

6-15-1980

Annual Conference of the American Physical Therapy Association (2)

Max S. Baucus

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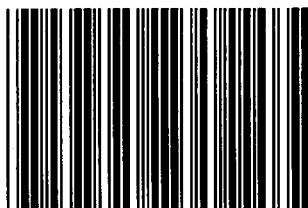
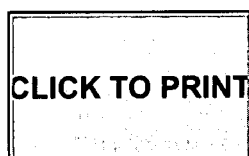
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(2) Subject* **American Physical Therapy Association Conference**

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BAUCUS

REMARKS BY
SENATOR MAX BAUCUS
BEFORE THE
1980 ANNUAL CONFERENCE
OF
AMERICAN PHYSICAL THERAPY ASSOCIATION
PHOENIX, ARIZONA
JUNE 15, 1980

I AM PLEASED TO BE HERE WITH YOU THIS AFTERNOON. BORN AND RAISED IN MONTANA, I APPRECIATE CLEAN AIR AND OPEN SPACES AND AM ALWAYS GLAD TO BE IN PHOENIX.

I NOTICED YOU'RE GOING TO BE EXAMINING RUNNING. I JOG EVERY MORNING. LAST WEEK, AS I WAS RUNNING IN THE MONTANA GOVERNOR'S CUP MARATHON IN HELENA, I WAS THINKING TO MYSELF THAT IF MORE MEMBERS OF CONGRESS RAN FOR THEIR HEALTH INSTEAD OF RE-ELECTION, WE'D GET MORE ACCOMPLISHED IN WASHINGTON.

THE MAIN NEWS IN WASHINGTON THIS WEEK -- AND FOR THE LAST FEW MONTHS REALLY -- IS THE FEDERAL BUDGET. I AM HAPPY TO REPORT THAT NEXT WEEK THE FINANCE COMMITTEE WILL MEET TO RECONCILE THE BUDGET. RECONCILE AND RECONCILIATION ARE 10 CENT WORDS THAT MEAN CUT.

EVERY CITIZEN IS AFFECTED BY THIS RECONCILIATION PROCESS. EVERY COMMUNITY AND EVERY STATE RELIES ON FEDERAL FUNDS. THESE REAL AND DIFFERING PRIORITIES MAKE A COMPLICATED PROCESS EVEN MORE COMPLEX.

WHAT I REALLY WANT TO SHARE WITH YOU TODAY ARE THOUGHTS ABOUT WHAT WE ARE TRYING TO ACCOMPLISH IN THIS CONGRESS.

particular

IN 1978, POLITICAL SOOTHSAYERS PREDICTED THAT THE NEW CONGRESS WOULD BE THE "OVERSIGHT CONGRESS." A LOT OF PEOPLE ~~HAD TO~~ RUN FOR THEIR DICTIONARIES TO FIGURE OUT THE MEANING OF THAT LABEL.

what that meant

In the past

TRADITIONALLY, SENATORS HAVE BEEN EVALUATED ACCORDING TO THE NUMBER OF BILLS THEY INTRODUCED. THE BILLS USUALLY CALL FOR NEW PROGRAMS, OR APPROPRIATING FUNDS OR CREATING COMMITTEES, STUDIES -- OR THE REAL COUP-- A NEW DEPARTMENT.

these days

BUT, AMERICANS ARE EXPRESSING A CLEAR MANDATE -- LESS TAPE AND FEWER DOLLARS. IT'S PRETTY CLEAR THAT PEOPLE WANT TO KNOW HOW THEIR TAX DOLLARS ARE BEING USED.

to make sure their \$ dollar

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IDEALLY, THE WAY CONGRESS CAN ANSWER THOSE QUESTIONS IS THROUGH OVERSIGHT, THE ACCOUNTABILITY PROCESS CONGRESS USES TO MAKE SURE THAT WHAT WE INTENDED IN THE BUDGETING PROCESS IS ACTUALLY HAPPENING IN THE PROGRAMS AND AGENCIES WE OVERSEE. MOST PROGRAMS CAN BE IMPROVED BY BETTER MANAGEMENT. THE RESULT IS SAVINGS OF TAX DOLLARS.

BASICALLY, WE NEED TO JUMP IN AND SEE HOW THE WHOLE SYSTEM IS WORKING. BUT CONGRESS HAS NOT TAKEN OVERSIGHT SERIOUSLY ENOUGH IN THE PAST.

OVERSIGHT DEMANDS A TELESCOPE AND A MICROSCOPE. THE TELESCOPE GIVES US THE BIG PICTURE -- THE WIDE ANGLE VIEW -- PUTTING A PROGRAM IN THE CONTEXT OF ALL PROGRAMS.

