

**Statement of Senator Larry Craig
Senate Special Committee on Aging
“Medicare Reform and Competition:
Separating Fact from Fiction”
May 6, 2003**

Good morning, and thank all of you for joining us. As Congress' Medicare discussion enters what may be its critical final weeks, we are here today to examine one of the central issues in that debate, namely proposals to offer seniors a new array of competing health plans offering prescription drugs and other benefits not currently available under Medicare.

These approaches, variations of which have been advanced by President Bush, Majority Leader Frist, and others on both sides of the aisle, would offer to all of America's seniors the same kind of first-class, high-quality health coverage now enjoyed by members of Congress and over 8 million other federal employees.

Today's hearing assembles several of the nation's foremost experts on this issue, including the administrator of the Federal Employees' Health Benefit Program (FEHB). There has been much confusion and indeed disinformation about the implications of adding a competitive dimension to Medicare. It is time to sit down and hear candidly from both sides, ask some hard questions, and get to the bottom of what this approach will mean in terms of access, quality, value, cost, and member satisfaction.

The Medicare program in place today is a creaky, inflexible, and increasingly unmanageable system that micromanages the tiniest details of medical payment and procedure – including the pricing and regulation of more than 7,000 medical procedures and over 500 hospital procedures.

Of course, traditional Medicare can and should remain as an option for those seniors who want to keep it, but I believe America's retirees also deserve access to the better benefits, the greater innovation, and the superior coordination of care that a competitive insurance environment offers. Members of Congress enjoy all of these advantages. Why not our parents and grandparents?

With that, let's get started. Thank you.