

Set 1: social, secur, trust, surplus, fund, promis, benefit, retir

Set 2: senior, medicar, prescript, drug, lower, current, compani, price

Set 3: health, insur, care, cost, cover, afford, obamacar, premium

Set 4: thank, togeth, hope, trust, promis, futur, elect, opportun

BARACK OBAMA You know, I suspect that, on Social Security, we've got a somewhat similar position. Social Security is structurally sound. It's going to have to be tweaked the way it was by Ronald Reagan and Speaker — Democratic Speaker Tip O'Neill. But it is — the basic structure is sound. But — but I want to talk about the values behind Social Security and Medicare, and then talk about Medicare, because that's the big driver of our deficits right now. You know, my grandmother — some of you know — helped to raise me. My grandparents did. My grandfather died a while back. My grandmother died three days before I was elected president. And she was fiercely independent. She worked her way up, only had a high school education, started as a secretary, ended up being the vice president of a local bank. And she ended up living alone by choice. And the reason she could be independent was because of Social Security and Medicare. She had worked all her life, put in this money, and understood that there was a basic guarantee, a floor under which she could not go. And that's the perspective I bring when I think about what's called entitlements. You know, the name itself implies some sense of dependency on the part of these folks. These are folks who've worked hard, like my grandmother, and there are millions of people out there who are counting on this. So my approach is to say, how do we strengthen the system over the long term? And in Medicare, what we did was we said, we are going to have to bring down the costs if we're going to deal with our long-term deficits, but to do that, let's look where some of the money's going. \$716 billion we were able to save from the Medicare program by no longer overpaying insurance companies by making sure that we weren't overpaying providers. And using that money, we were actually able to lower prescription drug costs for seniors by an average of \$600, and we were also able to make a — make a significant dent in providing them the kind of preventive care that will ultimately save money through the — throughout the system. So the way for us to deal with Medicare in particular is to lower health care costs. When it comes to Social Security, as I said, you don't need a major structural change in order to make sure that Social Security is there for the future.

MODERATOR Well follow up on this. First, Governor Romney, you have two minutes on Social Security and entitlements.

MITT ROMNEY Well, Jim, our seniors depend on these programs, and I know anytime we talk about entitlements, people become concerned that something's going to happen that's going to change their life for the worse. And the answer is neither the president nor I are proposing any changes for any current retirees or near retirees, either to Social Security or Medicare. So if you're 60 or around 60 or older, you don't need to listen any further. But for younger people, we need to talk about what changes are going to be occurring. Oh, I just thought about one. And that is, in fact, I was wrong when I said the president isn't proposing any changes for current retirees. In fact he is on Medicare. On Social Security he's not. But on Medicare, for current retirees, he's cutting \$716 billion from the program. Now, he says

by not overpaying hospitals and providers. Actually just going to them and saying, “Were going to reduce the rates you get paid across the board, everybodys going to get a lower rate.” Thats not just going after places where theres abuse. Thats saying were cutting the rates. Some 15 percent of hospitals and nursing homes say they wont take anymore Medicare patients under that scenario. We also have 50 percent of doctors who say they wont take more Medicare patients. This — we have 4 million people on Medicare Advantage that will lose Medicare Advantage because of those \$716 billion in cuts. I cant understand how you can cut Medicare \$716 billion for current recipients of Medicare. Now, you point out, well, were putting some back. Were going to give a better prescription program. Thats \$1 — thats \$1 for every \$15 youve cut. Theyre smart enough to know thats not a good trade. I want to take that \$716 billion youve cut and put it back into Medicare. By the way, we can include a prescription program if we need to improve it. But the idea of cutting \$716 billion from Medicare to be able to balance the additional cost of Obamacare is, in my opinion, a mistake. And with regards to young people coming along, Ive got proposals to make sure Medicare and Social Security are there for them without any question.

MODERATOR Mr. President?

BARACK OBAMA First of all, I think its important for Governor Romney to present this plan that he says will only affect folks in the future. And the essence of the plan is that you would turn Medicare into a voucher program. Its called premium support, but its understood to be a voucher program. His running mate...

MODERATOR And you dont support that?

BARACK OBAMA I dont. And let me explain why.

MITT ROMNEY Again, thats for future...

BARACK OBAMA I understand.

MITT ROMNEY ... people, right, not for current retirees.

