

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

Subcommittee on Health, Employment, Labor, and Pensions Hearing

*“ERISA’s 50th Anniversary: The Path to Higher Quality, Lower Cost Health Care”*

2175 Rayburn House Office Building

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As a point of order, I question the relevance of that video in particular? It was more of a political statement. I know that there’s some license here in Congress for that, but that was the most extreme in the ten years I’ve been here in Congress.

Mr. Chairman, there is work we can do with ERISA, clearly. But being as partisan as you just introduced us, in using absolutes about “every time there’s a tax increase, every time the government spends money, it leads to all of these horrible things.” This is a mixed market economy, a capitalist economy, and it requires rules and guidance that we all come to an agreement on to make it work – including, unfortunately, some of the worst aspects of human nature – greed and the lack of ethics. We will talk about that a little bit today, for instance, with MultiPlan.

So, in the spirit that we have had for the last four years we’ve been on this committee, I appreciate our differences. But that was a rather extreme opening comment from my perspective.

To the witnesses, thank you for being here. All of your perspectives are valuable, and we appreciate it during this important hearing on ERISA.

When ERISA was enacted in 1974, Congress made its intent clear: the law’s primary purpose is to “protect the interests of participants in employee benefit plans and their beneficiaries.” To that end, ERISA established crucial consumer protection standards, provided remedies to workers whose claims were denied or whose plans were mismanaged, and required fiduciaries to act solely in the best interest of the plan participants.

As our Subcommittee discusses ERISA today, it’s vital to keep this fundamental purpose at the forefront. It’s about consumers.

In addition, we must also keep in mind the urgent need to improve the efficiency of our health care system.

Our country currently spends more than 17 percent of our gross domestic product, over \$4.5 trillion, on health care—far more than our peer countries. Workers and consumers are increasingly shouldering these costs through rising premiums and deductibles, yet our health outcomes are among the worst in the developed world. In other countries, they have a form of universal health care so everyone can get quality health care. Different versions in different countries allow for the private sector to participate in it. They have better outcomes and longer life spans.

The health care system is plagued by numerous challenges and inefficiencies, including:

- the lack of price transparency;
- the excessive fees charged by self-dealing third-party administrators and pharmacy benefit managers; and
- the escalating costs of medical care and prescription drugs.

As *The New York Times* has documented, companies like MultiPlan and major third-party administrators make huge profits by charging high fees to employers, shortchanging health care providers, and leaving workers on the hook for exorbitant medical bills – and yes, frequently, their actions lead to death. This is not an efficient use of our health care dollars, which is why Ranking Member Scott, and I have written to the Department of Labor to support their oversight on these practices and more funding for them so they can do a reasonable job.

I sincerely hope my Republican colleagues will consider joining us to address these issues, including by supporting adequate funding for the vastly under-resourced Employee Benefits Security Administration and extending the bipartisan *No Surprises Act* Implementation Fund, which expires at the end of the year.

Despite the challenges we continue to face, it's also important to acknowledge the significant progress we've made in recent years. The *Affordable Care Act* has provided preventive health services at no cost, protected tens of millions of Americans with preexisting conditions, and allowed young people to remain on their parent's health plans until they turn 26. The *American Rescue Plan Act* and the *Inflation Reduction Act* strengthen ACA premium tax credits. The tax credits reduced monthly costs for low-income individuals and provided premium relief to millions affected by the subsidy "cliff," particularly self-employed small businesspeople. And just yesterday, the Biden-Harris Administration finalized landmark new rules that will benefit compliance with the *Mental Health Parity and Addiction Equity Act* and ensure that behavioral health needs are treated fairly by insurers and health plans.

While these reforms have strengthened workers' benefits and improved the efficiency of our health care system, I am concerned by the proposals to take us backwards.

For instance, one of our biggest recent successes - the Biden-Harris Administration, for the first time, recently completed negotiations under the *Inflation Reduction Act* to reduce drug prices for nearly 9 million Medicare beneficiaries while slashing seniors' out-of-pocket costs by \$1.5 billion in 2026 alone. Yet, despite these historic savings, the Republicans' extreme "Project 2025" policy agenda proposes to repeal this program and put billions in the pockets of big pharma.

I am a recipient of one of those ten drugs. When I first got it, it saved me from stage four cancer, and it cost me as much as 500 dollars a day. Now, thanks to this and the pressure we put on them, it's closer to what the European Union charges, 190 dollars a day. In Australia, it costs 37 dollars a day. American taxpayers are subsidizing lower costs in other developed countries.

Rather than roll back our historic progress, this Committee should move forward with House Democrats' legislation to extend drug price negotiations beyond Medicare and save billions for workers and businesses with private health insurance coverage.

While we may not agree on every issue, I hope that today will be a robust discussion on the future of employer-sponsored coverage and how to collaborate across the aisle to address the challenges we face and get rid of the inefficiencies and greedy profit-taking by some private sector entities.

I yield back.