



**STATEMENT FOR  
KERRY N. WEEMS  
NOMINEE FOR ADMINISTRATOR FOR THE CENTERS FOR MEDICARE  
& MEDICAID SERVICES  
BEFORE THE SENATE COMMITTEE ON FINANCE**

**JULY 25, 2007**



**Statement for  
Kerry N. Weems  
Nominee for Administrator for the Centers for Medicare & Medicaid Services  
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Chairman Baucus, Senator Grassley, thank you for holding this hearing today, and for the Committee's consideration of my nomination to be Administrator of the Centers for Medicare & Medicaid Services. I am Kerry Weems, a 24-year veteran of the Department of Health and Human Services.

Recently, my wife Jean and I celebrated our 23<sup>rd</sup> wedding anniversary. Over those 23 years, she has stood by me—even after hearing for the thousandth time: “I’ll be leaving in another 15 minutes.” I would also like to introduce the rest of my family to the Committee. Peter is a senior at James Madison University. Claire is a sophomore at George Mason University. Anna will commence her senior year in high school this August.

I have worked with many of you, who know me from both Republican and Democratic Administrations. I was first hired under President Reagan in 1983. I became a manager during President George H.W. Bush's Administration. Former HHS Secretary Donna Shalala signed my appointment to the Senior Executive Service, and President Clinton awarded me the Presidential Rank Award. Former Secretary Thompson promoted me to Deputy Assistant Secretary for Budget, and from January 2003 to July 2005, I served as Acting Assistant Secretary for Budget, Technology and Finance and as HHS Chief Financial Officer. Most recently, I was Deputy Chief of Staff to HHS Secretary Mike Leavitt.

It's a privilege to be here today applying for the job of CMS Administrator. One of the strengths I bring to this job is the ability to manage enormous budgets effectively. CMS spends more than \$600 billion a year—more than Defense; more than many countries of the world.

CMS determines access to health care for more than 90 million beneficiaries. Its payment decisions determine the quality of that health care and where and how that care is provided.

CMS's regulatory power is enormous, reaching into practically every aspect of health care. Small programmatic changes can have large consequences to individual providers. This is not simply a question of CMS flexing its regulatory muscle, it's also a question of being aware of these consequences. Indeed, many on this Committee have urged me to be sensitive to CMS regulations on a wide range of providers. Much more is at stake than economics or politics—beneficiaries' health and lives depend on them.

The person who steps into the Administrator's post also needs to have a broad, **nonpartisan** understanding of health care delivery in this country, and where we need to go. **Almost a quarter century of working at HHS has given me a long-term perspective that I believe is critical to leading CMS.**

There has been a lot of change in health care in my 24 years of service. When I began at the Social Security Administration, there was an ashtray on every desk and smoking in every office. Today CMS has a nationwide prevention initiative, including smoking cessation counseling.

When I started at HHS, the ink was barely dry on diagnostic-related groups. Today, CMS is moving beyond DRGs—replacing volume-based payment systems with systems that recognize a patient’s condition and the quality of their care. For example:

- On July 1, CMS began the **Physicians Quality Reporting Initiative** to reward physicians for reporting on quality care.
- I hope to be able to send to this Committee a CMS plan for **Value-Based Purchasing in the hospital setting**.
- Secretary Leavitt is making great progress with standards and certification for **electronic health records**.

I am aware that this Committee and others have been frustrated with lack of resolution and consistent information regarding the Medicare Part D premium withhold. **Mr. Chairman and Senator Grassley, if I am confirmed, you will have the same information that I do, and I will make it a top priority to fix these problems.**

Much attention has been devoted to the baby-boom generation and its imminent retirement. However, before they can retire, the boomers have one great task ahead of them—caring for the generation which preceded them. My own family offers examples of the issues these generations face.

My father is on the Medicare prescription drug program and hit the coverage gap this last year. He and I worked together to get him the coverage and medications best for him. **My vision for the prescription drug program is that every beneficiary and their caregivers have the information they need to choose the best plan and get the best care they need.**

My mother may soon be faced with the need for a particular surgery. My vision for our health system is that she—and every patient—has the right information to choose care that is accessible, coordinated, and effective; and in the most appropriate setting.

My wife and her sister are caregivers for their mother who resides in a nursing home. Recently my mother-in-law was injured, yet my wife has not received a satisfactory explanation from this particular facility, despite a request for a detailed incident report.

My vision for Medicare and Medicaid is one in which beneficiaries are protected—whether from unsafe nursing homes, unscrupulous insurance salespeople, fraudulent equipment providers or bad medicine. **If confirmed, I will intensify CMS oversight, and I expect you to hold me responsible for acting on abuses or inefficiencies discovered in the course of program oversight.**

Throughout my more than two decades of public service at HHS, I have witnessed tremendous talent and dedication at HHS and CMS. I have learned to seek out experts and all those with equities in the issue and listen to them, to follow the law, to weigh the evidence and the facts, and to render a decision. **My pledge to you today is that I will pursue the facts and the law to guide my decisions and leadership.**

Again, let me say it is an honor to have received the President's nomination to this position. I would be pleased to answer any questions at this time.

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