



Opening Statement of Sen. Chuck Grassley
Finance Committee Hearing on the President's Fiscal Year 2011 Budget
Wednesday, Feb. 3, 2010

Thank you, Mr. Chairman. And thank you Secretary Sebelius for being here today to discuss the President's proposal for the 2011 budget. I think we can all agree that these are extraordinary times. Our nation is beginning a slow recovery from one of the worst economic downturns in history. Now, maybe more than any time in history, people are focused on our nation's economic challenges ... and they're worried. They've watched unemployment soar, the auto industry go into bankruptcy, banks shutting their doors, and families struggling to make ends meet.

And as our constituents have tightened their belts and tried to reign in their own household spending, they've seen some in Washington support spending increase after spending increase. They've watched as the federal debt has increased by 1.5 trillion dollars since President Obama took office. And on the heels of that, they've seen the Senate vote most recently to increase the debt ceiling by another 1.9 trillion dollars to make way for more deficit spending. As I travel around Iowa, my constituents know these facts and figures about our economy and debt better than many Washington insiders. They also know that this budget only takes minor steps to tackle a major problem. They know that under this budget, the amount of debt held in 2008 will double to 12.3 trillion dollars by 2013 and then triple to 17.5 trillion in 2019. And the question they keep asking is, when will Washington come to its senses and realize we can't afford all this? All of the bailouts, all of the stimulus, all of the new spending is paid for with our constituents' hard-earned dollars -- and they're tired of it. They fail to see the return on investment that some have promised, and as a result they've lost faith in government spending.

As we consider the 2011 Budget, we need to be thinking about how we restore that trust. That begins with transparency and accountability. In my years serving in the United States Congress, I've made it my mission to ensure that transparency and accountability are more than just buzz words. They've got to be meaningful. I've held both Republican and Democratic administrations to the same standard of openness.

When President Obama was running for office, he pledged to make government "open and transparent," and his administration has promised to "provide a window for all

Americans into the business of government.” Actions speak louder than words and unfortunately, a year in to this administration, we have seen that this principle is not always put into practice. Transparency and accountability require an open and frank dialogue between the people’s representatives in Congress and those in the administration.

At this time, I have over ten responses overdue from the Department of Health and Human Services on matters ranging from health care fraud to public safety. In Departments across the federal government, my oversight efforts are often resisted, held-up, frustrated, and impeded -- impeded by bureaucrats who seem more interested in covering up than in opening up. While this lack of transparency and accountability is nothing new in Washington, the American public was led to expect more from this administration. Promises were made. Principles based on transparency and accountability were repeated over and over again—and America believed.

I intend to continue to work on the American people’s behalf to hold the government accountable for its actions and ensure that the administration conducts its business in an open and transparent manner. While these accountability and transparency problems persist, I am pleased at least to see that addressing fraud, waste and abuse in Medicare, Medicaid and CHIP has a prominent role in this year's budget proposal – as it should.

If we learned anything during the health care reform debate, it was that fighting health care fraud, waste and abuse is a bipartisan priority. We all have seen the staggering estimates of around \$60 billion dollars of taxpayer money being lost. And this is a conservative estimate. So I look forward to hearing from you today on proposals to strengthen fraud, waste and abuse prevention, detection and enforcement.

But before Congress can weigh the merits of your legislative proposals, as well as your request for increased funding, we need to know what and how you are doing with what you currently have. As I mentioned earlier, Congress has the duty of government oversight. This includes reviewing annual reports you are required to produce. One of these annual reports is on payment error rates. The latest one was due last November. But Congress has yet to see payment error rates for specific types of providers. This seriously impedes our ability to conduct oversight. And it limits our ability to evaluate how the federal government is addressing fraud, waste and abuse. So I look forward to hearing from you today on the status of this report.

In addition to the fraud, waste and abuse proposals, the budget also assumes a six-month FMAP extension for states. And while I do agree the states still need assistance to make ends meet, I think it is time for Congress to cut the strings attached to the aid we are sending them. As states struggle to balance their budgets, having the federal government provide them assistance that prevents them from touching Medicaid doesn’t make much sense. We should give states control of their budgets, so they can be more innovative and efficient with how they provide access to care. I hope you as a former governor would agree. I look forward to discussing this and other issues with you during the question and answer period. Thank you.