



# Committee On Finance

Max Baucus, Ranking Member

---

**NEWS RELEASE**

<http://finance.senate.gov>

For Immediate Release  
Tuesday, December 20, 2005

Contact: Carol Guthrie  
202-224-4515

**Floor Remarks of U.S. Senator Max Baucus (D-Mont.)  
Regarding the Budget Reconciliation Conference Report  
(as prepared)**

Mr. President, I oppose this budget reconciliation bill.

This bill would cause many of America's poorest citizens to go without needed medical treatment. This bill would make it harder for many of America's neediest citizens to move off of welfare and onto work. This bill would deprive many single parents of help getting child support from their deadbeat spouses. And this bill would undercut American lumber workers in their dispute with Canadian lumber.

There is a better way. The Senate should vote down this bill.

Mr. President, there is a right way and a wrong way to control health care spending. We included some of the right way in the Senate-passed reconciliation bill. We included provisions to put us on the road to paying for performance and quality in health care. That's the right way to control health care costs.

Instead, this bill merely cuts holes in the safety net. This bill would raise Medicaid co-payments for those least able to pay. And this bill would allow states to cut Medicaid benefits below existing minimum benefits. That's the wrong way to control health care costs.

We have seen how the wrong way works. Increasing costs for poor people forces them not to seek health care when they need it. They live longer with sickness. They come back to the emergency room later when their condition worsens. The system ends up spending more on health care then. The burden of uncompensated care grows. You and I and all the rest of us who pay for health care end up paying more for health care. That's the way that the wrong way works.

Mr. President, this bill is not a moderate package. This bill is not like the Senate-passed bill. Instead, this bill hews largely to the House-passed bill.

This bill would impose nearly \$2 billion in increased cost-sharing on Medicaid beneficiaries. This bill adopts about 80 percent of the cost-sharing increases in the House bill.

This bill would also allow state Medicaid programs to offer Medicaid beneficiaries a quote, "actuarially equivalent" benefit package. That means "reduced benefits" for Medicaid beneficiaries.

-- 3 more --

States will be also able to impose new premiums for coverage, and to drop individuals from Medicaid if they can't pay.

Last week, I offered a motion to instruct the participants of this conference not to harm Medicaid beneficiaries by passing a budget reconciliation bill that resembles the House-passed bill.

The Senate overwhelmingly supported that motion, by a vote of 75-16. I was heartened by that action. Senators who supported that motion should stick to their guns. They should remain consistent in their support of Medicaid. They should vote against this reconciliation conference report.

Mr. President, I am disappointed with many provisions that are included in this budget reconciliation bill. But I am also disappointed with provisions that were not included in the final bill. The conference report does not include meaningful pay-for-performance and quality provisions.

We live in a country that spends twice as much than any other country on health care, yet our country ranks 37th in the world on quality. And our country leaves almost 16 percent of our population with no health care coverage at all.

We are not getting good value for our health care dollar. And the value that each health care dollar buys varies widely from patient to patient. Consider recent research from Dartmouth that looked at large hospitals in California.

That research found that per-person Medicare spending on health care in the last 2 years of life ranged from \$20,000 to almost \$90,000. The more expensive patients were not sicker. And they did not receive higher-quality care. But they cost the Medicare program over four times more.

I was proud to work with Chairman Grassley this year to write legislation bringing quality improvement and accountability to Medicare.

Under the Medicare Value Purchasing Act, Medicare providers would be held accountable for the care they provide. And the best providers would be rewarded accordingly.

The Senate included our pay-for-performance legislation in the budget reconciliation bill that passed last this chamber last month. I did not support the larger bill. But I was pleased that our Medicare quality legislation was included in the package.

But our quality bill has mostly been stripped from the conference report.

The conference report just expands the existing quality reporting requirements for hospitals, and sets up minimal reporting requirements for home health.

The conference report includes a study on pay-for-performance in hospitals, and some minimal payment changes to discourage a couple of hospital-acquired infections.

These provisions are only for hospitals. These provisions are mostly at the discretion of the Secretary.

And these provisions are delayed until years after the independent Medicare Payment Advisory Commission recommended that Medicare providers would be ready to be paid for quality.

I am disappointed to see Congress setting the bar so low. I stand firmly in opposition to this conference report. And I remain fully committed to seeing Medicare pay-for-performance become law.

Mr. President, I also supported a motion to instruct conferees related to TANF, the nation's welfare program. Offered by Senator Carper, this motion instructed conferees not to reauthorize TANF through the budget reconciliation process.

