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Opening Statement of Sen. Chuck Grassley
June 3, 2008 Hearing
Rising Costs, Low Quality in Health Care

Thank you, Chairman Baucus, for holding this hearing. These next two hearings are very helpful for setting the tone for the Health Care Reform Summit we are hosting in less than two weeks. Today's hearing focuses on the relationship between cost and quality in health care. Simply put, are we getting what we're paying for? In America, we pay a lot for health care. According to the Kaiser Family Foundation, the United States spends more on health care as both a percent of GDP and on a per capita basis than any other OECD country in the world.

Well, if we are going to be spending that much money on health care, we should have the best health care in the world, right? While health care spending continues to rise, the U.S. lags considerably behind other OECD countries on indicators of health care quality. Obviously, that's unacceptable. We need to do more to improve the quality of care Americans receive. And we have certainly made some forward progress on the Medicare front. Transforming the way in which Medicare pays for health care has been a bipartisan priority Senator Baucus and I have worked on for some time now. Last Congress, we introduced the Medicare Value Purchasing Act or MVP Act. This bill would start all Medicare providers on the path to being based more on the quality of care instead than volume of services.

We have accomplished much since the introduction of the MVP Act. Currently, a number of Medicare providers, including hospitals, ambulatory surgical centers, home health agencies and physicians, report quality measures in return for a full annual payment update or bonus. The reporting of quality measure is an important first step toward transforming the Medicare program from a passive payer for health care to a value purchaser. Hospitals by far are the furthest along in reaching this goal. A Medicare demonstration project on value based purchasing for hospital services showed promising results. Last year, the Secretary of Health and Human Services released a value based purchasing implementation plan for Medicare hospital services. It's obvious that a lot of thought was put into coming up with this plan. I look forward to working with Senator Baucus and other members of the Committee to implement value-based purchasing for Medicare hospital services.

When the federal government can play a role in improving quality, we should. We should also ensure that nothing we do interferes with private sector efforts to improve quality today. I am looking forward to the testimony of our witnesses today so we might learn more on what we should be doing to make certain Americans receive, not just the best care, but the right care.