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TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



## **February 28, 2010 Transcript**

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## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, yet another natural disaster--this time an earthquake in Chile where hundreds are dead.

And what next on health care reform? Is it dead or can something actually be passed into law?

We'll get the overnight news and the latest pictures of the devastation in Chile.

Then we'll pick up on health care where the Washington summit left off with House Democratic Majority Leader Steny Hoyer, Democratic Senate Budget Chairman Kent Conrad, Republican Congresswoman Marsha Blackburn, and Republican Senator Tom Coburn.

I'll follow with some thoughts on the mysteries of curling. It's all next on FACE THE NATION.

ANNOUNCER: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer, and now from CBS News in Washington, Bob Schieffer.

BOB SCHIEFFER: And good morning, again. The news from Chile this morning is horrendous, but it could have been worse because many of Chile's buildings have been built to withstand earthquakes. Still, the damage has been widespread and extensive. The epicenter of the 8.8-level earthquake was near the city of Concepcion, a city of two hundred thousand people. The police say the death toll at this point is more than three hundred. But that is bound to go up.

We have established contact with Pascale Bonnefoy, a reporter for Global Post, an international news service. She is in Santiago. Pascale, you were in your hotel in Santiago or in your home last night when all of this happened. What was it like to go through this?

PASCALE BONNEFOY (Global Post) (on the phone): It was terrifying. I was in my home, on the second floor where-- in my bedroom, we were all sleeping. The house started to shake, then rock, then jump up and down. We didn't even make it downstairs. We heard neighbors going to the streets, but we just couldn't make it. And we just stood there, grabbing on to the walls and trying to stand on foot while things were crashing down and we-- we-- we were hearing glass and things thumping and everything crashing. We had no idea what the damage was. It seemed to last forever. It was actually two minutes, but it really did last forever. We were jumping up and down.

BOB SCHIEFFER: You are in Santiago. Most of the damage apparently from what we can tell is in Concepcion. Do you have any idea of how widespread it is across the country?

PASCALE BONNEFOY: Yes. In-- in Santiago it's pretty much under control. I mean there's the-- the old section in Santiago center, there were housing damaged. About eighty percent of the population here already has electricity. We don't, for example, my neighborhood doesn't. But-- and the metro is partially restored as of today. But down south it's been disaster, because there was-- the coastal line was completely wiped out. And we have to take into account this was the last weekend of summer vacation so there were a lot of people at the beach during this weekend because work starts again tomorrow and school started this week. It's not going to anymore, but it was going to.

There are ships like in the main plaza. There're-- there are containers from ports already next to residential areas. All the coast line was completely wiped out. And that's-- that's the most affected area. And there are towns that are basically on the floor now. There's no local government in functioning because there's nowhere to function from.

So definitely it is Concepcion--Talcahuano which was completely wiped out, which was a fishing port. And-- and other smaller cities, they're completely on the floor and not flooded. But they did get receive-- get waves that were several meters high or ten meters high that went well into the urban center.

BOB SCHIEFFER: All right. Pascale Bonnefoy of Global Post, thank you so much.

And, of course, if we do get more information we'll bring it to you. The big tsunami that was supposed to hit Hawaii, of course, did not happen. The wep-- the-- the waves were not nearly as large as they were thought to be.

In the meantime, we're going to turn now to the health care debate. As we now know the prime-- President famously brought together members of Congress Thursday for the health care summit. It didn't seem to change very many minds, but it did underline how far apart all sides seem.

So we pick up with four members of Congress now who were there. Senator Coburn is in Tulsa this morning. The rest of our guests are in the studio.

REPRESENTATIVE STENY HOYER (D-Maryland): Good morning.

BOB SCHIEFFER: So I guess Majority Leader Steny Hoyer in the House, I guess the first question is to you and it's simply what next?

REPRESENTATIVE STENY HOYER: Well, first of all let me say about this meeting that we had. I thought it was real extraordinary. I don't-- I can't remember a similar meeting held by any President certainly in the thirty years I've been in Congress. And I think an awful lot of the American public watched it. I talked to a lot of people last night and the day before that had watched it. Hopefully, there was a better education. It was a civil discussion--a substantive discussion. And I think the American public got the impression that very serious debate and discussion and there were differences.

BOB SCHIEFFER: But what now?

REPRESENTATIVE STENY HOYER: But there was an agreement that we needed to have health care reform--that seemed to be a universal agreement. So as a result of the work that has been done, we're going to move ahead to try to make sure that all Americans have access to affordable, quality health care. We think that's essential. We think it will bring down costs. We think it will improve the health of America.

