and Dr. Bob Ross. When we planned for our 10th Annual Conference, we recognized that we have had numerous illustrious leaders come to speak to

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us over the years. A few years ago, for example, we retreated to a very thoughtful and energizing opening speech by President Bill Clinton. So how could we top that off for our 10th Annual Conference? Well, in the spirit of our organizational name, we determined that the only way we could do so was to open the conference by keeping it in the family [laughter]! Thankfully, our friend, and long time leader of decent healthcare in America, Hillary Rodham Clinton agreed to speak to us today. As Senator for New York, as our nation's first leader, as a leader in the private sector, Hillary has championed high quality health coverage for all Americans. She's been a tireless leader for the well being of our nation's children. She fought hard for affordable prescription drug coverage for America's seniors and people with disabilities. And she now continues that fight through her membership on the Senate Health, Education, Pensions and Labor Committee [applause]. In the Senate, she has won very impressive battles, including the bipartisan extension of unemployment compensation for laid-off workers. In the aftermath of 9/11, and the many tragedies experienced in New York City, Hillary successfully championed the most human side of Homeland Security, securing \$21.4 billion in funds to provide, among other things, for health tracking for first responders and volunteers at Ground Zero. And in the face of our troubled intervention in Iraq, Hillary has emphasized that support for our troops should not end when

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their tour of duty is over. And she continues the fight for fair treatment of our veterans so that they have decent healthcare and other important benefits [applause]. And with all of her responsibilities and achievements, Hillary continues to have the great human decency to be a good, warm, wonderful friend, including to me and my family, and particularly my daughter Sarah. So, it's with great pleasure that I introduce—and please welcome—our strong and thoughtful leader, our very good friend, Senator Hillary Rodham Clinton.

SENATOR HILLARY CLINTON: Thank you Ron! Thank you! Thank you! Good morning! Thank you! Thank you very, very much. It is such a great pleasure for me to be here for this 10th anniversary. Families USA means so much to the cause of healthcare, to the continuing pursuit of fairness and access and quality in our healthcare system. So I want to thank Ron Pollack and Families USA for inviting me here today for this 10th Annual Legislative Conference. After listening to Ron's speech, though, we have our work cut out for us. This is a very challenging time. And I'm delighted to be joined on the podium by Dr. Bob Ross of the California Endowment. I know of his work and the Endowment's efforts as well.

Because we really do have a full agenda in front of us, and I appreciate greatly what Ron said, because this cannot just be a defensive effort. We have to stand for improved access. We have to stand for fairness and quality in our

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healthcare system. And we have to make clear that if we are committed to the quality of life of our people here in the United States of America, there is nothing more important than ensuring that we provide quality, affordable healthcare for every single American [applause].

I'd also like to acknowledge and thank the founders of Families USA, Phil and Kate Villers. They started something that has really been an important contribution to the national debate, not only in Washington, but across our country. When we think about what we're trying to achieve, there is a broad agenda of issues, and I know that later this morning, I believe, my new colleague, Senator Barack Obama will be joining you, and we're so pleased to have Barack, and I know that you will enjoy hearing from him firsthand. Because what we have to do is organize, as Ron said, more effectively than ever before, because the security net for healthcare that was carefully constructed over the last 40 years is at risk. You know, last spring, I wrote an article that appeared in the New York Times Sunday Magazine, and I think it was entitled, "Now Can We Talk About Healthcare?" Because I know that just a little over ten years ago, we tried to have a conversation about healthcare, and it was a difficult conversation [applause], and I bear the scars to prove that, but it is time for us once again to confront the issues that are not just waiting in the wings, but are front and center.

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I sometimes refer to what's happening in healthcare as the perfect storm. We do have the continuing problems that Ron pointed out, of increasing costs and increasing numbers of the uninsured. We also have the growing problem of the underinsured—people who have insurance, but can't afford to use it, find out it doesn't cover what they need to have it cover. We have the pressures of globalization, so that many businesses are getting squeezed harder and harder as they try to compete with companies in other countries that don't expect businesses on their own to provide healthcare, but do it through the entire society, or companies in countries that don't even make an attempt to provide healthcare benefits. We know that the advances in medical science are posing new challenges to us.

The one that I like to mention just as an exemplar of everything else we're going to face is the advances in genomics. I mean, it's wonderful that we are finding out so much about our DNA. Within a very short period of time—five years, ten at the most, within the existence of this legislative conference going back—we will in the future be able to give people a complete readout of their DNA. Now that's the good news, because it will enable us to continue to break down mysteries and barriers to care that people need. It will also enable individuals to try to take preventive action, but, that information will render every one of us uninsurable. Think about it. Genetics are the mother of all pre-existing

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conditions [laughter], and as we know, insurance doesn't usually cover pre-existing conditions, unless there's a very big increase in your insurance payment in order to cover that pre-existing condition.

There are just so many issues like that. And so we do have a lot to discuss, but what I want to focus on today is not the broad range of our goals of expanding coverage and affordability, of eliminating health disparities among minorities, and other subgroups within our society, eliminating the disparity between mental health and the rest of the healthcare system, finally moving toward health parity. I think it's also important that we try to use information technology to try to reduce inefficiency, fragmentation and waste in our system. I've worked with some of my colleagues on both sides of the aisle, including Senator Frist and Newt Gingrich in trying to at least find common ground on the information technology front. So, we have a lot to do, and I want to thank you for everything you will do in the year ahead, in this Congressional session ahead of us.

But we have an emergency as well as the longer-term goals that we have to address. These are perilous times for America's healthcare infrastructure. We are about to experience one of the most aggressive assaults on the structure and funding of public health programs in our history. And it will take all of us working together to ensure the continuity

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of these programs that do so much to enhance the health and lives of millions of Americans.

So, I want to focus on two proposed changes that I believe would be devastating for America's low-income families, for Americans with disabilities, and for our seniors. These changes, which will come from the Administration, threaten to destroy the health safety net that really does provide a necessary set of protections for vulnerable families. First of all, the healthcare proposals likely to be debated in this Congress will include potential changes to Medicaid. Now, Medicaid is the crucial safety net for America's poor. Medicaid provides health insurance to more than 50 million individuals nationwide, about half of whom are children. During the recent economic downturn, Medicaid enrollment increased by nearly one-third as people lost jobs and income and found themselves losing a hold on the middle-class position they had, or finding their ladder of opportunity out of poverty pulled out from under them. Enrollment also grew among seniors and people with disabilities whose healthcare needs are greater and more costly than low-income families.