BARACK OBAMA For — so if youre — if youre 54 or 55, you might want to listen cause this — this will affect you. The idea, which was originally presented by Congressman Ryan, your running mate, is that we would give a voucher to seniors and they could go out in the private marketplace and buy their own health insurance. The problem is that because the voucher wouldnt necessarily keep up with health care inflation, it was estimated that this would cost the average senior about \$6, 000 a year. Now, in fairness, what Governor Romney has now said is hell maintain traditional Medicare alongside it. But theres still a problem, because what happens is, those insurance companies are pretty clever at figuring out who are the younger and healthier seniors. They recruit them, leaving the older, sicker seniors in Medicare. And every health care economist that looks at it says, over time, whatll happen is the traditional Medicare system will collapse. And then what youve got is folks like my grandmother at the mercy of the private insurance system precisely at the time when they are most in need of decent health care. So, I dont think vouchers are the right way to go. And this is not my own — only my opinion. AARP thinks that the — the savings that we obtained from Medicare bolster the system, lengthen the Medicare trust fund by eight years. Benefits were not affected at all. And ironically, if you repeal Obamacare, and I have become fond of this term, “Obamacare,” if you repeal it, what happens is those seniors right away are going to be paying \$600 more in prescription care. Theyre now going to have to be

paying copays for basic checkups that can keep them healthier. And the primary beneficiary of that repeal are insurance companies that are estimated to gain billions of dollars back when they aren't making seniors any healthier. And I don't think that's the right approach when it comes to making sure that Medicare is stronger over the long term.

MODERATOR Well talk about — specifically about health care in a moment. But what — do you support the voucher system, Governor?

MITT ROMNEY What I support is no change for current retirees and near- retirees to Medicare. And the president supports taking \$716 billion out of that program.

MODERATOR And what about the vouchers? (CROSSTALK)

MITT ROMNEY So that's — that's number one. Number two is for people coming along that are young, what I do to make sure that we can keep Medicare in place for them is to allow them either to choose the current Medicare program or a private plan. Their choice. They get to choose — and they'll have at least two plans that will be entirely at no cost to them. So they don't have to pay additional money, no additional \$6,000. That's not going to happen. They'll have at least two plans. And by the way, if the government can be as efficient as the private sector and offer premiums that are as low as the private sector, people will be happy to get traditional Medicare or they'll be able to get a private plan. I know my own view is I'd rather have a private plan. I'd just assume not have the government telling me what kind of health care I get. I'd rather be able to have an insurance company. If I don't like them, I can get rid of them and find a different insurance company. But people make their own choice. The other thing we have to do to save Medicare? We have to have the benefits high for those that are low income, but for higher income people, we're going to have to lower some of the benefits. We have to make sure this program is there for the long term. That's the plan that I've put forward. And, by the way the idea came not even from Paul Ryan or — or Senator Wyden, who's the co- author of the bill with — with Paul Ryan in the Senate, but also it came from Bill — Bill Clinton's chief of staff. This is an idea that's been around a long time, which is saying, hey, let's see if we can't get competition into the Medicare world so that people can get the choice of different plans at lower cost, better quality. I believe in competition.

BARACK OBAMA Jim, if I — if I can just respond very quickly, first of all, every study has shown that Medicare has lower administrative costs than private insurance does, which is why seniors are generally pretty happy with it. And private insurers have to make a profit. Nothing wrong with that. That's what they do. And so you've got higher administrative costs, plus profit on top of that. And if you are going to save any money through what Governor Romney's proposing, what has to happen is, is that the money has to come from somewhere. And when you move to a voucher system, you are putting seniors at the mercy of those insurance companies. And over time, if traditional Medicare has decayed or fallen apart, then they're stuck. And this is the reason why AARP has said that your plan would weaken Medicare substantially. And that's why they were supportive of the approach that we took. One last point I want to make. We do have to lower the cost of health care, not just in Medicare and Medicaid...

MODERATOR Talk about that in a minute.

BARACK OBAMA ... but — but — but overall.

MODERATOR ok.

BARACK OBAMA And so...

MITT ROMNEY Thats — thats a big topic. Can we — can we stay on Medicare?

BARACK OBAMA Is that a — is that a separate topic? (CROSSTALK)

MODERATOR Yeah, were going to — yeah, I want to get to it.

BARACK OBAMA Im sorry.

MODERATOR But all I want to do is go very quickly...

MITT ROMNEY Lets get back to Medicare.

MODERATOR ... before we leave the economy...

MITT ROMNEY Lets get back to Medicare. (CROSSTALK)The president said that the government can provide the service at lower cost and without a profit.

MODERATOR All right.

MITT ROMNEY If thats the case, then it will always be the best product that people can purchase.

MODERATOR Wait a minute, Governor.

MITT ROMNEY But my experience — my experience the private sector typically is able to provide a better product at a lower cost.

MODERATOR All right. Can we — can the two of you agree that the voters have a choice — a clear choice between the two...

MITT ROMNEY Absolutely.

MODERATOR ... of you on Medicare?

MITT ROMNEY Absolutely.

BARACK OBAMA Absolutely.