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**BAUCUS, FINANCE PANEL TACKLE RISING HEALTH COSTS,
LOW QUALITY IN CARE**

Finance Chairman holds second in series of hearings on health care reform

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today held the second in a series of hearings to prepare for Congressional action on health care reform next year, this one focusing on rising costs and low quality in the American health care system. The panel heard testimony from experts on containing skyrocketing health care costs, implementing significant quality of care improvements, and developing strategies to benefit American workers and American companies, while boosting American competitiveness. Baucus has said he intends for the panel to study the health care system throughout the rest of this year in preparation for major reform in 2009.

“We can seize the opportunity to achieve what previous Congresses and Presidents were unable to do. We have to find a way for all Americans to have access to affordable, high-quality health care,” said Baucus. **“We need to find ways to stretch our health care dollars further, to spend our money more wisely. Improving quality will help to lower costs, and these improvements will help us reach our goal of access to affordable, high-quality health care for all Americans.”**

In their testimony, witnesses illustrated the massive challenges that working Americans face to both secure and afford health care coverage. Arlene Holt Baker, the Executive Vice President for the AFL-CIO, expressed how workers’ preferences for health care benefits when negotiating their contracts illustrates the desperation many Americans feel in trying to deal with the rising costs of health care.

“Year in and year out, workers regularly forego bigger wage hikes to fend off greater health care costs, demonstrating the value workers place on the security of health benefits they can count on to cover the care they need,” said Ms. Holt Baker.

Baucus and other Finance members reviewed a number of ideas for improving affordability and quality, including expanding health information technology like e-prescribing, and the creation of an institute to study the effectiveness of various treatments, a proposal on which Senators Baucus and Kent Conrad (D-ND) plan to introduce legislation this year. In addition to improvements designed to boost quality, Senators and witnesses also explored structural changes that could be made to the health care system including changing the reimbursement formula and altering the tax treatment of employer-sponsored health coverage.

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Baucus encouraged the witnesses to continue to provide input, ideas and feedback to the committee as it continues its year-long series of hearings, roundtables, and events to prepare for congressional action on health reform. The series, which kicked off with former Secretaries of Health and Human Services Donna Shalala and Tommy Thompson on May 6, will continue next week with a look at problems in the health care marketplace, including trends in employer-sponsored and non-group coverage. On June 16, Baucus and Senator Chuck Grassley (R-Iowa) will hold the bipartisan “Prepare for Launch: Health Reform Summit 2008” which will bring together Senators, Representatives, and health care experts to discuss options for health care reform in 2009. For more information, visit finance.senate.gov/healthsummit2008.

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