COMMITTEE ON FINANCE
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Floor Statement of Senator Max Baucus (D-Mont.)
Regarding The House Republican Budget Plan to Dismantle Medicare
As entered into the Congressional Record

President Kennedy said that "to govern is to choose."

When you put away the charts and graphs, budgets are about choices. These choices impact our children's schools, business owners' bottom lines and families' paychecks. And they affect how we care for our wounded veterans when they return home from fighting for us.

The House has chosen to pass the House Budget Committee Chairman's budget. Just as it did last year, this budget makes a stark choice. It shows where the House's priorities are.

Under the House plan, millionaires would receive an average tax cut of at least $150,000. Meanwhile, seniors would eventually have to pay nearly $6,000 more for their health care. That's a big increase when the average senior has a fixed income of only $25,000 a year.

Most Americans would agree that this doesn't pass the smell test.

We know we need to reduce our deficit, but asking seniors to pay an additional quarter of their income for their health care while giving millionaires a six-figure tax break just isn't fair. It's certainly not balanced, and it's the wrong choice.

The House plan would also end the Medicare program seniors know today. It would eliminate guaranteed benefits. It would charge seniors more for their prescriptions. It would make them pay for the screenings and doctor visits they get free now.

The millions hurt by this plan include former members of our armed forces who served for more than 20 years or were injured while on duty. This budget leaves these military retirees and other seniors high and dry.

It takes a lot of courage to serve a full career in the military, but there's nothing courageous about cutting care for our military retirees. I'll stand up for our military and our seniors and make sure they have the health care they need.

The House budget also increases the eligibility age for Medicare from 65 to 67 years old. That means seniors would be forced to work later in life just to keep their health care.

And the House budget replaces Medicare with a voucher program. Seniors would have to use these fixed-price vouchers to purchase private insurance or Medicare, but this voucher wouldn't cover seniors' health care needs. Seniors would be forced to make up the difference by spending thousands of dollars out of their own pockets. To make matters worse, under the House plan, seniors would be paying more and getting less.

Private insurance companies would get to dictate what care seniors can get – and what they can't. Private companies could say a senior can't have hospice or nursing home care. Or they could limit hospital stays or prescription drug coverage. The House plan would end the guaranteed benefits that Medicare protects today.

I won't let this happen. I won't let others break our promise to America's seniors. I won't let anyone dismantle Medicare.

Besides ending the Medicare seniors rely on today, the House budget does not solve our country's deficit problem. It just makes seniors and middle-class families pay more than their fair share.

Fortunately, this is not the only option we have to reduce our country's debt. We have another choice – the path we took with health reform. We know our long-term deficits are in part due to health care costs. For the past several decades, these costs have been growing faster than inflation. This makes Medicare more expensive for the government.

That's why health reform focused on lowering overall health care costs. This lowers premiums for seniors enrolled in Medicare today, and it helps keep the program strong for generations to come.

If we hadn't passed health reform, the deficit would be more than a trillion dollars higher over the next two decades. If we hadn't passed the Affordable Care Act, health care spending would have doubled. We passed health reform to bend the cost curve and slow this cost growth.

Last week marked the second anniversary of the health care reform law. We're already seeing results. According to CBO, over the next ten years, per-person Medicare costs will decrease by four percentage points compared to the past thirty years.

How did we make this progress? We know that when doctors and hospitals don't talk to each other, patients receive the same tests twice and other duplicative services. Health reform improves coordination by giving providers incentives to work together.

We know that expensive diseases can be better managed if they are caught early. Health reform provides free preventive care to catch and treat costly chronic conditions.

We know criminals try to rip off taxpayers. Health reform provides law enforcement new tools to protect Medicare and Medicaid from fraud and recoup taxpayer dollars.

We know that some of the best ideas to lower costs don't come out of Washington – they come from our communities. Health reform leverages these good ideas by partnering with the private sector.

This is the path we need to continue down. We need to ensure these tools are successful and work to improve them. We need to build on these reforms to keep saving consumers and taxpayers money.

As we look to solving our country's largest problems, we need to remember our priorities. We need to focus on fairness. We need to remember that the choices we make matter.

The choices we made in the Affordable Care Act are making our health care system more efficient. These choices are lowering costs for everyone.

The House plan chooses to ignore rising health care costs. It simply shifts risks and costs onto the backs of America's seniors.

That's a plan that's not right for seniors, it's not right for our health care system, and it's not right for our future. The American people know which choice we should make.

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