UNITED STATES SENATE
BUDGET COMMITTEE
RANKING MEMBER CHUCK GRASSLEY

Opening Statement by Senator Chuck Grassley of Iowa
Ranking Member, Senate Budget Committee
Hearing on "How Primary Care Improves Health Care Efficiency"
Wednesday, March 6, 2024

Mr. Chairman, thank you for holding today's hearing on strengthening primary care.

Americans spend more than 4.3 trillion dollars annually on health care. Our spending has more than tripled as a percentage of gross domestic product since 1960.

Growing health care costs don't just strain Americans' pocketbooks.

These costs also are a major driver of widening budget deficits and the federal government's unsustainable fiscal outlook. And it's clear that we're not getting our money's worth for all that spending.

Major health care program spending eats up 32 percent of federal revenue today, and it will be 45 percent [by] mid-century.

Our health care system has plenty of waste and inefficiencies that need fixing. Increasing transparency and competition, fighting fraud and getting rid of red tape are some key areas where we ought to find a bipartisan start.

We can also do a better job reducing clinical waste by focusing more on prevention and earlier intervention, reducing inappropriate care and also improving care coordination.

Having access to primary care is key to being able to do all of these things I mention. When patients have access to timely primary care they have better health outcomes and live longer.

We're blessed with millions of dedicated and qualified health care providers. These individuals care deeply about the quality of care that they provide.

I'm proud that Iowa is home to several great institutions that train primary care doctors, physician assistants, nurses, therapists and too many more to mention.

Rural primary care depends on a suite of providers – doctors, physician assistants and nurse practitioners, along with telehealth and other innovations to deliver timely care.

To make primary care more accessible and effective, we need to remove federal government barriers, lean on consumer choice and price transparency, and be outcomes-based.

Too often, Medicare's regulations and payment systems are overly burdensome for physicians.

Government-driven approaches haven't moved our health care system to be more outcomes-based.

The future of Medicare payments to providers and improving access to primary care lies outside of fee-for-service, so patients and taxpayers can get better value. The key questions are: how do we actually do that? Who's in control? And what can lower costs and, at the same time, improve health outcomes?

Last October, this committee held a hearing on reducing excess costs in health care. I'm glad that we took an accurate account of what's working and not working in reducing our nation's health care costs at that hearing.

The Congressional Budget Office has found the Center for Medicare and Medicaid Innovation – a program created to lower costs – has not lowered Medicare costs. That's not my judgement, that's CBO.

CBO told us what is lowering health care spending in Medicare is the Part D program. In the past decade, existing brand-name drugs lost their patent protection. As a result of new competition from generic drugs, patients are shifting to less expensive generic formulations.

This is in line with what we already know from CBO. In the first decade of Part D, it ended up costing taxpayers 36 percent less than projected by CBO – and that doesn't happen very often.

As then-chairman of the Senate Finance Committee, I was proud to author Medicare Part D.

Prescription drug costs are still too high. We need to reform the role of the very opaque middlemen, called pharmacy benefit managers, and we need to enact more competition in the drug market.

We know that market-based solutions are effective in lowering costs and improving care, as we've seen in Medicare Part D.

We should build on these policies. While seniors should get a choice between fee-for-service Medicare and Medicare Advantage, we know that Medicare Advantage is a growing choice for many seniors.

Medicare Advantage can be effective at promoting value in health care by directing resources to primary care and higher quality care.

As Medicare Advantage adds more patients and spends billions of dollars of taxpayer money, aggressive oversight is needed to root out fraud, waste and abuse. That's been a focus of mine for many years.

Finally, we can't talk about waste and inefficiencies in health care without discussing our country's fiscal situation.

According to CBO, the federal budget deficit in the fiscal year that most recently ended clocked in at about 2 trillion dollars. And future deficits are projected to be even larger. Growing health care spending is a major reason.

Health care spending can be made more efficient *without compromising* the quality of care or reducing access, especially in rural areas where access is a major problem.

I look forward to hearing from our witnesses and thank them for appearing, because this issue of more primary care is very necessary to be solved if we're going to reduce costs.

Thank you.

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