



# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

FOR IMMEDIATE RELEASE  
TUESDAY, MARCH 13, 1979

CONTACT: BOB WAITE, BILL KATS  
(202) 224-8953, -8947

## STATEMENT BY SENATOR BOB DOLE

### HEARINGS ON MEDICARE/MEDICAID REFORM

MARCH 13, 1979

The following is Sen. Dole's statement:

"Thank you, Mr. Chairman. I am pleased today to join you and the other members of the Subcommittee to hear testimony on the legislative proposals before us.

I would like to echo much of what Senator Talmadge has said regarding the rapid rise in health care expenditures. During the past ten years, the number of poor, disabled, and aged enrolled in governmental health programs have greatly increased. The costs of providing benefits for these people also continue to increase. Federal, state, and local governments are now facing serious budgetary problems because of the growing amount of health care services purchased by governmental programs and the rapidly increasing costs of those services; 12.5 percent of our federal taxes are now spent for health care. Increasing hospital costs present one of the most serious problems facing our economy.

I feel it is important to note that there has been an improvement in this situation during the past year due to the voluntary efforts of the health care industry to hold down their costs; but the government must also do its part by managing its programs in a cost-efficient manner.

During our debate on this subject last year, I supported the voluntary efforts of the health care industry to control costs. I continue to believe that we should avoid heavy-handed federal regulation whenever possible. I have watched with interest as the industry has devised its own guidelines, meeting its targets, the most recent one falling under 13 percent. However, I am still of the opinion that basic reform in Medicare and Medicaid are needed to create the incentives for cost control that will assist the industry and set us on a path of solving this long-term problem.

The bill, S.505, that Senator Talmadge and I have introduced, builds on our experience of the last two Congressional sessions. It has been improved by suggestions we have received and starts us on a road to long-term, sensible cost moderation policy. I am pleased to see that the Administration's bill, S.570, has incorporated some of the better aspects of the Medicare/Medicaid Reimbursement Reform Act of 1979 by comparing hospitals with like hospitals and making an effort to incorporate some type of incentives and disincentives based on efficiency. There remains, however, a basic philosophical difference between the two proposals. S.505 recognizes the destructive effect of mandatory and somewhat arbitrary controls on health care expenses while the Administration proposal continues to try to develop a larger, more comprehensive approach by creating a regulatory nightmare for which we would ultimately have to pay a greater price.

The reason we have not attempted to go as far or as fast as the Administration would like in reimbursement reform is a simple one. There are too many legitimate subjective factors and too many areas of imprecision in comparison and measurement for us to blithely ignore in the interest of speed. No one here would knowingly countenance excessive hospital costs or unjustifiable increases in those costs.

At the same time, there is a national interest in maintaining and nourishing a strong, viable hospital system that is capable of responding in a timely, professional and efficient fashion to the needs of more than 200 million Americans. We have the responsibility of determining whether what is proposed carries a greater risk of harm than good to the nation. That is not an easy matter.

There are those, frankly, who have a great deal more confidence and certainty about the workability and equity of mandatory hospital controls than I do.

-2-

My fear is that if they are wrong--and the bureaucracy has been known to be wrong--will we be able to repair the damage?

For example, the Administration's bill, S.570, has no termination date--no sunset provision. It's a life sentence without parole. Given the enormous latitude and non-specific discretion allowed HEW under S.570, can we even attempt to guess what the future holds?

I would hope that in addition to comments on the hospital reimbursement provision contained in the Talmadge/Dole bill, we would also hear suggestions and comments of some of the other 36 sections of our bill. We have an excellent opportunity with this bill to correct some of the present defects in our Medicare/Medicaid system.

With this in mind, Mr. Chairman, I join you in welcoming the witnesses who are with us today and those we will hear from tomorrow. I feel that no provision of S.505 is written in concrete, and I would hope for a similar flexibility in the Administration's proposal. I am particularly interested in hearing Mr. Califano's remarks regarding all aspects of S.505 in addition to the Administration's proposal, and look forward to hearing Mr. Kahn's remarks regarding increasing governmental regulation.

--30--