



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

**Opening Statement by Senator Chuck Grassley of Iowa**  
**Ranking Member, Senate Budget Committee**  
**Hearing on “Improving Care, Lowering Costs: Achieving Health Care Efficiency”**  
**Wednesday, October 18, 2023**

[VIDEO](#)

[It's a] very important subject...improving health care and lowering costs. And thanks to all our witnesses for the extra time you've put in to educating Congress and preparing for this.

Health care might be one of the few markets in our economy where the consumer doesn't know the price before they buy it, and they rarely pay for it directly.

Yet, Americans spend more than [\\$4.3 trillion](#) 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. They also are key drivers of widening budget deficits and the federal government's unsustainable fiscal outlook. And it's not clear that we're 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 of revenue 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 to start with.

You should know what something costs before you buy it. That's common sense for any consumer. Transparency is what we need.

Until recently, we didn't apply sunshine to health care prices.

I'm glad [hospitals](#) and [health plans](#) are now required to report their pricing data. But I'm not sure that it's in consumer-friendly ways in which it's put out and may not be as effective as it was intended to be.

More transparency [should](#) also be applied to pharmacy benefit managers, very opaque middle people between the pharmaceutical industry and the consumer. I think this would to lower patient and taxpayer prescription drug costs.

Another way to lower health care costs is to ensure taxpayer dollars are being used wisely.

Last year alone, our federal major health care programs lost over [\\$130 billion](#) to what we refer to around here as fraud, waste and abuse.

I'm the author of major and more recent updates to the federal government's most powerful tool in fighting fraud, the [False Claims Act](#).

Since I got that adopted in 1986, we have seen the federal government has recover more than [\\$72 billion](#) lost to fraud and saved billions more by deterring would-be fraudsters.

We should also be reducing unnecessary red tape and administrative burden.

Between 1975 and 2010, the [number of physicians](#) grew 150 percent, while the number of health care administrators increased by 3,200 percent.

This administrative growth is driven by regulations, which takes more compliance time and financial resources away from patient care.

We need policies that promote the discovery of new cures and better treatments, not overly administrative price controls that stifle innovation.

I [worked](#) for five years to allow the sale of over-the-counter hearing aids with Senator Warren of Massachusetts.

Today, consumers can buy a pair of high-quality and safe hearing aids at [\\$3,000 less](#), compared to a year ago.

I also support improving value in our health care system, but we need to accurately account for what's working and what's not working.

Recently, the Congressional Budget Office (CBO) [found](#) that the Center for Medicare and Medicaid Innovation – a program created with the goal of lowering costs – did not lower Medicare costs.

Let me emphasize, that's not Chuck Grassley saying that -- the Congressional Budget Office has said that. CBO says the program increased federal spending.

I invited CBO to this hearing and look forward to learning more about their analysis today.

We should look to market-based solutions similar to Medicare Part D, which I also led the team on the Finance Committee to get adopted in 2003 because it lowers costs and improves care.

In the first decade of Part D, CBO [found](#) that this Part D program ended up costing taxpayers 36 percent less than projected.

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

According to CBO, the federal budget deficit in the fiscal year that just ended clocked in at about \$2 trillion. And future deficits are projected to be even higher, partly because of growing health care spending.

Health care spending can be made more efficient without compromising quality of care and reducing access, especially for rural America.

I hope we can build upon the ideas we hear today from this outstanding panel to address our country's fiscal challenges while also improving health care for Americans.

Thank you.

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