

Opening Statement of Ranking Member Mark DeSaulnier (CA-10)

Subcommittee on Health, Employment, Labor, and Pensions Hearing

"Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation"

2175 Rayburn House Office Building

Thursday, January 11, 2024 | 10:15 a.m.

Thank you, Mr. Chairman, and welcome back everyone to this Committee and the Congress, hope you had a wonderful holiday break Mr. Chairman, and everyone.

While I am interested in hearing from the witnesses today about the work that some employers are doing to foster innovation, as I have often said, I'm agnostic in some regards to health care; well, many regards as a consumer, unfortunately of health care in the last few years as a survivor of cancer and four weeks on a ventilator.

And I see the inefficiencies in our current system personally and professionally.

I also think that when you look around the world, holding Walmart up, Mr. Chairman, with all due respect, as a sort of a model, I can't disagree with more. What a paradise on Earth – we all could be Walmart employees, as a former small business owner who had to deal with them.

There is a mixed market and, the rest of the industrialized world either has like the British, a full public system of health care or mixed like the Japanese and the Germans. So, if we could show some place that actually works with a complete free market, I'd be interested in seeing how that works, and perhaps somebody could enlighten me today to that model.

14 years ago, President Obama signed into law the Affordable Care Act (ACA), an innovative – that seems to be the word of the day – piece of legislation that has reduced the uninsured rate to the lowest level in American history.

Before the ACA, by law, insurers could deny people health coverage because of pre-existing conditions, including pregnancy, substance use disorder, and even cancer. Insurers could also charge a woman more than men for health insurance.

What was once considered an out-of-reach privilege for many Americans has turned into more than 20 million consumers projected to sign up for coverage during this year's Open Enrollment period, a dramatic increase over last year's record of enrollment.

Congressional Democrats and the Biden-Harris Administration continue to build on the ACA and have made historic strides toward patching remaining loopholes in our health care system and expanding high-quality health care coverage for Americans.

Quality insurance for health is very important, not just cost.

In 2021, Congressional Democrats passed the American Rescue Plan, which enhanced the ACA tax credits to lower monthly costs for low-income individuals and eliminated the subsidy “cliff” so that more low- and moderate-income individuals could get coverage.

In 2022, Congressional Democrats passed the *Inflation Reduction Act*. This historic legislation extended the premium tax credit enhancements, capped the cost of insulin for people with Medicare, and—for the first time—directed the federal government to negotiate lower prices for prescription drugs covered by Medicare.

Democrats have demonstrated that innovation—there goes that word again—provides relief to workers and families from the burden of excessive health-care costs.

Unfortunately, many of the bills proposed by my friends on the other side during the current Congress would undermine, in my estimation, affordability and quality of care and ultimately make it harder to access quality coverage.

For example, expanding Association Health Plans might provide lower premiums for *some* enrollees—but it would increase costs for other consumers in the traditional insurance market while adding nothing to address the underlying price of health care. That is a bad deal for American workers and for small businesses.

The idea for scale for small businesses is one that I would appreciate exploring more, but the devil is in the details.

And I have heard many of my colleagues call to repeal the Drug Price Negotiation Program outlined in the *Inflation Reduction Act*. Repealing this program would reverse the hundreds of dollars in savings on out-of-pocket costs that those on Medicare have benefitted from.

Similarly, I am concerned that everyday Americans are increasingly being pushed to adopt unregulated, low-quality “junk” health care plans. These plans often discriminate against people with pre-existing conditions—like myself—do not cover essential health benefits and raise costs throughout the health care system.

Instead of encouraging counterintuitive policies, we should work together in good faith, recognize our differences in approach to focus on expanding quality health coverage for all Americans—workers, families, employers, and their employees.

Together, we can strengthen the *Affordable Care Act* to expand access to quality health care by lowering prescription drug costs for all Americans.

Last July, House Democrats introduced the *Lowering Drug Costs for American Families Act* to rein in pharmaceutical price gouging and reduce prescription costs for Americans with private health insurance, including those covered by employer-sponsored health plans.

It’s also worth noting that similar legislation passed by House Democrats during the 116th and 117th Congress would have slashed premiums and cost-sharing for privately insured individuals by as much as \$53.8 billion, save American businesses \$43.1 billion, and raise workers’ wages by \$116 billion. In short, when employers save more, employees take home more.

This is good for everyone, including the American economy as they have more disposable income to spend. This is the innovation we should strive for. With that, I want to thank you, again, thank the witnesses, and I look forward to the discussion.