

**Transcript of Remarks by Chairman Kent Conrad (D-ND)
at Senate Budget Committee Hearing on Health Care and the Budget:
Options for Achieving Universal Health Coverage
September 11, 2007**

Opening Statement:

I would like to welcome everyone to the Budget Committee this morning as we discuss options for achieving universal health coverage.

I would like to particularly welcome our witnesses today: Dr. Henry Aaron, Senior Fellow at the Brookings Institution; Dr. Sherry Glied, Department Chair and Professor of Health Policy and Management at Columbia University's School of Public Health; and Janet Trautwein, Executive Vice President and CEO of the National Association of Health Underwriters. Welcome to all of you. The Committee is very appreciative of your helping us with the work of the Congress.

This is our fifth hearing this year specifically on health care and its impact on the budget. The fact is that rising health care costs – even more so than the coming retirement of the baby boom generation – represent the most significant threat to our nation's long-term fiscal security. Solutions should not be put off. The sooner we act, the better.

Part of the solution – I think we have a growing consensus – is that we need to have universal health coverage. Instead of getting needed preventative care, too many of the uninsured are ending up in the emergency room. I think all of us understand that is the most expensive place to extend treatment to them. Moving towards a universal system would make it easier to coordinate patient care and adopt new health care information technology and best practices.

Our health care system is simply not as efficient as it should be. The United States is spending far more on health expenditures as a percent of GDP than any other country in the Organization for Economic Co-operation and Development – those are the leading economies in the world. For example, the United States spent 15.3 percent of GDP on health expenditures in 2005, compared to 7.5 percent in a country like Ireland. We're spending even more than that today. I think the latest estimates are we are at 16 percent of gross domestic product – that is between one of every six and one of every seven dollars in this economy is going towards health care, far more than anyone else.

Despite this additional health care spending, health outcomes in the United States are no better than health outcomes in the other OECD countries. And the number of uninsured continues to grow. In fact, the number of uninsured increased by 2.2 million people in 2006 – to 47 million Americans without health insurance.

And the number of uninsured children increased by 600,000 in 2006 – to 8.7 million children without health care insurance.

We need to remember that the budget problem we face stems from the underlying rising cost of health care. Here is a quote from Government Accountability Office Comptroller General David Walker making exactly that point. He said, and I quote: “[F]ederal health spending trends should not be viewed in isolation from the health care system as a whole.... Rather, in order to address the long-term fiscal challenge, it will be necessary to find approaches that deal with health care cost growth in the overall health care system.”

Moving toward universal health care coverage should be part of the solution. Here is what former Treasury Secretary Robert Rubin and Hamilton Project Director Jason Furman wrote this summer: “[T]he problems of uninsurance and expensive or ineffective care are interrelated.... [I]t is impossible to address fully the problems of affordability and effectiveness without covering everyone. Much of the health care the uninsured do get is costly and inefficient, with the costs passed to others. Insuring everyone would not just eliminate these uncompensated cost shifts, it would also enable the health system to function better by expanding risk pooling and reducing the fragmentation of financing.” We could build a far more efficient and cost-effective system if we could cover those now uninsured.

There are really three basic options for achieving universal coverage. First, we could adopt a single-payer system, which some refer to as “Medicare for All.” Second, we could have an employer mandate. Or, we could have a mandate on every American to have health care insurance. Those are basically the three options, or we could have some hybrid approach; we could mix and match to achieve the goal of covering everyone.

But the reality we confront is that whatever option is chosen must have bipartisan support. These problems are too big to be tackled by one party alone. Former Treasury Secretary John Snow made this point earlier this year. He was quoted in the *Wall Street Journal* saying: “You can’t do health care reform or Social Security reform ... without a bipartisan consensus.... If we made a mistake, it was not approaching it in more of a bipartisan way.”

I think Secretary Snow got it right. I think it does require a bipartisan approach and the sooner we get down to it, the better.

Closing Statement

Let me thank this panel. I very much appreciate your taking the time to be here and to share your thoughts with the Committee. We are trying to provide some focus to this issue for our colleagues because of the critical impact on our federal budget. We all understand that this is an area that can swamp the boat. It is the 800 pound gorilla, and I think we just need a lot more communicating, a lot more thinking about how we proceed to build consensus.

With that I want to note that there will be a moment of silence on the Senate floor at 12 noon in memory of those who lost their lives and who were injured on 9/11. So with that we will declare the hearing adjourned, and again thank our witnesses.