THE MICROSCOPE ALLOWS US TO EXAMINE THE INNER WORKINGS OF A PROPOSAL. HOW IT IS BUILT. WHO WILL STAFF IT AND WHY.

OVERSIGHT ALLOWS US TO SEE HOW REGULATIONS AFFECT THE LIVES AND POCKETBOOKS OF THE CITIZENS. AND SOMETIMES THESE IMPACTS ARE PRETTY RIDICULOUS, PARTICULARLY IN RURAL AREAS. MONTANA, FOR EXAMPLE, IS NOT NEW YORK. IN RURAL PARTS OF MY STATE, A PHYSICAL THERAPIST MAY SERVE A HUNDRED MILE RADIUS AND THE BIGGEST HOSPITAL MAY HAVE ONLY TEN BEDS.

THERE IS GROWING FEELING THAT THIS GOVERNMENT HAS GOTTEN TOO BIG, SPRAWLING OUT OF CONTROL -- ~~BUT THERE IS A HANDLE ON THIS GARGANTUAN PROBLEM AND THAT HANDLE IS OVERSIGHT.~~

CONGRESS REALIZES THAT THIS NATION WHICH SEEMED TO HAVE INFINITE RESOURCES, INDEED ONLY HAS FINITE RESOURCES. THUS, THE SOLUTION TO OUR PROBLEMS IS NO LONGER TO CREATE NEW PROGRAMS AND TO INCREASE SPENDING, BUT TO LEARN TO MANAGE THE PROGRAMS AND THE DOLLARS WE HAVE -- AS WELL AS WE CAN.

THE CURRENT BUDGET CUTTING FEVER IS LEGITIMATE. WE NEED TO FIND PROGRAMS THAT ARE NOT WORKING. IT'S TRUE THAT SOME PROGRAMS ARE IMPORTANT AND EXPENSIVE. WE KNOW THAT.

WHAT WE ALSO KNOW IS THAT SOME PROGRAMS ARE INEFFECTIVE OR INEFFICIENT AND WE NEED TO FIND THEM AND ADJUST THEM OR ABOLISH THEM. CONGRESS IS THE ONLY CROWD WITH ENOUGH CLOUT TO DO THE JOB.

THE AGENCIES THEMSELVES HAVE TRIED TO EXERCISE SELF-CONTROL-- BY USING SCHEMES LIKE ZERO-BASED BUDGETING AND MANAGEMENT BY OBJECTIVE -- BUT THE RESULTS OF THOSE EFFORTS CONVINCED ME OF THE NEED FOR INDEPENDENT OVERSIGHT.

IF WE WANT TO KNOW WHY HELICOPTERS DON'T WORK IN IRAN -- WE DON'T JUST THROW MONEY AT THE DEFENSE DEPARTMENT -- BY OVERSIGHT WE TAKE OUT THE MICROSCOPE AND FIND THE PROGRAM THAT WILL NEED SUPPORT.

THIS CONGRESS HAS BEEN MORE INTERESTED IN OVERSIGHT THAN ANY CONGRESS SINCE THE NEW DEAL. WE HAVE PROBABLY SEEN THE LAST OF THE "BIG DADDY" CONGRESSES.

must

I AM ~~NOT EMBARRASSED TO~~ TELL YOU THAT OVERSIGHT, WHEN IT IS DONE RIGHT, IS A DEADLY BORING BUSINESS -- IT IS TEDIOUS, LONELY AND THANKLESS WORK -- BUT IT IS PROBABLY THE MOST IMPORTANT THING THAT CONGRESS DOES.

IT INVOLVES --

- * LOOKING FOR CONTRACTS LET WITHOUT COMPETITION
- * SEEKING FRIVOLOUS AND WASTEFUL SPENDING
- * SEARCHING FOR THE SUPPRESSED INTERNAL REPORT CRITICAL OF A FAILING PROGRAM.

GOING OVER PLOWED GROUND, REPEATEDLY, IS ESSENTIAL -- AND WE REALIZE THAT IF WE DON'T DO IT -- FEDERAL EMPLOYEES WHO OPERATE THOSE PROGRAMS WILL BECOME COMPLACENT AND FORGET THE PUBLIC THEY ARE CHARGED TO SERVE.

LACKING A PRIVATE-INDUSTRY PROFIT MEASURE TO JUDGE THEIR PERFORMANCE, OVERSIGHT BY CONGRESS IS THE ONLY WAY LEFT TO INSURE ACCOUNTABILITY.

