



For Immediate Release

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**Senator Gregg Introduces Much-Needed Legislation
to Address Medicare's Severe Funding Crisis**

Senator Judd Gregg, ranking member of the Senate Budget Committee, today introduced legislation that will help pull Medicare back from the brink of insolvency.

“As the Medicare Trustees have warned us twice, Medicare is in serious fiscal trouble,” said Senator Gregg. “It is the fiduciary responsible of Congress to correct this situation, to not pass along this crisis to our children and grandchildren. So clearly it is a high standard of responsibility, and one that we cannot ignore. I am hopeful that the majority party will recognize this, despite public statements dismissing this problem as ‘phony.’”

“Our children and grandchildren do not deserve to have their quality of life hampered by this burden of \$34 trillion in unfunded Medicare promises. I urge Congress to consider this reasonable proposal and for the Senate leadership to grant it a final vote as the House is required to do. We should not have to wait for any more warnings – the message is clear. Now is the time for Congress to take action on Medicare, and all unsustainable entitlement programs.”

Summary of the Medicare Legislation

The legislation offers three ways to begin to address unsustainable Medicare spending growth and to make our health care system more accessible to patients.

Title I – Health information technology and transparency

These provisions allow HHS to begin introducing proposals to improve health care outcomes and give consumers more information to evaluate the cost and quality of the health care they purchase. In time, these principles will reduce the growth in spending by increasing provider efficiency and helping beneficiaries to be more informed consumers. These proposals include:

- Incentives to encourage providers to utilize electronic medical records;
- Incentives to provide pricing information that allows consumers to compare costs;
- and

- Incentives to providers to provide better care and ways for consumers to compare the quality of care they receive.

Title II – Medical liability reform

This title provides for the national adoption of proven medical liability standards to increase patient access to medical care and make the system more fair, predictable and timely.

Specifically, this provision allows for unlimited patient recovery of economic damages such as doctor and hospital bills, lost wages, and other tangible losses; limits non-economic damages, such as pain and suffering to \$250,000, regardless of the number of health care providers involved.

The bill raises the burden of proof for the award of punitive damages so that the plaintiff must show “clear and convincing evidence” of either malicious intent to injure or deliberate failure to avoid unnecessary injury in order to recover. In addition, the bill limits total punitive damages to the greater of \$250,000 or 2 times the amount of economic damages awarded.

Title II also includes a variety of additional process reforms aimed at encouraging the speedy resolution of claims and maximizing patient recovery.

Title III - Medicare Part D premium subsidy

This provision reduces the federal subsidy of the Medicare Part D premium for well-to-do seniors earning more than \$82,000 (singles) and \$164,000 (couples).

This proposal was included in the President’s FY 2009 budget and saves \$3.2 billion over five years.

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