



For Immediate Release
November 17, 2008

Contact: Dan Virkstis
202-224-4515

**Brookings Health Care Reform Conference
Statement of Senator Max Baucus (D-Mont.)**

The 19th Century British philosopher Herbert Spencer wrote: “The preservation of health is a duty.”

The duty in this instance is that of Congress. It is the duty of the next Congress to write meaningful health reform legislation that provides coverage for all Americans.

We have a duty to address the underlying problems in our health system. And we have a duty to enact it into law next year.

The time is ripe. The moral imperative has never been stronger.

At this moment, 46 million Americans have no health insurance. And 25 million Americans have insurance, but its lousy insurance. A big illness can sink them financially. Health care spending and medical bills play a role in half of household bankruptcy cases.

Health care costs are out of control. Between 2000 and 2007, health care premiums for Montana families increased by almost 89 percent — five and a half times faster than wages.

And it’s not just costs to families that matter. Our businesses are struggling, and Federal health care programs are consuming a larger share of the budget each year.

The health care system is broken for individual Americans, and it’s straining our economy, too.

Moreover, whether you have insurance or not – and regardless of how much you spend – there is no guarantee you’ll get good quality care.

Americans get the best recommended care only half the time. And we rank 19th out of 19 countries in preventable deaths.

Without reform, none of these problems will get fixed.

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For all of these reasons, last week I released a “Call to Action” which aims to do three things: get everyone in America covered with decent health insurance, reduce health care costs so that everyone can afford the care they need, even if their insurance is pretty basic, and make America healthier with better quality care and more preventive care.

The plan will cover the uninsured by strengthening the employer-based system, by targeted expansions in public programs, and by creating a new arrangement – the Health Insurance Exchange – where individuals and small businesses can go to get affordable coverage.

The plan calls for everyone to have health coverage – an individual responsibility. And a responsibility for employers to either provide coverage or to contribute toward covering the uninsured.

We are all in this together, and so everyone is expected to be part of the system.

This notion of shared responsibility is also why the plan calls for significant progress in reforming our health delivery system as well. Providers need to carry their weight also. And by that I mean that they have a responsibility to improve the quality of care that’s provided.

My plan would improve quality by strengthening the primary care system. Primary care providers, including community health centers, watch over a patient’s whole medical history and keep them healthier all their lives.

Yet, our current system undervalues this critically important work, leading to a shortage of primary care physicians.

The Call to Action rewards primary care by increasing reimbursement for primary care services, providing additional payments for primary care doctors to improve care coordination, and encouraging more medical students to choose a career in primary care through placing more value on primary care work.

The plan also proposes to pay providers for the quality of care they give patients.

Today's system pays doctors, hospitals and other providers based on the amount of care they deliver – not for the quality of care patients receive.

The Call to Action takes important steps toward putting it in the financial best interest of providers to do everything possible to improve quality by establishing a pay-for-performance program in Medicare that will reward hospitals that provide the highest quality care, creating new policies that penalize hospitals with high readmission rates, and testing models to “bundle” or combine hospital and physician payments in an effort to encourage them to work together to provide quality care and reduce costs

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Finally, the Call to Action invests in new tools for providers. In order for providers to reorient themselves toward improving quality, they need tools to make evidence-based decisions.

To this end, the Call to Action invests in comparative effectiveness research that will give providers unbiased and actionable information about what treatments, technologies, and procedures work best for patients, and health IT that will reduce medical errors immediately, and over time it will allow providers to share patient information and connect with colleagues to more effectively manage care.

These elements of the proposal are essential. In my view, delivery system reform is not only integral to health care reform but essential.

Each of the key challenges facing our health care system — lack of access to care, the cost of care, and the need for better-quality care — must be addressed in concert.

Covering millions of uninsured through a broken health system will be fiscally unsustainable.

Attempting to address the inefficiencies plaguing our system and the perverse incentives in the delivery system without covering the uninsured will fail to alleviate the burden of uncompensated care and cost shifting.

The time for incremental improvements has passed. Health care reform must be comprehensive in scope.

You're wondering how we move forward to get this done.

Obviously, moving this legislation will require collaboration. Working with the new administration, with the HELP Committee and with many colleagues — Democrats and Republicans, Senate and House.

In fact, I'm meeting with the HELP leaders and Senator Grassley tomorrow.

The Finance Committee has spent a good deal of time in preparation for this debate. We've held a lot of hearings and we have another one scheduled for Wednesday about health care and the economy.

Let me be clear about one thing: There's no way to really solve America's economic troubles without fixing the health care system.

If you fix Wall Street, you fix the housing crisis, you change taxes, you fix everything else, and you don't fix health care, then government spending will keep going up.

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Health care costs suck up more than 16 percent of our economy, and they're growing. Deficits will continue to rise. And America will just have more economic troubles down the road.

And our businesses will keep struggling to compete here at home and around the world. If we're going to have a 21st-century economy, on a 21st century playing field for American innovators and entrepreneurs and workers, then we'd better get a 21st century health system now. That is the focus of a Finance Committee hearing on Wednesday.

I'm going to need your help and your support to make the changes needed to make the system better. The research you're already doing is helpful. Your work is directly related to some of the reforms I envision in the Call to Action.

But I also need all of you here to help me create a "can-do" environment for health care reform. And I am asking you to evaluate every proposal based on whether it will make the system better, not worse.

It will take all of us working together, with open minds.

But I believe that we can do it. Taking incremental steps in the face of so many challenges no longer make sense.

I believe the policy ideas in the Call to Action are the right way to start.

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