

Audio file: Obama on Healthcare
Audio feed source: Business Week video, July 2009
Duration: 5:58
Source audio language: English, **TRANSCRIPTION**

Participants

Arlene Weintraub, Business Week
James Carlson, AMERIGROUP Chairman and CEO

Arlene Weintraub: OK. I'm Arlene Weintraub, and we're here today with Jim Carlson, CEO of AMERIGROUP. Welcome.

James Carlson: Thanks, Arlene.

Arlene Weintraub: So I wanted to talk to you today about President Obama. Tell me first of all, do you think he's doing a good job?

James Carlson: I think so. I mean, my perspective is informed by leading people in a complex organization, and I think anybody who would be objective and step back and say, think of what he inherited, unprecedented financial challenges. He's been an accountable, forthright, I think, communicator on most of the issues. I think he's been available to the American people and, he's tackling some pretty big issues, and, so far so good.

Arlene Weintraub: Is there anything that surprises you about his management style?

James Carlson: Well, I don't know. I think that if I, not that he would want my advice or anything, but I do think that when you look at a situation like the country's in from a financial standpoint, as much as government wants to help and it feels obviously responsible and accountable for improving situations, I do think that the private sector has an awful lot that we can contribute across a variety of segments. Certainly, I care deeply about the health care reform issues that we're talking about. I do think that a little more engagement of all of the stakeholders in some of these affected businesses would help inform policies and so forth in a constructive way. I think that we're still very early in the dialogue though, so hopefully we get those opportunities.

Arlene Weintraub: So let's talk about health care reform. What do you think about the various proposals that are out there now?

James Carlson: I think that they have a lot of big ideas. I think that we're running into the economic consequences of the ideas. I do think that as a leader within the health insurance industry, it might surprise people, but we sincerely want to see something happen. I think one of the things that the administration is having to deal with is just the magnitude of the change and the cost of the change and trying to do that at a time when perhaps the most important thing to most Americans is probably the state of the economy, their anxiety over their jobs, they're still reacting to the fall in the value of their homes and so forth, so it's a pretty formidable agenda, and I do think that somehow they're going to have to create a law that we can live with here, that we can afford, that really does put the security of insurance coverage into the hands of tens of millions of Americans. So I hope we're able to do it.

Arlene Weintraub: Well, is there anything in the proposal so far that you think, as an industry, you absolutely could not live with?

James Carlson: Well, I think there's been plenty of debate about whether the government should go into competition with the insurance industry. Really, we're in the Medicaid, or government-sponsored, portion of the insurance industry, so it doesn't directly impact our business as much as others. But I do think it's responsible to lend my voice to those that would say, "Well, look, we have 1,500 insurance companies." One of the reasons why people don't have insurance is that it's very expensive, and one of the reasons why it's expensive is not because there's not enough competition, and if you create a public plan option or put the government directly into the business of competing with the insurance companies, it won't be

long before there isn't much of an insurance industry. However much the public has its concerns about some aspects of health insurance, they should know that I think people really are dedicated to trying to make the system work better, to try to make it more affordable for more people and try to get people the right care from the right provider at a cost that we can afford with measurable improvements in quality. I think an unintended consequence of creating perhaps more competition than is really needed is you could drive out a lot of the innovation and creativity and dedication of a lot of people who would help the system work better.

Arlene Weintraub: What about the timing issue? Do you think it's smart of Obama to try to push it through by his deadline of August?

James Carlson: Well, in one way, again, speaking as a business executive, I have a certain amount of respect for him reiterating that without deadlines, nothing happens. I mean, certainly, the way we would run our business, would expect things to get done in certain time frames, but on the other hand you sort of have to respect the people and say well, listen, this is about one-sixth of the U.S. economy. We really have to have a well thought-out solution that will work. If that means taking more time to get as many stakeholders comfortable with the solution as possible, make sure we understand the economic consequences, then it probably would be time well-spent. I'll leave it to the experts as to exactly what that timing is.

Arlene Weintraub: There's been some wariness in the business community that he's maybe meddling too much in the private sector. What do you think about that?

James Carlson: Well, I don't know. I mean, I think that government sees its responsibility for making markets and making sure that participants in markets act in the public good, while they're acting in their own best interests. And so you probably won't find many business people who want more regulations; we actually come from a business that's very heavily-regulated. We feel very accountable to our state partners, for instance, and so we're not strangers to this level of scrutiny and so forth, but I do think that any executive, again, including our chief executive of our country, has to have an agenda and has to prioritize his time and attention to the things that are most important. Like any other tax-paying American citizen, I would be concerned that we're trying to do an awful lot at one point in time and probably getting the economy right is the very most important thing we do, because if we do that well, I think we can afford a lot of the other things. We're more likely to be able to afford a lot of the other things we'd like to achieve, like more comprehensive insurance for more people.

Arlene Weintraub: OK. Well, thank you very much for being here today.

James Carlson: Pleasure being with you. Thanks.

###