



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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**Statement of Senator Charles E. Grassley
Hearing on “Strengthening and Improving the Medicare Program”
June 6, 2003**

Exploring ways to improve Medicare is a familiar activity for this committee. In fact, since 1999, the Finance Committee has held 29 hearings on Medicare, and seven of those have dealt specifically with Medicare prescription drugs. So we ask the question – why are we having yet another hearing on Medicare? Next week this committee will be doing something historic. We will be marking up legislation to create a prescription drug benefit within Medicare. Last year, the committee process was bypassed completely. We debated prescription drug legislation on the floor of the Senate without the due consideration of the Finance Committee. But this is a different year.

With an eye toward mark-up next week, several members requested today’s hearing to further examine various policy options. Many look to the Federal Employees’ Health Benefit Program as a model for Medicare. Federal employees all over the country, even in rural states like mine, have a choice of private health plans. Many of these plans are preferred provider organizations or PPOs. With the quality and innovation that PPOs offer, many believe the Medicare program could be strengthened and improved by developing such an option for Medicare beneficiaries.

The health policy experts we have here today will be able to shed some light on what these PPOs are all about, how they work, and how they could be used to delivery better health care for our seniors.

Our first witness will be Mr. Tom Scully, Administrator of the Centers for Medicare and Medicaid Services. He will be followed by our second panel which includes Mr. Walton Francis, an author and independent consultant, and Ms. Marilyn Moon from the Urban Institute. All three have been deeply involved in health policy analysis, research and administration for many years and we are fortunate they can join us today.