Mr. President, Congress enacted the TANF program in 1996, to help welfare recipients get work skills and to help low-income families become economically self-sufficient. And welfare reform has mostly succeeded.

States have adopted creative policies to support low-income families making the transition from welfare to work. Millions have moved to self-sufficiency.

But the TANF law expired in 2002. Senator Grassley and I worked diligently on a TANF reauthorization bill in the Finance Committee this year. It was a compromise bill that enjoyed near unanimous support in Committee.

Policy changes to TANF do not belong in the fast-track budget reconciliation process. That process was designed to reduce the deficit, not to reauthorize important safety net programs like TANF.

That's particularly true given the nature of the TANF provisions in this bill. This conference report contains strict new work requirements in TANF.

This conference report undermines the state flexibility necessary to meet the needs of their most vulnerable citizens. And this conference report provides only \$1 billion in child care funds — even though we need \$12.4 billion in childcare funding just to keep up with inflation.

This conference report foists a set of unfunded mandates on the states. These mandates would harm low-income families. These families are playing by the rules, working their way off of welfare, and trying to get into sustainable employment.

And this conference report eliminates the state flexibility that has made the TANF program a resounding success.

We should reauthorize TANF. We should improve the program to focus on reducing poverty as well as welfare caseloads. And we should ensure that more people can leave welfare for sustainable work.

This conference report does just the opposite. More families will lose assistance. And our state partners will lose the flexibility that they need to support families in their time of need.

And speaking of families, what about the child support enforcement provisions in this bill?

Mr. President, this conference report includes a \$5 billion cut in federal funding for child support enforcement efforts. That's right, a \$5 billion cut.

States use these funds to track down absent parents, to establish legally enforceable child support orders, and to collect and distribute child support owed to families. These cuts will take billions of dollars out of the pockets of mothers and children who are owed child support. This cut is simply indefensible.

Mr. President, this bill also fails to adequately address the health needs of Katrina victims. It has been nearly 4 months since Katrina hit, resulting in over a thousand deaths, the displacement of over a million people, and a reconstruction bill that may exceed a couple hundred billion dollars. The Katrina disaster was unprecedented. It required an unprecedented response by Congress.

That's why I worked with Chairman Grassley in the days following the hurricane to write S. 1716, the Emergency Health Care Relief Act.

That bill would have provided 5 months of temporary Medicaid coverage for Katrina evacuees in poverty.

That bill would have shored up state Medicaid programs overwhelmed by Katrina evacuees. That bill would have reimbursed providers for uncompensated care provided to Katrina evacuees. And that bill would have helped states with the unprecedented burden on Gulf State welfare programs.

But the Senate did not pass that bill. The Senate could not even take it up. Mr. President, I appreciate Chairman Grassley's efforts to help Katrina victims. He fought to pass S. 1716 legislation against the wishes of the White House and his congressional leadership. I want him to know that I appreciate his efforts.

When the Senate eventually passed this budget reconciliation measure, it included some Katrina relief. It was an insufficient amount. And I could not support it.

As for this conference report before us today, it is still insufficient. Moreover, its Katrina funding comes in the form of a block grant.

So states affected by Katrina, as well as states treating Katrina evacuees, are given \$2 billion for their Katrina health-care needs, whether that is a sufficient amount or not. Both the House and Senate bills had provided for 100 percent federal financing over the short term for all states with Katrina-related Medicaid costs.

Finally, Mr. President, I want to briefly mention an important trade issue. This bill repeals the Continued Dumping and Subsidy Offset Act, also known as the Byrd Amendment.

This repeal could not come at a worse time for the American lumber industry. The industry has recently suffered a series of setbacks in its long-running dispute with Canada on imports of Canadian softwood lumber.

The Byrd Amendment is one of the few tools the industry still has to encourage Canada to settle the lumber dispute once and for all. Repealing the Byrd Amendment now pulls the rug right out from under the industry.

I won't do that. And I urge my colleagues who are friends of the lumber industry to join me in supporting the industry by voting against this bill.

Mr. President, there is a great deal to be disappointed about in this spending reconciliation legislation. It does not meet the health and welfare needs of Katrina victims. It makes health care for the poorest among us more expensive.

It puts forth an unreasonably austere welfare program in a vehicle where it doesn't belong. It fails to advance the Medicare quality agenda that many of us have worked so hard to make reality. And it undermines the U.S. lumber industry at the worst possible moment.

In short, Mr. President, the Senate should reject this bill. This Senate can do better. And I urge my Colleagues to do better by the American people, by voting 'no.'

###