

United States Senate
Committee on Finance



Sen. Chuck Grassley · Iowa
Ranking Member

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MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202-224-1308
for U.S. Senator Chuck Grassley
RE: the health care debate
DA: Wednesday, September 9, 2009

Senator Chuck Grassley, Ranking Member of the Committee on Finance, issued the following comment in advance of the President's speech tonight to a joint session of Congress.

"Health care is so far-reaching, major changes should not be enacted without broad-based bipartisan support. In addition, the bills presented so far in Congress haven't even met the major goal of lowering health care costs. It's obviously time for a new kind of effort that would focus on fixing what's broken and not make things worse. To start building the kind of legislation that could win the support of 70 to 80 senators, the President needs to demonstrate that he'll fight, through the end, for a proposal that reaches common goals without creating government health care.

"I've been working this year with the chairman and other members of the Senate Finance Committee to see if health care legislation can be developed in a way that slows down health care inflation and makes health insurance more affordable and accessible without increasing the federal deficit. We've spent hundreds of hours working through how to accomplish these goals. Republicans and Democrats in our group have grappled with how to avoid unintended consequences due to the complexities of health care. The wisdom of this methodical approach was reinforced by the dramatic shortcomings in bills pushed through by the Senate HELP Committee and three House committees. The Congressional Budget Office said they would not reduce the growth in health care costs and would add hundreds of billions more to the federal deficit.

"For many Americans, the health care debate is the straw that broke the camel's back. People question whether the deficit-financed stimulus bill passed last winter did any good. They don't think the Federal Reserve's bailout efforts are working for them. Big banks and even automakers have been essentially nationalized, the deficit is forecast

to be more than \$9 trillion over the next decade, and working Americans don't see how giving the government a bigger role in health care makes any sense.

“So, the question is can problems be fixed without upending the whole health care system?”

“Fixing the affordability and access problems facing small businesses and individuals who buy insurance on their own is a top priority. The situation shouldn't be made worse with job-killing employer mandates and tax hikes that hit job-creating small businesses the hardest. Instead, insurers should be prohibited from denying coverage or charging exorbitant rates for pre-existing conditions and from imposing annual and lifetime limits on benefits. Stronger consumer protections should be enacted. And a virtual shopping mall with more private health plan choices should be created so that consumers compare prices, benefits and quality, and then pick the plan that's best for them. Top actuaries and the Congressional Budget Office have said that making plans compete will keep premiums lower and increase affordability for everyone.

“Curbing runaway health care costs is another top priority because current rates of growth are unsustainable. Policy changes to the way that health care is paid for in Medicare would drive down costs and also increase the quality of medical care that is delivered. Value-based purchasing would tie provider payments to innovation and quality, rather than quantity. Research from the Dartmouth Atlas Project shows that billions of dollars each year are wasted on health care spending that ends up producing worse health care. By updating Medicare's antiquated payment systems, we would strengthen and protect the program for Medicare beneficiaries by eliminating overpayments and waste that contribute to Medicare's insolvency. We'd also reduce costs throughout the system because of the way that private health insurance models its payment systems after Medicare. Making the payment incentives in Medicare make sense would have a positive ripple effect that would fundamentally reduce the growth in health care costs across the board.

“Defensive medicine also contributes to high costs and, clearly, medical malpractice reform is needed to reduce costs and increase access to doctors.

“Additionally, the way that health care reform is financed determines whether legislation will be successful in driving down the health care costs that hurt both big and small employers and strain family budgets. Revenue needs to be raised and savings need to be achieved from within the health care sector. Otherwise, Congress will only be dumping more money into the system, fueling greater inefficiencies and more waste, and making the cost problem far worse for patients and providers alike.

“I oppose creating a new federal insurance program because it would lead to a government-run system. Putting the federal government in charge of health care would not curb medical inflation or improve the health care delivery system. From rationing of care to infringing on the doctor-patient relationship, a government run system also would guarantee U.S. taxpayers a staggering tax burden for generations to come.”

