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



August 23, 2009 Transcript

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TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, a Sunday summit on health care. What is going to happen?

There's talk now that the Democrats can abandon plans for a bipartisan bill on the health care reform and will try instead to ram through a bill without Republican support. Can that work? Is the President ready to drop the so-called public insurance option?

We'll ask two of the top negotiators working on the Senate plan--Republican Chuck Grassley of Iowa and Democrat Kent Conrad of North Dakota.

Then we'll turn to Howard Dean, the former head of the Democratic National Committee, who says reform without a public option is no plan at all.

Then I'll have a final word on how the old master of the Capital, Lyndon Johnson, might have approached all of this.

But first, the dog days of health care reform 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. Joining us from Cedar Falls, Iowa Senator Chuck Grassley, Republican. And here in the studio Senator Kent Conrad. Gentlemen, welcome to you both.

I want to start with the most controversial part of this thing. House Speaker Pelosi said this week that she simply cannot pass a health care reform bill in the House unless it includes the so-called a-- public option that is the government-run insurance program like Medicare.

Senator Grassley you have said-- you're on the record as saying you can't support a bill that includes that public option. Senator Conrad, you have said that a bill with that option in it cannot pass the Senate. So I will just start with you, Senator Grassley, same question to both of you, so what should the President do now?

SENATOR CHARLES GRASSLEY (R-Iowa/Ranking, Finance Committee): Well, of course, the whole thing could be dropped, because I think when you have as one of your main principles you want to make health insurance available to everybody that doesn't have it and you want to make it as a-- affordable and accessible, then you've got everybody covered, then you wonder why you need any new ideas. But I would suggest Speaker Pelosi that she get an awful lot of Republican support if that-- if she would make that move to go along with something that's going to cover everybody.

Remember, our whole principle here is to offer people choices, so people do have choices today, if they can get health insurance. The-- the co-op plan that we have come up with if it's run like Midwest co-ops that we've known for a hundred and fifty years would be consumer-oriented--the benefits of it would go to the consumer. It would be regulated just like other insurance companies. It would--it-- it would be-- it would still remain choices. If you have a public option and you eventually get to only one option, then there's no choices. And choice of different plans is what we want to preserve for America.

BOB SCHIEFFER: All right, so Senator Conrad, you have been one of those talking about the so-called co-op plan, and that would be you would have a cooperative that would provide this insurance to people instead of the public option. But I want to just go back. You say the public option just simply can't pass. You still believe that? Do you think that the President should just drop that and get on to something else?

SENATOR KENT CONRAD (D-North Dakota/Finance Committee): Well, I would say this. It is very clear that in the United States Senate the public option does not have the votes. If we have to get to sixty votes you cannot get there with public option. That's why I was asked to come up with an alternative. And the alternative I came up with was this cooperative approach that, as Senator Grassley correctly describes, is not government run or government controlled, it's controlled by its membership. But it does provide not-for-profit competition to insurance companies. So it has appeal on both sides. It's the only proposal that has bipartisan support. And if we're going to get sixty votes, we're going to need bipartisan support.

BOB SCHIEFFER: I don't want to get too deep into the weeds of Senate procedure here, but there are some, including Tom Daschle, the former majority leader in the Senate who says that if you use a procedure called reconciliation, which means you go around that requirement to having sixty votes before you can vote on anything, that you could pass it. Would that be an option here to think about?

SENATOR KENT CONRAD: Well, it's an option, it's available. But as I have argued for many months, it does not work very well. When you examine the way reconciliation works, it was designed solely for deficit reduction, so it anticipated just changing spending numbers and revenue numbers. It never contemplated substantive legislation. And the problem, then, is there are rules that apply to prevent substantive legislation, which health care reform certainly is, insurance reform certainly is. And what you are left with, as the parliamentarian has told us, would be Swiss cheese for legislation. So it's an option, but it's not a very good one.

BOB SCHIEFFER: Senator Grassley--

SENATOR KENT CONRAD (overlapping): Bob--

BOB SCHIEFFER: Yes, go ahead.