Responding to states fiscal and deficit pressures because of the economic downturn, all 50 states and the District of Columbia have for two straight years taken steps to control Medicaid costs. These steps include restricting eligibility, reducing benefits, increasing copayments, and

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cutting payments to doctors, hospitals, and other providers. I know how difficult these decisions are. For many years my husband was a governor. I saw firsthand the challenges that states face, because unlike the federal government, most of them actually have to balance their budgets. They don't print money and borrow in the global capital markets, sending them into deficits as far as the eye can see. Now, there are some states which are the exception, but many are in a very tight financial vise.

Just recently, for example, the Governor of Tennessee had to make some very painful decisions, and he released details of his plan to cut and eliminate coverage for 323,000 adults enrolled in the state's Medicaid program. In Florida, the Governor is proposing to provide Medicaid clients with vouchers to purchase health insurance in the private marketplace. This proposal would place a hard dollar cap on each beneficiary's services, which unlike current Medicaid programs would be unable to accommodate unforeseen medical crises or other costs above the cap. If enacted, Florida would become the first state to allow insurance companies, not the public through the government, to decide the scope and extent of services and benefits for Medicaid recipients. In my own state of New York, the Governor is proposing \$1 billion in Medicaid cuts.

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Now, these are the cuts that are being proposed by the states, so that the state contribution will be diminished. Now, these proposed cuts will be exacerbated by the forthcoming proposals by the Administration and the majority of Congress to block grant, otherwise known as artificially capping funding, or otherwise altering the fundamental structure of Medicaid.

Now, in 2003 I, with a group of my bipartisan colleagues, worked very hard to pass a temporary \$10 billion increase in the federal matching rate for Medicaid. This was a temporary fix to help ease states' budget problems in the wake of economic downturn, 9/11 and other factors. And to try to prevent additional and deeper cuts in Medicaid programs, the majority of the states reported that they used the funding to help meet the increased enrollment in the program or to postpone or freeze cuts that otherwise would have had to have been made. Now, I think it was the smart thing to do. As Ron mentioned, I did lead a bipartisan effort to extend unemployment benefits. We haven't been able to extend them for two years now at the federal level. And the problem is that there are many people who have just dropped out of looking for work. The real rate of unemployment is higher than the reported rate. In addition to the rate of unemployment, the decreasing number of those who receive health benefits through employment adds additional burdens on the Medicaid system. In fact, there have been some recent stories about very, very

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large companies in our country basically encouraging and even sending employees to the Medicaid program, because they have not been willing or able to provide health benefits themselves. So we need to provide states with sufficient assistance so that when we do experience budget problems, Medicaid benefits remain available for people who are vulnerable.

I am open to real reforms and improvements to Medicaid. I think any program in the public or private sector should be constantly evaluated in order to determine what we could do better. Any program gets creaky and gets difficulties with bureaucracy. I understand all of that. So there is an opportunity here to try to come together in good faith to work to improve Medicaid. But establishing a block grant would gut a program, and that is not a solution [applause]. So my first plea to you is to stand against block grants. Now, some states have expressed great interest in block grants, because they believe they will have an increase in flexibility, but block grants are a bad idea from nearly every angle, particularly what they will do to the healthcare safety nets that we have constructed over the last 40 years. Currently the federal government and the states, as you know, share the risks of greater than anticipated increases in Medicaid enrollment and healthcare costs. The federal government is committed to paying a certain percentage of each state's Medicaid costs, so federal payment rise automatically as state costs increase. A

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block grant would end this federal commitment by providing states with a fixed amount of Medicaid funds each year without regard to the state's cost or the enrollment figures. This would shift the burden primarily to the states and would increase the risk of further benefit cuts for Medicaid recipients as healthcare cost continue to rise. In addition, any future improvements by states to their Medicaid program would be totally at their expense. Under the current matching formula, states receive federal funding for initiatives to reduce the ranks of the uninsured or to improve the care that they provide. A block grant eliminates that opportunity to receive additional funds. This would not just freeze Medicaid programs over time, it would erode quality and access and the states would have limited capacity to incorporate advances in medical treatment and other proven remedies and interventions into their programs due to cost. So I think the Medicaid program has to be looked at with great care and concern, and a one-size-fits-all response such as block grants would not be in the best interest—I would argue—of states or of Medicaid beneficiaries.

You know, in addition to all of the benefits that Medicaid provides, it really does take care of the sickest of the sick and the poorest of the poor, and I think it's important for us as a matter of our personal and national values to ask some very hard questions about what our

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obligations to one another are when it comes to providing care for the sick. And there are states that are attempting to grapple with this. It is noteworthy that during this period of deficit-driven cost cutting, some states are taking interesting and creative approaches to expand and improve their Medicaid program. Maine has an active legislation to expand coverage, targeting employees of small businesses. The new governor of Washington just announced that she will reverse a rule requiring Medicaid beneficiaries to verify their eligibility every six months instead of annually. She's also announced that she is abandoning the plan that would have required Medicaid beneficiaries to pay months premiums.

Now, it's not however, just low-income families who have new reason to worry about their healthcare coverage. Our seniors face very difficult challenges with respect to the implementation of the new Medicare Prescription Drug Bill. So I think we have to look at Medicaid and Medicare together, because they have really provided that healthcare safety net for vulnerable Americans. Now, if we look at Medicare, there are many issues, but I just want to focus on one [audio breaks] speak out about very loudly and clearly. We have, as you know, Americans who are Medicare eligible and Medicaid eligibles. In the jargon of the bureaucracy they're called dual-eligibles. What we have to worry about is what happens to those six and a half million seniors and Americans with disabilities who

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receive both Medicare and Medicaid benefits. These are the most vulnerable of the vulnerable. They're the poorest of the elderly with incomes of less than \$10,000 a year, and they are the sickest of the elderly, with approximately 25 percent residing in a long-term care facility. These six and a half million Americans have significant healthcare needs. They often have been diagnosed with multiple chronic conditions, and they are in the gravest danger of being affected by the new Medicare prescription drug benefit. As you know, the Medicare Prescription Drug benefit is scheduled to go into effect on January 1st, 2006. But this date does not only mark the deadline for a new Medicare Drug benefit. For the six and a half million people who are eligible for both Medicaid and Medicare, January 1, 2006—less than a year from now—is the day that under this new law, they stop receiving a Medicaid drug benefit. So if the transition from Medicaid to Medicare doesn't go smoothly, if the implementation problems which are just bound to occur when the Medicare Prescription Drug benefit takes place, if some of the problems embedded in the Prescription drug benefit come to pass, as I and many believe they will, these individuals could be left with no or inadequate coverage. There's a very short time frame in which the Centers for Medicare and Medicaid Services, known as CMS, is expected to complete the transition. There are only six weeks under their planning between the time when seniors can

