

Opening Statement, Senate Aging Committee Hearing, July 18, 2012
“Examining Medicare and Medicaid Coordination for Dual Eligibles”

Good Afternoon. Welcome to our witnesses, and to all of you here today. I commend Senator Corker for putting together and chairing this hearing on meeting the challenges of integrating care for beneficiaries who qualify for both Medicare and Medicaid.

These so-called “dual eligibles” tend to have chronic conditions that must be carefully managed, such as diabetes and heart disease. They need high-quality, consistent Medicare services, and many depend on Medicaid for long-term services and supports. Historically, the coordination of care for dual-eligible beneficiaries has been fragmented, and resulted in higher costs and poorer health outcomes. That is not acceptable. Not only have these people earned benefits that should protect them when they need it, but the high cost is not sustainable in this budget environment.

In our health care system today, dual eligibles are the most vulnerable of the vulnerable. The challenge for all of us is to figure out how to deliver care to them in a way that meets their needs but does not cost our health care system a fortune.

Today, at a cost of about \$300 billion, these 9 million dual eligibles account for a disproportionate amount of spending. They represent 16 percent of Medicare beneficiaries but consume 27 percent of program spending. In the Medicaid program, dual eligibles make up 15 percent of beneficiaries but account for 39 percent of total costs.

Fortunately, efforts are now underway to try to eliminate costly duplication of services. The new Federal Coordinated Health Care Office, or the Duals Office, at the Centers for Medicare and Medicaid Services is working with states to

implement sound strategies for testing expanded models of coordinated care that we hope will lower costs. While the national demonstration for dual eligibles is just beginning, we hope that this hearing will shed light on what gains we can expect to see as this national demonstration of unprecedented size and scope prepares to launch.

Some states, such as Arizona and New York, show great potential and we look forward to hearing about the successes of those models. We will also hear from Medicare-based plans, a national expert who understands the intricacies of the Medicare program, and from the PACE program, which has a long history of participating in both Medicare and Medicaid.

As we go forward, it is important to consider whether there is sufficient oversight in place for the national duals demonstration, which will include twenty-six states, including my home state of Wisconsin. Concerns have been raised as to whether beneficiaries will be able to choose the best form of care, and how, if they wish to make a change, they can switch from one plan to another or return to traditional Medicare. The issue of “passive enrollment,” or enrolling Medicare beneficiaries in a program without their consent, is a fundamental question of beneficiary choice, which we cannot simply sweep under the rug.

There are also important questions about what kind of data we can expect to see – on an ongoing basis – that will clearly show what quality of services are being delivered and the amount of actual cost savings that accrue from each and every participating provider and state.

We look forward to hearing from Ms. Bella and all of our witnesses.

I'd like to now turn to Sen. Corker, who will chair this hearing.