THERE IS A CURRENT FLURRY TO DEREGULATE -- EVERYTHING FROM SEMI-TRUCKS TO FUNERAL PARLORS -- FOR US TO LET IT ALL HANG LOOSE. TO LET THE CHIPS FALL WHERE THEY MAY -- IS A DANGEROUS ALTERNATIVE.

LET'S TAKE HEALTH AS AN EXAMPLE. THE 1981 FEDERAL BUDGET WOULD SPEND OVER \$90 BILLION FOR HEALTH. WE JUST CAN'T LET \$90 BILLION HANG LOOSE. YOU WOULDN'T RUN YOUR BUSINESS THAT WAY.

THE GENERAL ACCOUNTING OFFICE ESTIMATES THAT FRAUD IN FEDERAL AGENCIES AND PROGRAMS COSTS BETWEEN \$2.5 BILLION AND \$25 BILLION EACH YEAR. THAT JUST SHOWS THE RANGE OF THE PROBLEM -- A \$22.5 BILLION DISCREPANCY. THAT'S WHY WE NEED OVERSIGHT.

CONGRESS WITH ITS OBJECTIVE PERSPECTIVE CAN OFTEN IDENTIFY FRAUD.

FOR EXAMPLE, THE FBI HAS JUST REPORTED AN ONGOING INVESTIGATION INTO FRAUD AMONG CLINICAL LABORATORIES PROVIDING SERVICES TO PHYSICIANS ON BEHALF OF MEDICARE AND MEDICAID RECIPIENTS.

CASH KICKBACKS ARE FOUND TO BE THE MOST WIDELY USED METHOD OF FRAUD. THE PAYMENT IS BASED ON A PERCENTAGE OF THE MEDICARE/MEDICAID BUSINESS GENERATED BY A PARTICULAR CLIENT. THE CLIENT, A DOCTOR, WILL REFER SAY, \$10,000 OF WORK IN A MONTH TO A SINGLE LABORATORY. THE LABORATORY WILL AGREE TO KICKBACK, IN CASH, A PERCENTAGE OF THAT \$10,000 -- USUALLY 10 TO 20 PERCENT -- SOMETIMES AS HIGH AS 33 PERCENT.

THERE ARE MANY VARIATIONS. THE FBI REPORTED THERE ARE SOME 160 CASES WHICH HAVE BEEN DEVELOPED, AND AN ADDITIONAL 30 TO 50 INDICTMENTS EXPECTED.

THE DOCTORS WHO COMMIT THESE FRAUDS DON'T BELIEVE THEY WILL BE PUNISHED. IF CAUGHT, ACCORDING TO AN FBI REPRESENTATIVE, THEY ONLY EXPECT TO BE ASKED TO REPAY THE MONEY. THE INVESTIGATION IS ONGOING AND WILL CONTINUE TO BE STUDIED IN THE OVERSIGHT PROCESS.

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A DEFINITION OF OVERSIGHT

OVERSIGHT CAN DETERMINE WHETHER OR NOT THE NEEDS OF THE PUBLIC ARE ACTUALLY BEING SERVED.

* SPECIFICALLY, OVERSIGHT MEANS REVIEWING AGENCY RULES AND REGULATIONS, AND HOW THEY AFFECT AVERAGE CITIZENS;

* OVERSIGHT MEANS MONITORING GOVERNMENT-HIRED CONTRACTORS AND CONSULTANTS -- WE NEED TO PREVENT JONES FROM GETTING A CONTRACT BECAUSE HE IS SOMEBODY'S BROTHER-IN-LAW;

* OVERSIGHT MEANS EXPOSING AND STOPPING BATTLES BETWEEN FEDERAL BUREAUCRACIES WHO SHOULD BE SPENDING THEIR TIME IN PUBLIC SERVICE NOT PETTY SQUABBLES;

* OVERSIGHT MEANS REPORTING TO THE PUBLIC ON WHICH PROGRAMS ARE FAILING AND WHY;

TAKING OUT THE MICROSCOPE IS NOT ALWAYS A NEGATIVE PROCESS. SOME PROGRAMS WORK EXTREMELY WELL AND IMPROVE UNDER SKEPTICAL SCRUTINY. AS FOR THE AGENCIES AND PROGRAMS, WHEN ALL IS WELL, THE PROCESS ITSELF CAN BE USEFUL -- AS CHURCHILL SAID, "NOTHING IS SO EXHILARATING AS TO BE SHOT AT WITHOUT RESULT."

OVERSIGHT IS ESSENTIAL IF THE GROWTH OF THE FEDERAL MONSTER IS TO BE CONTROLLED AND KEPT IN BOUNDS.