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begin to sign up for the new drug plans and the date when Medicaid coverage ceases. That means that the dual-eligibles, the poorest and sickest of the Medicare population have very little time—assuming they are competent to do so, or even able to feel comfortable doing so—they have very little time in which to accurately balance the benefits and drawbacks of their prescription drug plan choices. Now, we're giving most seniors six months to consider their options in a prescription drug plan, but we're giving the most vulnerable, 25 percent of whom are in long-term care facilities, six weeks. Now, in response to this concern over the short implementation period, CMS has announced that it will automatically enroll any dual eligibles in a randomly chosen prescription drug plan by January 1st, 2006. Now, while I commend CMS for trying to minimize confusion and solve a problem we did not need to have—it was one of the many reasons I voted against the Medicare Prescription drug benefit in the first place [applause]—automatic enrollment in a random plan will not solve the serious problems faced by many of these dual eligibles. When seniors are randomly enrolled in a drug plan, there is no guarantee that the plan chosen is the one that will fit their specific prescription drug needs—and remember, we're talking about a population that is juggling multiple chronic conditions and multiple medications for these medications. So what steps is CMS and the Bush Administration going to take when a senior

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gets randomly assigned to a plan that doesn't cover all of her or his medications? There are currently no guarantees that dual-eligibles will not experience interruptions in coverage, and I don't believe there are adequate plans in place to help seniors who will suddenly find themselves without coverage for certain drugs. Considering that many in the dual-eligible population are unable to care for themselves, who will be responsible for coordinating their individual transitions? If a senior is placed in a plan that is not a good fit, it is going to require a lot of paperwork and research to find the right plan, assuming it's in the region where they live and get them in to that plan. Can we really place that responsibility on our already overburdened caregivers or medical professionals? Are we going to turn doctors and RNs and nursing home administrators into government bureaucrats, going through all the plans, trying to find the one that will fit the person that is in need of the continuity of the medication? I also think there will likely not be sufficient public education and targeted education that will really help the dual-eligibles with this transition process.

We've already seen the difficulties that emerged when CMS unveiled its drug discount card last summer. Seniors were slow to enroll because the program was so confusing. Many of my constituents came up to me and asked me, "Senator, should I enroll in this?" [Laughing] I said, "I can't answer that. I

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mean, you have to go through all of this material and try to figure out whether it's the right thing for you." And I referred many of my constituents to the Medicare information line. And then I found out [laughing] that a recent Government Accountability Office report noted that when a senior finally talked to an operator, which for many of them literally took days. I had people who say by their phone, dialing that number and being on hold for hours. But when they finally got to an operator, they were often given incorrect or incomplete information. Now, for the frail, elderly widow, in a nursing home, who has just been dropped from Medicaid, which automatically filled her prescriptions that her physicians gave to her, who is her advocate? Who will ensure that somebody gets through on the phone for her and gets her the information she needs, helps her make a decision, if she can make a decision, and tries to then monitor what plan she's assigned to? Because remember, these plans can change every year. Just because a drug is on what's called the formulary at the beginning for the year doesn't even mean it stays on the plan for all of the year, or that it's even on the plan the next year, or even that the plan that you signed up for the first year is even available. If this is confusing to you, imagine what it would be like for someone in their 80s or 90s or a person with a disability, or a middle or low-income family trying to keep a loved one at home to walk through all of this

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and make sense of it. You know, what really bothers me is we have larded in so much extra cost into this Medicare Prescription Drug benefit instead of providing a straight benefit at the lowest costs possible [applause] top the maximum number of seniors! I think there's about \$150 billion going to insurance companies and related entities to provide this service, and it's your tax dollars, and we're going to drive up costs for the government for seniors to what end? And I think this needs to be a very big issue for Families USA and for all of you individually, because when a mistake in this transition period or in this confused process that is being set up occurs, someone can be cut off access to a life-sustaining drug. We just cannot let that happen.

So, where do we go from here? Well, we have to put a human face on the consequences of this drive to cut healthcare costs. We do need a conversation, but it's not this conversation. We do need to start talking about healthcare again, but it is not appropriate to do so after we slash the safety net programs that have kept people literally alive as well as sustaining their quality of life [applause]. I hope Families USA remains a leader in trying to talk common sense and find common ground amongst all our different interests when it comes to healthcare. I know that there are many who still resist these kinds of common sense solutions. There are many who still believe that we can cut people loose, make them

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rugged individualists again [laughter]. Give 'em all a health savings account, cut off access to benefits, no matter whether they have a car accident or discover cancer after their benefits have run out. I don't want to live in a country that has those as its values [applause]! Now, you know, I can just hear some of my friends on radio and [laughter] and in the blog world say, "We've got it! We can get her to move by cutting the health safety net, doing away with Medicaid, undermining Medicare, turning the clock back on the progress of the 20th Century that moved us toward a more equitable and just society!" No such luck [laughter]! We are going to stand our ground, and we are going to fight for the basic rights that Americans have to have access to quality affordable healthcare, and we're going to send a very clear signal, that yes, there can be legitimate improvements made in both Medicaid and Medicare, but trying to put them on a glide path toward extinction confusing recipients, administrators and others is something that is not in keeping with America's ideals and values and we will do everything we can to prevent it from happening. Thank you all very much [applause].

RON: I'm glad we kept it in the family [laughter]. Before I introduce Bob Ross—and it's going to be such a treat to hear from Bob—I just want to say a word about our conference. I think that you're gonna find that we're going to be covering a lot of material here that I hope you're going to

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find is very helpful. We are going to talk about the new Medicare legislation, and how it's going to be implemented, and how we can make sure that she didn't use the term, the potential train wreck, for the poorest of the poor does not occur. We obviously will be talking about the upcoming fight with respect to Medicaid. We're going to be talking about developments at the state level as well as the national level. You will be hearing from Republican and Democratic key staff members of the key committees of Congress so that you will get their varying perspectives of what we're going to be seeing in the Congress this year. We're going to be talking about changes in the private sector with respect to healthcare. We have an extraordinary number of speakers. I've only one regret, I must say. We had confirmed many months ago that Senator Gordon Smith from Oregon, a key Republican leader on the Senate Finance Committee was going to speak to us this morning. He very much did want to speak with us. He's going to play a critical role in the debate on Medicaid. He's been very helpful. Senator Smith two weeks ago learned that he is going to be leading a Senatorial [audio breaks] expressed his regrets. We will have him here at our next conference.

