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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the Center for Medicare and Medicaid Innovation and Improving
America's Health Care System**
As prepared for delivery

The great American inventor, Thomas Edison, often liked to challenge his colleagues saying, "There's a way to do it better—find it."

Edison always looked to inspire fresh ideas to overcome any challenge.

Today, we are in need of new and innovative ideas for America's health care system. We know there's a better way to deliver quality health care and to lower costs. We created the Center for Medicare and Medicaid Innovation to find it.

Known simply as the Innovation Center, the Affordable Care Act established the national facility to inject government health care programs with some of the flexibility and creativity the private sector enjoys.

The center comes with a simple mission: lower costs, and improve quality. It does so by testing new payment incentives and employing creative methods of delivering care. If the center develops a successful idea, Medicare and Medicaid work to quickly replicate it nationwide. If an idea is not successful, they go back to the drawing board and develop something different.

In just a short time, the Innovation Center has produced real results. According to the Congressional Budget Office, the investments in the Innovation Center are expected to generate a 13 percent return through 2019. And in the decade after, the center is expected to save taxpayers tens of billions of dollars.

The Innovation Center is already testing many promising ideas. These include Pioneer Accountable Care Organizations, groups of doctors across the United States who work together and coordinate their care to reduce costs. From Minneapolis to Maine and Nevada to New York, these doctors are sharing lessons learned and best practices in an effort to provide better patient care. This is just one of the more than 30 new programs the Innovation Center has already introduced, impacting the lives of 5 million beneficiaries across all 50 states.

Health reform included specific ideas for the Innovation Center to test. But we also knew that tapping into Americans' ingenuity and entrepreneurship could lead to groundbreaking ideas on how to improve the health care delivery system.

So we told the center to ask Americans for their ideas on how to improve the quality of care without increasing costs. And as an incentive, the center would provide grants to test the most promising models.

One company that answered the call is the online clinic Health Link Now. Recognizing the challenges rural communities face accessing mental health care, Health Link Now will partner with local hospitals and doctors in Montana and Wyoming. They will provide mental health care through secure videoconferencing and interactive technology. Patients in even the most rural areas — like Troy, Montana, population 933 — can now access quality care if needed.

This initiative is expected to lower costs through reduced hospital admissions and emergency room visits, while increasing access to care in rural communities. If proven successful, it will likely be replicated across rural America. This is just one example of the type of revolutionary ideas the Innovation Center is supporting.

Some of the tested models will be successful and others won't, but we cannot be afraid of missteps. We must continue trying new ideas, learning from mistakes, and building on our successes. That's how we find what works. And we also need Medicare and Medicaid to develop programs faster than they have in the past.

In 2003, Medicare partnered to create a demonstration project in which hospitals in 26 states — including St. James Healthcare in Butte, St. Vincent Healthcare in Billings, and Holy Rosary Healthcare in Miles City, Montana — would receive bonus payments based on the quality of care delivered. From 2003 to 2009, the demonstration project is estimated to have saved thousands of lives, including 8,500 heart attack patients.

Seeing the success of this demonstration project, Congress used it as a model to create a program where Medicare rewards all hospitals across the nation for high quality care. It also penalizes hospitals that produce poor outcomes. That program began this year.

In many ways, the 2003 demonstration project set a new standard. It was developed in stages, with close public-private collaborations. But it took too long.

We can't wait a decade to develop a model, and then implement it nationally. We need to cut through the red tape and act quickly. We need to allow proven ideas to ramp up and spread rapidly without waiting for Congress to act. That is the Innovation Center's task.

It can broadly deploy demonstration projects that are proven to reduce spending or increase quality. This will allow us to test, evaluate, and then integrate new ideas nationwide in only a few years instead of a decade or more.

I look forward to examining the progress the Innovation Center has made to date. We are here today to ask tough questions. We want to hear about different models being tested, we want to hear which projects are most promising, and we want to know when we will see more results.

We are going to need a bold vision if we are going to get health care costs under control. So let us act boldly. Let us realize there is a way to do it better when it comes to health care costs, and as Thomas Edison said, let us find it.

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