



Committee On Finance

Max Baucus, Ranking Member

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Baucus Comments on Medicaid's 40th Birthday

(WASHINGTON, D.C.) U.S. Senator Max Baucus issued the following statement to ring in Medicaid's 40th birthday. As ranking Democrat on the Finance Committee, Senator Baucus has led efforts to protect Medicaid from potential cuts during budget reconciliation. The statement follows:

On July 30, 1965, President Lyndon Johnson made history when he signed legislation to create the Medicaid program. I wasn't here then. But the distinguished John Dingell was, and I know he counts it as one of his proudest moments in the Congress.

Medicaid has grown in the past 40 years from a welfare program to an integral part of our health care safety net. Today, Medicaid provides health and long-term care services for 53 million Americans.

Medicaid is a lifeline for our nation's most vulnerable citizens. For a quarter of our nation's children and for our low-income elders. For individuals with disabilities and pregnant women. For millions, Medicaid means the promise of better health and the chance at a better future.

But Medicaid faces great challenges ahead. Our nation is aging, and its needs for long term care are growing. As that need grows, so does Medicaid's cost burden, affecting both state and federal budgets.

To check rising health care costs and get the most from our Medicaid dollars, we should improve quality in Medicaid, invest in information technology, and create new incentives for better health outcomes in the program. We should do the same in Medicare.

At the same time, we must note that problem of rising health care costs is not unique to Medicaid. In fact, a recent study showed that Medicaid cost growth was 6.1 percent, compared to 12.1 percent for private insurance.

That's not to say that Medicaid is perfect. We should make the program smarter – more efficient in paying for drugs, less prone to loopholes, better at dealing with fraud.

But as we consider Medicaid reforms, we must do so with an eye toward the right policy, rather than an arbitrary budget number. Medicaid is too important to too many people to do otherwise. Only by making this critical safety-net program smarter and more efficient can we ensure that it will be there for generations to come.

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