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Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the Administration's FY2014 Budget and Implementing the Affordable Care Act
As prepared for delivery

Warren Buffett once said, "Price is what you pay. Value is what you get."

This morning, we are here to discuss the health care proposals in the president's fiscal year 2014 budget. As we do, we must determine the value in what we're paying.

Specifically, I want to focus on the value of Medicare and Medicaid. These programs touch the lives of more than 100 million Americans – nearly one in every three citizens.

I also want to examine the progress the administration has made in implementing the health reform law. If the administration implements it correctly, millions more Americans will gain access to health care next year as a result of the law.

These programs fall under the purview of our witness this morning, Secretary Kathleen Sebelius, and the president's budget affects all of these programs. I'm sure you're quite busy, Secretary Sebelius.

In just 167 days, millions of Americans will begin enrolling in health insurance plans in their state's marketplace. Time is short. You need to use each of these days to work with states and make sure the marketplaces are up and running, ready to help uninsured Americans access affordable coverage.

The president's budget requests a total of \$5.2 billion for Program Management at the Centers for Medicare & Medicaid Services. Of this, \$1.5 billion would be devoted to establishing and supporting the health insurance marketplaces.

I am concerned that not every state, including Montana, will have an insurance marketplace established in time. I want to hear how the money requested in the budget would be used to ensure these marketplaces will be ready to go on day one.

The president's budget also requests \$554 million for outreach and education for the health insurance marketplaces.

For the marketplaces to work, people need to know about them. People need to know their options and how to enroll.

I want to hear the administration's outreach plan leading up to the enrollment period which begins on October 1st. I want to know what's been done so far.

I want these new marketplaces to be simple and successful. I want small businesses to focus on job creation, not confusion. More importantly, I want to know the plan moving forward to better communicate the benefits of the Affordable Care Act.

I am worried that a lack of clear information is leading to misconceptions and misinformation about the law. And people generally dislike what they don't understand.

I hear from people on the ground in Montana that they are confused about the health care law. People are worried about the impacts of new rules and how the marketplaces will affect their families and businesses.

I reached out to Steph Larsen, who works in Montana with the Center for Rural Affairs. She has been travelling across my state talking to business groups and consumers about the new marketplaces.

She reported that few people are attending the informational meetings. Those that are often express a lack of understanding about the marketplaces and what they offer.

Steph told my staff, "There is a lot of misinformation out there about how it's all going to work."

This difficulty is compounded by the unknown as to what the marketplaces will look like in Montana and other states.

My constituents don't understand the role of the tax credits because they simply don't have enough information. The administration needs to do a better job.

And it's not just Montanans. A poll last month by the Kaiser Family Foundation found that 57 percent of Americans say they do not have enough information about the law to understand how it will affect them.

The lack of clear information is leading people to turn to incorrect information.

In fact, 40 percent of Americans thought the law establishes a government panel to make end-of-life decisions for people on Medicare. The law does not.

The poll also found that 57 percent of Americans thought the law includes a public option. The law does not.

The administration's public information campaign on the benefits of the Affordable Care Act deserves a failing grade. You need to fix this.

The budget also offers belt tightening measures to address the deficit. The president's budget proposes \$379 billion in Medicare and Medicaid spending reductions.

There are some proposals I agree with to cut our debt. For instance, wealthy beneficiaries should pay higher premiums. Also, we shouldn't pay private plans offering Medicare benefits a higher rate than traditional Medicare.

And efforts to root out fraud must be strengthened because every dollar invested fighting fraud generates a 500 percent return in taxpayer money recovered.

But, there are other policies I oppose. I am concerned the proposed level of cuts to nursing homes may be too high and reduce access to care.

I also have concerns over the president's "chained CPI" proposal. Moving to chained CPI not only impacts Social Security. It also reduces payments to some Medicare providers and increases out of pocket costs for some seniors.

Cutting Social Security and Medicare will hit our seniors with a one-two punch. And these chained CPI changes are on top of the \$360 billion in cuts to Medicare the president specified in his budget.

Cutting our debt will require compromise. Everyone will need to pitch in, but we can't balance the budget on the backs of America's seniors.

A plan to rein in our budget deficits cannot just be cuts to Medicare, and it cannot just be a package of tax increases. We need a balanced approach that is fair to all Americans.

The administration's budget also recognizes the need to work with Congress to reauthorize the Temporary Assistance to Needy Families or TANF program.

This program is a vital lifeline for our nation's poorest families. I look forward to working with my Finance Committee colleagues to update the TANF program so that it is a more efficient job creator and pathway out of poverty.

I am also happy the budget makes an investment of \$5.9 billion in early learning, including child care. This will allow us to make sure over 100,000 more kids start off on the road to success with early education.

Montana families understand the value of a good education and maintaining our responsibilities as parents and good neighbors.

Secretary Sebelius, as we think about these issues and their effect on the budget, let's remember Mr. Buffet's advice. While the price is what we see in the budget, the value of what we receive is what matters.

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