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Floor Statement of U.S. Senator Chuck Grassley of Iowa
Ranking Member of the Committee on Finance
Vote to Sustain the President's Veto of H.R.6331, the Medicare bill
Tuesday, July 15, 2008

Mr. President, it is a very unfortunate and disappointing set of circumstances that got us to the point we are in today. I want to make very clear where we stand on the physician fix. There is widespread Republican support to block the 10.6 percent reduction in physician fees and replace it with a 1.1 percent update. I introduced S. 3118 on June 11 with Senators McConnell and Kyl and others to do just that. In fact, the doctors would not be getting a 1.1 percent update in this bill if it had not been for Republicans who announced support for the higher update.

Mr. President, everything that I've been trying to do is to get to a bipartisan solution that would avoid a veto and avoid the pay cut from going into effect even for a short time. But the other side decided to play politics with this issue. They ran the clock right up to the deadline and then refused to agree to an extension to keep the cut from going into effect. They repeatedly objected to an extension even though the Senate had passed 28 extensions on other matters just during this session alone. And, to my absolute amazement, the Majority Leader said that Republicans had been given months to work out a Medicare bill so that was why no amendments would be allowed. The fact is that Republicans and Democrats had been working together for months until the Democratic leadership pulled the rug right out from under that effort.

Let's review the facts here. At the end of last year, we agreed to a short-term Medicare extension so that we could complete work on a bipartisan Medicare package this year. We were very close to a deal then and needed time to finish that work. Both sides agreed we would work quickly to get a bill that could be signed into law. Unfortunately, that effort has been intentionally derailed by the Majority's desire to play politics with Medicare.

The fact is that the Majority has twice walked away from good faith bipartisan negotiations. The fact is that we had been working for months before they pulled the plug. The fact is that we had actually completed that bipartisan deal two weeks ago. It was a deal that would get signed into law, not vetoed. But the other side thought they saw a political advantage and they've taken it. They scuttled that deal in favor of a bill that would get vetoed. So it's a bit on the laughable side to blame us for failed negotiations that they seem to have intentionally sabotaged.

Mr. President, the fact is that the other side is more than willing to play politics with this issue. I believe that has been the wrong approach. It was not the approach I took as Chairman of the Finance Committee. It was not the approach that Republicans took while we were in the Majority. Playing this kind of brinksmanship politics with Medicare and with people lives is not what we should be doing around here.

I also warned the White House early on in this debate that their position on private fee for service was not defensible. As Republicans, we should not support the idea of allowing private plans to use government-set payment rates. The basic premise of Medicare Advantage is that the private sector can do a better job than government in delivering health benefits to seniors. When we allow those private plans to force providers to accept the government rates, we undermine the philosophy behind the Medicare Advantage program. When we do that, we've conceded defeat up front.

Mr. President, the fact is that there are some serious problems with this bill. I think the bill has some significant flaws that need to be addressed. I'm going to be looking for opportunities to fix this bill and look forward to coming to the floor to do so.

As I've said before, I know the other side wants to argue that Republicans are only fighting this fight to protect Medicare Advantage plans. That's a good soundbite, but it's simply not true. I, for one, could live with some Medicare Advantage reforms. There would have been more than enough Republicans who would support more reforms, if the Democrats had been willing to make changes in other areas. So let's talk about some of the problems that would have been fixed if this had been a truly bipartisan process.

First and foremost, if this bill becomes law, it will do serious harm to the Medicare drug benefit that millions of seniors have come to depend on. It would tie the hands of the Medicare Part D plans resulting in higher drug prices and higher premiums on seniors. Medicare's Office of the Actuary concluded that it will raise Part D drug costs. And outside analysts have likewise concluded that this provision has the potential to undermine the long-term financial sustainability of the Medicare drug benefit.

This bill also includes entitlement expansions that are well-intentioned but ill-timed with the pending insolvency of the program.

Let's spend a moment on what a truly bipartisan bill would have looked like. A truly bipartisan bill would have included much-needed assistance for the so-called "tweener hospitals." This is something myself and Senator Harkin consider a high priority because of the tweener hospitals we have across Iowa. A truly bipartisan bill would have included hospital Value Based Purchasing in Medicare. A truly bipartisan bill would have included physician payment sunshine provisions that Senator Kohl and I have worked out together. A truly bipartisan bill wouldn't undermine the Medicare drug benefit and cause increased premiums on seniors.

Mr. President, the bill is riddled with problems and missed opportunities. But instead of writing a bipartisan bill, the Democrats twice walked away from the table and now here we are.

They scuttled a deal that could have become law right away.

I believe I have shown myself willing to join in bipartisan efforts to solve major issues. We have health care reform and more Medicare bills in the future. But this process has called into question whether the other side is willing to start and stick with a truly bipartisan effort. The process that has been followed on this bill has done a great disservice to the Senate. But more than that, it does a disservice to seniors, doctors and everyone who depends on Medicare. I would hope that the other side will not take us down this path again. Bipartisanship is more than lip service. It requires action and sometimes difficult choices. Compromise is not easy work. But if you want to tackle the big issues that are ahead of us, then it will require a better process than the one followed to produce this bill. To my colleagues today, that is the full story on this vote today. I yield the floor.