

**Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
Achieving Health Reform's Ultimate Goal:
How Successful Health Systems Keep Costs Low and Quality High
September 30, 2009**

Good morning, and thank you all for being here. Obviously there's a lot happening on health reform. The debate is shifting and progressing every day, and we've been at this a long time. Today our committee will discuss one of health reform's most important goals, which is to get health care costs under control.

The United States spends \$7300 dollars per person, per year on health care, while the other 29 most-developed countries spend an average of just \$2900. That means we are spending nearly two-and-a-half times what they spend. It is unacceptable that we have so much more of our money tied up in health care when we are not delivering demonstrably better health care than many of these countries: studies show that the U.S. ranks below average on major health indicators, including infant mortality and life expectancy, when compared to the rest of the world, and we will hear more about this today.

Several of our witnesses will shed light on the ways in which other nations deliver high quality care at a cost much lower than we do in the United States. We must be willing to learn from the many examples of successful health care systems around the world that are doing it as well as or better than we are.

But it's also vital that we understand *why* our health care costs are higher. Our panel of witnesses will outline some of the reasons we pay more for physician services, prescription drugs, medical equipment, and hospital services. We also expect to learn about why our administrative costs are so much higher across the board. In 2004, the United States paid more than seven times the average of other developed countries in administrative costs.

Very importantly, we'll also hear today about the need to reconfigure our health care system in a way so that it prioritizes the quality of the care provided instead of the amount of care provided. In other words, value of care over volume of care. I support the provisions included in the Senate Finance Committee health reform bill that would transform the Medicare system to pay for value over volume, and I am hopeful that they remain in the final health reform bill.

But more must be done in order to get health care costs under control. With so many industries and special interests tied up in our health care system, reigning in health care costs is not an easy task. I urge my colleagues to be open to the

lessons we hope to learn today, and take them into account as we make tough decisions and carry health care reform through to the finish line. If we pass a piece of health reform legislation without sufficiently addressing the issue of health care spending, we will have failed.

Thank you all once again for your participation today. It is an honor and a pleasure to now turn to my new partner on this Committee, our Ranking Member, Senator Bob Corker.