



UNITED STATES SENATE  
**BUDGET COMMITTEE**  
RANKING MEMBER CHUCK GRASSLEY

Opening Statement by Senator Chuck Grassley of Iowa  
Ranking Member, Senate Budget Committee

**“Reducing Paperwork, Cutting Costs: Alleviating Administrative Burdens in Health Care”**

Wednesday, May 8, 2024

Mr. Chairman, thank you for holding today’s hearing on reducing administrative burdens in health care.

Our country spends more than **4.5 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 health care costs also a major driver of widening budget deficits and the federal government’s unsustainable fiscal outlook. And we’re not getting our money’s worth for all of our spending.

Major health care program **spending** eats up 32 percent of federal revenue today, and it will be 44 percent by mid-century.

Our health care system has plenty of waste and inefficiencies, and these ought to be fixed.

As I’ve stated in our previous health care related **hearings**, we should begin by increasing transparency and competition, fighting fraud and cutting red tape.

Federal regulations are often too burdensome for physicians and health care providers. We should promote innovation and competition under Medicare and lessen the focus on central planning.

Since 2021, federal agencies have imposed over **90 regulations** on the health care industry, costing taxpayers and providers over \$100 billion.

These regulations create 10 million hours of paperwork – hours that could be better spent providing care to patients. This is the opposite of reducing the administrative burden.

I’m glad that the Centers for Medicare and Medicaid Services (CMS) recently took action to improve the timeliness of prior authorizations for seniors that are on Medicare Advantage plan. I hope this lessens the burden on providers and improves access for patients.

I support putting more sunshine on prior authorizations. CMS should be aggressively auditing Medicare Advantage prior authorization activities, so that we have a clear understanding [of] how patients, providers and taxpayers are impacted.

Some administrative functions serve an important purpose in preventing unnecessary health care spending.

The **Government Accountability Office** and **CMS** across multiple presidential administrations have agreed that transparent and efficient prior authorization plays an important role in combatting waste, fraud and abuse.

Cutting down on **\$103 billion** in improper payments to major health care programs would be an effective way to lower health care spending too.

I'm the author of major and more recent updates to the federal government's most powerful tool in fighting fraud, and that tool is the **False Claims Act**.

Since the enactment of these reforms, the federal government has recovered more than **\$75 billion** lost to fraud, and actually saved billions more by deterring would-be fraudsters.

In 2023, there was more than \$2.7 billion in False Claims Act settlements and judgments, with \$1.8 billion of it involving the health care industry.

Now, we all know that whistleblowers were responsible for helping recover nearly all of this money that's been recovered.

The Justice Department and CMS need to more aggressively go after health care waste, fraud and abuse.

We can reduce the administrative burdens in health care for providers and patients without compromising access to high-quality care.

We can get there by reducing regulations while maintaining guardrails to protect patient-centered safety and quality.

Through greater competition and transparency in our health care system, we'll help to bring down costs and lessen administrative burdens.

Health care spending can be made more efficient without compromising the quality of care or reducing access, especially in rural America.

I look forward to hearing from our witnesses today on ways we can reduce administrative burdens in health care for patients and providers while lowering taxpayer costs.

Finally, I want to comment on the recent Medicare Trustees report.

Medicare is part of America's social fabric and for decades it has provided seniors and those with disabilities access to routine and life-saving care at their local hospital, doctor's office and pharmacy.

For the eighth year in a row, the Trustees have issued a **Funding Warning**, because Medicare's outlays are expected to exceed its dedicated revenues by 45 percent.

Republicans want to preserve and strengthen this program for future generations.

The only way to make these critical programs sustainable is to follow the Ronald Reagan-Tip O'Neill model of 1983.

That means that Congress and the President working in a bipartisan fashion is what it takes to get the job done.

I'm proud to have led the effort in 2003 to modernize Medicare by establishing a prescription drug benefit.

In the first decade of Medicare Part D, the federal government spent **36 percent less than projected**, while improving access to prescription drugs for millions of seniors.

That effort required bipartisan cooperation from both chambers and presidential leadership and is a prime example of what we need to do to address Medicare's fiscal challenge.

Thank you.

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