So, now I want to tell you, you have a wonderful treat in front of you. Many months ago, I asked Bob Ross if he would be willing to be our keynote speaker. I did so because Bob is not only a wise and inspirational person and speaker, but he's

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also a good friend, a friend to the healthcare movement, and organizational friend and a personal friend. At least, I though Bob was a good personal friend until one week ago, when Bob confronted me on the telephone and asked, "What in the world are you doing, scheduling my keynote speech between Barbra Streisand and Stevie Wonder [laughter]?" And this morning, Bob said, "You do that again, I'm coming after you with a baseball bat!" Well, whether it's speaking between Barbra Streisand and Stevie Wonder or Hillary Clinton and Barack Obama, no one is better suited to speak to us in this part of our program and to inspire us than Bob Ross. Bob, who is a physician, is the President and CEO of the California Endowment. The Endowment is the largest private health funder in California. A key aspect of the Endowment's mission under the leadership of Dr. Ross and his fine staff, including Laura Hogan—and Laura Hogan's mother?—is to achieve expanded health coverage for the uninsured. Prior to his appointment at the endowment, Bob served as the Director of the Health and Human Services Agency for the County of San Diego. He was commissioner of the Philadelphia Department of Health. He has extensive experience as a clinician, educator and health administrator. He is the recipient of too many prestigious honors and awards to mention, but what I treasure so much about Bob is that even though he has reached the mountaintop of American philanthropy, Bob never forgets and cares so

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passionately and inspiringly about the people who live in the valley. Please welcome Dr. Bob Ross [applause].

BOB ROSS: Thank you. Good morning to you all and thank you, Ron. I just want to begin by saying the threat of physical violence, Ron, after I heard about where you placed me on this agenda actually is not as difficult as denying the next grant proposal that you sent to the [laughter, inaudible]. Just stamp that one "Return to Sender." Good morning to you all, and this is a day where we as—It is a Families USA Conference, that this is the tenth year, and we are family, so everyone stand up for a second. Just remind ourselves what this is about and turn to the person next to you. Give them a nice, big California hug [laughter]. We need each other, we gotta support each other, okay? I gotta [inaudible]. All right. We got work to do, but we gotta get the energy right, right. You know, we Californians are big on energy, okay? The Zen.

But I do want to thank Families USA, their great Board of Directors and most specifically Ron Pollack. Ron, you've just been an enormous and fabulous leader on this and I just want to on behalf of all of us here, thank you and Families USA [applause].

Let me do a couple of things. One is, I want to start by reminding myself. I'm a Hollywood—I live in California, I live in LA now, so I'm a big Hollywood person now—but I love

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the movies, and there's a scene in the movie that reminds me of the place we're at right now, and the movie was called Master and Commander. It starred Russell Crowe as the British Naval Commander of this ship. There's this opening scene in the movie where the ship is attacked and surprised in the bog, and they're in the middle of this furious bombardment, and they're showing the men on the ship, and they're trying to respond to the bombardment. They're under attack and the shells and the cannonballs are flying all over the place and one of the younger seamen is—you can see there's a look of panic on his face—and he looks at one of the older seamen who's obviously had many more years at sea, and he's got a look of relative calm on his face, and he's holding onto a bannister while he's ducking from the shot shell, and across the fingers, there's a tattoo. And that tattoo, on each one of his fingers, it says H-O-L-D F-A-S-T. So he's holding like this, and the younger seaman who is kind of panicked is looking in the face of this elder seaman, who's got a look of, you know, "It'll pass," and he's reading his hands, and it says hold fast.

So that's my, in keeping with what Senator Clinton mentioned, right now, hold fast. Don't panic. Don't despair. Yes, there's an attack. Suck it up. I know a lot of you are concerned about what happens in the aftermath of the November elections and I have to make it clear, just in case someone from the IRS is here, we are 501C3 non-profit, independent,

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none of my comments are partisan comments. I'm describing the environment [laughter and applause]. I'm not the smartest guy in the world; I read the newspaper. I saw what they did to the NAACP and I don't want to be in that place [laughter]. But, you know, in a sense I think where we are right now, which you heard from Ron and from Senator Clinton is, like, suck it up, buck up, as Laura Hogan likes to say, get over it! Okay? Let's rethink what the job is that we must get done, but with newer strategies and that's what I want to focus on in my remarks.

Before I get into the three points I want to make to you today, which is Number One, and emphasis on getting kids coverage complete in this coverage; Number Two, how we marshall and strengthen an unprecedented grassroots to treetops strategy to get done what we need to get done; and Number Three, a little bit of information I want to share with you this morning about rethinking some of our strategies around using public will to advance the cause of health coverage.

But before I get into those three, I want to share with you the front end of a brief story. About actually, close to 20 years ago this year, I was a bright-eyed and bushy-tailed pediatrician, pediatric resident, at the Children's Hospital of Philadelphia, a fabulous children's hospital, great residency program, and I was a relatively new and fresh-faced pediatric resident and I was covering the Pediatric Intensive Care Unit,

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also known as the PICU, at that time. And the one thing, just as an aside, those of you should know—this is one of the things you don't hear about unless someone raises it to your attention—but, if you get sick and you're admitted to a teaching hospital, don't go in July [laughter]. And the reason for that—those of you that are clinicians or nurses know what the reason is—because all of the people that used to be medical students the week before July are now doctors the week after July 1, okay, and I will tell you personally that the notion of having graduated from Medical School, receiving my diploma and then a week later they're handing me a beeper and asking me to cover the PICU, and you see how sick these kids are—these are, you know, really sick and devastated kids, and you're kind of in there, and, "Wow, these kids need a doctor [laughter]!" Right? So, I ended up being fine. I passed my boards and all that stuff, but that first month is somewhat frightening, so just a tip for the wise, try to stay away from a teaching hospital in July. But that having been said, I ran into a family that I met through a child that was admitted to the PICU at Children's. This was a two year-old that had been admitted through the Emergency Room—and many of you, I'm sure are parents, so some of you may even have toddlers—but if you've raised a two year-old, you will understand why this happened to this young child, a sort of very active, bright and engaging two and a half year-old who, in the house, Mom thought Willie

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was with Dad and Dad thought Willie was with Mom, and they ran into each other in the house, and it was really a frantic search for Willie in the house goes on. "Where's Willie? Where's Willi?" They can't find him, and several minutes later, lo and behold, they decide to look in the backyard family pool, and Willie is in the bottom of the pool. And arrive at Children's Hospital, basically pulseless on a ventilator, getting all of the kinds of intensive medical attention just to keep his heart going, and getting some oxygen. But by the time he was admitted into the Pediatric Intensive Care Unit, was neurologically devastated, in fact thought to be brain dead as his, in the medical vernacular, pupils were blown and fixed, very acidotic and a significant and perhaps devastating brain injury had occurred to this little boy. And I recall, as the pediatric resident in the PICU that week when Willie came in, him undergoing his neurology evaluation because the issue was whether he might have been officially brain dead. And he went through all those protocols and an EEG and [inaudible] just to barely, a flicker of activity, and the neurology attending actually offered to let the family know, "Listen, your child is never going to regain the kind of life that he once had. In fact, if he does survive, this particular hospitalization, that would be quite a long stretch in and of itself, and you may want to think about whether you want to pull him off the ventilator, in a sense, pull the plug." And I recall watching

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this family deal with this ordeal, got to know them quite well, and became friends with the family through the rest of Willie's hospitalization. I want to come back to the story of Willie and his family at the end of this talk.