SENATOR CHARLES GRASSLEY: Well, I wanted to say that, remember, reconciliation was put in place to get deficits down. The-- the Dodd bill in the Senate and the Pelosi bill in the Senate drives the deficit up and it doesn't cut in-- in-- insurance inflation. And we need to tackle those issues as well. And then the other thing is, if-- if you have a reconciliation, it's a partisan approach. And I've said and-- and--everybody else is saying, too, this is such an important issue, you know, its one-sixth of the economy, health care is, and-- and health care implies life or death issues of every American. And it ought to be done on a broad bipartisan basis. That's why we have the group of six. That's why we're trying to develop a bill that'll get seventy-eighty votes, because you need a consensus on something this very, very important.

BOB SCHIEFFER: You-- you bring up a very interesting point, because President Obama said last week that he now thinks Republicans, or many Republicans think it's more important to have-- to defeat this for political reasons than it is to pass the health care reform bill.

Why shouldn't-- if that is the case, why shouldn't the President just go ahead and try to ram this through with just democratic votes, Senator Grassley, if that's the only way to do it?

SENATOR CHARLES GRASSLEY: Well, that's not my goal or Senator Conrad's goal. We want bipartisanship, because it is very, very important. The President has told me a lot of times he wants bipartisanship. And part of the problem is you get conflicting signals out of the White House. Like a week ago, on one of these Sunday programs, the secretary of HHS was on and said maybe a public option wouldn't be necessary. And then in a couple of day the President gets hit from the left and he says it's very, very important. So it would help if we would not get conflicting views from the White House.

BOB SCHIEFFER: Do you think, Senator Conrad, the President's got to be a little more specific on exactly what he wants here?

SENATOR KENT CONRAD: You know, I think the President's come out this in about the right way. That is, he has said, "Look, Congress it's your responsibility to come up with a detailed legislative plan." He has set certain principles. He has said, "Look, you got to contain cost, expand coverage, improve quality.

But Congress, it's your responsibility to come up with the details." And he's kept the pressure on by saying, "You can't just have an endless conversation."

BOB SCHIEFFER: Yeah, but nothing's happened. I mean you've come to a-- you've come to loggerheads here. He wanted all this done before the August recess.

SENATOR KENT CONRAD: Well, I've always thought that that specific deadline could not be met, because in our group the only committee that is doing this in a bipartisan way--three Democrats, three Republicans--we've said the important thing is to get this right. And this is enormously complicated.

In our group, Senator Grassley and the rest of us, we've spent hundreds of hours, and that's really what it's going to take to do this in the right way. But it can't be an endless conversation. At some point you got to fish or cut bait.

BOB SCHIEFFER: Yeah. Senator Grassley, you have talked as Senator Conrad has about a bipartisan approach, but you really caught some Democrats off guard a couple weeks ago when you said this the other day. Listen to this.

SENATOR CHARLES GRASSLEY (August 12): We should not have a government program that determines you're going to pull the plug on grandma.

BOB SCHIEFFER: Now, Democrats say there is nothing in this legislation that would pull the plug on grandma, or even require people to discuss it. Why did you say that, Senator Grassley?

SENATOR CHARLES GRASSLEY: I said that because--two reasons. Number one, I was responding to a question at my town meetings. I let my constituents set the agenda. A person that asked me that question was reading from language that they got off of the internet. It scared my constituents. And, the lang-- the specific language I used was language that the President had used at Portsmouth, and I thought that it was-- if he used the language, then if I responded exactly the same way that I had an opposite concern about not using end-of-life counseling for saving money, then I-- I was answering--

BOB SCHIEFFER (overlapping): All right.

SENATOR CHARLES GRASSLEY: --and relieving the fears that my constituents had--

BOB SCHIEFFER (overlapping): Well, did you--

SENATOR CHARLES GRASSLEY (overlapping): --and from-- from that standpoint, remember, you're talking about this issue being connected with a-- a government-run program, which a public option would take you with. You would-- you would get into the issue of saving money, and put these three things together and you're scaring a lot of people.

BOB SCHIEFFER (overlapping): Well--

SENATOR CHARLES GRASSLEY: And I know the Pel-- Pel-- Pelosi bill doesn't intend to do that, but that's where it leads people to.

BOB SCHIEFFER: Well, but that's-- that's what I was trying to get from you this morning. You're not saying that this legislation would pull the plug on grandma. You're just saying there are a lot of people out there who think that it would--

SENATOR CHARLES GRASSLEY (overlapping): No, no.

