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## HATCH STATEMENT AT SENATE FINANCE COMMITTEE CONFIRMATION HEARING CONSIDERING MARILYN TAVENNER FOR CMS ADMINISTRATOR

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks during a Senate Finance Committee hearing considering the nomination of Marilyn Tavenner to serve as Administrator of the Centers for Medicare and Medicaid Services (CMS):

*I want to thank Chairman Baucus for convening this hearing to consider the nomination of Marilyn Tavenner to serve as Administrator of the Centers for Medicare and Medicaid Services (CMS).*

*This is a critical agency that, for a number of reasons, has been without a confirmed Administrator since the fall of 2006.*

*I want to thank Ms. Tavenner for her willingness to serve in this capacity.*

*After serving as Deputy Administrator since 2010 and Acting Administrator for well over a year, you know full well the challenges involved with leading an agency as large as CMS and that this job is an unenviable and often thankless one.*

*CMS is the world's largest health insurer. It has a budget of nearly one trillion dollars and it processes over 1.2 billion claims a year for services provided to some of our nation's most vulnerable citizens receiving Medicare and Medicaid.*

*If confirmed, you will have a daunting challenge ahead of you.*

*While I believe you have the qualifications to do the job, there is still much that you will need to do in order to assure members of this committee that CMS is heading in the right direction and that your leadership will help steer the agency through the very turbulent times that lie ahead.*

*One of the greatest challenges facing CMS in the near future is implementation of the federal and state-based health insurance exchanges.*

*In a speech last June, you said that the health care exchanges “keep you up at night.”*

*I can relate.*

*They keep me up at night too, but probably not for all the same reasons.*

*There are numerous obstacles and issues that will need to be addressed as CMS works to implement the exchanges and bring them online later this year.*

*To date, CMS has not been able to provide satisfactory answers to a number of questions posed by myself, the Chairman, and other members of Congress regarding the exchanges.*

*For example, we still know very little about how the exchanges will operate, what the key operational and implementation deadlines are, and how CMS is monitoring them to determine if things are on track or not.*

*And, we are still waiting to see a breakdown of the budget for the federally-facilitated exchange.*

*If you are confirmed, it is essential that you work with this committee to provide us with this level of detail so that we can assess the implementation of the exchanges and work with you to address issues as they arise.*

*The costs associated with the exchanges are of critical importance to this committee as we are already seeing evidence that health insurance premium costs are continuing to rise and are projected to be, on average, 32 percent higher in the individual market.*

*At the same time, the Congressional Budget Office has estimated that the number of people enrolled in the exchanges in 2014 will be one million lower than originally projected, and quotes from the Administration officials indicate that the number could be even lower.*

*This is a perfect storm of unanticipated consequences that are combining to make this part of the so-called Affordable Care Act seem more like what I prefer to call it: The Unaffordable Care Act.*

*In addition to overseeing this massive new expansion of benefits, you will also be charged with helping to ensure the longevity and solvency of the existing Medicare trust fund, which is projected to go bankrupt in 2024.*

*All told, between now and 2030, 76 million baby boomers will become eligible for Medicare.*

*Even factoring in deaths over that period, the program will grow from approximately 47 million beneficiaries today to roughly 80 million in 2030.*

*Maintaining the solvency of the Medicare program while continuing to provide care for an ever-increasing beneficiary base is going to require creative solutions and a skillful Administrator at the helm.*

*I hope that you will be up to the challenge. Overseeing the complex infrastructure of an agency like CMS is not a job for the faint of heart.*

*You will be expected to ensure that beneficiaries get the care they want from the providers they prefer all while making sure that the claims get paid on time, that administrative and overhead costs are kept low, and that Congressional mandates are fully implemented.*

*I wish you the best of luck as you work to address these challenges and as you continue going through the confirmation process. You will need it.*

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