

**Transcript of Opening Remarks by Senator Kent Conrad (D-ND)
at Senate Finance Committee Markup of Baucus Health Reform Plan
September 22, 2009**

Thank you Mr. Chairman. Thank you Mr. Grassley. In my 23 years in the Senate I have never seen any committee chairman dedicate himself as fully or as completely as you have to this effort, and I want to recognize you for that.

I also want to thank the other members of the group of six, three Democrats and three Republicans. Senator Grassley mentioned the other day that we met some 61 times and it was a good faith effort to try to reach agreement, and in many areas we did. And I think we made dramatic progress towards common ground.

The fact is that many things that Republicans wanted to see left out of this have been left out. There is no public option. There is no employer mandate.

There is tax reform to go after cadillac plans to reduce overutilization. There is clear language to prevent those who are here illegally from benefitting from these initiatives. There is also a clear directive to prevent federal funding from being used to fund abortion. There is also clear language to encourage medical malpractice reform in the states. And the Senator from Iowa is also correct that we didn't reach final closure on those key issues, although we did make enormous progress.

And some have said, well this effort was a waste of time. I don't believe that. I believe it produced a very credible package to deal with a circumstance that is absolutely unsustainable. We as a country face in health care an absolutely unsustainable future.

And I just want to use a few charts to illustrate.

In 2009, a family of four faced on average premiums of \$13,000. By 2019, according to all projections, the family of four will face premiums of \$22,400 – \$22,400 in premiums for a family of four by 2019.

And it is not just our families and businesses that face unsustainable increases in their premiums – it is the overall health care system. Currently, we spend one in every six dollars in this economy on health care. But if we stay on the current trend line, by 2050 we'll be spending one in every three dollars in this economy on health care, and clearly that is unsustainable.

And in the face of federal debt, it is soaring. Under the Congressional Budget Office's Long-Term Budget Outlook, we see that federal debt is expected to go to more than 400 percent of GDP by the 2050's on the current trend line. That is absolutely and totally unsustainable. Our country has never faced debt anywhere close to that amount. The highest we had was about 120 percent of GDP after World War II.

And health care costs are by far the largest unfunded liability of the United States. The unfunded liability in Medicare alone approaches \$38 trillion – that is the 75-year net present

value of the unfunded liability in Medicare – \$38 trillion. That compares to Social Security – some \$5 trillion in unfunded liabilities. So the unfunded liability of Medicare is seven times as great as the unfunded liability in Social Security.

At the same time we see the number of uninsured projected to continue rising from 46 million today to 54 million by 2019.

And even though the United States spends more than any other country in the world by far – about twice as much per person as any other industrialized country -- we're not getting any better results. We were ranked last among 19 industrialized countries in preventable deaths. The Commonwealth Fund looked at the rest of the world – industrialized countries, the United States -- and looked at those illnesses that were treatable, where you could prevent death, the United States ranked 19th out of 19.

We also see the United States having shorter than average life expectancies compared to other industrialized countries; and one of the highest rates of medical errors. And a key reason for that is that we have not adopted electronic medical doctors which most of the rest of the industrialized world has.

When we look at the Baucus plan and the key elements: it promotes choice and competition; reduces deficits and controls costs; expands coverage to 94 percent of the American people; and, improves the quality of care.

The initial CBO analysis shows that this will reduce the deficit by \$49 billion over the next 10 years. And over the next 10 years, it would bend the cost curve in the right way, unlike any other proposal before Congress. This proposal bends the cost curve in the right way by one-half of one percent of GDP over the second 10 years. That means \$1.3 trillion of savings. Let me repeat that. According to the Congressional Budget Office, in the second 10 years, this proposal would bend the cost curve in the right way by \$1.3 trillion.

Finally, there is no government-run health care in this proposal; no benefit cuts for seniors; no coverage for illegal immigrants; no death panels; no federal funding for abortion services. This is a mainstream proposal that moves in the right direction.

Let me just conclude for my progressive friends who believe that the only answer to getting costs under control and having universal coverage is by a government-run program. I urge my colleagues to read the book by T.R. Reid, "The Healing of America."

I had the chance to read it this weekend. He looks at the health care systems around the world. And what he found is in many countries they have universal coverage. They contain costs effectively. They have high quality outcomes, in fact higher than ours. They're not government-run systems in Germany, in Japan, in Switzerland, in France, in Belgium -- all of them contain costs, have universal coverage, have very high quality care and yet are not government-run systems.

So it is entirely possible to do the things that I think most of us want to do and not have

to have a government-run system. My own belief is that these other systems fit the culture of the United States more closely than does those who rely on government-run operations. So, it is there for us. We have an opportunity to do something extraordinarily important for this country. We need to seize the opportunity.

Mr. Chairman, you have given us a good start.