Back to kids. We are at an extraordinary opportunity, I believe, and I think you will hear more from some of the others in this conference, but of all the issue facing us, and challenges facing us around coverage and access, we have got to get the kids covered. We have got to get that done. And sometimes, I know, even our foundation, we support a lot of work in California, which I'm going to tell you about in a second, to expand children's health coverage, and even to, sometimes getting criticized. "Well, kids are easy," and, "The kids are the low-hanging fruit," and, "What about the adults?" Yeah, all that is true, but we haven't gotten it done. And we came close at the advent of CHIP, but for a variety of reasons we failed to get it done then, and I'm going to talk about some of those reasons in a couple of minutes. What we've seen in the State of California—I know it's very difficult to generalize anything going on in California to the rest of the country, you know, the People's Republic of California, but I will say the following, and it's been a very quiet but inspirational story to just kind of watch and see in the State of California. We've got 58 counties in California, from little, teeny counties to LA County, which has eight or ten

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million people. And we have seen 27 of California's 58 counties either having implemented universal health coverage for children within their county borders, or within the planning stages of it. So ten counties right now have already gone live, and have a universal coverage program within their borders. Now, that's significant for a couple of reasons. Number One, California has had a massive budget deficit in the last three years. It's now the third year of the budget deficit. And in fact, California in part threw a governor out of office because of it. Okay? So one would think that during a period of time where you've got a massive state budget deficit that has not been resolved and all the cuts that come with that, one would think there would in fact, be a retreat on health coverage, but we have not seen that in California. We've seen an advance. We've seen more kids get covered. Of course, we have lot of problems that a lot of the other states have in terms of the churning and losing people out the back end, and all of that stuff. But the reason why this has happened is not because of some super hero in the governor's office, or a super hero in the legislature, or some other kind of miraculous person leading this charge. It has been on the backs of local public/private partnerships and coalitions at the county level. The first two out of the gate were Alameda and Santa Clara. We helped fund, along with some of the other California foundations some of the organizing and planning

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around these efforts, but California, Alameda County and Santa Clara County, for at least a couple of years now have had universal health coverage for kids, and the other 25 counties are now following their lead, and all of this happened on the back of a local, grassroots coalition involving organized labor, teachers, business leaders, states leaders, all of them working together to impose their collective will on decision makers at the local and regional level. So that the right kinds of dollars are leveraged, the right kinds of systems changes occur. And it's not just expanding coverage by putting more money in a system for Medicaid, have coverage, it's also to make the system work better and smarter. And Senator Clinton talked about that. We can't just defend some of these programs when they're not working well. Many of you know the advantage of getting all kids covered, after CHIP was approved nationally, is because of all the enrollment and eligibility processes. They weren't family-centered; there wasn't a single point of entry. It wasn't responsive in terms of some of the cultural messages, and public awareness and education around how the program works. So despite our best efforts, if you make changes that are just tinkering around a system [audio break] then you're just destined for failure. But what has happened in Santa Clara and Alameda and these other counties that followed is, not only have they developed local public/private coalitions that are moving this agenda forward

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and leveraging dollars, getting our money and tobacco tax money, and CHIP, Medicaid and health plan dollars and other kinds of resources together, they're saying, "Wait a minute. We're going to create a single point of entry, no wrong door for families, so no matter where they end up in the system, it'll get sent to some other place. We're also experimenting with some ways of streamlining and improving the system, such as, one of our sister foundations in California, California Healthcare Foundation has created a new software program called 1E-AP. And 1E-AP allows families to be enrolled in a church basement with an assister or outreach worker using a laptop computer, and having determination of whether they're eligible that day, not waiting for something to come in the mail. And again, they don't have to go down to the County Welfare Office and stand on line for two hours and feel that they're being disrespected. So, it's local coalitions, the strength of the grassroots organizing and mobilizing, different partners coming to the table, system changes. Now, we've just seen this extraordinary quiet movement just march along in the State of California with nothing coming from Congress and nothing coming from the state legislature to move it along. I believe there is a lesson in that for all of us, not just limited to kids' coverage, but beyond that. AT our foundation we believe very strongly in this grassroots to treetops mobilization strategy where you are localizing the power of advocacy efforts and

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community mobilization, again, at the local level, but with a stranglehold on policy makers and decision makers. That's how we're going to mount an offensive strategy to get things done, but also, as Senator Clinton talked about, a defensive strategy to stop something from happening.

Something else we've gained from our experience in California in terms of expanding kids' health coverage is the beauty and the power of new members coming to the coalition and providing leadership. Many of us have been around this issue for a long time, okay? We've been talking about this stuff, 20, 25, 30 years. And one of the most powerful allies we've seen in California in terms of these local coalitions and now mobilizing on a statewide level, is the addition of a faith-based organization, a faith-based network of advocates, called PICO, which stand for the Pacific Institute of Community Organizers. What they have done is to mobilize grassroots faith leaders who read the Bible. They read the Bible, too. And in fact, I'm going to quote for you a couple of passages about Senator Clinton's concerns and tie that back together in a couple of minutes. But we've seen PICO mobilize large numbers of grassroots people that are speaking locally to city councils, to boards of supervisors, to school boards, to school districts, but also, they can mobilize at a moment's notice to speak with a clear voice at a legislature, as in last year, when they had concerns about the budget and the mobilized 50

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busloads of community activists and community leaders to Sacramento to talk about healthcare and protecting the healthcare safety net from cuts. Inspirational and extraordinary activity. These local coalitions have also brought in business leaders, Chambers of Commerce, so we're seeing new partners coming to the table, the coalitions are being built up, and we're seeing extraordinary progress occurring. Lesson to be learned: Grassroots mobilization is valuable, building out the coalitions is critical, and making sure that we don't cede the morality and values proposition to certain people that have used it to advance their agenda [applause].

In fact, I have an idea for all of you, in terms of how do you want to protect Medicaid. So here it goes. I'm going to start skating on thin ice, Ron, but what the heck? I'm a person of strong faith. I've read the Bible and I read the Bible. I've spoken to a theologian friend of mine who tells me that there are roughly 3000 references [audio break] Jesus references of the blind, of the lame—in today's parlance, the aged and disabled—the poor, the meek, and children. Now, what federal program sounds like that [laughter]? Right? So, if you want to protect the Medicaid and Medicare programs—and a lot have been talked about framing and messaging—I think we need to retitile the Medicaid program. Let's call it the Jesus program [laughter and applause]. Let's see what happens when

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some wayward Congressman puts a bill in to cut the Jesus program that is well versed in the Scriptures, 3000 references. What do you think about that, Ron?

