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## ABA (American Bar Association) Washington Healthcare Summit

Max S. Baucus

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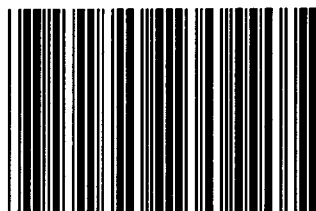
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**BAUCUS**

**STATEMENT OF SENATOR MAX BAUCUS  
ABA WASHINGTON HEALTHCARE SUMMIT  
December 6, 2004**

Thank you for the opportunity to speak to you today. And thank you, Linda Bauman, for that introduction.

It's encouraging to think about the depth of expertise in this room today. Your contributions to health policy and health law are significant. They are appreciated. And they are needed.

The U.S. health system is in trouble. The number of uninsured has increased by nearly five million since 2001 to a record-high of 45 million. That's nearly 16 percent of the population.

And while the employer-sponsored premiums increased by only 7.5 percent in 2004 – compared with double-digit increases for the previous four years – health care costs are still rising five times faster than the rate of inflation.

Families with health insurance are worried about keeping it. Businesses – both large and small – tell me that rising health care costs undermine U.S. competitiveness. And providers continue to seek legislative relief from high malpractice premiums.

Unfortunately, solutions to the problems we face often seem too complicated, too controversial, or both.

But as an optimist, I believe we are closer to finding solutions than most would have us believe. Moreover, the results from the last election show that we are a divided country, which suggests to me that we must work together to solve the challenges confronting us.

And so today, I will outline my vision for possible areas of compromise in the next Congress.

## Covering the Uninsured

Covering the uninsured is one of the most vexing health care challenges facing the U.S. There's a lot we don't know about the uninsured. But we do know that about 9 million of the 45 million are children.

And we know that nearly two-thirds of the non-elderly uninsured, or 30 million, are below 200 percent of poverty.

Ideally, we should provide universal coverage. We are the only industrialized country without it. And, notwithstanding the questions of fairness and equality upon which this country is based, our uninsured problem seems odd from the standpoint of global competitiveness.

While I would like to believe that my colleagues in Congress and the Administration will see the wisdom of universal access in 2005, I am also a realist. We're not going to cover everyone next year.

So we should focus on those who need it most: kids and those of modest means. Many of my colleagues agree.

Senator Kerry's campaign focused on children up to 300 percent of poverty, parents of eligible children up to 200 percent of poverty and adults under the poverty level who don't qualify for Medicaid.

And last July Senator Frist outlined a plan to cover all Americans with incomes below 200 percent of poverty, starting with low income uninsured parents and children who don't qualify for Medicaid or CHIP.

For his part, President Bush has continued to propose tax credits for low-income individuals and families.

If we can agree that covering the lowest income uninsured children and adults is a priority and a good first step, then I believe that we can also come to agreement on how best to provide health coverage.

Some believe public programs are the best way to cover the uninsured. Others advocate coverage through tax subsidies.

I believe we can find common ground on that question, too – just as we did for workers displaced by U.S. trade policy. Although, I should add that the experience we've

- Used leverage to get close to the end point
  - Do have Rx benefit
  - Abstract: what will happen?
- 

Talk to ppl on background before talk shows

5974

Clinton - axe to grind against  
GDP / wants 2008 non

- Nickles: MSB got everything  
↳ stubborn / pushed
- MSB: worked w/ Dems, kept  
them in the know w/ the  
conf. report
- Provisions he pushed for (4 key  
issues)
- Allowed E.S. to ask ?'s @ end
- Talk to more ppl
- Benefit, co-pay, deductibles  
↳ depend on how much  
is avail.
- Assets test better than current  
law
- Explained steps he took to keep  
Daschle & others in the loop.
- All the "Ds" that voted - "D + Jeffords"
- Easier to vote "No" than "yes" - can  
easier explain "No"

He made that  
very clear -  
emphasized it  
several times

---

He's going through  
the article graph  
by graph w/  
E.S.

# donut hole

- yes we have  
a donut hole

- but S. 1  
had donut  
hole



76 votes



Govt.  
Bargaining on  
behalf of  
seniors

- was in S. 1

↗

76 votes

generics

provision

will lower

costs for

Rx

## RURAL

- good fallback  
for Rx
- biggest rural  
package ever

FFS held  
harmless  
except

5% max  
premium  
increase

Secretary must  
certify safety.

# Premium Support

- 6 sites
- temporary
- Maximum 5%  
prem increase
- low-income  
protected