BOB SCHIEFFER: --or do you want to say this morning that that is not true, that it won't do that?

SENATOR CHARLES GRASSLEY: Well, it won't do that. But I wanted to explain why my constituents are concerned about it, and I also want to say that there is an eight billion dollar cost with that issue, and if you're trying to save money and you put an eight billion dollars of-- of doctors giving you some advice at the end of life, doctors are going to take advantage of earning that eight billion dollars and constituents see that--

BOB SCHIEFFER (overlapping): All right.

SENATOR CHARLES GRASSLEY: --as an opportunity to-- to save some money. It just scares the devil out of people. So--

BOB SCHIEFFER (overlapping): All right.

SENATOR CHARLES GRASSLEY: --that ought to be dropped. And by the way, some newspaper people were saying that we dropped it from the Senate Finance Committee because of the hullabaloo that you just played.

BOB SCHIEFFER: Mm-Hm.

SENATOR CHARLES GRASSLEY: And-- and that's not true. We got this out of our bill a long time ago. And Senator Conrad will tell you that I was in conversation with people on the Finance Committee way back in March that we were not going to have any of this end-of-life stuff in our bill because it scares people.

BOB SCHIEFFER: All right. That-- that point taken.

Senator Conrad, some Republicans are advancing the idea of maybe you could split this bill in two, take some of the less controversial aspects, put it in one bill and vote on that, then-- then go after the other parts of it. Lyndon Johnson certainly did that with the civil rights legislation. Would that be a good idea?

SENATOR KENT CONRAD: I-- I think it's very unlikely, Bob, for that to work. You know, when you look at the legislative agenda, it's very hard to see how you put two packages through and-- and coordinate them well.

Look, we've got enough of a problem with the country heading for the cliff, and we're headed for a cliff because costs in health care are spiraling out of control. It's the biggest unfunded liability of the United States. We've got Medicare, according to the trustees, going to be broke in eight years. We're spending twice as much as any other country in the world. We've got to take measures to contain costs, and we've got to do it in a way that makes--

BOB SCHIEFFER (overlapping): Okay.

SENATOR KENT CONRAD: --affordability better for our constituents.

BOB SCHIEFFER: Senator Grassley, talking about paring this bill down, how much could you pare it down? You say it's got to be a smaller bill. Give me a number. What would be a realistic number on how much this is going to cost? They're talking about a trillion dollars now. You say that's too much. How much could you pare this bill down?

SENATOR CHARLES GRASSLEY: What-- what we have to do is what we can do without-- there's two goals we have: Not adding to the deficit, and making sure that we don't have health insurance inflation much above the general inflation of the entire economy. That's our goal. The other goal is to have good policy. Then we--

BOB SCHIEFFER (overlapping): All right.

SENATOR CHARLES GRASSLEY: --put that good policy to the Congressional Budget Office. They score it. If it's too high, then we bring it back. But the main goal is--

BOB SCHIEFFER (overlapping): Can you give me a number this morning, Senator?

SENATOR CHARLES GRASSLEY: No, no, I will not give you a number.

BOB SCHIEFFER: Senator Conrad, can you give me a number? What would be a realistic price for this?

SENATOR KENT CONRAD: You know, we've not reached conclusion, so I don't want to go further than we should. But I would just say this: It's going to have to be significantly less than what we've heard talked about, because not only do we have to pay for this, we also have to bend the cost curve in the right way. That means we've got to have the deficit reduced as a result of this effort. That is absolutely imperative.

BOB SCHIEFFER: So considerably less than what's being talked about now if it's going to pass.

SENATOR CHARLES GRASSLEY (overlapping): Yeah.

BOB SCHIEFFER: Gentlemen, thanks to both of you.

We'll be back with Howard Dean in just one minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And with us now from Burlington, Vermont, the former governor of that state, Howard Dean, who is also the former head of the Democratic National Committee and, in case you forgot, a medical doctor. Though he doesn't practice anymore, his wife still does.

Governor, thank you for coming this morning. Let's go right in on and start with this public option. You have said we-- you just heard what the two senators said, but you have said that health care reform without this so-called public option is no reform at all. It would be worthless. Why so?