RON: [Laughs]

BOB ROSS: But, all joking aside. Who says that I'm joking [laughter]? I do want to underscore based on what we've seen—and I think some of the people from PICO are here. I saw Scott earlier and Jim. Are you guys here? If you're from PICO, raise your hand. Identify yourself, because if anyone wants to talk to a PICO—They may be providing a presentation later in the conference, I'm not sure—but, make sure you talk to them about how to engage the faith-based community in terms of your local coalitions.

Second point, which is building on the first, and that is grassroots to treetop mobilization. Mobilization strategies at the local level are extremely important, and what we're going to need to do is to make certain that these partners and these relationships that are beginning, that begin to get built at the local level have a sustainability and a viability for issue beyond fighting Medicaid cuts or beyond advancing health coverage. After all, this is about health. It's not just about healthcare, is it not? The reason why we care about healthcare is because it is a ticket to a more productive and just and equitable America, is it not?

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And I want to share with you for a second, one of our major concerns as a foundation is the issue of health disparities in this country, the inequity of health status. And you should know that 70 to 75 percent of what determines health status occurs outside of the critical care setting. There's a lot of research that supports this. The neighborhood that you live in has an enormous impact on your health. It's been written up in the New York Times. There are tons of research articles that talk about this, but one prime example that's sitting right in front of our faces on this issue is the childhood obesity and diabetes epidemic that is happening in this country. If we get national health coverage tomorrow, we will still have to deal with the challenge of a 300 percent, 20 year increase in the number of children with diabetes in this country - three-fold increase in the number of children who are either overweight or obese. For the first time, we are looking at the spectre of having a generation of children in the United States of America that are predicted to live a shorter life span than the generation before. And you can't write enough prescriptions to work our way out of this epidemic, can we not? It has to do with whether you live in a neighborhood that has access to a park where your kids can play and exercise. You can talk about having five servings of fruits and vegetables for families until you're blue in the face, but if they don't have a place in their community where they can go to a farmer's

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market or to a grocery store that has fresh fruits and vegetables, what are you gonna do, as a mother or father raising kids in that family? As your kids going to school, where they're not doing physical education anymore, and what's on the menu is pizza and cheeseburger and French fries and nothing green. If the stores that they go to in their neighborhoods are marketing fast foods and unhealthy foods to kids, that is a huge uphill battles for families. It's taken us 40 years to get into this mess of obesity and diabetes epidemic. It's probably going to take us ten to 20 years to get out.

But from our vantage point, it is these kinds of local, public/private kinds of coalitions and partnerships that can not only deal with healthcare and health coverage issues, but work together to strengthen what a healthy neighborhood and community looks like. Extremely critical for the long haul in terms of addressing disparities in health and improving the productivity of this country. The same with asthma, the same with other kinds of issues where there are strong environmental and community factors that negatively impede and impact the health of families and communities. So let us not forget that, yes, the Medicaid issue and the Medicaid battle, the mother of all policy battles, these are all critical, critical issues, but the building of these coalitions at the regional and local level have extraordinary payoff in the long run. Let me put up

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just a reminder of the critical nature of this battle. You guys have that overhead? I want to put of the overhead of the Greenstein data for a second. I'll let you read this, and whoever you think falls into this category, you can--It's a Mark Twain quote. Next one [laughter]. Okay. I hope you can see this. I'll give you the punch line if you can't. This is Bob Greenstein's data on the analysis of where we're at in terms of what Senator Clinton talked about, which is the tax cuts and the federal budget deficit, and how we solve the problem of the budget in the context of the administration's tax cuts. His analysis shows that if you held National Defense and Homeland Security harmless from budget cuts, which is a likely scenario, then you would have to cut programs like Social Security and Medicare by 60,70,80 percent in order to balance the budget. Now, if you added Social Security and Medicare to the hold-harmless list--so now you're holding harmless National Defense, Homeland Security, Medicare and Social Security, how much of a cut in the other federal dollars would you have to make in order to balance the budget, if the first tax cuts were made permanent? And the answer is 40 percent. So you'd have to yank 40 cents out of every federal dollar for every other federal program, including Medicaid. What do you think the safety net is going to look like after 40 cents on the dollar is being yanked out? So, another reminder, we are standing at the cusp, some would say the precipice. Ron said the mother

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of all tax battles. That is not an exaggeration. This is the largest tax policy shift proposal in 80 years in this country. So gear up. Gear up. Strengthen the mobilization and make sure you broaden the coalitions.

Last point. Framing and messaging. And, here's the punch line. I'm going to quote Moms Mabley, who is a terrific humorist and a great [siren blares]. It's the IRS [laughter].

VOICE OVER PA SYSTEM: May I have your attention, please? There is a fire in the [inaudible] building. Please leave the building by the nearest exit or exits. Do not use the elevators. May I have your attention please? May I have your attention please?

BOB ROSS: I'll finish in the hallway [laughter].

[Audience and speakers exit. Siren blares. Audio/Video pauses, restarts after audience and speakers have reentered.]

BOB ROSS: I knew I would be in trouble when I talked about the Jesus program [laughter]. I really went too far!

I have just two points to make with you in wrapping things up. One is, as many of you, we have been, I have been frustrated in our lack of progress in this issue, and for many of you—I see a number of you where the hair is starting to turn gray or thinning, as in my case—and for those of us like Ron, so many of us, we've cared about this for a couple of decades or more, but I want to put this in perspective. The reason why I have been doing the work that I have been doing, from working

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as a pediatrician to a public health advocate and now working with a foundation working with the underserved, is because my values shape and drive what I do, and for all of you, it's the same. For those of us who grew up and perhaps came of age, either professionally or personally during the 60s and early 70s this is a rather disconcerting period of time. People like Kennedy and King and Gandhi and Chavez shaped my thinking and my values and led to the place that I'm at today, and for many of you, it's the same thing.

VOICE OVER PA SYSTEM: May I have your attention, please? [Inaudible]

BOB ROSS: Shut up [laughter]! He was getting' on my nerves! So, for a lot of us, we cling to this notion of equity and opportunity and social justice and social change, and we find ourselves in a markedly different environment. And as a journalist colleague of mine once quipped, "America is now a hotbed of social rest [laughter]." So, we are no longer going to be able to move an agenda merely by talking about injustice and lack of equality and just because it's the right thing to do. We are really going to have to move this agenda in a way that speaks to the concerns of the public and the public will. And there are all kinds of theories about that, but that's another session for another time.

