



For Immediate Release  
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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding Health Care Reform: An Economic Perspective**

In Washington, people often present choices between alternatives — between option A and option B. And it is often the case that the right choice between option A and option B . . . is “Yes.” The right choice is often to reject that false choice. We often can, in LBJ’s famous phrase, “walk and chew gum at the same time.”

We are clearly facing a significant recession. That economic challenge commands a significant investment of government resources. Some say that we will have to choose between fixing the economy and enacting comprehensive health reform.

I reject that false choice. I say, we can and should do both. We can walk and chew gum at the same time. Not only can we, but we have to.

Health care reform is not a distraction from addressing the economy. Health care reform is central to restoring America’s economy.

The costs of inaction, both in human terms and financial terms, are greater than the costs of reform.

The nation’s economy is hurting. Since January, we’ve lost more than one point two million jobs. That’s the highest number in 14 years. The unemployment rate has soared to six and a half percent. It was four point four percent a year ago. And the number of Americans who cannot find enough work jumped to six point seven million — its highest level since 1993.

Some industries have been hit especially hard. Manufacturing, construction, and retail trades have shed the most jobs. The unemployment rate in construction is now close to 11 percent. That’s double what it was a year ago.

It’s clear that the economy is in a recession. Some economists believe that we’re headed for a deep recession. The question for Congress should no longer be whether to pass another stimulus bill, but how much and what kind of stimulus is needed to get the economy on the right path.

This moment in history is not unlike the one faced by Franklin Roosevelt and the New Deal Generation. Now, as then, solving America’s economic challenges will require us to go forward with bold efforts. It will require a multi-faceted response.

Comprehensive health reform legislation must be part of any successful economic recovery plan.

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Last week, I released a white paper that calls on Congress to act on meaningful health care reform in 2009 that achieves coverage for all Americans, while also addressing the underlying problems of cost and quality.

We need immediate action on health care reform. Health care costs and the economy are linked: The key challenges of our health care system are high costs, low quality, and insufficient access. Those challenges have a direct effect on family budgets. They have a direct effect on American businesses and their ability to compete. And they have a direct effect on government spending.

Americans' anxiety about the economy is connected to their concerns about health care. Health care costs have grown five times faster than wages over the last decade. Since 2001, real wages and household income have been flat.

The economic downturn means more individuals could lose health coverage for themselves and their families. And that's at a time when savings are low and credit card debt and medical costs are high. Medical bills could force a growing number of families into bankruptcy.

We need to reform the health system. First, we must ensure meaningful coverage and care to all Americans. Second, we must emphasize higher quality, greater value, and less-costly care. Third, reform should contain an absolute commitment to weed out waste, eliminate overpayments, and design sustainable financing that works for taxpayers as well as the nation's recipients and providers of health care. We all need to be in this together.

Yes, reforming health care will cost money. But investments now will reap savings a decade from now. And spending now will also provide needed stimulus for the economy, as well.

I hope that my paper offers a starting point for the dialogue that we will have on health reform next year. I intend to work with Senator Grassley, my Colleagues on this committee, as well as Members of the HELP Committee, to craft a bipartisan bill that we can send to the President next year. We all must work together.

A recently-released report from the New America Foundation states it well. It says: "We must reform our struggling health system not in spite of our economic crisis, but rather because of the impact health care has on the American economy. The economic and social impact of inaction is high and it will only rise over time."

Today's hearing will examine the need for health care reform from an economic perspective. Is health care reform an economic imperative? What are the economic costs of inaction? If current health care trends continue, can we remain competitive?

Today's hearing is the tenth in a series on health reform that this Committee has held this year. It is my hope that these hearings will have helped to prepare the Committee for the work that we will do next year.

And so, let us reject false choices. Let us show that we can walk and chew gum at the same time. And let us rebuild the economy and bring affordable, meaningful health coverage to all Americans.

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