



Committee On Finance

Max Baucus, Chairman

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STATEMENT OF SENATOR MAX BAUCUS SENATE COMMITTEE ON FINANCE HEARING ON REGULATORY RELIEF FOR MEDICARE

Thanks to our witnesses and members of the audience who have traveled to Bozeman to be with us today for this field hearing of the Senate Finance Committee. Today we will discuss how to reduce paperwork, regulations, and red tape under Medicare.

Medicare is one of America's great success stories, providing health care to millions of seniors and disabled Americans, including about 135,000 Montanans. But it's not Medicare that provides the care, it is provided by our doctors, nurses and nurses' aides. By physician assistants, physical therapists and lab workers. And by administrators, billing specialists and insurance companies, all working in a private-public partnership to ensure that our seniors have access to quality, affordable health care.

Congress' role is to make this partnership work. We must ensure that providers are fairly reimbursed for their services. And we must ensure that paperwork doesn't get in the way of patient work. Almost every time I meet with Montana health care providers, I hear one resounding message: excessive paperwork and constantly changing rules, have many feeling confused.

A few years ago, I worked for a day at a hospital in eastern Montana. My boss was a nurse's aide named Sharla, who showed me how to do everything from changing sheets, to taking vitals, to removing stitches. When my shift was over, I met with the administrative staff and they showed me an entirely different side of health care. They told me they lacked the staff to comply with all of the rules. They said they put in fifty percent of their time on paperwork, up from twenty-five percent just ten years ago. They told me that paperwork was indeed threatening patient work.

I expect we'll hear many of the same concerns today, both from our distinguished panel and from the audience. We'll hear from representatives of physicians and hospitals, home care agencies and nursing homes. Across the spectrum of care, we'll hear how providers are trying to cope with the ever-changing regulatory environment, the

growing spread of Medicare red tape. And we'll also hear from CMS and the General Accounting Office, who will tell us how to fix it.

One of these providers— Dr. Nick Wolter of Deaconess Billings Clinic – will describe difficulties Montana providers have had with reimbursement for air ambulance services. Air ambulance care is expensive. It should not be used when ground transport could reasonably substitute. In Fact, for the last several months, Deaconess Billings and Montana's other air ambulance providers have faced bureaucratic roadblocks in getting proper reimbursement for needed air ambulance services. I have tried for months to resolve this problem through the regulatory process, by working with CMS. And they have made some progress, but not enough to convince me that these essential air ambulance services are reimbursed appropriately.

Last week I introduced legislation to fix the air ambulance problem. My bill would ensure that good-faith efforts to provide critical emergency care would not be denied by bureaucratic hurdles. But the air ambulance problem is one symptom of a larger, more serious diagnosis: Medicare's regulatory framework has grown beyond the reach of what most providers can manage.

Last year, I introduced legislation to change that. I developed a bill to cut Medicare red tape and reform Medicare's interactions with health care providers. For example, the bill prevents Medicare from issuing new rules more than one business day of each month. This idea came straight from Montana providers, who tell me they don't have the staff to keep up with almost daily changes to Medicare's rules.

The bill also shifts resources allocated for Medicare fraud enforcement towards provider education. It's not fair to hound health care providers for making honest billing mistakes, unless more efforts are made to educate providers on how to follow the rules.

These are just two of many common-sense solutions in the bill. Today's forum is an opportunity for us to discuss additional ideas for cutting Medicare red tape. I intend to move this legislation out of the Senate Finance Committee later this year. It has broad bipartisan support and I am confident that it will be signed into law.

We have a full panel of experts for this hearing. I look forward to their testimony, as well as input from the audience. Your input is critical as we work to cut Medicare red tape and improve and strengthen Medicare's public-private partnership.