



Opening Statement

COMMITTEE ON EDUCATION & LABOR

EDLABOR.HOUSE.GOV

The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairman Robert C. "Bobby" Scott (VA-03)

House Committee on Education and Labor Full Committee Markup

H.R. 1010: To provide that the rule entitled "Short-Term, Limited Duration Insurance" shall have no force or effect.

2175 Rayburn House Office Building

Tuesday, April 9, 2019 | 10:00 a.m.

Today, we are here for a legislative markup of H.R. 1010. This bill will shield Americans from higher health care costs and strengthen patient protections by halting the expansion of short-term health plans.

I would like to thank Congressman DeSaulnier and Congresswoman Underwood for their leadership as original cosponsors of this bill that would stem the proliferation of low-quality health plans and ensure that we have access to protect access to affordable, quality care.

On October 12th, 2017, President Trump signed an Executive Order calling for the expansion of health care plans that do not provide the basic consumer protections required under the Affordable Care Act.

Less than a year later, the Departments of Health and Human Services, Labor, and the Treasury jointly published a final rule extending the allowable duration of short-term, limited-duration insurance plans from three months to up to a year, with plans renewable for up to three years.

Increasing the use of short-term health plans will have harmful consequences for all Americans.

Short-term health plans – often referred to as junk plans – leave consumers without the ACA protections we now take for granted. These plans:

- Can deny consumers coverage or charge them more based on their age, gender, or health status.
- Provide no guarantee of coverage for essential benefits, such as maternity care, mental health, prescription drug coverage, and preventive services.
- Are not subject to the out-of-pocket limits that protect consumers from high health care costs, and
- Are not subject to rules that ensure premiums go mostly toward actual health care expenses, not advertising and executive bonuses.

These plans often provide no protections for patients with preexisting conditions. Short-term plans can retroactively rescind or deny coverage for care that may stem from a preexisting condition. One plan even defined a preexisting condition as a prior condition that would, "cause a reasonable person to seek diagnosis, care, or treatment," even if that person had not previously sought medical care for that condition.

In many cases, consumers purchasing short-term plans are not even aware of these risks because the Trump Administration is allowing short-term plans to be sold alongside plans that comply with federal consumer protections.

A recent survey shows that most consumers increasingly expect their health insurance to automatically reflect the ACA's consumer protections. They only discover the fine print when they are hit with unexpected and unaffordable health care expenses.

Worse yet, the consequences of these plans are not limited to only those who purchase them.

Junk short-term plans lure relatively young and healthy people away from the general insurance pool. This makes premiums more expensive for the majority of Americans who need the strong protections and comprehensive coverage provided by ACA plans.

Then, when consumers using junk plans get sick and find that their coverage is inadequate, they are forced to go back into the general insurance pool, further driving up costs for everyone else.

The simple reality of health insurance – which Republican health care proposals continue to ignore – is that you cannot have strong consumer protections and affordable costs without requiring universal, comprehensive coverage.

Congress must protect all Americans' access to affordable care by rejecting these attempts to undermine the ACA and threaten the coverage that people with preexisting conditions need.

During our first hearing in this Congress, witnesses revealed how short-term plans threaten the health care coverage of workers with preexisting conditions and our health care system overall. We have also heard from the more than 300 patient and consumer advocates, physician and provider organizations, and other stakeholders, who voiced their opposition to expanding these junk plans.

Short-term health care plans are a remnant of our old health care system before Congress passed the ACA. They are a reminder of a time when federal law allowed insurers to deny people coverage, put annual or lifetime caps of health care coverage, charge unaffordable premiums, and then spend a large share of those premiums rewarding executives.

That is why we are considering H.R. 1010 today. This bill nullifies the Administration's rule expanding the allowable duration of short-term health plans.

It would prevent short-term plans from undermining consumer protections and increasing health care premiums for millions of Americans.

The legislation before us today will ensure that we do not go back, and that all Americans—with or without preexisting conditions—have access to affordable, quality care they need to live healthy and fulfilling lives.

Our colleagues in the Energy and Commerce Committee have already acted to pass a number of bills that will undo some of the sabotage that is threatening consumers, particularly those with preexisting conditions. Today, this Committee will do the same. I strongly encourage all Members of the Committee to support H.R. 1010 and I now yield to the Ranking Member, Dr. Foxx.