



**Opening Statement of U.S. Senator Chuck Grassley
Ranking Member of the Committee on Finance
Hearing with CMS Administrator Donald Berwick
Wednesday, November 17, 2010**

Thank you, Dr. Berwick, for being here today. I take the importance of this Committee and our Constitutional role as the United States Senate very seriously. You were nominated by President Obama to serve as CMS Administrator on April 19th. You and I met personally in June to discuss your nomination and despite repeated requests from me and my colleagues we were never able to get a nomination hearing. Instead, you were appointed under a recess appointment on July 7th.

I believe that was incredibly unfortunate for you and for the position that you now hold. I think you should have had the opportunity to stand before this Committee and explain yourself, defend yourself, and make the case, in person, that you are the right person to be CMS Administrator. You were nominated 213 days ago and appointed 134 days ago and, yet, this is our first chance to get you before this Committee to testify and answer some questions. The phrase “better late than never” comes to mind.

Today, the Centers for Medicare and Medicaid Services has over 4,400 employees – not including thousands of outside contractors – and an annual budget of over \$700 billion. That’s a bigger budget than the Pentagon. Through the Medicare, Medicaid and CHIP programs, the Centers for Medicare and Medicaid Services provides health care coverage to about 1 in every 3 Americans – almost 100 million people. That’s a lot of people – but that number is set to grow even more. The partisan health care overhaul will add about 16 million to the Medicaid program with a total price tag for the federal government of about \$434 billion. This expansion will begin under your watch.

In addition to this massive coverage expansion, you have been given unprecedented authority to implement new payment and delivery models. Your decisions in this area will influence a significant amount of economic activity and determine how the new health law affects the health care coverage that millions of Americans rely on. We need to discuss your thoughts on the pending \$500 billion in Medicare cuts and the massive Medicaid expansion that you are charged with implementing.

The Office of the Actuary and providers across the country have expressed serious concerns that the deep Medicare cuts will hurt access to care and may hinder quality improvements. And both Republican and Democratic governors are worried the Medicaid expansion will bankrupt state budgets. While some supporters of the health care law may label these claims as partisan scare tactics or misinformation, we take these claims very seriously.

With all that is changing in the health care system and the sheer number of people that rely on your agency for care, you have one of the most important jobs in the government today. That is why it is so

disappointing that you were recess appointed without even a hearing. It contradicts promises made by candidate-Obama about having the most open and transparent administration in history.

I take oversight and government transparency very seriously. I hope you share my enthusiasm. I hope you will show an even greater commitment to transparency and collaboration than any of your predecessors. But based on the number of letters that have are still outstanding, I'm concerned about the depth of that commitment. The American people deserve nothing less. Thank you and I look forward to hearing your testimony.