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February 15, 2012

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Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Our Health and Human Services Programs and the President's Budget Proposal
As prepared for delivery

President Dwight Eisenhower once said, "Unless we progress, we regress."

Since passing the Affordable Care Act, we've made tremendous progress on the health care front. Health reform is saving millions of Americans money, giving them more choices and better access to their doctors.

Prescription drugs are cheaper for seniors. In fact, 3.6 million Medicare beneficiaries saved more than two billion dollars last year. That's because health reform closes the prescription drug donut hole. To date, 2.5 million young adults, many facing a difficult job market, have been able to stay on their parents' coverage. And 40,000 Americans who were denied insurance due to a pre-existing health condition have been able to obtain coverage through state-based high-risk pools.

Vera Uzelac from Billings, Montana can sure tell you how health reform has helped her. Like most seniors, Vera lives on a fixed income and has to be conscious of every penny she spends to get by. Before health reform, Vera was forced to pay as much as $85 a month for one prescription. But now Vera is saving at least $20 every month on the medicines she needs, which frees up money for groceries and other necessities.

Or take Sheila Lopach from Helena, Montana, whose 24 year-old daughter is in school and had no health coverage. Thanks to health reform, young adults across the country like Sheila's daughter can stay on their parents' insurance coverage, and parents like Sheila can worry a little less.

Just as health reform reduced costs for individuals and businesses, the law reduced government costs, most notably through Medicare. The health reform law also provided the biggest deficit reduction in more than a decade. According to our nonpartisan scorekeeper, the Congressional Budget Office, the law will reduce deficits by $143 billion dollars in its first ten years and by more than $1 trillion in the decade that follows.

We need to continue this progress. We look forward to hearing from Health and Human Services Secretary Kathleen Sebelius today about how the President's budget will do that.

Today, nearly 48 million Americans are enrolled in Medicare. As the baby boom generation retires, the number of seniors eligible for Medicare will increase rapidly. Over the next decade, 18 million additional Americans will enroll in Medicare. We need to ensure these beneficiaries – and future generations – receive the benefits Medicare guarantees. To strengthen Medicare, we need to continue lowering costs. We need to spend our

precious health care dollars wisely and efficiently. If we do, we will lower premiums for seniors enrolled in Medicare today and keep the program strong for the generations to come.

This is the path health care reform took, and we're already seeing the results. Two weeks ago, CBO released a report showing that over the next ten years, costs per-beneficiary will average "just one percent a year more than the rate of inflation." This is significantly better than the last twenty years. From 1985 to 2007, these costs grew five percent faster than inflation. This is major progress, though we can do even more. If per capita health care costs were to slow by one percentage point over ten years, the federal government would save $800 billion.

Secretary Sebelius, we provided you with the tools in the Affordable Care Act to continue to lower costs and bend the cost curve. When doctors and hospitals don't talk to each other, patients receive the same tests twice. That's why health reform improves communication and coordination among providers. Expensive diseases can be better managed if they are caught early, so health reform provides free preventive care. And criminals try to rip off taxpayers, so health reform provides law enforcement new tools and resources to protect Medicare and Medicaid from fraud. I'm pleased to hear that the administration's anti-fraud efforts have recovered more than $4 billion just last year.

We know that some of the best ideas won't come out of Washington, but from our own communities. That's why health reform created the Medicare and Medicaid Innovation Center to leverage these good ideas and partner with the private sector. Secretary Sebelius, I'm pleased to see that you're enlisting private sector partners. The recent Innovation Challenge has sparked thousands of ideas from the best providers our system has to offer, including some from my own state of Montana.

Never before has the need to rein in out of control health care costs been higher. Never before has the consensus for action been stronger. Madame Secretary, I urge you to continue to use the tools provided by health reform.

The goals and responsibilities of your Department are broader than health care. Our nation must revisit the ways we prevent poverty. Our economy has continued to recover, and I'm pleased to see that the budget reflects that positive growth. However, our work is far from complete. The human service programs we will work on this year present significant opportunities to build upon the strengths of the American family. We must find the best and most effective ways to help families in economic crisis. Temporary Assistance for Needy Families must be maintained for the well-being of children and families facing dire circumstances.

I was pleased to work with Senator Hatch and the many child welfare champions on this Committee to reauthorize the Safe and Stable Families Program last year. We should consider the lessons we learned and the principles that guided us during that process as we work to reform the entire child welfare system.

So let us improve these human service programs. Let us work together to strengthen Medicare and Medicaid. Let us make our health care system more efficient. Let us build on the health reform law. Let us heed President Eisenhower's warning that unless we progress, we regress.

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