What we have done as a foundation, working with another sister foundation in California, the Wellness Foundation, is to

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say, you know, let's take a look at how we as a foundation have been working to help folks frame messages and use language to advance the common goals that we share. And that particular work was commissioned to an organization called The Frameworks Institute. The Frameworks Institute is kind of an offshoot of some of George Lakoff's [misspelled?] work, which is about the importance of language and framing. The short answer to that, and we'll be able to make sure that all of you have access to that research when we get it finalized. We've just gotten some draft work back from The Frameworks Institute now. We've tested some of the language and some of the words that we use that are near and dear to us in our work with focus groups of likely voters, and it was the feedback was both enlightening but sobering as well. Some of the very favorite words that I've been using, and many of us have been using, such as healthcare disparities, racial and ethnic disparities, such as universal health coverage, don't play well in many of these focus groups. Because, people, the short this is what George Lakoff says, is, "People don't see and then define, they define through their frame, and then they see." Okay? And they see the data or what you're talking about through the framework they've already established. I think there are a lot of implications for that work in terms of how we get smarter about moving this agenda. I just encourage you, encourage all of us, to think about newer ways of perhaps advancing what we want to

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see, and what we're hearing from the Frameworks Institute work is, "Keep it simple, keep it concise. Don't scare people with big government solutions, because there's a lot of confusion and anxiety about that, and give folks a step-by-step plan where there is government acting in a role with a public/private partnership." And we're hearing more and more that people don't see government as being either smart enough or efficient enough to solve the problem, but acting more in a referee kind of role, or protector kind of role.

So, again, it doesn't mean that we can use brand new language and the swap it out and then all of a sudden we'll have universal health coverage tomorrow. That's not what I'm talking about. But I'm asking all of us to take a couple of steps back about the importance of using different language.

Last point, just to close things up and to make certain that we are all understanding the importance of sweat equity and believing in the goal and not sacrificing it. Ten years or so after I was at Children's Hospital in Philadelphia, I was, at the time, the Commissioner of Public Health of the City of Philadelphia, and there was a measles epidemic. There was a measles epidemic because kids were not getting immunized. Some of you may remember that epidemic from the 1990 and 1991 period. And at that week, that was kind of my 15 moments of fame in Philadelphia because there was a measles epidemic and I was on TV every night telling families, "Get your kids

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immunized! Get your kids immunized! Get your shots! Get your shots!"

So, in the middle of battling this measles epidemic, my secretary comes in, and she interrupts the meeting and says, "There's a phone call for you." I'm like, you know, "Have them wait until after the meeting." She's like, "Yeah, it's some little kid who wants to talk to you [audio breaks]. Oh, it's not one of your kids, but it's some kid. Do you want to take it?" I said, "Yeah, I'll take it." So, I go to the phone and I take the call, and there's this little halting, somewhat difficult to understand voice, and I'm getting it. The voice is saying something like, "Hi-Hi, Dr. Ross. It's me, Willie. S-saw you on TV." And apparently what had happened was, one of my news conferences was on the television in Willie's household, and Willie's mother said, "That's Dr. Ross who helped take care of you, Willie, when you were in the hospital." And I said, "Wait a minute. Willie? Willie Teach? Willie? Hey man! You're talking! What's going on here? Put your mom on the phone." And his mom gets on the phone, and she begins to describe this miraculous story of this little boy, of whom the neurology attending had informed the family maybe they should consider pulling the plug on this child, and that he would probably not advance beyond a vegetative state. And went on to tell me that Willie was in special ed. classes, that he was in a wheelchair and that she was trying to get him

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mainstreamed into regular classes, but the principal told him that he'd never make it. And she said, "I've heard that before [laughter]." And then we stayed in touch after that. Can you put up the next overhead slide, please? The one after that. This is Willie. Now, Willie, this is Willie at his prom. Willie has two dates for his prom [laughter] and they're twins [laughter], so those of you who struggled like me to get one date for prom, Willie got two. And Willie is no longer, especially since his prom, Willie is no longer called Willie, he's called Will, and I did stay in touch with Willie and his family, and his mother just informed me a few weeks ago that this May Willie will be receiving his Bachelor's Degree from West Chester State University in Pennsylvania [applause]. Now, in closing, and this is what I do. I shared with you, I am a person of great faith as well, as many of us are. Faith and works. And as we get fatigued or tired or frustrated or whatever it is, I share with you this story to arm yourself with the kind of inspiration that I draw from people like Willie in communities all around this country. That's why this work is important. Thank you very much [applause].

RON: You know, I thought I invited Bob to the podium. I only learned that we actually invited him to the altar [laughter]. I knew he would fire us up, but he went beyond the call of duty [laughter]! This conference is not about smoke and mirrors, you know [laughter].

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I want to welcome the Senator from Illinois. Senator you're obviously among friends. Jim Duffet [misspelled?] who you've worked with in Illinois, the President for Campaign for Better Healthcare—I saw him leave the room, a moment ago—Darrell Thompson, who had the wisdom to join you as Chief of Staff during your campaign, and if I may say, if you don't mind my saying, Senator, who showed at least as good judgment when he successfully proposed to our own Brit Weinstock this Christmas. There's Brit. I think I saw Darrell leave the room. I think he's already welcomed you. We welcome you, Senator, to Health Action 2005.

No one's election this past November inspired our nation more than your election to the United States Senate [applause]. Ever since your electrifying speech in Boston last July, and your election in November, no one confuses who you are. People no longer refer to you as you stated in your own words, as "the skinny kid with the funny name." Now we're honored to simply call you Senator [applause]. Since your election, the eyes of our nation, through television, magazines and your best selling book, "Dreams from My Father: A Story of Race and Inheritance" have been upon you. It is no wonder that you turn down approximately 200 invitations to speak each week, and we at Families USA are delighted that for this week, we are number 201. We're thankful that you've chosen to offer

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your brief greetings to the many hundreds of healthcare activists from across the country.

Among the many reasons that we're so delighted that you've chosen to come here is because of your accomplished record on healthcare in Illinois. With your sponsorship and leadership of legislation passed in Illinois that extends health coverage to children and families and the most recent legislation which sets in motion a process that might enable Illinois to enact health coverage for all people in the state, a piece of legislation we will be discussing throughout this conference. You also sponsored legislation to make prescription drug coverage more affordable for seniors in Illinois. You led the enactment of the Hospital Report Card legislation to make hospitals more accountable, and you championed increased funding for AIDS prevention. We look forward to working together with you as you start your new career in the United States Senate. And Senator, as you start your work, I think I speak for everyone in this room, that we have one wish for you, namely, that the dreams of your father for his beautiful child will become the dreams of our nation for all God's children [applause]. Please welcome the junior Senator from Illinois, Barack Obama [cheers and applause]!

