

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

Subcommittee on Health, Employment, Labor, and Pensions Hearing

*"Direct Contracting: A Prescription for Lower Health Care Costs"*

2175 Rayburn House Office Building

Wednesday, July 1, 2026 | 10:15 a.m.

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Thank you, Mr. Chairman, and I want to thank all the witnesses for being here today.

In the wealthiest country in the world, Americans are still forced to choose between filling a prescription and paying their rent or putting food on the table. Despite our differences across the aisle—and as the Chairman and I are both former small business owners who spent a lot of time at night trying to figure out our profit-loss statements—we agree that the American health care system is broken. And we need to work on it to fix it with a sense of urgency, as people are struggling to pay their health care costs and struggling to keep loved ones alive.

To put this into perspective of numbers, Americans' per capita health care spending has risen to nearly \$15,000, approximately double the amount spent in other developed countries. One third of all Americans, insured or not, [reported](#) having to sacrifice daily necessities to pay for health care in 2025. And [66 percent](#) of Americans who file for bankruptcy cite health care costs as the primary reason.

This is an acute crisis. I worry that the focus of this hearing is inadequate (although important for this, and an important thing to consider) but it is inadequate to really deal with the urgency and the challenges that Americans face. While a number of large employers have benefited from direct contracting models, I am concerned that my colleagues are more interested in tinkering around the edges rather than putting forward bold solutions to the affordability crisis. This is a matter of life or death to millions of Americans. Instead of relying solely upon the private sector to rein in costs and hoping for the best, it is imperative that, while we respect that, Congress take bold action [and] look at other developed countries and see what models work better than the United States to help with health care and prescription drugs' affordability for every family, not just the wealthiest Americans.

Not long ago, when Democrats were in the majority, we delivered for the American people and showed that Congress can make health care more affordable. It wasn't enough, but it was dramatic in what we were attempting to do. We enacted the *American Rescue Plan Act* and the *Inflation Reduction Act* to lower costs for working families and deliver historic investments in health care. These laws brought the number of uninsured Americans to the lowest levels in history.

Today, we are fighting to pass the *Lower Drug Costs for American Families Act*, a bill that will make drugs more affordable for all Americans. The bill builds on the historic progress made in the *Inflation Reduction Act*, which gave Medicare the power to negotiate lower drug prices for seniors. The bill extends those negotiated prices to privately insured companies and consumers, including those who receive their health care through their employer. It also prevents pharmaceutical companies from raising prices faster than inflation and increases the number of drugs that Medicare can negotiate each year.

Committee Democrats have also released a new report on how wrongful health insurance denials make care less affordable for working families.

Given the importance of these issues to our constituents, I would hope that we would continue to find ways to work together on legislation that makes a meaningful difference and helps with affordability for the American people, in addition to extending people's lives and decreasing suffering [for] American families.

Unfortunately, that has not been the case during the last 18 months. Instead, my colleagues and the Administration have taken historic steps backward through their 'Big Ugly Bill,' which has devastated Medicaid through nearly \$1 trillion in cuts and slashed hundreds of billions of dollars from food assistance programs— all to pay for tax breaks for the wealthiest amongst us. To make matters worse, Republicans' refusal to extend *Affordable Care Act (ACA)* premium tax credits last year has caused millions of Americans to be priced out of their health insurance.

Americans are rightfully demanding that their government work for *them*, not billionaires and big corporations. But instead of working to lower health care costs and tackle Big Pharma, the 'Big, Ugly Bill' just made things much worse, just to transfer more wealth— historic levels of wealth— to the wealthiest amongst us during the highest level of inequality in the history of the country.

To deliver real results for suffering Americans, we must reverse the damage done by the 'Big, Ugly Bill,' tackle Big Pharma, and address skyrocketing premiums. That should not be a partisan issue. I look forward to the hearing and the opportunity that direct contracting may be a part of the solution— but just a part of that solution.

Thank you, Mr. Chairman.