

Statement of Senator Larry Craig
Senate Special Committee on Aging
“The Medicare Challenge: It’s Not Just About
Prescription Drugs”
March 20, 2003

Good morning, and thank you all for joining us. Of course, first and foremost, our prayers today are with our brave men and women in uniform. Nevertheless, as I think they would agree, our work here, like theirs in the Persian Gulf, must go on.

Let me begin by stressing that prescription drug relief for seniors in need is critically important and I support it wholeheartedly. However, the lack of drug coverage is just one of Medicare’s several grave and urgent problems. It is our purpose here today to take a look at these other and deeper problems – not just prescription drugs.

Like it or not, the hard reality is that Medicare is very close to being fundamentally broken. As the Medicare Trustees reported just this week, Medicare costs, even without any drug benefit, will more than triple over the next 75 years, placing a tremendous burden on our children and grandchildren.

Moreover, and despite very impressive progress made by Tom Scully and his staff at CMS, Medicare remains clogged by rigid bureaucracy and complex regulations – regulations which are already beginning to drive doctors and other health care providers out of the program. And finally, the Medicare program today is plagued by an outdated, 1960s-style benefit design that neglects not only prescription drugs, but also key innovations that are now increasingly common in the private sector, such as chronic disease management and protection against catastrophic financial costs.

It is critically important that whatever Congress may do about prescription drugs this year, these steps can and must be accompanied by serious movement toward putting the Medicare program on a more secure footing as the coming Baby Boomer retirement wave looms ever closer.

Toward this end, I am pleased that President Bush, Senator Frist, Senator Breaux, and others have stepped forward with serious proposals aimed at doing just this. Especially attractive is the fact that seniors would be given the option of enrolling in a program similar to that currently enjoyed by members of Congress and other federal employees. Importantly, those seniors who are happy with their current coverage in traditional Medicare would be able to keep that coverage – and their choice of doctor – but with protection against high drug costs and special relief for those of modest income.

Of course, none of the plans before us today offer a silver bullet, and there will be very hard choices further down the road, no matter what Congress does this year – but I believe these approaches are solid first steps.

With that, please join me in welcoming CMS administrator Tom Scully and our new CBO director, Douglas Holtz-Eakin – two able leaders who will be central in the coming debate. Thank you.