



UNITED STATES SENATOR  
**SUSAN M. COLLINS**

PRESS RELEASE



**STATEMENT OF SENATOR SUSAN COLLINS  
U.S. SENATE SPECIAL COMMITTEE ON AGING**

***“STRENGTHENING MEDICARE FOR TODAY AND THE FUTURE”***  
**FEBRUARY 27, 2013**

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MR. CHAIRMAN, I am delighted to work with you and to welcome all of our members. Florida has the highest percentage of Americans aged 65 or older, but Maine is actually the “oldest” state in the nation if you measure by median age. It is therefore entirely appropriate that you and I are the new Chairman and Ranking Member of the Senate Special Committee on Aging.

Throughout its history, this Committee has spurred Congress to action through hearings, investigations, and reports. I look forward to forging a strong partnership as we work together to shine a spotlight on issues of vital importance to older Americans such as health care, retirement security, long-term care, elder fraud and abuse, and research on diseases like Alzheimer’s and diabetes that take a devastating toll on older Americans and their families.

This is the first time that a Mainer has held a leadership role on this Committee since the 1990s when my predecessor and good friend, Senator Bill Cohen, served first as Ranking Member and then as Chairman. I look forward to following in his formidable footsteps.

MR. CHAIRMAN, Medicare is a critically important program that provides essential health coverage for more than 50 million of our nation’s seniors and disabled citizens. It is therefore appropriate that the Committee’s first hearing of the 113<sup>th</sup> Congress will focus on ways to strengthen and sustain Medicare into the future.

Medicare has made an invaluable contribution to the lives of more than 130 million older Americans and individuals with disabilities since its creation in 1965. Prior to Medicare, more than half of all Americans over age 65 were uninsured and nearly a third lived in poverty. Today, virtually all seniors have access to health care coverage through Medicare, and the official poverty rate among seniors is less than nine percent. Medicare has provided both health and economic security to our nation’s seniors for almost 50 years, and, by any measure, the program has been a great success.

It is, however, time for our country to have a serious debate about how to secure the future of Medicare. This is particularly true in light of the most recent Medicare trustees report projecting that the Part A trust fund will be exhausted in just 11 years and unable to pay benefits in full or on time.

Rapid increases in health care spending coupled with the demographics associated with an aging baby boom population pose serious challenges to Medicare in the 21<sup>st</sup> Century. The number of people eligible for Medicare is projected to increase sharply from a little more than 50 million today to nearly 90 million in 2040. The retirement of the baby boom generation not only means millions more Americans on Medicare, but also fewer workers paying into the Medicare trust fund. This combination is the health care equivalent of the perfect storm. We therefore face a major challenge as we look for ways to slow Medicare spending growth while continuing to provide quality health care for an aging population.

I am also mindful of the mounting deficits and towering national debt our country has accumulated and its impact on our seniors and indeed all Americans. Today, Medicare accounts for about 15 percent of total federal spending, a percentage that is certain to increase as our population ages and health care costs continue to climb. It is therefore inevitable that the program be part of ongoing discussions over how to reduce federal deficits and the national debt. The importance of Medicare and the magnitude of the fiscal challenges we face as a nation underscore how important it is that we reach a bipartisan consensus on a way forward.

I have opposed past efforts to restructure Medicare in a way that could be harmful to the 50 million American seniors and disabled individuals who rely on the program. I believe, however, that there are changes that could be made without jeopardizing access to affordable, quality health care for our nation's seniors.

The real key to getting Medicare costs under control is to get health care costs under control. Today, the United States spends 18 percent of its gross domestic product on health care, more than any other industrialized country. Yet we lag behind other nations on many measures of quality.

In health care, quantity does not always equal quality, and clearly there is more that we can do to reward value rather than volume and quality rather than quantity. Today's hearing will discuss some of the options for delivery system reforms that have the potential not just to slow the growth in health care spending, but also to improve health care quality.

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