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At Hearing, Warren Calls for Crackdown on Corporate Greed to Protect Medicare's Financial Sustainability and Expand Coverage

[Opening Remarks Here](#)

Washington, D.C. — Today, chairing a hearing of the Senate Finance Subcommittee on Fiscal Responsibility and Economic Growth, United States Senator Elizabeth Warren (D-Mass.) delivered remarks about strengthening Medicare and cracking down on pharmaceutical and insurance companies' corporate greed to pay for expanded coverage. Investing in Medicare and passing provisions of the Build Back Better Act would help expand eligibility and coverage to include vision, dental, and hearing benefits. Senator Warren also called out efforts to weaken Medicare and invent fiscal crises to justify cuts or increase privatization, harming the millions of Americans that rely on the system.

Senator Warren called for improving Medicare's finances by strengthening enforcement of antitrust laws against pharmaceutical companies and preventing private insurers from taking advantage of the Medicare Advantage program. Together, these actions could generate more than \$900 billion over 10 years to keep Medicare sustainable over the long-term and also fund an expansion of the program.

[Watch the live hearing HERE](#)

Transcript: *The Hospital Insurance Trust Fund and the Future of Medicare Financing*
U.S. Senate Committee on Finance Subcommittee on Fiscal Responsibility and Economic Growth
Remarks from U.S. Senator Elizabeth Warren
Wednesday, February 2, 2022

Senator Elizabeth Warren: This hearing will come to order.

Good afternoon, and welcome to today's hearing before the Subcommittee on Fiscal Responsibility and Economic Growth.

I'm pleased to be working with Ranking Member Cassidy on the hearing: "The Hospital Insurance Trust Fund and the Future of Medicare Financing." That title may sound a little dry, so let me be more direct: this hearing is about Medicare finances — both how to strengthen the current system and how to pay for expanded coverage to include vision, dental, and hearing.

The short version is this: the Medicare system is hemorrhaging money on scams and frauds. It is critical that we stop the flow, and, if we do, the system will have more than enough money to operate at its current level and increase coverage.

Where do we begin? Well, how about with giant drug manufacturers. In 2019, total Medicare spending on prescription drugs was \$220 billion. Since Medicare is a very high-volume buyer, you would think that the Medicare program would be getting a great deal on pricing. But you would be wrong. Because Medicare cannot negotiate prices, drug companies are able to rake in billions in profits.

Now, that's bad enough. But the drug companies have more ways to juice their profits. They use anti-competitive tactics like pay-for-delay, product hopping, and patent thickening — all while antitrust regulators turn a blind eye. It's enough to gag a maggot.

There's so much we could do to improve Medicare finances. For example, we could save Medicare as much as \$130 billion over 10 years just by strengthening enforcement of our antitrust laws and ending one — just one — type of the industry rip-offs.

Or consider another option: We could rein in greedy private insurers that take advantage of the Medicare Advantage program. Now, Medicare Advantage was a backdoor effort to privatize the Medicare program. It was built on vague promises of cost savings. But instead, it has cost Medicare almost \$150 billion extra over the past twelve years, because greedy private insurers are gaming the program's rules — including its risk adjustment process, its benchmark policy, and its quality bonus program — all to squeeze more money out of Medicare and to drive up the costs for taxpayers. Medicare could save nearly \$800 billion over 10 years just by ending these scams.

Together, just those few changes alone would save Medicare over \$900 billion over 10 years. And just to put that in perspective, the estimated shortfall in the Hospital Insurance Trust Fund is \$517 billion between 2026 and 2031, and the cost of extending Medicare coverage to include dental, vision, and hearing to the program is just under \$360 billion. In other words, we don't need to cut Medicare benefits, we need to cut out the scams that are bringing Medicare down.

The number of corporate vultures hoping to feed on Medicare continues to grow. Even today in the Biden administration, CMS has invited the same insurers that are already scamming Medicare and dozens of new investor-owned organizations to cover traditional Medicare beneficiaries through a new privatized Direct Contracting model that lets them pocket, get this, as much as 40% in profits. This invites fiscal disaster, and I hope this administration will reverse this decision.

Yes, we need to make changes to Medicare. But not the cuts and privatization that my Republican colleagues have sought in past efforts to so-called "reform" Medicare. No. Instead of undermining the system and the benefits that we deliver, we need to crack down on greedy drug manufacturers, on private insurers, and on private equity firms. We need drug price negotiation and we need better oversight of the Medicare Advantage program so that for every dollar spent, a Medicare beneficiary actually gets a dollar's worth of value. And with more than \$900 billion that we could save, we need to expand Medicare coverage to include dental, vision and hearing benefits, for all of our seniors and people with disabilities who are part of the program. That is how we build a healthier America.

Now, I look forward today to discussing these issues. I appreciate all of our witnesses who are joining us today, and I look forward to hearing about their experiences and insights.

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