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Contact: Sean Neary/Meaghan Smith  
(202) 224-4515

**Hearing Statement of Senator Max Baucus (D-Mont.)**  
**On the Nomination of Marilyn Tavenner to be the Administrator of the Centers for Medicare and Medicaid Services**  
*As prepared for delivery*

General Douglas MacArthur once said, "A true leader has the confidence to stand alone, the courage to make tough decisions, and the compassion to listen to the needs of others."

Testifying before us today is Marilyn Tavenner, nominated to be the administrator of the Centers for Medicare and Medicaid Services, or CMS. Ms. Tavenner, you are being asked to draw on years of extensive experience to lead this agency and administer programs upon which millions of Americans rely. You will surely need confidence, courage and compassion in this role.

The head of CMS has a great responsibility. CMS administers health coverage to roughly one in three Americans. This includes 50 million Medicare patients, 56 million Medicaid patients and more than 5.5 million children through the Children's Health Insurance Program.

Some 167,000 seniors and 8,300 military retirees in Montana rely on Medicare, the largest program you'll oversee at CMS. These Montanans are my bosses and they — as well as millions more across the nation — are your bosses as well, Ms. Tavenner. I encourage you never to forget that.

It's also important to remember who works for you. The administrator of CMS oversees 5,800 employees. If confirmed, you must demand from these employees the utmost efficiency. Spread throughout ten regional offices across the country, CMS employees are responsible for distributing more benefits than any other federal agency.

Benefit outlays for fiscal year 2012 totaled \$819 billion. The agency's administrative costs made up just one-half of one percent of this amount. That is significantly less than most private health care payers spend, and this efficiency must continue. There can be no room for error — no wasted time, effort or taxpayer dollars.

Ms. Tavenner, you have spent your entire career providing care to people in need. You started as a nurse — in my opinion, one of the most important professions in the world. Then you rose up through the ranks to become a hospital administrator and then Virginia's secretary of Health and Human Resources. You joined CMS in 2010, and became the acting administrator the next year.

You have the knowledge. You have the real world experience. And I believe you have proven yourself to officially take the reins of CMS.

Some have pointed out that CMS has not had a confirmed administrator in several years. I am glad we are moving forward today to change that. With new Affordable Care Act programs coming online, it is a critical time to have someone with your knowledge in charge at CMS.

We need strong leadership for successful implementation of the health insurance marketplaces and other key provisions of the health law. As administrator, you will have to make sure these programs are ready to go on day one. And you need to ensure the health care law's programs work for the people they are intended to serve. There will be a lot of people watching you, myself included.

The Administration and CMS need to implement health care reform the way Congress intended. I was home in Montana the past two weeks and I heard from small businesses that they need more clarity about rules. They need more information and transparency. I will be holding the administration's feet to the fire to ensure this is all done correctly.

You will also need to make sure America's health care safety net is working. Medicaid is going through a period of significant transformation. The program is changing everything from how income is counted, how care is delivered, to how eligibility determinations are made. And millions of low-income Americans will have access to coverage for the first time starting next year. Medicaid needs strong, stable leadership overseeing these changes to ensure they go smoothly.

Health reform also vastly improved the way Medicare delivers and pays for care. Medicare continues to slow its spending by transforming from a system that pays for volume to one that rewards value. CMS needs a leader focused on payment reforms that incentivize providers to provide high quality care in a cost-effective manner.

One of the highest priorities for the Finance Committee — and a responsibility I take very seriously — is protecting the integrity of federal health care programs by fighting fraud, waste and abuse.

The Affordable Care Act included significant new authority and tools for CMS to protect Medicare and Medicaid and save taxpayer dollars. A confirmed administrator is necessary to oversee and use the new tools that will prevent and fight health care fraud.

Last April, this Committee held a hearing to examine what, at that time, was the biggest Medicare fraud takedown in history. Thanks to tools and increased resources from the Affordable Care Act, a joint HHS and Justice taskforce recovered \$295 million. The fraud involved 70 individuals across six cities.

We held that hearing to learn lessons to apply to future cases. We learned that every dollar invested to fight fraud, waste and abuse, generates a 500 percent return. We need the next CMS administrator to continue making fighting fraud a top priority.

Your experience shows an ability to effectively administer health care programs, and also an appreciation for the crucial services they provide. You are known as a pragmatist with an understanding of the ins and outs of health care administration.

I recently read a profile of you in the Washington Post. The article detailed an incident in the 1980s. You were working as a nurse in the Intensive Care Unit at Johnston-Willis Hospital in Richmond, Virginia.

At 2:00 a.m. a young woman in her late twenties was brought to the hospital by a rescue squad. She had been in a horrific car accident and crashed through the windshield of her old VW bug.

Badly injured and having suffered massive blood loss, she was pronounced dead, but you and the doctors went to work anyway, trying to revive her.

The surgeon on call told reporters that, "Marilyn was very supportive in everything ... We came up with a game plan, and it was right on target. We used about 60 units of blood, but the patient ultimately walked out of the hospital."

Ms. Tavenner, it sounds like you are someone who doesn't give up. Your experience is real and varied, and it will serve you well in this position.

CMS faces a great task and it requires a leader with the qualities General MacArthur described: confidence, courage and compassion. Ms. Tavenner, I believe you have ably served as the acting administrator, and I look forward to our discussion today.

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