

MEMORANDUM

To: Reporters and Editors
From: Scott Mulhauser and Erin Shields for Senate Finance Committee Chairman
Max Baucus (D-Mont.)
Re: Baucus Applauds New Report on Health Care Innovations

Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the release of the [initial report](#) from the Medicaid and CHIP Payment and Access Commission, or MACPAC. This panel of health care experts will provide ongoing study of Medicaid and the Children's Health Insurance Program (CHIP) and look for areas in which the programs can be improved. MACPAC will issue two reports annually with specific suggested changes Congress could make to payment and administrative policies that would improve the quality of care and reduce costs. From Chairman Baucus:

“Health reform went a long way toward making federal health care programs more efficient, which improves quality and lowers costs. This new panel of experts will continue that progress and will keep these programs headed in the right direction. Moving forward, these experts will help Congress ensure we continue spending health care dollars wisely as we improve the quality of care for Medicaid and CHIP beneficiaries. We can make our programs more effective and simultaneously improve care, and this Commission is helping us do just that.”

With its annual reports to Congress, MACPAC will be able to suggest adjustments to Medicaid and CHIP that improve the quality of and access to care. Recent history has illustrated that changes in federal health care programs can save federal dollars and improve health outcomes, and this new panel will continue to advance those achievements.

For example, a total of 66 percent of Medicaid costs are spent on only 28 percent of beneficiaries, many of them in expensive institutions like nursing homes. Shifting care from nursing homes and creating more home and community-based care options for patients has improved health outcomes for patients while reducing some states' Medicaid costs. States found they could spend less, offer equally effective care and maintain a higher quality of life for beneficiaries. MACPAC's annual reports will make recommendations for similar cost savings and improvements to care.

MACPAC's [inaugural report](#), released today, provides data detailing how Medicaid and CHIP operate and how they fit into the larger context of the health care system. It also outlines how MACPAC will address key policy elements in future reports. MACPAC was created in 2009 by the Children's Health Insurance Program Reauthorization Act and expanded and funded through the new health reform law, the Affordable Care Act of 2010 (ACA).

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