



Opening Statement of Sen. Chuck Grassley  
Finance Committee Hearing, “The President’s Fiscal Year 2010 Health Care Proposals”  
Tuesday, March 10, 2009

Thank you Mr. Chairman. In releasing his budget last month, President Obama made it clear that health reform is a top priority for his Administration. I share his commitment and I’m glad we are taking a closer look at some of the health care reforms he is proposing in the 2010 Budget. Health care reform is important, but it won’t fix all the problems with our economy nor will it solve the entitlement crisis. Fixing health care is necessary but not sufficient. Still, we have a great opportunity before us, and it’s an opportunity we should take. The American health care system – if you can even call it a system -- is in desperate need of reforms. We spend twice as much on health care as other developed countries. But even with all this spending, our health outcomes are often half as good. Millions live in fear of losing coverage. And 45 million Americans lack any health insurance.

Last week, Senator Baucus and I joined other Members of Congress and various stakeholders at a White House forum on health care. In bringing everyone together, it was clear we agree on a lot of issues and still have a long way to go on others. But overall I left the White House knowing that Republicans and Democrats share a commitment to expanding health insurance coverage and improving the way care is paid for and delivered in this country.

On the same day as the White House forum, Senator Baucus and I announced an ambitious, but achievable, schedule for developing a bipartisan health reform proposal. I feel positive about how we are starting this process. Let me also say that we have a long way to go and a lot of heavy lifting ahead of us.

At this point, I haven’t heard from any Republican Senators that we shouldn’t be working on health care reform this year. We haven’t had to make any difficult decisions yet, but not one Senator has said to me that we shouldn’t be trying to pass health care reforms. Right now, Republicans and Democrats are able to agree on a variety of broad topics. But the true test of

this bipartisan process will be how we handle the details. I do believe that by working together, we can face this challenge and get the job done.

This brings me to today's topic, the President's 2010 budget proposal. The President's budget contains a number of bold proposals that interest me. However, it was also lacking a lot of details. I hope that having Dr. Orszag here today will shed some light on the details of this budget proposal, and how the Administration will approach health reform.

We all see our nation's fiscal situation getting worse by the day. The current Administration inherited a 1 TRILLION dollar deficit, and they promptly added another 1 TRILLION dollars to our national debt with their so-called economic stimulus bill. The stock market has fallen another 20 percent just since the president took office. Now the Obama Administration is proposing a \$634 BILLION health reform reserve fund, which they say is merely a "down payment." While fixing our health care system has to be a priority, so is financing it responsibly. We have an obligation to make sure that any changes we are considering in health care are financed and developed responsibly so we don't make the situation worse. We must be very wary of the idea that we have to spend more up front to reap savings down the road. Too often with the federal government, the up-front spending happens, but the long-term savings don't. In his former position, as Director of the Congressional Budget Office, Dr. Orszag was clear about the reforms that reduce costs and the ones that don't. As we consider the President's proposal and move forward on health reform, I hope that we can all maintain that clarity. If done correctly, prevention and health IT proposals can improve the system. But the Congressional Budget Office has been very clear that they are not the cost savers that some think.

As for specific reforms in the budget proposal, I was pleased to see a commitment to delivery system reforms. We need to change how Medicare pays for services—make it more efficient, reward quality, and reduce fraud, waste, and abuse. The President has also proposed changes to the Medicare Advantage program. While there are very few details at this point, I have serious concerns about the level of the proposed cuts and the rate at which the cuts go into effect. A competitive bidding proposal may be an effective way to increase competition in Medicare Advantage and reduce overall spending. But it must be done carefully. I cannot support a proposal that will ultimately jeopardize coverage for the 10 million current enrollees or limit access for future Medicare beneficiaries. If almost all of Iowa's seniors lose the Medicare coverage they have now or lose their ability to choose their own plan in a so-called reform, we won't have done a good job.

In closing, as Congress considers the President's budget and broader health reform efforts, I hope Republicans and Democrats can agree to four key principles. FIRST: Health reform should be done through regular order – not reconciliation -- and in a fiscally responsible manner. The schedule and process that Chairman Baucus and I have developed would follow regular order and so we are off to a good start here. SECOND: Next, our top priority should be to bring health care costs under control. We must provide affordable coverage to the 45 million uninsured. But it doesn't do anyone any good if Congress expands coverage, but doesn't address out-of-control health care costs. THIRD: We must also uphold the promise that if you like the coverage you have you can keep it. President Obama made this promise time and time again during the

campaign, and we owe it to the American people to keep this promise. And FOURTH: Whatever changes Congress makes to the health care system, we must ensure that at the end of the day, health care decisions are made by two people – the patient and their doctor. I support making sure patients and doctors have the most up-to-date and effective information. But I cannot support reforms that allow some government bureaucrat to interfere with a doctor's ability to practice medicine. We shouldn't put the government in charge of your health care decisions about what doctor you can see and what treatments you can have

Dr. Orszag, I hope you and President Obama share these principles and I look forward to hearing your testimony. Thank you.