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SCHIEFFER: Mr. President, let's have a new question. It goes to you. And let's get back to economic issues. Health insurance costs have risen over 36 percent over the last four years according to The Washington Post. We're paying more. We're getting less. I would like to ask you: Who bears responsibility for this? Is it the government? Is it the insurance companies? Is it the lawyers? Is it the doctors? Is it the administration?

BUSH: Gosh, I sure hope it's not the administration. There's a – no, look, there's a systemic problem. Health-care costs are on the rise because the consumers are not involved in the decision-making process. Most health-care costs are covered by third parties. And therefore, the actual user of health care is not the purchaser of health care. And there's no market forces involved with health care. It's one of the reasons I'm a strong believer in what they call health savings accounts. These are accounts that allow somebody to buy a low-premium, high-deductible catastrophic plan and couple it with tax-free savings. Businesses can contribute, employees can contribute on a contractual basis. But this is a way to make sure people are actually involved with the decision-making process on health care. Secondly, I do believe the lawsuits – I don't believe, I know – that the lawsuits are causing health-care costs to rise in America. That's why I'm such a strong believer in medical liability reform. In the last debate, my opponent said those lawsuits only caused the cost to go up by 1 percent. Well, he didn't include the defensive practice of medicine that costs the federal government some \$28 billion a year and costs our society between \$60 billion and \$100 billion a year. Thirdly, one of the reasons why there's still high cost in medicine is because this is – they don't use any information technology. It's like if you looked at the – it's the equivalent of the buggy and horse days, compared to other industries here in America. And so, we've got to introduce high technology into health care. We're beginning to do it. We're changing the language. We want there to be electronic medical records to cut down on error, as well as reduce cost. People tell me that when the health-care field is fully integrated with information technology, it'll wring some 20 percent of the cost out of the system. And finally, moving generic drugs to the market quicker. And so, those are four ways to help control the costs in health care.

SCHIEFFER: Senator Kerry?

KERRY: The reason health-care costs are getting higher, one of the principal reasons is that this administration has stood in the way of common-sense efforts that would have reduced the costs. Let me give you a prime example. In the Senate we passed the right of Americans to import drugs from Canada. But the president and his friends took it out in the House, and now you don't have that right. The president blocked you from the right to have less expensive drugs from Canada. We also wanted Medicare to be able to negotiate bulk purchasing. The VA does that. The VA provides lower-cost drugs to our veterans. We could have done that in Medicare. Medicare is paid for by the American taxpayer. Medicare belongs to you. Medicare is for seniors, who many of them are on fixed income, to lift them out of poverty. But rather than help you, the taxpayer, have lower cost, rather than help seniors have less expensive drugs, the president made it illegal – illegal – for Medicare to actually go out and bargain for lower prices. Result: \$139 billion windfall profit to the drug companies coming out of your pockets. That's a large part of your 17 percent increase in Medicare premiums. When I'm president, I'm sending that back to Congress and we're going to get a real prescription drug benefit. Now, we also have people sicker because they don't

have health insurance. So whether it's diabetes or cancer, they come to hospitals later and it costs America more. We got to have health care for all Americans.

SCHIEFFER: Go ahead, Mr. President.