HOWARD DEAN (Former Chair, Democratic National Committee): It-- it's true and what I see co-ops proposal-- and-- and Kent Conrad is I-- somebody I consider a great friend and a great senator. But that proposal is a political compromise not a policy compromise. Nobody knows what it would look like, and even when it's been tried in the past it mostly hasn't worked. There's one successful-- one or two successful examples of it, but they don't have market strength. The-- the-- the last time we tried it was Blue Cross. They now-- they have now been eaten up by the private health insurance industry.

So, this is a proposal that's great in-- in the Senate when you're talking about bipartisanship, but there is nothing to it, I don't think.

Here is what the public insurance option does: It looks like Medicare or something like it. There will be some changes. But the reason people need that choice is because right now, public, excuse me, private health insurance industry, for-profit, is incredibly inefficient. Not because the-- the private sector is by nature inefficient but because they are investor-owned and a huge proportion of the money they take in has to go to a return on equity. That is all money that's not spent on health care. So, let's just suppose you're one of the big health care companies and at-- at the very best you're going to have about an eighty percent pay-out ratio. That means that twenty percent of all the money you take in goes to some cause other than health care.

In Medicare, ninety-six percent of all the money you take in goes to health care. It is by nature much more efficient. It doesn't kick you off if you get sick. It doesn't stop you from getting insurance if you get sick. You don't lose it if you lose your job. You can get it back-- I mean, you don't have to worry about getting it back if you get your job, and you could move anywhere in-- in America and still have the health insurance.

That is a choice that I think most Americans would welcome. Everybody over sixty-five have-- has it. And the question is, why don't we open that program up to people under sixty-five?

BOB SCHIEFFER: Who pays for it, Governor, if you-- if you do have this?

HOWARD DEAN (overlapping): Taxpayer-- well, the-- the-- the proposal will be that the taxpayers will pay a subsidy for people who need the help buying insurance, but they can use that subsidy either to buy private insurance or public insurance as they choose.

BOB SCHIEFFER: And what about employers who now share the cost of Medicare? Would they have to share the cost?

HOWARD DEAN: Large employers would either share the cost or keep the system the way it is. Most large employers have said they like the system the way it is. Small employers are off the hook. One of the great things about the Dodd bill and the House bill is that small employers no longer have to have a responsibility for getting health insurance for their employees.

Now, small employers create eighty percent of all the new jobs in America. Lord knows we need some jobs these days. What a great boost to the people who create the most jobs in America--the small-business community.

BOB SCHIEFFER: You just heard both Senator Grassley and-- and Senator Conrad didn't say this but I think it was-- was interesting in that he-- he really didn't address it. Senator Grassley says he's getting mixed signals from the White House on exactly what the President wants here. Do you think the President has to get more specific if he's going to get this passed?

HOWARD DEAN: Well, let me just be fair about this. We're getting pretty mixed signals from Senator Grassley. I did not hear one time Senator Grassley said-- say what he would vote for. There's a lot of talk about bipartisanship, but when he was in Iowa all last week he was basically letting people know that he didn't think he could vote for any bill that couldn't get the support of his Republican caucus and Republican leadership and that clearly has not been forthcoming. So I think we can discuss what the President's messages be, but I think the Republicans owe it to this country to give us a much clearer message about what they will support and what they won't support.

BOB SCHIEFFER: Well-- well, just for example, though, isn't the President-- do you think he's going to have to get more specific on whether or not it is absolutely mandatory to have this public option in here? So the-- the Congress-- members of Congress will know what they can vote for and what--

HOWARD DEAN (overlapping): I think he-- the President--

BOB SCHIEFFER: --they don't want to get that limb sawed off behind them as you-- you know how it works.

HOWARD DEAN: I agree with that. I agree with that. I think the President-- the President clearly knows that a public option-- a public-insurance option is necessary for real reform to give the American people real choice, not the kind of choice that Senator Grassley was talking about between one private health insurance company that's going to squeeze you and another private health insurance company that's going to squeeze you. We'd like to give them a real choice.

Secondly, I think the President probably has given some very strong signals to people behind the scenes, but the President knows he needs a bill out of the Senate. I think the President would like to get a bipartisan bill. He knows that's increasingly unlikely, as he said in the last-- at the end of the last week or so. And he-- but he's going to work the legislative process as he sees fit. So I leave it to him to figure out what signals he has to send. I'm not going to be critical about-- of him on that.

