

3-6-2001

AdvaMed

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation

Baucus, Max S., "AdvaMed" (March 6, 2001). *Max S. Baucus Speeches*. 720.
https://scholarworks.umt.edu/baucus_speeches/720

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

Printing, Graphics & Direct Mail
ONBASE SYSTEM
Indexing Form

Senator * or Department*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: **Speeches & Remarks**

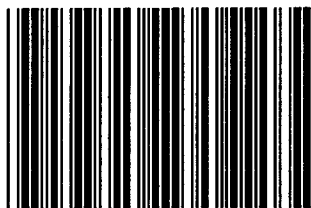
MONTH/YEAR of Records*: **March-2001**

(1) Subject*: **Medicare & Tax Reform**

(2) Subject*

DOCUMENT DATE*: **03/06/2001**

[CLICK TO PRINT](#)



BAUCUS

Please Note

Feed Includes:

- 1.) Senator Max Baucus**
- 2.) Gary Fjeldstad, President, MT Association of Counties/ Rosebud County Commissioner**
- 3.) Dean Harmon, Roosevelt County Commissioner**
- 4.) Vernon Peterson, Fergus County Commissioner**
- 5.) Connie Eissinger, McCone County Commissioner**
- 6.) Bill Kennedy, Yellowstone County Commissioner**
- 7.) B Roll**

Adva Med Speech
Senator Max Baucus
Speech to Advamed
Palm Springs, CA
March 23, 2001

INTRODUCTION

Thanks so much for that introduction, Ron. I appreciate the invitation to speak with all of you today. I wish I could have joined you in person. Up until yesterday I thought I would be able to make it, but we've been debating campaign finance reform all week and the votes extended into today.

As we enter into the 21st Century we're looking at unprecedented economic health. We have a budget surplus, we're in the middle of a technology revolution. And now we get the chance to set a course of continued success for the future.

Just look at the last two decades. And how strongly the decisions made at the beginning of the 80's and the beginning of the 90's impacted the rest of the decade. When the 80's started, our economy was doing well. Then we got a little financially irresponsible, let our budget get out of hand. And we all know the result: A debt unlike any we had ever experienced.

Then came the 90's. We tightened our belts, became frugal. Our production increased and the technology revolution really began. And now we're reaping the benefits.

As we jump into this next decade, let's look and plan ahead. Technology continues to advance, with new and exciting possibilities emerging every day. I believe the field of Medicine will be our next frontier. There is so much possibility. The medical and technological advances will not only add to the health of our people, but also to the health of our economy.

I want to look back ten years from now with pride. To be able to say that we lived within our budget, but also provided the funding that spurred on our productivity and the creation of new ideas.

Let me describe how I believe we can succeed.

TAXES

First, taxes. For the first time in years, we're enjoying a large federal budget surplus.

Large enough that we can afford a tax cut. That's great news. Americans have worked hard to create this historic eight-year economic expansion. They deserve a tax cut. A large tax cut.

I'm confident that we can work together. Democrats and Republicans. Congress and the President. I want a substantial, broad-based tax cut. One that puts more money in the pockets of every American. And stimulates the economy.

Adva Med Speech

I also believe it's important to provide relief from marriage penalty and the estate tax.

That said, I believe that the tax cut must meet two important tests.

First, it must be fair. It must provide substantial relief to low and middle income families.

Second, a tax cut must be affordable and consistent with other priorities:

Protecting Social Security and Medicare. Improving education. Improving health care. And, yes, plain old-fashioned paying off the national debt.

EDUCATION

There is a strong bipartisan consensus, led by President Bush, that we have to devote more resources to education. To primary and secondary education, as well as higher education.

Among other things, we need to reduce class size, toughen-up our testing, and create incentives for higher education.

Only a quality education system will produce the technologies and innovations that your member companies are known for.

Education that allows companies like Medtronic to create InSync, the amazing new pacemaker that was all over the news this week.

This technology promises to improve the lives of thousands of Americans, particularly the elderly, who suffer disproportionately from heart disease.

MEDICARE

That leads me Medicare, another top priority for Congress.

First and foremost, Congress should enact a universal Medicare prescription drug benefit. We have to take care of our seniors so they don't ever have to choose between food or medicine.

A third of Medicare beneficiaries currently lack coverage for outpatient prescription drugs. In rural areas, the problem is particularly acute.

A study that I requested last year showed that rural Medicare beneficiaries are 50% less likely than their urban counterparts to have drug coverage.

Leaders of both parties agree that we should enact a universal drug benefit, available to all beneficiaries. I am optimistic that we will come up with a bipartisan solution on prescription drugs this year.

That brings me to the second Medicare issue: Comprehensive Medicare Reform

I'm willing to explore that road. I'm open to innovative proposals. For example, let's take a hard look at the Health Care Financing Administration. Let's make it more efficient and responsive, without creating another level of bureaucracy.

Adva Med Speech

We absolutely must ensure that Medicare will be solvent years down the road. Injecting more market competition into the system is one possibility.

But let me clarify one thing. I've seen situations where "reforms" that worked in theory did not work in practice, especially for rural America. Airline de-regulation is one example. Electricity de-regulation here in California is another. There are others, including some in the Medicare program itself.

With that in mind, let's make sure that we maintain the integrity of the traditional fee-for-service portion of Medicare.

Fee-for-service is the foundation of the health care system for 85% of elderly and disabled Americans. And the vast majority of those living in rural areas. It's the only option for beneficiaries in my state of Montana.

Therefore, any market oriented reforms must assure that a healthy fee-for-service program is available for any seniors who want it. Rolling blackouts don't work in Medicare.

