

Opening Statement of Chairman Bill Nelson

Senate Special Committee on Aging: “Strengthening Medicare for Today and the Future”

February 27, 2013

Many years ago, this committee was formed at a time when our nation was confronting the crisis of the uninsured elderly. At that time, the panel played a key role in the exploration of health insurance coverage for older Americans—ultimately resulting in the enactment of Medicare.

This is an incredible legacy, and one that I am proud to move forward as chairman.

Last week, in preparation for this hearing, I traveled to Gainesville and Tallahassee to hear from some of Florida’s foremost experts on issues affecting the elderly.

Today, Congress faces a budget crisis that once again puts the debate on exploding health costs—and by association the Medicare program—front and center.

But there is some good news here. According to the Congressional Budget Office, federal spending on Medicare has been significantly lower than predicted over the past three years.

Medicare spending in FY2012 grew by just 3%, to \$551 billion, according to CBO. That represents the slowest rate of growth since 2000.

While this is great progress, we all know financial challenges lie ahead. As more and more baby boomers retire and health care costs continue to rise, Medicare spending could reach \$1 trillion by 2023.

We’re making progress, but we know we can do better.

I believe this committee has a role to play in discussing options that will strengthen Medicare, reduce costs and improve upon the care seniors receive—without reducing benefits or shifting cost to consumers.

For example, care coordination has more to offer than just savings in dollars, it saves hours of time in a Medicare beneficiary’s life. Reducing hospital readmissions will not only save the Medicare program billions, it will save beneficiaries from potential infection and further out-of-pocket expense.

With that in mind, I look forward to hearing from our panel today on how we can better reimburse providers for prevention; engage consumers through price transparency in drugs, devices and medical services, and simplify administrative burdens that contribute to waste and fraud.

Now, I’ll turn it over to my colleague, Ranking Member Susan Collins for her opening statement.