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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EVALUATING EFFORTS TO IMPROVE CARE, LOWER COSTS FOR DUALY-ELIGIBLE PATIENTS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement at a committee hearing evaluating efforts to improve care and lower costs for patients who are eligible for both Medicare and Medicaid programs:

Thank you, Chairman Baucus, for holding this hearing. It will allow us to get a progress update on efforts to improve the care for beneficiaries eligible for both Medicare and Medicaid. In an otherwise partisan atmosphere, today's topic is refreshing. It represents an area where we can achieve some real bipartisan agreement to lower health care costs and improve patient care.

There are more than 9 million Americans — commonly known as duals — are eligible for both the Medicare and Medicaid programs.

These patients often suffer from multiple chronic conditions and have complex medical needs. The \$300 billion spent on their care every year is generally separated by complicated Medicare and Medicaid payment rules. Unfortunately, the system is not serving taxpayers well, and it is not serving patients well either.

I would note that many promising efforts have been made to address these needs, such as various state-driven efforts, the Special Needs Plans in Medicare Advantage and the Program of All-Inclusive Care for the Elderly, which is known as PACE. While these approaches have made a huge difference, there is much more work to be done.

I know that our first witness, Melanie Bella from CMS, has been working hard to solve these problems.

Ms. Bella has led the Financial Alignment Initiative to encourage states to design solutions that integrate care delivery and funding streams for dually-eligible beneficiaries. She is actively working with 25 states to approve and implement these proposals.

Today, we will hear from two states with approved proposals — Washington and Ohio — and another — Arizona — whose proposal is under review.

I am supportive of state-designed efforts generally, and I applaud Ms. Bella for her pragmatic and compassionate approach to a very difficult task.

However, I do want to make sure that we get the details right. In order to ensure these demonstrations are successful, I and six other Members of this Committee sent a letter to CMS in June outlining three priorities.

First, the demonstrations should be of a size and scope that gives Congress data upon which to base future policy-making. Second, these proposals should be consistent with good government principles so that contracts are competitively bid on cost and quality across a level playing field. And finally, we need to be sure that these demonstrations protect the integrity of the Medicare Part D program.

Again, Mr. Chairman, thank you for scheduling this important and timely discussion. I look forward to working with you on this issue and hearing from our witnesses today.

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