Thank you. Thank you. Thank you very much. Thank you. Thank you so much. Thank you. What a gracious introduction. You're not supposed to choke us up this early in the morning

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[laughter]. That was a very nice introduction. I am, indeed among friends. There is a decent sized Illinois contingent here [applause]. Folks from Illinois. And in addition to Jim Duffet, who was very active with the Campaign for Better Healthcare in Illinois, I also had a chance outside to see John Bowman, who works with the Poverty Law Center and just does outstanding work, was really one of my most effective partners in terms of advocacy on behalf of low-income persons in the state.

The main reason I'm here—and I'm sorry that I can't stay long, but I insisted to my staff that I wanted to stop by—is primarily to say thank you, because all of you in all corners of the country, in urban settings and rural settings, dealing with every demographic, all of you are active in pushing what, to my mind at least, is one of our most pressing domestic agendas. When I traveled around the State of Illinois for two long years campaigning to become the next United States Senator from Illinois, everybody had a lot of issues that were on their minds. Obviously, people were deeply concerned with Iraq and what was happening with our troops. Folks were concerned about job loss and the dislocations that have occurred as a consequence of the manufacturing base hemorrhaging, particularly in the Midwest. People were concerned about the state of the environment and the Administration that did not seem concerned with the sort of

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stewardship that we owe to our children. But, I would say that the single constant across the State of Illinois—and Illinois to a large degree is a microcosm for the country, because it's north, south, east, west, urban, rural, black, white, Hispanic, Asian—the single constant in every conversation that I had in every community was the belief backed by facts that our healthcare system was badly broken and that it needed to be repaired, fundamentally, not at the margins, but rather that it was serving nobody particularly well. And that was true when you talked to low-income folks who were having trouble because Medicaid reimbursements were insufficient to get the kind of quality care that were needed, and doctors were refusing to take Medicaid patients because it just wasn't economical for them. It was true when you went into high income neighborhoods and areas where you had owners of small businesses and large businesses alike who were seeing double-digit inflation in their healthcare and wanted to do the right thing by their employees but were finding it more and more difficult to sustain insurance for them, and it certainly was true to ordinary middle-class and working-class families, who even if they were fortunate enough to have health insurance were seeing their copayments and their deductibles and their premiums going up, so that it was not infrequent that I would meet people that worked every day and had obtained healthcare coverage for their families, but did not cover themselves because it was simply

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too expensive. And it was also not infrequent that you would meet families who said, "We are bankrupt or on the verge of bankruptcy as a consequence of an illness in the family." This is something all of you know, and so I'm preaching to the choir with respect to the urgency of the problem that we face.

The question is, how do we translate that urgency into a sense of political will on Capitol Hill and in state legislatures all over the country? You know, President Bush had an inaugural address in which he spoke at times in moving fashion about the desire for freedom and democracy all across the globe, and yet, what was striking, was not a single mention by this President that all of us are hearing about every single day, and many of us are experiencing firsthand. There has not been a single comment from this Administration beyond the issue of medical malpractice about the healthcare system, and we have an Administration that has decided that it's going to invest its entire political capital into fixing a Social Security system that's not broke instead of fixing a healthcare system that everybody knows is broke [applause]. It doesn't make any sense!

Now, as someone who was the Chairman of the Healthcare Committee in the Illinois State Senate, I am mindful of all the hurdles ahead. We have hurdles because we have fiscal constraints, and there's no denying that part of the solution in the healthcare arena, as we transition and deal with the

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legacy systems that we've inherited will probably require some additional money. When we expanded the Kid Care Program, the children's health insurance program in Illinois, it cost money. When we expanded to reach more children and the parents of children who already qualified we had to find those dollars in our state budgets. The same is going to be true at the federal level. You know, there's no such thing as a free lunch, and so some of the constraint has to do with the fact that we are experiencing close to a half a trillion-dollar deficit. If the President has his way, we are also going to be seeing a permanent tax cut that will create a structural deficit for probably as long as I'm in Washington. We have a war that at current levels will have cost us at least \$300 billion by the end of this fiscal year, and so, trying to find the money to make meaningful improvements is tough.

The other challenge we have is, we have a whole bunch of institutional interests that are aligned against change, as Hillary Clinton found out when she tried to do something several years ago. The fact of the matter is, it's not just the bad guys, it's not just mean old insurance companies or drug companies, it's the fact that you've got hospitals and doctors and insurance companies and drug companies, and in many cases, patients, who prefer the devil they know to the devil they don't know. And, part of our task then is to create a sense that, in fact, change is possible, and that's something

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that can only be done at the grassroots level. It would help if we had a President that was using the bully pulpit in order to encourage and nudge and push these vested interests and the public in general to recognize that we have to change, and that change in fact, could be better than the status quo.

But we don't have that right now, and what that means is, we're going to have to generate from the ground up, from the bottom up, a set of organizations and conversations and institutions that are able to galvanize people and embolden a politician seeking votes to take a stand on this issue and not just leave it on the side. And that's where folks like yourselves come in. The fact of the matter is that you are generating the kind of fresh ideas and you are creating the kinds of networks of people that allow politicians to be brave where sometimes they're not as brave as they should be on their own. And that, I think is the primary message that I have for all of you today. Jim Duffet in Illinois, John Bowman in Illinois, constantly pushed for years before people like myself took up the baton and were willing to turn hopes into reality. And so, to the extent that any of you feel discouraged sometimes, it feels like your pushing that boulder up the hill, it feels that nobody's listening, it feels that you can't overcome the big money and the special interests and the lobbying and the thousands of ways in which you can kill a bill, everybody's had those experience in state legislatures,

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and certainly working in Congress. Don't be discouraged. Don't be discouraged. I am constantly reminded that every single bit of human progress, and certainly every single bit of human progress that's happened in this country has happened because there are a bunch of people who refused to believe that it couldn't be done. Who refused to believe that it couldn't be done. Dr. King had one of my favorite sayings. He said, "The arc of the moral universe is long, but it bends towards justice." It bends towards justice, but it doesn't bend on its own. It doesn't happen inevitably. That arc bends towards justice because each and every one of us is willing to put our hand on that arc and to bend it, bend it in the direction of justice, through the hard work that we do. And if all of you continue to do that, then I'm absolutely hopeful that over the next several years we're going to see, first incremental progress. We are going to hit a tipping point, and when we hit that tipping point that the American people recognize that we can create a healthcare system where everybody's in and nobody's out, and we have the kind of basic coverage that a wealthy that a nation like this can afford for its citizens, then you're going to start seeing politicians scurry to be onboard where Families USA has been for many, many years already. So, thank you very much, everybody. God bless you! I wish you the best. Thank you.

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RON: Thank you so much. We are going to go right to our workshops and don't forget the lunch. We have a very important luncheon speech by Senator Kerry, who will be introducing his new legislation for universal coverage for children. Enjoy the workshops. See you at lunch.

[END RECORDING]