



## **HHS Secretary Kathleen Sebelius' First Appearance to Congress**

Washington, DC (May 6, 2009) – The Committee on Ways and Means welcomed the Honorable Kathleen Sebelius to a hearing on Health Reform in the 21<sup>st</sup> Century. It marked Sebelius' first hearing as Secretary of Health and Human Services, and an important first step in developing dialogue between the Obama Administration and Congress. The Committee on Ways and Means oversees Economic Security and the Federal Budget, Tax Issues, Trade, and Priorities of the Department of Health and Human Services Department. Secretary Sebelius has been a leader in health care issues for over a decade. Prior to being sworn in as Secretary of HHS, Sebelius served as Governor of Kansas, and before that, served as the Kansas State Insurance Commissioner.

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### Testimony:

- Secretary Sebelius shares President Obama's conviction that health care reform cannot wait.
- Resources for the implementation of HIT need to be there.
- Americans should have their choice of doctors and health plans. If someone is content with their current doctor and or health plan, they should not be forced to change.

Following her testimony, Sebelius fielded questions from every committee member. The general themes of these questions were: the necessity and timeline for health care reform, insurance reform and a public/government plan, the role of healthcare IT, workforce planning, , and specific health care programs.

### The Necessity and Timeline for Health Care Reform:

- Why is it essential that we act this year?
  - The current situation is unaffordable and unsustainable.
  - We cannot compete with our world competitors.
  - 50 million Americans have no access to healthcare.
  - We have to shift our focus to prevention and wellness.
  - Healthcare reform is part of the economy.

### Insurance Reform and a Public/Government Plan:

- There has been lots of controversy over the concept of a Public/Government insurance plan. Why is a Public/Government insurance plan so important for providing quality care?
  - Having private and public plans will create competition. Competition is a healthy component of any market situation. It will foster innovation, the use of best practices, and will lower the cost.
  - What we are actually talking about is a Healthcare Information Exchange.
  - The design needs to “level the playing field” between private and public plans.
  
- What are your views on eliminating or capping tax exclusions for employer-sponsored healthcare?
  - Doing this could de-stabilize the private market, leaving more American uninsured.
  - Healthcare reform has to include Congress in a meaningful way.
  
- Is the Administration purely wedded to a public/Government plan option?
  - The Administration is committed to working with Congress, and will consider all legitimate options brought to the table.
  
- A public plan, value-based incentives, and pay-per-use plans are all options. Should we pick just one?
  - Healthcare is currently being rationalized.
  - Picking one plan is not the solution.

#### Healthcare IT:

- What is going to be done about fraud, waste, and abuse?
  - Shifting medical records from paper to the computer does nothing unless all of the computers can talk to each other. Interoperability standards will be addressed by Dr. Blumenthal.
  
- What is being done to address the current cost-curve of healthcare, and affordability for small businesses?
  - Comparative effectiveness and best practices are important. We need to highlight what we know works, so that we have a strategy.
  
- How would another Government-run program help accessibility in rural areas and for veterans?
  - This is a workforce issue.
  - Telemedicine would help address this.

#### Workforce Planning:

- There is a lack of primary care physicians. What does this mean?

- The greater the number of specialists an area has does not equal better healthcare.
  - We need a permanent commission that looks at workforce planning. \$500 million from the ARRA is going toward workforce initiatives.
  - As we shift to a prevention and wellness system, we will need more primary care physicians.
  - One option is to shift payment incentives to primary care physicians without deterring specialists.
- People overuse something when they believe that someone else is paying for it. Who is going to treat all of these people?
    - There is a shortage of nurses and primary care physicians. A permanent workforce commission will address this problem.

#### Specific Health Care Programs:

- How are you going to address childhood obesity?
  - Expansion of CHIP, expansion of prevention and wellness message, working with schools to educate children, etc.
- There are problems with the way we reimburse physicians under Medicare? Are you going to address this?
  - Cuts in reimbursement are not ok. We do not want to be pushing providers out.
- Ohio has a Medicare Advantage program that is very popular there. How do you see it playing out in a healthcare reform plan?
  - Any reform will not interfere with any program that people are happy with.
- Will we see increases in community centers?
  - There are funds from the ARRA to double the number of community centers.

Also announced by Secretary Sebelius was the release of two reports from AHRQ that day. AHRQ's [National Healthcare Quality Report](#) and [National Healthcare Disparities Report](#) highlight the urgency for comprehensive health care reform. The reports show:

- 4 out of 10 patients in America don't receive the recommended care.
- There has been a decline in patient safety
- There has been an increase in healthcare associated infections
  - These cases result in \$20 billion in additional healthcare cost