



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Senator Chuck Grassley
Prescription Drug and Medicare Improvement Act
Thursday, June 12, 2003

Good morning. Thank you for being here. This will be one of my most memorable days in the Senate. We're considering the biggest improvement to Medicare in the program's history. We have legislation before us to improve the lives of 40 million older Americans now, and more in the future. It's amazing that this is the first-ever Finance Committee markup of a bill adding comprehensive prescription drug coverage to Medicare. We've been discussing it for four years now. Say what you will about this issue, but you can't say we haven't discussed it enough, or that it's not ripe for action. We're here because of trailblazers like Senator Frist and Senator Breaux, who had a bipartisan commission on improving Medicare before most people were talking about Medicare and prescription drugs in the same breath. We're here because of Senators Baucus, Jeffords, Snowe, and Hatch. We've worked together as a Tripartisan team for almost two years now. I believe that without these efforts, we wouldn't have achieved this success today. In this closely divided Senate, partisanship is a dead end. I thank everyone for putting their commitment to this shared goal first. And I want to thank the rest of my Republican colleagues for their support during these two years. They know we have to compromise to get results. I thank them for their encouragement and constructive help along the way. Last but not least, I want to thank the President, whose leadership gives us the momentum to get this done now.

On to the substance of today's legislation. Medicare's treatment of drugs is old-fashioned. It doesn't reflect the way doctors treat their patients, or the way patients want to be treated. I've been a farmer all my life. The way I farmed 30 years ago was okay because it was the only way to farm. But I've taken advantage of a lot of advancements over the years. I farm more efficiently now. My yields are bigger, and my crops are healthier. It makes sense that farming reflects the latest technology. So should Medicare. We can't leave Medicare in the last century when medicine is light years ahead. And we don't have to. We have bipartisan agreement in this committee on legislation that'll bring Medicare well into this century. That means adding a prescription drug benefit. It means harnessing the purchasing power of 40 million people to bring down their costs. It means getting the private companies that want this business to work for it. It means giving older Americans more health care choices. If they like what they have, they can keep it. If they like a new option, they can take that. If they don't like the new option, they can switch back to what they had before. That's the way it works for federal employees. That's the way it should work for people with Medicare. We're not experimenting blindly. We're having seniors follow a well-tested model. My 65-year-old neighbor in New Hartford, Iowa, should have the same kind of benefits as the federal postmaster there.

The drug coverage ideas you see reflected in this mark have been around since the House passed its first bill in 2000. My colleagues and I have been working to improve them ever since. Whenever real improvements were presented, we took them – whether the source was a Democrat or a Republican. Today’s legislation brings Medicare into the 21st Century by making the program more competitive, which keeps costs down. That’s better than price controls, which stifle innovation.

Today’s legislation also ends Medicare’s historic discrimination against states that do more with less. Now, Medicare’s complex funding formula penalizes states such as Iowa for practicing cost-effective medicine. The penalty is an unfair reimbursement rate. Health care providers and hospitals in 30 rural states get less money back from Medicare for the same procedure performed in Florida or New York. This creates a disincentive for physicians to practice medicine in these states. It pinches an already razor-thin operating margin for vulnerable hospitals. It hurts the quality of care in rural communities. Today’s proposal fixes these inequities. It ends the unfairness of paying the same Medicare payroll taxes as everybody else but getting a lot less in return.

Medicare is critically important, but there’s even more at stake here. If we act today, we’ll go a long way toward answering some serious concerns the American people have. We’ll demonstrate that the United States Senate can work, after all. We’ll show that the Senate Finance Committee still is a place where we come together across party lines to solve problems. And most of all, we’ll tell the American people that we do listen to them. To me, this markup is a matter of accountability. Both parties have promised for years to add prescription drugs to Medicare. At least in Iowa, when you make a promise, you deliver. Today we’re here to deliver. People in Iowa don’t want to hear why we couldn’t agree on details – they want to hear that we got it done. The conventional wisdom was that a Senate split almost right down the middle couldn’t be expected to produce anything. At the beginning of this year, many predicted a rerun of 2002. Well, we did what we farmers do every spring: even though we didn’t know if we’d get any results, we kept at it, day after day. There’s more ground yet to plow, but we’re further along than most people believed possible. Now let’s finish the job.