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**PRESIDENT BACKS AWAY FROM HARSH CUTS TO MEDICARE,
BUT BAUCUS SEES FEW SOUND SOLUTIONS IN ‘TRIGGER’ LEGISLATION**

*Finance Chairman says means testing for drug benefit won't be part of his Medicare bill,
but can work together on value-based purchasing and health IT*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) commented today on legislation proposed by President Bush to provide savings in the Medicare program. The president is required to propose legislation limiting spending on Medicare from the nation's general revenues to 45 percent of the program's cost – 45 percent being the 'trigger' for mandatory savings. Baucus said today that while he's glad the president is not pursuing the draconian cuts to Medicare originally in the White House's budget for Fiscal Year 2009, the legislation proposed today lacks sound solutions for the growing cost of covering health care for American seniors. Baucus has pledged to pass a separate Medicare reform bill this year, but says that comprehensive health reform will be the only way to truly control costs in Medicare for the long term.

“The president was right to retreat from the draconian Medicare cuts in his budget, but I'm not convinced that this mix of proposals is a particularly effective or timely answer to the program's problems. The medical malpractice provisions are recycled from past legislation, and they're not going to get any more traction than they have before. Experience shows us that that the caps have historically been a non-starter in Congress. And while means testing in the Medicare drug benefit is an attractive option to find some savings and help pay for other priorities, it's a major change that should only be considered in a broader review of the benefit. Means testing in the drug benefit will not be included in my upcoming Medicare reform legislation.

“There is room here to work together. Value-based purchasing and health information technology are both smart targets for reforms in Medicare right now. But in the end, dealing with the rising cost of Medicare will mean controlling costs across our health care system as a whole. That's why the Finance Committee will embark on an aggressive series of hearings on comprehensive health care reform after our own Medicare bill is done this spring. It's time to lay the groundwork to improve the entire health system in the coming years – including the Medicare program.”

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