COMMITTEE ON FINANCE

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BAUCUS HIGHLIGHTS URGENCY OF COMPREHENSIVE HEALTH CARE REFORM AT FINANCE HEARING

<u>Finance Chairman Baucus questions OMB Director Orszaq</u> on the President's budget, health care reform proposals

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today questioned White House Office of Management and Budget (OMB) Director Peter Orszag about the initial steps the President's budget proposal takes to reform America's broken health care system and the most effective way to move forward. Baucus asked Orszag for his views on specific issues the panel will consider in crafting comprehensive health care reform this year, such as how to address geographic variation in health care costs, how to establish and encourage physicians to utilize best practices in care delivery, and how to measure long term savings in health care reform. Baucus said a comprehensive approach is necessary to effectively address all of the problems that exist in the nation's current system.

"We need fundamental reform in cost, quality, and coverage. We need to address all three objectives at the same time. They are interconnected. If you do not address them together, you will never really address any of them alone," said Baucus. "Costs grow too rapidly, because the system pays for volume, not quality. Quality indicators like lifespan and infant mortality remain low, because too many are left out of the system. Families don't get coverage, because health costs grow faster than wages. And without coverage, health insurance costs increase, because providers shift the cost of uncompensated care to their paying customers."

Baucus commended the President for including a \$634 billion dollar down payment on health care reform in his budget proposal. He examined the concepts that were included in that proposal and asked Orszag about his views on details the Committee would address in a legislative proposal. Baucus highlighted the importance of health care reform for the country and for economic recovery in particular. He asked Orszag about the urgency with which health care reform must be addressed and what the cost of inaction would be.

"The cost of doing nothing is a fiscal trajectory that will lead to a fiscal crisis over time," Orszag said.
"The cost of doing nothing is perpetuating a system in which workers' take-home pay is unnecessarily reduced because of an inefficient health care system. The cost of doing nothing is 46 million uninsured people who don't receive adequate health care. The cost of doing nothing is a burden on state governments that is causing lots of unanticipated effects."

Baucus has made comprehensive health care reform his number one priority in 2009. He recently laid out an agenda in the Finance Committee to craft comprehensive legislation that will begin with roundtable discussions on delivery system reform, health care coverage, and cost containment in the coming weeks and months. Baucus has said he intends to report legislation out of the Finance Committee in June of this year.