

Statement of Senator Max Baucus at the Medicare Governance Hearing
Senate Committee on Finance
June 19, 2001
(As Prepared)

Good morning. The Committee will come to order.

This hearing gives us an opportunity to shift gears. I'm not talking about shifting from a Republican to a Democratic majority. Sure, that's happened. And it makes a difference. But, by and large, we have to work together, on a bipartisan basis, if we're going to get anything done. That's as true now as it was last month. So I hope to continue the bipartisan approach begun by Senator Grassley. Instead, I'm talking about shifting gears in the focus of our work. Up until now, we've been focused pretty much on the big tax bill. That's behind us now.

But another issue, that's just as important, lies ahead. Reforming Medicare. Virtually every member of Congress has said that we should reform Medicare to cover payments for prescription drugs. So has the President. In fact, many of us have been saying this for years. In this Committee alone, we've had 15 hearings. The time for talk has passed. It's time to act. For these reasons, both Senator Grassley and I are committed to reporting a bill, by the August recess, that reforms Medicare to cover prescription drugs. That's an ambitious schedule. But I think it can be met.

Now, some people will say that we have to do more than provide prescription drug coverage. We should, they say, reform other parts of the Medicare program. I agree. We need to bring Medicare up to date. We need more competition. We need to give seniors more choices. Perhaps more than anything else, we need to need to make the program run better.

That brings me to the subject of today's hearing. I know that HCFA, or CMS as it's now called, has a lot on its plate. I also know that it's underfunded. Over the years, Congress has been asking HCFA to do more and more without a corresponding increase in resources. But it seems to me that the problems really come down to a few main ones.

The most important is how the agency communicates with the people and organizations affected by its decisions. Time and time again, I hear complaints, from both beneficiaries and providers. They complain about bad customer service, and about confusing rules and regulations.

Another big problem is personnel. Now, I don't mean to imply that HCFA lacks dedicated employees. It has plenty. Rather, the agency lacks some of the necessary skills. For example, few of its employees have experience in the private sector. They may not have experience overseeing private health plan options, which they are now asked to do.

I'm also concerned about information technology. At a time when we have become so reliant on technology, I hear again and again that HCFA's technology is outdated and inadequate.

Finally, I'm interested in hearing more about HCFA's ability to oversee its contractors. I'm glad to hear that the Administration is focusing on making HCFA, or CMS more responsive.

I'm interested in hearing about the changes the Administration plans to make under current law. And I'm interested in hearing what further changes should be made legislatively, either as part of a prescription drug bill or otherwise.

I look forward to hearing from our witnesses.