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Hatch Statement at Finance Confirmation Hearing for CMS Administrator

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to consider the nomination of Seema Verma to head the Centers for Medicare & Medicaid Services (CMS):

Today we will consider the nomination of Seema Verma to serve as Administrator of the Centers for Medicare & Medicaid Services. Welcome, Ms. Verma, to the Finance Committee. I appreciate your willingness to lead this key agency at this critical time. I see that your family has joined you here today to lend support. I extend a warm welcome to them as well.

CMS is the world's largest health insurer, covering over one-third of the U.S. population through Medicare and Medicaid alone. It has a budget of over one trillion dollars and it processes over 1.2 billion claims a year for services provided to some of our nation's most vulnerable citizens.

Ms. Verma, having dealt with CMS extensively in your capacity as a consultant to numerous state Medicaid programs, you know full well the challenges the agency deals with on daily basis.

I suspect you also know that the job you've been nominated for is a thankless one, fraught with numerous challenges.

The good news is that there are opportunities in those challenges and I believe you are the right person for the job and that you will make the most of those opportunities to improve our healthcare system.

The failings of Obamacare are urgent and must be addressed in short order.

Over the past six years, we have watched as the system created under Obamacare has led to increased costs, higher taxes, fewer choices, reduced competition, and more strains on our economy.

Under Obamacare, health insurance premiums are up by an average of 25 percent this year alone.

Under Obamacare, Americans, including millions of middle-class Americans, have been hit with a trillion dollars in new taxes.

And, under Obamacare, major insurers are no longer offering coverage on exchanges, and earlier this week, we learned that another major carrier will exit the market in 2018.

As Congress works to change course with regard to our ailing healthcare system, CMS will play a major role in determining our success. I applaud the step the agency took yesterday under the leadership of HHS Secretary Price with its proposed rule to help stabilize the individual insurance markets, but there is much more work to be done and I am confident that, if you are confirmed, you will be a valuable voice in driving change.

I'd like to talk specifically about Medicaid for a moment.

The Medicaid program was designed to be a safety net for the most vulnerable Americans. As such, I understand and value the moral and social responsibilities the federal government has in ensuring health care coverage for our most needy citizens. I am committed to working with states and other stakeholders, and the American public to improve the quality and ensure the longevity of the Medicaid program.

But we must also acknowledge that the Medicaid program is three times larger—both in terms of enrollment and expenditures—than it was just 20 years ago. Additionally, the Medicaid expansion under Obamacare exacerbated pressures on the program at a time when many states were already facing difficult choices about which benefits and populations to serve. As a result, we have a responsibility to consider alternative funding arrangements that could help to preserve this important program.

We also need to consider various reform proposals that can improve the way Medicaid operates. Ms. Verma, we will need your assistance in both of these efforts, and your experience in this particular area should serve you well.

On the subject of Ms. Verma's experience, I want to note for the committee that she has been credited as the creative force behind the Healthy Indiana Plan, the state's Medicaid alternative. This program provides access and quality health care to its enrollees, while ensuring that they are engaged in their care decisions. The program continues to evolve while hitting key metrics and, overall, enrollees are very satisfied with their experience.

While we may hear criticisms of this program from the other side of the dais here today, we should note that HHS and CMS leaders under the Obama Administration repeatedly approved the waiver necessary to make this program a reality.

Ms. Verma has assisted a number of other state Medicaid programs as well. Her efforts all have the same focus—getting needed, high-quality care to engaged patients in a fiscally responsible way. This is exactly the mindset we need in a CMS Administrator.

Now, Ms. Verma, as if the challenges associated with Medicaid are not enough to keep you busy as CMS Administrator, you will also be tasked with helping to ensure the longevity and solvency of the Medicare trust fund, which is projected to go bankrupt in 2028.

All told, between now and 2030, 76 million baby boomers will become eligible for Medicare. Even factoring in deaths over that period, the program will grow from approximately 47 million beneficiaries today to roughly 80 million in 2030.

Maintaining the solvency of the Medicare program while continuing to provide care to an ever expanding beneficiary base is going to require creative solutions. It will not be easy. But, we can't put it off forever, and the longer we wait, the worse it will get.

Now that I've had a chance to discuss the challenges facing CMS and some of Ms. Verma's qualifications, I want to speak more generally about recent events.

We've gone through a pretty rough patch recently on this committee, particularly as we've dealt with President Trump's nominations. I don't want to rehash the details of the past few weeks, but I will say that I hope that recent developments do not become the new normal for our committee.

As I've said before, I'm going to do all I can to restore and maintain the customs and traditions of this committee, which has always operated with assumptions of bipartisanship, comity, and good faith. With regard to considering nominations, that means a robust and fair vetting process, a rigorous discussion among committee members, and a vote in an Executive Session.

On that note, maybe the icy treatment of nominees is starting to thaw today, at least I hope it is. One tradition that has been absent here this session has been the introduction, on many occasions, of nominees by Senators of both parties from the nominees' home states, especially in cases when the nominee and the home state Senator have a relationship. I'm pleased to say that the Senior Senator from Indiana is re-affirming that tradition by appearing here today. I thank the Senator for taking the time to appear today and introduce his constituent. I'll give him a chance to do so in just a few minutes.

With that, I look forward to Ms. Verma sharing her vision and views here today. I also look forward to what I hope will be a full and fair committee process that allows us to process this nomination and report it to the full Senate in short order.

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