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## NATIONAL GOVERNORS ASSOCIATION Washington, D.C.

Good morning.

Thank you, Governor Douglas. Both for inviting me here today and for having the foresight and wisdom to identify health care as your Chairman's initiative. I'd also like to recognize our colleagues, some of whom are here, from organizations who have proven to be such important partners to the NGA (National Governors Assocation) and the states individually–State Coverage Initiatives, the National Academy for State Health Policy and the Center for Health Care Strategies.

Over many years, the Foundation has worked with governors, agencies, organizations, individuals and communities in every one of your states. After all, we share the same goals—to improve the health and the health care of our people. The Foundation is proud of its support of the work of the NGA. We have a long history of working together on a wide range of issues—from substance abuse and tobacco control, to children's health care and childhood obesity. So it's not unusual that we all come together—face-to-face—from time-to-time.

But this time has an urgency to it, doesn't it? Just look at your agenda. It's all about ambiguity and ambition. The uncertainty of what's ahead, the ambition to fix our broken health care system, and the certainty that to get there we have to act now. It also reflects the full spectrum of what it takes to truly improve the health and health care for all Americans. I'm talking about changes in the marketplace, the role of Medicaid, controlling costs through quality improvement and improved transparency, and a focus on prevention–keeping us from getting sick in the first place.

I'm inspired by the Governor's initiative which has brought all of us together in this room at this time. It gives me tremendous confidence that history will record 2010 as year we finally made many of the tough choices needed to fix our broken health care system. But as challenging as things may be today, if we don't fix it, they will only get worse.

Today, as part of the 8th annual Cover the Uninsured Week, the Foundation is releasing a new report from the Urban Institute on the cost of inaction around reform. For those of you unfamiliar with Cover the Uninsured Week, it is the nation's largest, nonprofit mobilization to secure affordable health care coverage for every, man, woman, and child in America. Cover the Uninsured Week is a community movement, and it is supported by former presidents, nine former HHS Secretaries and Surgeons General of the United States. Since 2003, the Week has brought together leaders of business, labor, and the health professions, union members, educators, students, faith leaders and their congregants, and many others, in towns and cities across the country.

Why? Because health care coverage is growing less and less affordable, forcing more Americans to join the ranks of the uninsured. And forcing them to forgo needed and sometimes life-saving, medical care. The report we released today as part of Cover the Uninsured Week 2010 projects that if federal reform efforts are not enacted, the cost of failure would be disastrous. Within 10 years:

- The number of uninsured will increase to more than 67 million.
- Employer-sponsored insurance coverage will continue to erode—the rate of employer coverage would fall from 56 percent in 2010 to 48 percent in 2020.
- Enrollment and spending on public programs will balloon.
- Premiums for both single and family policies more than double by 2020, increasing from about \$5 to \$10,000 for the single policy and from approximately \$12 to \$25,000 for family policies.

Middle-class working families will be hardest hit. The uninsured rate for families with incomes from 200–400 percent of the federal poverty level would rise from 19 to 28 percent. That's an increase of more

## ON THE COST OF INACTION AROUND REFORM

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than 7 million middle class Americans. You don't need me to tell you how much your own state is at risk:

- Medicaid and CHIP enrollment would increase substantially from 45.4 million in 2010 to 58.2 million in 2020–almost 13 million people.
- Medicaid and CHIP spending for the nonelderly would more than double from \$278 billion in 2010 to \$576 billion in 2020, an increase of 108 percent.

If we permit our political system to block reform of our health care system, the price to be paid by state governments, communities, our families and neighbors will be more than most of us can comprehend. The consequences would be blind to politics. And we'll all suffer needlessly.

Now, I'm a doctor—not a political pundit or a partisan psychic. I don't know what will happen with reform at the federal level. But I do know that what matters most to Americans is knowing they have the opportunity to lead healthy lives, that health care will be available when they need it, and that people get the best quality and value for the dollar that's spent on health care. I also know that like politics, health care is local. You know it too. Every state across the country is addressing the challenges of rising rates of uninsured and increasing health care costs. And I know that you will be struggling with these realities in your states no matter what happens in Washington in the coming weeks... or days.

You have a proven track record of innovation and leadership in addressing health care's problems and as a nation we need your leadership and innovation more than ever. I also know that state efforts without Federal reforms are extremely difficult especially in these tough economic times.

The Robert Wood Johnson Foundation is pleased to have supported this initiative and conference. We are grateful for your leadership and pleased to see you gathered together in this room at this moment preparing for the challenging times ahead. Of course, you'll be looking at every reform scenario during this meeting and what the impact will and won't be. But what I also know, is that we'll be here working with you. We hold an enormous institutional stake and hundreds of millions of dollars invested in both sides of the health/health care equation.

As a major independent and nonpartisan philanthropy, our role is to provide our leaders and policy makers with the resources and tools they need to support a health care system that not only achieves coverage and improves the quality, value, and equality of health care for all Americans, but also flows from a shared vision of all Americans. We do this by providing objective policy research, testing pilot solutions in real communities, and by bringing people who have different points of view together to discuss common problems and common solutions.

As a doctor, a mother, a CEO and a citizen–I believe there are few things as meaningful as helping, healing and pushing our society to be healthier. I hope you agree. I hope you also know that you are the key to true making our health care system accessible and affordable for everyone. Because you are the people who understand that the only ideology that counts here is the healthiest possible state of the union for all Americans.

Thank you.

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