



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding President's Fiscal Year 2011 Health Care Proposals**

Mahatma Gandhi said: "Every worthwhile accomplishment . . . has its stages of drudgery and triumph; a beginning, a struggle, and a victory."

The effort to enact comprehensive health care reform has certainly seen its struggle, and even its stages of drudgery. But as we look back at the progress that we have made, and look ahead at the short distance that we have yet to go, I remain confident that we can before long move to the stages of triumph and victory.

We are on the brink of accomplishing real health care reform. We are on the brink of reform that will help millions of Americans to afford health care coverage. And we are on the brink of reform that will improve the quality and efficiency of health care delivery for all.

Every day reminds us of the need for reform. The latest report by the nonpartisan Congressional Budget Office warns once again that the growth of federal health care spending represents the "single greatest threat to budget stability." That's because health care costs continue to rise faster than the growth in the economy, and faster than the growth in wages of American families.

In the last 8 years, average wages have increased just 20 percent. But the average cost of employer-sponsored health coverage has doubled. And health insurance premiums have tripled.

The high cost of health care means that one in four Americans lives in a family that spent more than 10 percent of its income on health care in 2009. And four out of five of these families have health insurance.

The high cost of health care also diminishes the ability of American companies to compete. And the high cost of health care makes it hard for small businesses that provide health coverage to hire new workers or stay afloat.

America spends nearly twice what the next-highest-spending country spends on health care. But U.S. health care far too often produces uneven quality and poor outcomes.

More than 46 million Americans lack any form of health coverage. Another 23 million are underinsured. According to CBO, within a decade, 54 million Americans will be uninsured. And the CMS Actuary's Office thinks that number will be even higher — reaching 57 million by 2019.

We've tried incremental reform. We created rights and protections in 1996 for people who purchase group health coverage. And we covered millions of uninsured children with the 1997 enactment of the Children's Health Insurance Program.

But we've reached a point where it's increasingly difficult to fix the system one step at a time. We cannot add 46 million uninsured people to a broken health system. And we cannot meaningfully control the growth of health spending without covering the uninsured.

Over the past year, we've learned how hard it is to reform our health care system.

But just because it's hard does not mean that the task is any less necessary. Just because it's hard does not mean that we should look the other way. And just because it's hard does not mean that we have to compromise so much that we fail to address the problems at hand.

Madam Secretary, thank you for all of your hard work over the past year — and the work of your department — in helping us to craft health reform.

Thanks to your guidance and leadership, we know that we can start covering the uninsured with pre-existing conditions this year through a high risk pool. We know that we can provide immediate assistance to bridge the Medicare drug coverage gap — the so-called donut hole. We know that we can jump-start quality improvement policies in Medicare and Medicaid. And we know that we can make immediate progress on insurance market reform.

I'm pleased to see that the President's budget assumes enactment of health reform. The budget accurately reflects that health reform has the potential to reduce the budget deficit by \$150 billion over the next decade. And as the President said in his State of the Union address, reform also has the potential to reduce the deficit by \$1 trillion over the second 10 years.

This year, the Finance Committee faces a full agenda. We will work on creating jobs, growing the economy, and reducing the deficit.

But given the daunting long-run fiscal challenges that we face, we cannot give up the quest for health reform that addresses the interconnected problems of cost, quality, and access.

I urge my colleagues, on both sides of the aisle, and both sides of the Capitol, not to give up. We can and we must succeed in reforming our health system.

Of course, we face other daunting challenges as well.

The Medicare physician payment formula needs reform. HHS took an important step by removing drugs from the formula. And just last week, the Senate recognized that a long-term fix will require a short-term investment, by exempting part of that fix from the new statutory pay-go rules. I hope that this push will aid us in finding a permanent solution — for the sake of our seniors' continued access to medical care.

And beyond health care reform, Congress must reauthorize the Temporary Assistance to Needy Families, or TANF, program this year.

And we have more work to do to improve our child welfare program. The President's budget did not assume a five year reauthorization. We must use this year to lay the groundwork for reauthorization.

But let me conclude where I began. I agree with President Obama: We cannot give up on enacting comprehensive health care reform this year.

We have gone well past this effort's beginning. We have endured our share of struggle. Now, let us at last bring this bill to victory.

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