LIKE ANY GOOD KIBITZER -- CONGRESS MAY MAKE THE PLAYERS
A LITTLE UNEASY -- BUT WE TEND TO KEEP THE GAME HONEST. HONEST
MEANS NOT ONLY FISCALLY RESPONSIBLE -- BUT IN KEEPING WITH
THE WISHES OF THE PEOPLE.

LOTS TAKE CARE OF OTHER SPANIES IN THE AREA OF HEALTH

SOME RECENT EXAMPLES OF OVERSIGHT CONTRIBUTIONS HAVE
BEEN IN THE HEALTH AREA.

CONGRESS RECENTLY TURNED UP EVIDENCE THAT SOME DOCTORS
WERE USING SURGERY WHEN OTHER FORMS OF TREATMENT MIGHT HAVE
BEEN JUST AS EFFECTIVE. MANY PEOPLE ARE NOW SEEKING SECOND
OPINIONS BEFORE ELECTING SURGERY. ~~I SUSPECT THIS IS AN~~
ISSUE YOU ALREADY KNOW A GREAT DEAL ABOUT.

ONE,
ANOTHER ~~ISSUE~~, CALLED MAN-IN-THE-PLANT, REFERS TO A
PRACTICE BY BRAND NAME DRUG FIRMS. A SINGLE MANUFACTURER
PRODUCES ONE DRUG IN ITS GENERIC FORM AND ITS BRAND NAME
VERSION RIGHT NEXT TO IT. THE ONLY DIFFERENCE BETWEEN THE
TWO PRODUCTS IS THAT THE BRAND NAME COMPANY HAS PLACED
A MAN-IN-THE-PLANT. OBVIOUSLY, THE BRAND NAME DRUG IS
OFFERED TO THE PUBLIC AT A MUCH HIGHER PRICE.

A THIRD SERIOUS HEALTH PROBLEM IS INAPPROPRIATE
LABELING AND PROMOTION OF INFANT FORMULA. THERE ARE NO
FEDERAL REGULATIONS GOVERNING THIS AREA. THE LAW SETS NO
FIRM STANDARDS FOR QUALITY CONTROL.

PRODUCT LABELING OFTEN APPEARS TO BE COMPOSED MORE FOR MARKETING THAN FOR INFORMATION PURPOSES. INTENSE PROMOTION OF INFANT FORMULA WITHIN HEALTH CARE INSTITUTIONS OFTEN UNDERMINES SOUND NUTRITIONAL STANDARDS. FOR EXAMPLE, NEW MOTHERS ARE OFTEN SENT HOME WITH FREE COURTESY PACKS OF INFANT FORMULA DISTRIBUTED BY A COMPANY -- BUT HANDED TO THEM BY HOSPITAL NURSES.

FURTHER, THERE ARE NO LAWS SETTING NUTRITIONAL STANDARDS FOR INFANT FORMULA DESPITE ITS OBVIOUS LIFE OR DEATH IMPORTANCE TO BABIES. I HAVE SPONSORED LEGISLATION TO HELP PREVENT THE PAINFUL AND EXPENSIVE ILLNESSES YOUNG INFANTS SUFFER BECAUSE OF INAPPROPRIATE USE OF CERTAIN FORMULAS.

IN ANOTHER AREA OF HEALTH POLICY, CONGRESS LEARNED THAT ONE WIDELY PRESCRIBED PAINKILLER IS ACTUALLY NO MORE EFFECTIVE THAN ASPIRIN. THIS GENERIC DRUG, KNOWN BY THE TRADE NAME DARVON, IS ALLEGEDLY RESPONSIBLE FOR MORE THAN 1,000 DEATHS PER YEAR SINCE 1972 AND SOME 75,000 EMERGENCY ROOM VISITS. INDEED, DARVON IS REPORTED TO BE THE NUMBER ONE CAUSE OF DEATH FROM PRESCRIPTION DRUGS.

OVERSIGHT HEARINGS ARE BEING PREPARED TO ADDRESS ANOTHER SERIOUS HEALTH PROBLEM -- DIVERSION OF PRESCRIPTION DRUGS. THESE HEARINGS WILL TEST THE THEORY THAT ONLY 10 TO 20 PERCENT OF PRESCRIPTION OF DRUGS PRONE TO ABUSE SHOULD ACTUALLY BE WRITTEN.

BY CONTRAST, NEW MEDICINES ARE HARD TO GET. THE FEDERAL DRUG ADMINISTRATION HAS JUST BEEN HARSHLY CRITICIZED BY THE GENERAL ACCOUNTING OFFICE FOR "INTOLERABLE DELAYS THAT DEPRIVE THE PUBLIC OF THERAPEUTIC BENEFITS." THE FDA HAS BECOME SO BOGGED DOWN IN ITS OWN APPROVAL MECHANISMS THAT THE PEOPLE WHO NEED THE BREAKTHROUGH MEDICINES CAN'T GET THEM. AND, THAT'S TRAGIC.