HCFA REFORM

I know AdvaMed has serious concerns with the Health Care Financing Administration. Particularly about what HCFA covers, and more importantly doesn't cover, under Medicare. Technology and innovation are often left out of the HCFA picture.

I think a main reason for this is lack of resources. The number of beneficiaries served by the agency has increased about 50% since 1978, while its staffing levels have remained constant. HCFA has also been busy implementing the myriad requirements of the Balanced Budget Act of 1997.

I support Congress increasing HCFA's resources. Let's help them run these critical programs Medicare, Medicaid and CHIP. This will help all parties involved -- doctors, patients and insurance companies.

TECHNOLOGICAL INNOVATION

Medical research and innovation are vital to our health and well-being. I want to promote an environment in the Senate that fosters medical innovation. That means providing our research institutions with the funds they need to continue their progress so that all of us can benefit.

I strongly support the National Institutes of Health. And would like to see the NIH budget doubled over the next 5 years.

Montana ranks third in the nation in the death rate for Chronic Obstructive Pulmonary Disease. And it

Adva Med Speech

has the highest rate of adolescent males using smokeless tobacco.

Heart disease is the leading cause of death in the state. And Montana has a cervical cancer incidence among American Indians 3 to 5 times higher than in non-Indians.

Cures and prevention tactics need to be found for these, and other diseases. That can only be done with adequate funding.

I also support ensuring that the "incubators" of medical innovation our nation's teaching hospitals-- receive fair funding. I strongly support clinical trials. The IOM came out last year with suggestions on furthering federal support, and I plan to closely monitor HCFA's efforts in this regard.

Private health insurance and managed care plans must be supportive as well and actually cover patient participation in clinical trials.

In short, technological sophistication means better access to care for Americans, regardless of where they live things like point-of-care testing; the ability to transmit clinical information to the doctor or hospital in real time without having to travel; getting consultations via telemedicine.

TAX AND TRADE IN SFC

As the Ranking Member of the Finance Committee, I'm also involved with trade issues and tax incentives for research.

I have long fought to break down trade barriers. Last year we were successful in extending PNTR to China. But much work remains.

Biotechnology and device companies have experienced great difficulty trying to do business in Japan. Japan often tries to cut payment to American technology companies instead of promoting more efficiencies in their system. Their relatively closed system has contributed mightily to its economic stagnation in the last decade.

MODERNIZING GOVERNMENT INSTITUTIONS

All of the tax breaks and trade deals will mean little if our own government doesn't fulfil its end of the bargain. Congress must keep a close watch on the institutions of government that have a direct impact on medical innovation and make sure they are responsive to its needs.

The machinery of government demands regular maintenance, repair, and, sometimes, overhauling. FDA and HCFA represent two important hurdles for innovators. Both need attention if they are to function properly.

FDA was modernized by Congress a few years ago to streamline it for its mission in the 21st Century. Product review times were improved and the bureaucracy became more attuned to technological

Adva Med Speech

developments. The FDA modernization bill helped the Agency work smarter to determine which new products are safe and effective and should be permitted in the American marketplace.

Over the years, Congress has had to do a number of "spot" fixes to keep the Medicare machinery going adding some preventive benefits, adjusting some payment levels, and fine-tuning regulations. I was involved directly in the overhaul done in the early 1980s. And, more recently, other prospective payment systems were launched through the BBA of 1997. I look forward to being deeply involved in further reform.

DIAGNOSTIC TESTING

Medicare needs modernizing. It is a 1960s-era program that needs to be overhauled for the 21st Century. There's a great deal of work ahead if we are to modernize the current Medicare fee-for-service system. For example, a recently-issued IOM report, mandated by the 1997 BBA, highlights the need to reform the way Medicare pays for diagnostic tests. The field of diagnostic testing is undergoing dramatic change. Advances such as genetics, continuous non-invasive monitoring, home-based testing and "gene-chip" diagnostics will enable detection of many diseases earlier when they are easier and less costly to treat.

In the face of rapid technological and health care market changes, the Institute of Medicine said "current Medicare payment policy for outpatient clinical laboratory services seems not only outdated, but also irrational." This finding is further supported by a study released in 2000 by the Lewin Group which reported that it can take Medicare 15-24 months to assign reimbursement codes for new diagnostic tests.

In its recent report, the IOM concluded that: "existing mechanisms for keeping payments up to date are inadequate"; "the current payment system lacks 'openness' and adequate procedures for stakeholder involvement"; and the program "is unnecessarily complex and inefficient, particularly in the way the system incorporates new technologies."

CONCLUSION

I support greater transparency at HCFA. Technology needs to be approved in a safe and efficient manner and fair reimbursement rates established.

I also look forward to working together with you to create true positive reform for Medicare. The job won't be easy. About ten years from now, the baby boomers will start to retire. And our ability to maintain a strong Medicare system will be tested.

But I believe we can succeed. As I said in the beginning, we have a chance to accomplish so many of our goals -- mainly because of the budget surplus.

Adva Med Speech

It's so exciting to be at the beginning of a decade and be in such a good position.

As long as we maintain our productivity and plan for the future, I believe we'll be looking back at the first decade of the 21st century with pride. We'll have provided a tax cut, modernized our Medicare system, accomplished unprecedented medical breakthroughs.

Through leadership and innovative ideas - in the Administration, in Congress, and also by people like you, -- who are leaders of your organization and your communities. I know we can, and will, accomplish our goals.

I look forward to continuing to work with you, to meet the challenges ahead. Thank you.