

The Honorable Frank Pallone, Jr.
House Energy and Commerce Subcommittee on Health Hearing

**“Dual-Eligibles: Understanding This Vulnerable Population and How to
Improve Their Care”**

Opening Statement

June 21, 2011

Thank you, M. Chairman. I really welcome today’s hearing on a critical issue – the coordinating and improving of health care of those dually eligible for Medicare and Medicaid programs, otherwise known as “dual-eligibles.” I appreciate my colleague for working with us in preparing this hearing and I look forward to our discussion. This is an area of our health care system that I think has potential for effective change.

The reality is that dual-eligibles are a vulnerable population. Their care is both costly and frequently uncoordinated, which is resulting in poor outcomes. In total, there are 9.2 million Americans who rely on both

Medicare and Medicaid. Meanwhile, they are significantly poorer and tend to have extensive health care needs. Overall, they are also more likely to suffer from chronic conditions such as heart disease, pulmonary disease, diabetes and Alzheimer' disease. As such, their care is complicated and too often they are not receiving the patient-centered care they need and deserve.

In addition, dual-eligibles represent less than 20-percent of the Medicare and Medicaid programs but bear the responsibility for a significant amount of the programs' expenses. In fact, in 2007, they comprised only 15-percent of enrollees but represented 39-percent of Medicaid spending and their medical costs were more than six times higher than non-disabled adults in Medicaid. Meanwhile, in Medicare they represented 16-percent of enrollees and 27-percent of expenditures. Compared to all other Medicare enrollees, the health costs are nearly five times as great.

These are powerful numbers that demonstrate if we can improve care coordination and make life better for these individuals, there is also an opportunity for savings. That is why, in passing the Affordable Care Act, we created the Federal Coordinated Health Care Office at the Department of Health and Human Services – otherwise known as the Medicare-Medicaid Coordination Office. Its mission is to gain some much-needed efficiency within the system for this group of beneficiaries.

So, I must admit, the timing of the Coordinated Office, as well as today's hearing couldn't be better. Congress and this Committee are increasingly concerned about the rising cost of Medicare health care coverage for the 45 million elderly and disabled Americans and Medicaid's 55 million poor patients. So what better place to explore, understand and address than the sickest and most expensive populations to cover. But we mustn't set a price tag on their care nor should we shape policy with the goal of only saving money.

It's clear we have some real big challenges, yet some real big opportunities in providing care to dual-eligibles. So, I look forward to hearing from our expert panel today. I'd specifically like to welcome Ms. Melanie Bella, the head of the new Coordinated Office. I know you have a long history of aiming to restructure the services of dual-eligibles, so I look forward to hearing about your innovative work.

I also look forward to hearing about the successful efforts represented here today. I hope that we will hear about some new ways Congress can be helpful in addressing what has been a long-standing problem facing our health care system

Thank you.