BOB SCHIEFFER (overlapping): But do you have any--

REPRESENTATIVE STENY HOYER: And--

BOB SCHIEFFER: -- better sense today than you had then that you're close to even having the votes? Congressman Ryan over in the House said this morning on television that you just don't have the votes over there in the House right now.

REPRESENTATIVE STENY HOYER: Well I don't think we have the votes in terms of-- of specific proposal because there's not a specific proposal on the table yet. The President has made some suggestions which I think reflect--

BOB SCHIEFFER (overlapping): When would you have this specific proposal?

REPRESENTATIVE STENY HOYER: --discussions between the House and the Senate.

I would think within the next couple of weeks, we're going to have a specific proposal and start counting votes to see whether or not those proposals can pass either the House or the Senate or both and send something to the President.

BOB SCHIEFFER: Senator Coburn, your Republican leader in the Senate, said just this morning that as things stand now, all forty-one members of the Republican Party in the Senate would vote against health care reform. Do you see that changing any way?

SENATOR TOM COBURN (R-Oklahoma): Well, I think it could change if we start it over and we actually worked and treated the disease that is plaguing American health care. The disease is cost. And until we put in the incentives to change the dynamics--the market dynamics, the fraud dynamics, the defensive medicine, that's two hundred and fifty billion dollars a year in defensive medicine costs. What we need is not more government; we need more market-oriented, patient-centered health care rather than government-centered health care.

BOB SCHIEFFER (overlapping): And that--

SENATOR TOM COBURN: So I think if we move to something like that we could-- you could get some votes.

BOB SCHIEFFER: Well that-- that seems to be where the divide is. The Republicans want less government the Democrats seem to think that this problem can be solved with more government. But let me go to Senator Conrad. He's the chairman of the budget committee in the Senate. Do you see any chance that this divide can be bridged, Senator?

SENATOR KENT CONRAD (D-North Dakota/Chairman, Budget Committee): I actually do. You know, my-- my impression was very much different than the lead-in here. I thought there were wide areas of agreement. Senator Coburn talks about focusing on cost. I believe that's essential because we're now spending one in every six dollars in this economy on the health care. If we stay on the current course, we're going to spend one in every three dollars. That's totally unsustainable. That's going to break the bank of the government, of families, of businesses. So we've got to do something and we've got to begin now. Senator Coburn just mentioned a series of things that need to be done. Many of them are in the bill. This is a market-oriented approach. The government doesn't run health care. This is not single payer where the government would run it. This is based on private insurance delivered through state exchanges which was originally a Republican idea. And the best estimates we have is that it would reduce the deficit, reduce premiums for the vast majority of people. So it's a beginning. Senator Coburn has said we got to do more and he is right. And that's what we ought to focus on. What are the additional things we could do that might bring us together.

BOB SCHIEFFER: Well, let me just ask Congresswoman Blackburn because you had some ideas about what--

REPRESENTATIVE MARSHA BLACKBURN (R-Tennessee) (overlapping): Absolutely.

BOB SCHIEFFER: --could be done as the next step. What are they, Congresswoman?

REPRESENTATIVE MARSHA BLACKBURN: I-- I think that what we need to do is look at starting again and addressing what the American people want to address. They want to make certain that we take a focus on cost containment and do some work there, that we look at across-state-line purchasing, look at what you could pull out of the cost of health care if you address medical liability reform. Now with all due respect to the Senator and to the majority leader, Bob, our problem is this: What they want to do is let the government have-- the federal government have the overshadow of all of this and-- and make the decisions of what the states can do. What we're saying is we don't need more government in health care, we need to free people up and let them get outside of this and make decisions--

BOB SCHIEFFER (overlapping): Well, one of the things--

REPRESENTATIVE MARSHA BLACKBURN: --that are going to be best for their families.

BOB SCHIEFFER: One of the things you talked about during the summit was you said people ought to be allowed to buy insurance across--

REPRESENTATIVE MARSHA BLACKBURN: Across state lines.

BOB SCHIEFFER: --across state lines.

REPRESENTATIVE MARSHA BLACKBURN: Right.

BOB SCHIEFFER: You had some fairly startling figures of how much they could save.

