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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding the Health Care Marketplace**

About recovering from cancer, Happy Rockefeller (the widow of the late Vice President Nelson Rockefeller) once said:

“Once you have been confronted with a life-and-death situation, trivia no longer matters. Your perspective grows, and you live at a deeper level. There’s no time for pettiness.”

Today, we will talk about life-and-death situations. We will look at problems in the health insurance market that are literally making the difference between living and dying.

We will try to leave the trivia behind. We will try to gain perspective. And we will try to understand at a deeper level.

More than 180 million Americans buy health insurance in some form through the private marketplace. But the insurance market is broken. Premiums are high. Benefits are shrinking. And 47 million Americans still lack health coverage altogether.

Today’s hearing is the third in a series that the Committee is holding to prepare for action on health reform next year. The Committee will spend this year studying the health system and reform options so that we can achieve what previous Congresses and Presidents were unable to do. We must find a way for all Americans to have access to affordable, high-quality health care.

Next Monday, on June 16, the Finance Committee will hold a day-long summit on health reform. I thank Senator Grassley and Senators of this Committee for their involvement — and leadership — in next week’s summit.

It is open to all Members of Congress and to invited guests from the health policy community. Its goal is to foster dialogue among Members. Where we can, we want to start to delve into the options for reform.

Several Senators on the Committee will co-chair panel discussions. To those on the Committee who are participating, thank you for making the summit a priority. Thanks for engaging in what will certainly be one of the major issues that this Committee and Congress will face next year.

Today, we will hear about the major problems in the health insurance market. We need to know what does not work, so that we can craft the right reforms to yield the desired result — affordable, high-quality health care for all Americans. The Finance Committee is concerned with fixing problems in the health insurance market.

Private insurers are having difficulties offering affordable options. The average premium for family coverage is more than \$12,000 a year. Premiums can be even higher for families purchasing coverage on their own — and not through their employer. Health coverage is even more expensive for people who have an existing condition, like diabetes or heart disease.

Since 2000, health insurance premiums have grown faster than the economy and faster than wages. These trends are unsustainable. The health insurance market is failing to keep premiums in check.

Employers are also having trouble purchasing coverage in the health insurance market. Large and small employers alike find it difficult to offer health insurance to their employees and retirees. Premium increases are forcing many employers to scale back benefits or shift costs to employees.

Some employers have stopped offering health insurance altogether. Since 2000, the share of non-elderly Americans with employer-sponsored coverage dropped from 69 percent to 60 percent. Among firms with three to nine workers, coverage dropped from 58 percent to 45 percent. The health insurance market is losing ground with employers.

And individuals face hardships when they purchase health insurance on their own. People who are not covered through their employer or who do not qualify for programs like Medicare or Medicaid have to buy it through the individual health insurance market.

But let's face it — the health insurance market for individuals is truly broken. Healthy people can forego coverage, while people with common health conditions are usually excluded. These days, people are being denied insurance simply because they have allergies or — we learned from a recent press story — because they have given birth through a C-section!

For many with serious conditions like diabetes or heart disease, the inability to buy private coverage almost guarantees that their conditions will worsen. And that also means that their conditions will become even more costly to treat.

Too often, the coverage that individuals can afford has gaps and fails to protect against financial ruin if the person does get sick. These days, most personal bankruptcies are attributable to healthcare bills.

We've also heard troubling press reports that some insurers look for ways to rescind policies when individuals need expensive treatment. What is the point of health insurance if it does not cover serious illnesses?

Having health insurance makes a difference. People with health coverage get treated when they need it. They stay healthier longer. And they lead more productive lives.

But today's market for health insurance leaves too many people without affordable coverage. The health insurance market needs reform. But we must do it right. In order to do it right, we must understand what the problems are.

Today we have a panel of witnesses to help us. Our witnesses can help us to understand the failings of the current market, and where we need reform. Their diverse perspectives will show us where to focus reform so that we reach our goal of having affordable, high-quality health care for all Americans.

In a moment, we will hear from Lisa Kelly. Ms. Kelly will testify via video-conference about how her health insurance does not cover cancer treatment.

Problems like that in our health insurance market are not pleasant to think about. They are not easy to solve. But we cannot ignore them.

These are life-and-death issues. We need to leave the trivia behind. We need to gain perspective. And we need to understand at a deeper level.

It was more than 30 years ago that Happy Rockefeller had cancer surgery. Let's try to apply some of her wisdom, and her courage, as we consider these issues today.

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