

STATEMENT OF SENATOR CHARLES E. GRASSLEY

"Choosing a health plan: Providing Medicare beneficiaries with the right tools"

May 6, 1998

I would like to welcome my colleagues and the witnesses here today to this very important hearing. This is actually the second hearing the Senate Special Committee on Aging has had on this topic since I have become chairman. We held a similar hearing last April prior to the passage of the Balanced Budget Act (BBA), which led to Senator Breaux and myself introducing legislation regarding Medicare consumer information, "*The Medicare Beneficiary Information Act*" (S. 789). Many of our provisions were included in the BBA.

We are holding this hearing today to examine implementation of our information requirements enacted in the BBA to make sure Medicare beneficiaries will be provided with useful information this fall and in the years to come. Health insurance is complicated and confusing enough without all the new Medicare choices seniors will be given. Congress has an important oversight role and a responsibility to make sure we are providing Medicare beneficiaries with information that is objective and easy to understand. I feel particularly responsible for ensuring our seniors are able to navigate the Medicare system as chairman of this committee, as a member of the Finance Committee - the committee that oversees Medicare legislation, and as co-author of the consumer information requirements we just signed into law.

This afternoon's hearing is going to provide members with information on where the Health Care Financing Administration (HCFA) is in the process of the information campaign; what they intend to provide beneficiaries with this fall; and recommendations on ways to present this material and other resources to seniors. The hearing will also provide a forum for HCFA to demonstrate how they intend to use the \$95 million appropriated this year for the first educational campaign, and how they will use resources Congress appropriates in the future.

I want to point out to my colleagues here today the importance of providing HCFA and intermediaries such as the insurance counseling assistance program with adequate resources to educate Medicare beneficiaries. The success of the Medicare PlusChoice program, and future reforms of this program -like the ones Senators Breaux and Mack have proposed through an FEHBP style program- is resting upon seniors' ability to understand the program and what their choices are. We have to put our money where our mouth is and information has a price tag to it.

That is why Senator Breaux, Senator Glenn, and myself recently sent a letter to the Appropriations Committee asking for full funding authorized under BBA for HCFA to use for the information campaign and the toll-free phone number, and funding for the insurance counseling assistance program, one of the intermediaries seniors call when looking for information or answers to their questions. I would like to submit for the hearing record a letter of support from the National Association of Insurance Commissioners for our appropriations request to provide the insurance counseling assistance programs with funding.

You get what you pay for. If Congress provides inadequate funding, we will create more confusion. We will not have the resources needed to deal with all the questions seniors will have. They will blame us, their representatives, for their confusion, and we could have a backlash like we did a few years ago when we passed catastrophic coverage.

My hope is that this hearing will provide HCFA and Congress with recommendations on ways to avoid

problems before they occur and to anticipate the information needs of Medicare beneficiaries to the best of our ability. With that in mind, I look forward to hearing testimony from our distinguished witnesses this afternoon.