REPRESENTATIVE MARSHA BLACKBURN: Well, and that's exactly right. And in my state of Tennessee the bulk of my constituents live within fifteen miles of the state line. And when we checked our border states today before we insert competition, they could generally save about a thousand dollars from being able to get past that stop sign at the state line. So, you know, we were looking at what would happen with people in New Jersey. If they went over to Pennsylvania they could save twenty-four percent. They could save seventy-four percent if they went to Wisconsin. And they were able to purchase there. What we need to do is insert that competition. Our state legislators are for this. Our governors are for this. Let the states have--

BOB SCHIEFFER (overlapping): Well, let-- let me just say--

REPRESENTATIVE MARSHA BLACKBURN: --the regulation on it not the federal government.

BOB SCHIEFFER: --Steny Hoyer if he's for it.

REPRESENTATIVE STENY HOYER: Bob, I think as the President indicated in this forum that competition across state lines certainly was an appealing idea. It's got some complications in it because it's historically been run by the states, as-- as we all know. But we thought that that had

some-- some merit to it. In fact, we believe the exchanges facilitate that happening. And, in fact--

BOB SCHIEFFER (overlapping): But why don't you make it happen?

REPRESENTATIVE STENY HOYER: Pardon.

BOB SCHIEFFER: Why don't you make it happen then?

REPRESENTATIVE STENY HOYER: Well, we believe the exchanges facilitate that happening. We also believe that we want to pursue small business co-ops that was talked about in terms of letting small businesses come together so they can have a large group rather than a small group. Very frankly, that's what the exchanges are about. That's what access to the exchanges for small business do. Let me make a-- a point about cost that Marsha raises because clearly cost, as Kent Conrad pointed out, is going to be driving this debate. We cannot sustain the cost curve that we're on. One of the things that we know that Marsha whether you compete across state lines or within the state, you're paying about eleven hundred bucks for people who aren't in the system because they're getting uncompensated care. What we try to do is to ring that cost out. And as a matter of fact, as Kent pointed out, there are lot of things that Tom and Marsha indicated in this form that we had that we agree with. One of which was getting vigorously after fr-- fraud, waste, and abuse in the system. And we've put substantial investment in both bills to do just that as the President has proposed as well.

BOB SCHIEFFER (overlapping): Well, I know that's what Senator Coburn talked a lot about--

REPRESENTATIVE STENY HOYER: He did--

BOB SCHIEFFER: --and, in fact, the President nodded in agreement on-- on several of the things that Senator Coburn said. He said we need to put, what was it, Senator, undercover agents into the hospitals to find out--

SENATOR TOM COBURN (overlapping): Undercover agents.

BOB SCHIEFFER: --where the fraud is going on. What-- what was that about?

SENATOR TOM COBURN: Well, Bob, let me-- let me go back and just summarize for a minute. One of our problems is we don't spend too much-- too little on health care. We're spending too much. We spend twice what any other country spends. And the very idea that we would create another 1.3 or 1.4 trillion dollars worth of expenditures over a ten-year period when we're not addressing the real disease. We have over a hundred and eighty billion dollars worth of fraud every year in the health care system. That is second only to the defensive medicine cost. So if you had a bill that just did those two things, you went after and changed the tort system and you went after fraud you could cut everybody's health care costs in this country about fifteen, sixteen percent. We-- and that's all you need to do to start. So the cost, if we-- we can't have a bill that adds more cost to health care and more government. The government is responsible in controlling sixty percent of the health care today.

BOB SCHIEFFER (Overlapping): Well, let-- let me just--

SENATOR TOM COBURN: If more money-- if more money and more government were the answer, we would have fixed health care a long time ago.

BOB SCHIEFFER: Let me just ask Senator Conrad then why not just do those two things, Senator.

SENATOR KENT CONRAD: Because it's not-- it's not enough. Look, Senator Coburn is right, I believe, that reforming the tort system would help. But the Congressional Budget Office tells us it's pretty modest--fifty billion over ten years when we're going to be spending thirty trillion over that period of time. So, yes, it's positive, but it doesn't solve the problem. Fraud would help. We think there's probably ten, maybe even fifteen percent fraud--

BOB SCHIEFFER (Overlapping): Attacking fraud would help.

SENATOR KENT CONRAD: --in the Medicaid system. Yeah, attacking fraud. Going after fraud would be very useful to do. But it doesn't solve the problem. Tom said himself we're spending twice as much per person as any other country in the world. And we're in a circumstance as a share of the economy we're spending far more than anyone else and we can't afford it. So yes cost has to be a central concern. But do you know what the experts told us? The experts told us the thing that would really matter is reforming the delivery system, instead of paying for procedures, to pay for quality outcomes. And in the Senate bill, we begin that very approach. The accountable care organizations like Mayo, like Cleveland Clinic, that are effectively controlling cost and getting the best quality outcomes, would be given an incentive to have other systems adopt their best practices. That's in the Senate bill.