BOB SCHIEFFER: Well, do you-- do you think the time has come for him to say, "Look, I'm not going to get anything from the Republicans anyway so I better just concentrate on getting the Democratic votes and-- and just put the Republicans aside"?

HOWARD DEAN: Well, I think that's why we're waiting for the signal from the Republicans about-- they seem right now to be mostly interested in stalling. Sena-- Chairman Baucus has set a date for September 15th. I think we're going to know a lot more on that date.

BOB SCHIEFFER: What about this whole idea of the cost of this? Both Senator Grassley and you-- and you heard Senator Conrad say, "it's going to be-- have to be pared down considerably if it's going to have a chance of passage." What do you think is a good number? What do you think is realistic here?

HOWARD DEAN: Well, I'd say two things about that. First of all, the House bill was scored at six hundred billion dollars. That's a pretty good number. That's sixty billion dollars a year, it's less than we're spending on Iraq and Afghanistan. So I think if we can spend that kind of money in Iraq and Afghanistan we can probably spend that kind of money to make sure that every American has cost-efficient health care that they can never lose as long as they pay their share of the premiums.

So I think that's a pretty reasonable number. I know that the Senate Finance Committee has been talking about higher numbers. I think if they get their number down to where the House number is, that's pretty good.

BOB SCHIEFFER: What about this whole thing about pulling the plug on grandma? You heard Senator Grassley talk about that and Senator Grassley said this morning--and we should add that he is a very key person on-- on if there is going to be a bipartisan approach because he's the ranking Republican on the financing-- Finance Committee--he said this morning that, yes, in fact, this bill would not pull the plug on-- on-- on grandma, but he said a lot of people thought it would and that's why he said "We can't let anybody pull the plug on grandma." Where did all this come from?

HOWARD DEAN: Well, it came from the far-right talk shows and so forth and so on, but the irony of all this is the-- the-- something-- my understanding is something very similar to what they're talking about is already law in Medicare, and Senator Grassley was-- when he was in the majority supported that law, which is end-of-life counseling. That is the law for Medicare. That's permitted under Medicare. It's not mandatory, but it's permitted.

And it's also one of the issues that seniors care the most about. They want end-of-life counseling. How you can morph end-of-life counseling and to-- so all the-- all the House did was essentially repeat the same thing that Senator Grassley voted for in 2003 in their bill. Now, how you can morph that into pulling the plug on grand-- grandma I don't know. I think it's despicable, I think it's awful that the-- the-- the lies that have come out on this bill that are just designed to frighten the daylights out of people. But I think the American people are much smarter than politicians in Washington them-- give them credit for and they're going to figure this out. And they know that they really do want health care reform.

BOB SCHIEFFER: All right. Senator-- Governor Dean, thank you so much for being with us this morning. I'll be back with some final thoughts in just a second.

HOWARD DEAN: Bob.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Lyndon Johnson was the best there ever was at getting Congress off the dime. The Civil Rights bills he passed are just part of the proof, and it got some of us to wondering how LBJ would have handled the current health care mess.

I thought of my friend, Bill Stuckey. The day after he won a Georgia congressional seat as a very young man, LBJ dispatched a government plane to Georgia, flew Stuckey to Andrews Air Force Base,

transferred him to a helicopter which took him directly to the White House lawn. There, he was taken into the Oval Office where the President met him, put his arm around him, and said, "Son, I'm going to need your help."

From that moment, Stuckey said, I never voted against him.

In a post on The Daily Beast, former LBJ aide Tom Johnson recalled more of the Johnson treatment and how it worked. He said LBJ kept a list of Congress members on his desk along with every special request they had ever made, from things like personal White House tours to federal projects. He personally horse-traded with each of them.

He had Billy Graham calling the Baptists, Cardinal Cushing calling the Catholics, Henry Ford calling the Republicans, and Jack Valenti would have called the pope if needed.

He sent pictures to their kids and cufflinks to the members. He knew their financial contributors and pressured them to pressure the members. He prayed at six different churches, threatened, cajoled, flirted, flattered, hugged, and finally got the bill passed.

I guess that wouldn't work in today's sophisticated world, but it sure worked then. Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: 60 MINUTES devotes its entire broadcast tonight to its creator, the great Don Hewitt, the legendary producer who passed away on Wednesday.

That's our broadcast. Hope you'll watch 60 MINUTES tonight.