

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
A Time for Solutions: Finding Consensus in the Medicare Reform Debate
October 12, 2011

| Good afternoon, and thank you all for being here.

This year, the debate in Washington has focused on our fiscal imbalance. No one questions the need to do more to get our federal budget under control. In addition to driving up the deficit, rising health care costs continue to drag down wages as potential increases are instead being spent on the increasing costs of health insurance and care. While last year's health care reform was a start, it hasn't done enough to address costs. We need to do more and look at every opportunity to get health care costs under control.

Today I will be sending specific policy recommendations to the Joint Select Committee on Deficit Reduction aimed at reducing the costs of health care without pushing those costs onto consumers or limiting access to care.

Several proposals to reduce drug costs were considered by this Committee during a hearing in July. One proposal would allow negotiation of drug prices in Medicare Part D. In Wisconsin we've already seen the tremendous savings that can be achieved through negotiation with a prescription drug program called SeniorCare. This program has been incredibly effective and popular. Other policies, such as eliminating back-door payments for keeping generic drugs off the market, have been considered by Congress for several years. These options could lead to significant reductions in government and consumer spending on health care.

We are also recommending to the Super Committee that drug manufacturers be required to provide Medicare Part B with the same rebates that Medicaid receives. The Department of Health and Human Services Office of Inspector General estimates that this policy would have saved Medicare at least \$2 billion last year and could reduce spending by well over \$24 billion over the next decade.

I hope the so-called Super Committee will consider these ideas carefully and incorporate them into their consensus deficit reduction plan.

Thank you all, once again, for being here today. In the long-standing tradition of operating as a bipartisan committee, today we will hold a hearing developed by the minority looking at opportunities to reduce health costs. Unfortunately I am unable to stay for the entire hearing so I will be leaving the gavel in the very capable hands of our Ranking Member, Senator Bob Corker. I know that Senator Corker is highly concerned about these issues, and that he is totally serious about finding solutions and common ground.