BOB SCHIEFFER: All right. I'm going to take a-- let me just take a break here and we'll come back to this point and talk about some of the practical things that are going to have to happen at the Capitol if anything either does get done or doesn't. So we'll be right back in sixty seconds.

(ANNOUNCEMENTS)

BOB SCHIEFFER: We're back now with our panel. Steny Hoyer, there's been a lot of back and forth. Senators say the House has to go first. Some in the House are reluctant to go before the Senate goes. Are you, number one, willing to go first and don't you have to?

REPRESENTATIVE STENY HOYER: We-- whether we're willing or not, we have to go first if we're going to correct some of the things that the House disagrees with, correct, change so that we can reach agreement, the House will have to move first on some sort of corrections or reconciliation bill, which follows the process that the Republicans followed sixteen out of the last twenty-two times it's been done for very major pieces including their tax cuts, which were really a more--

BOB SCHIEFFER: You're talking about you're going to-- that Senate is going to have to do it by what we call reconciliation--

REPRESENTATIVE STENY HOYER: Reconciliation--

BOB SCHIEFFER: --a parliamentary term.

REPRESENTATIVE STENY HOYER: It's a parliamentary term, but it's simply a process that the Senate adopted to allow it to deal with in an expeditious way issues that relate to the budget. It's called reconciliation, a fancy term, been used frankly more by Republicans than Democrats, but used by both parties and-- and accepted as a good--

BOB SCHIEFFER (Overlapping): Okay. So let's ask Senator Coburn, you'll be over there in the Senate if the Senate-- if the leaders there do decide to try to do this by reconciliation. What will Republicans do if that happens, Senator?

SENATOR TOM COBURN: Well, I don't know what we'll do. The first thing is there will be a fairly significant amendment process that will have to go through. But I'd make-- I'd make a couple of points on reconciliation. Welfare reform happened with reconciliation. Half the Democrats voted for it. The Bush tax cuts happened with reconciliation. Twelve Democratic senators voted for it. You didn't have a real partisan issue on those times that it was used. You know, the-- the danger of what's happening right now in terms of using reconciliation is the purpose of the Senate is going to be defeated. And that is to bring consensus to big issues in this country so that we have a reasoned and thoughtful approach and that the American public buys into it. If you use reconciliation on this health care bill, as we see today, what you're going to have is a thumbing of the nose at the American people. They don't agree with it. We need to change it. We're willing to work to get it changed to where we don't have a massive increase in the government influence in health care.

BOB SCHIEFFER: Well--

SENATOR TOM COBURN: As a practicing physician for over twenty-five years, Bob, I have seen the reason we have a shortage of primary care doctors in this country today is because of Medicare's pricing mechanism. We have too much government. We don't need more. We need less.

(Cross talking)

SENATOR KENT CONRAD: Bob, let's just understand the question of reconciliation-- question of reconciliation. I have said all year as chairman of the Budget Committee, reconciliation cannot be used to pass comprehensive health care reform. It won't work. It won't work because it was never designed for that kind of significant legislation. It was designed for deficit reduction. So, let's be clear. On the major Medicare or health care reform legislation, that can't move to reconciliation. The role for reconciliation would be very limited. It would be on sidecar issues designed to improve what passed the Senate and what would have to pass the House for health care reform to move forward. So, using reconciliation would not be for the main package at all. It would be for certain sidecar issues like how much does the federal government put up to pay for the Medicaid expansion? What is done to improve the affordability of the package that's come out of the Senate?

REPRESENTATIVE MARSHA BLACKBURN (R-Tennessee) (overlapping): It shouldn't be done at all.

SENATOR KENT CONRAD: But it would not be used. Well, that's not a—that's not a reasonable position to take, Congresswoman. We know that repeatedly for health care certain provisions, for example: children's health care, the CHIP Program was done through reconciliation. Cobra for people who lose their jobs that was done through reconciliation.

BOB SCHIEFFER (overlapping): Well, let me--

REPRESENTATIVE MARSHA BLACKBURN (overlapping): On this issue you should not do that.

SENATOR KENT CONRAD (overlapping): So, on minor issues-- on relatively minor issues, it's totally reasonable.

REPRESENTATIVE MARSHA BLACKBURN (overlapping): But this is not a minor issue.

SENATOR KENT CONRAD: Well, health care reform at large would not be—I've just said. Health care reform the major package would not be done through reconciliation. That would be unreasonable. But that's not going to happen here.