APPROPRIATIONS: THE STRONGEST OVERSIGHT TOOL

PROBABLY THE STRONGEST OVERSIGHT TOOL IS THE APPROPRIATIONS PROCESS, HOW CONGRESS DECIDES TO SPEND TAXPAYER DOLLARS. EVERY DOLLAR THE GOVERNMENT SPENDS MUST GO THROUGH A COMPLEX PROCESS BEFORE IT LEAVES THE U.S. TREASURY.

HERE'S HOW IT WORKS: THE PRESIDENT SUBMITS HIS BUDGET, THE BUDGET COMMITTEE SETS TARGETS FOR ACTUAL SPENDING. THE AUTHORIZING COMMITTEES DETERMINE THE FUNDING LEVELS FOR EACH PROGRAM, AND THE APPROPRIATIONS COMMITTEES DECIDE WHO GETS WHAT DOLLARS.

IN ITS ROUND-TRIP TO THE WHITE HOUSE, THE BUDGET HAS TRAVELED THROUGH THOUSANDS OF PEOPLE, WHO SPEND HUNDREDS OF THOUSANDS OF HOURS GOING OVER THAT BUDGET, ITEM BY ITEM, LINE BY LINE.

WE ARE NOW WORKING WITH THE RECONCILIATION PROBLEM, MAKING THE PROGRAMS FIT THE BUDGET TARGETS FOR EVERY AREA FROM HOUSING TO MEDICARE.

THE REPORT I BRING YOU TODAY IS REALLY "WORK IN PROGRESS."
IT, ALSO, MAY NOT SEEM VERY CHEERFUL, BUT IT IS VERY
CONSTRUCTIVE.

WE HAVE FOUND MANY PROBLEMS AND WE ARE WORKING ON THE
SOLUTIONS. WE ARE KEEPING WATCH OVER PROGRAMS AND WE ARE
SEEKING TO FIND OUT WHERE AND WHEN THEY DON'T WORK.
SOMETIMES WE CAN SEE AN IMMEDIATE ROUTE, AS WITH INFANT
FORMULA. SOMETIMES IT TAKES A LITTLE LONGER. WE ARE
LOOKING FOR LONG RANGE -- NOT QUICKIE -- SOLUTIONS.

THESE PROBLEMS ARE NOT INSURMOUNTABLE. THERE IS
NO NEED FOR A RED ALERT. BUT THERE IS A STRONG NEED FOR
SERIOUS, CAREFUL EVALUATION. OVERSIGHT IS INDEED THE
KEY TO MAKING PROGRAMS WORK AND SAVING YOUR TAX DOLLARS.

CONGRESS SHOULD SPEND AS MUCH TIME ON OVERSIGHT AS
IT DOES CREATING NEW PROGRAMS.

FINALLY, I HAVE A SUCCESS STORY FOR YOU TODAY. SOME
YEARS AGO WE FOUND A GAP IN THE MEDICARE PACKAGE. OTHERS
FOUND THEM, TOO. UNSCRUPULOUS ^{health insurance} SALESMEN SOLD OLDER AMERICANS
POLICIES THEY SAID WOULD FILL THAT "GAP." SOME OF THESE
POLICIES WERE NECESSARY -- MANY WERE NOT. I DRAFTED
LEGISLATION TO ESTABLISH VOLUNTARY NATIONAL REGULATORY POLICIES
FOR MEDIGAP INSURANCE AS AN OUTGROWTH OF THE OVERSIGHT PROCESS.

I AM DELIGHTED TO SAY THAT THE PRESIDENT SIGNED MY
BILL INTO LAW THIS WEEK. WHAT BEGAN AS OVERSIGHT HAS ENDED
WITH A POSITIVE SOLUTION.

WE HAVE TAKEN THE FIRST STEPS TOWARD MAKING THE OVERSIGHT
PROCESS REALLY WORK, AND AS YOU KNOW WITH YOUR PATIENTS --
THE FIRST STEPS ARE OFTEN THE MOST IMPORTANT ONES.

I WOULD AGREE WITH JOHN STUART MILL'S OBSERVATION THAT
OVERSIGHT IS THE MOST IMPORTANT RESPONSIBILITY OF LEGISLATURE.
FOR MY PART, I AM WORKING TO MAKE SURE THIS CONGRESS IS
TAKING THAT CHARGE SERIOUSLY.