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BAUCUS LOOKS TO HEALTH INNOVATIONS TO IMPROVE QUALITY, LOWER COSTS

Finance Chairman continues series on health reform with review of key improvements

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today continued the panel’s series on health care reform with a look at ways to reduce America’s skyrocketing health care costs and at the striking variation in health spending throughout different regions of the country. The panel examined two key options for lowering costs and improving patient outcomes: health information technology, which makes best practices and patient history more portable and accessible, and comparative clinical effectiveness information, which evaluates various treatments to determine effectiveness. Baucus emphasized the importance of using these innovations to reduce waste in the health care system and provide patients with better care.

“Geographic variation in health care spending is a symptom of the inefficiency in our healthcare system,” said Baucus. **“Strategies for reducing the variation will pave the way for a more efficient, high-quality system that delivers the right care at the right time.”**

Witnesses at the hearing concurred that widespread adoption of health information technology by providers across the country in conjunction with a central source of information on the comparative effectiveness of different treatments could save a significant amount of money in the American health care system. Dr. Gail Wilensky, a Senior Fellow with Project Hope, testified on how the establishment of a center for comparative clinical effectiveness could develop and facilitate the information needed to address issues like variation in health care spending. Baucus, along with Senator Kent Conrad (D-N.D.), has announced plans to introduce legislation later this year to create such an institute.

Senators also heard from George Halvorson, the Chairman and CEO of the Kaiser Foundation Health Plan, a company that has already adopted a comprehensive IT system. Halvorson detailed how that system has helped Kaiser provide better, more cost effective care, and encouraged the Senators to implement a similar system nationally.

“I am sad to say that health care in America is a disorganized, weakly coordinated, inadequately linked, \$2.3 trillion care infrastructure that is currently our country’s fastest growing industry,” said Halvorson. **“It is an industry that will not be reformed without intervention by public policymakers and purchasers.”**

Today’s hearing was the fourth in a series of Finance Committee hearings, roundtables, and events to prepare for congressional action on health reform. It is the first health reform hearing since the Committee held “Prepare for Launch: Health Reform Summit 2008,” which was hosted by Baucus and Finance Ranking Member Chuck Grassley (R-Iowa) on June 16.

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