BOB SCHIEFFER: What were you going to say, Congresswoman?

REPRESENTATIVE MARSHA BLACKBURN: Well, I-- I think that on the reconciliation issue, if they had the votes, we wouldn't have had the summit. And, if they try to go through reconciliation, it will be a change in semantics. Instead of the American people saying stop the bill or kill the bill its all going to be about repealing the bill. That's not the kind of discussion that they want. And, when we were talking about the expanded Medicaid coverage, we rolled the dice on this in Tennessee over a decade ago; made the gamble that near-term expenditures could be offset by long-term savings. Those savings never materialized. And, that's from a Democrat governor in our state. And, as we have all watched it, savings never materialized in Tennessee. They didn't materialize in Massachusetts. They didn't materialize in Maine. It is not going to yield the savings that you're expecting an expanded coverage program to--

BOB SCHIEFFER (overlapping): Let me-- let me--

REPRESENTATIVE MARSHA BLACKBURN: --to yield.

BOB SCHIEFFER: Let me just throw this in because I'm not sure the White House has the same understanding of this as you do because the woman, Nancy DeParle who is kind in charge of Medicare over there at the White House-- I mean health care over there at the White House said this morning on Meet The Press. She thought that an up or down vote would be the way to go on this. So, obviously, she's talking about trying to do it through reconciliation, Senator.

SENATOR KENT CONRAD: I-- I'd say this to you, bob. I have said all year, I-- I am chairman of the committee in the Senate. I think I understand how reconciliation works and how it can't work. The major package of health care reform cannot move through the reconciliation process. It will not work.

BOB SCHIEFFER: It will not work.

SENATOR KENT CONRAD: It will not work because of the Byrd rule, which says anything that doesn't score for budget purposes has to be eliminated.

BOB SCHIEFFER (overlapping): All right.

SENATOR KENT CONRAD: That would eliminate all the delivery system reform, all the insurance market reform, all of those things the experts tell us are really the most important parts of this bill. The only possible role that I can see for reconciliation would be to make modest changes in the major package--

BOB SCHIEFFER (overlapping): Okay.

SENATOR KENT CONRAD: --to improve affordability, to deal with what share of Medicaid expansion the federal government pays. Those kinds of issues, which is the traditional role for reconciliation.

BOB SCHIEFFER: All right. Let me just go quickly around the table here and we literally have about twenty seconds here. Senator Coburn, do you think at this point that health care reform of some sort is going to pass? Or is it dead?

SENATOR TOM COBURN: I don't know the answer to that, Bob. What--

BOB SCHIEFFER: Okay. Senator Hoyer. I mean, Mister Hoyer?

REPRESENTATIVE STENY HOYER: I think so. You said some form. I hope a comprehensive piece of legislation passes because the American people want it. Notwithstanding what Senator Coburn said. They don't like the process--

BOB SCHIEFFER (overlapping): Yes or no?

REPRESENTATIVE STENY HOYER: --but they want the reform.

REPRESENTATIVE MARSHA BLACKBURN: No. The-- the people do not want it.

BOB SCHIEFFER: No? All right.

SENATOR KENT CONRAD: Well, we simply--

BOB SCHIEFFER: Times up. Yes or no?

SENATOR KENT CONRAD: We have to do it. We have to-- we have to-- we have to do it because we were on an unsustainable course.

BOB SCHIEFFER: All right. Thanks to all of you. Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, I'm going to admit something upfront. I'm not very smart and please hold the applause. I can hear some of you out there already saying, well, he finally got something right. But here's the deal. If I were smart, I could figure out curling. If I were even smarter, I could figure out why people would actually watch other people doing it. I have tried. I can't. I can't even figure out the object of the game. Is it like darts? I just don't get it. But listen to this. Wall Street likes it so much that the New York Times took note of it, put it on the front page. On Wall Street, an after hours romance with the curling stone. When the market closes, it seems, and the CNBC business channel switches to Olympic Curling, ratings go up as the traders wind down by watching the sport that's been described as horseshoes combined with housekeeping. No, I don't know what those people with squeegees are doing but one trader said watching it is so relaxing, it is a lot like drinking merlot.

Now, wait a minute. That makes about as much sense as four years ago when I heard a TV analyst describe one curler as the Roger Clemens of curling. Whatever the case, were done

with it. They held the championship yesterday. Canada won. We should be happy for them. I guess. I'm just not smart enough to know why.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And that's it for this week. Well be right here next week on FACE THE NATION.