

United States Senate
Committee on Finance



Sen. Chuck Grassley · Iowa
Ranking Member

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MEMORANDUM

TO: Reporters and Editors
RE: Health care reform
DA: Wednesday, November 12, 2008

Senator Chuck Grassley, ranking member of the Committee on Finance, issued the comment below about the health care reform effort outlined today by Senator Max Baucus, committee chairman.

"The health care system has problems that need to be fixed. I look forward to working through proposals and figuring out how to pay for reforms that will make the system more accessible, efficient and higher quality for everyone. Rising health costs, record deficits and the growing liability of Social Security, Medicare and Medicaid create big challenges for the financing of health care reform. Dramatically expanding government spending and putting additional pressure on employers already struggling to create jobs would have repercussions that need to be carefully considered. It's not a time for rosy scenarios. In modern history (post-WWII), the deficit has never been above six percent of the economy. Right now, we already have a deficit of at least \$400 billion before the \$700 billion bailout and the economic downturn being factored in. Congressional leaders also want a \$300 billion economic stimulus package. We're heading toward a deficit that's 10 percent of the economy. So, paying for health care reform needs to be done in an intellectually honest way for the fiscal health of our country, and the broader the support for any health policy changes, the more durable and effective they will be."

Senator Grassley has been a leading senator on health policy, including his role as one of the chief architects of the 2003 Medicare modernization legislation that created the Medicare prescription drug benefit and his co-sponsorship and advocacy in 2007 for renewing the State Children's Health Insurance Program. He sponsored in 2005 the Medicare Value-Based Purchasing Act and was the lead Senate negotiator in 2005-2006 on the biggest reforms to the Medicaid program since it was created in 1965. Grassley-sponsored amendments to the 1986 update of the federal False Claims Act have become the government's most effective tool against health care fraud. Senator Grassley was an

active participant as a member of the Finance Committee in the 1993-1994 health care debate.