

**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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Thank you, Mr. Chairman. And thank you for holding today’s hearing on how we can improve upon the protections afforded to American workers and their families through the *Employee Retirement Income Security Act*, or ERISA. And I want to thank all the witnesses for being here as well.

When ERISA was enacted in 1974, Congress stated clearly that the fundamental purpose of the law was to “protect the interests of participants in employee benefit plans and their beneficiaries.”

Accordingly, the law establishes consumer protection standards and provides remedies and access to the courts for workers whose plans are mismanaged. And, critically, it ensures that those who serve as fiduciaries must administer plans for the “exclusive purpose” of providing benefits and may pay only reasonable expenses when they do so.

While I expect that we will hear a lot today about the issues employers face, it’s important that we not forget this fundamental purpose of the law. Any conversation about ERISA that doesn’t put workers and their families at its very center misses the mark.

Today’s hearing is crucial. ERISA’s impact on health coverage in the United States is substantial. The vast majority of people under the age of 65 rely on job-based plans for access to essential medical services. And with over 164 million workers and their families benefiting from these arrangements, the significance of ERISA in regulating many of these plans cannot be overstated.

However, our workforce and health care landscape has transformed considerably since ERISA was first passed in 1974. The law originally included few substantive standards relating to health benefits when it was enacted. And over the past 50 years, policymakers have found that, as a result, ERISA has failed to live up to its promise.

There are still significant gaps in health care coverage for millions of Americans: secrecy and excessive fees paid to third-party administrators and pharmacy benefit managers and exorbitant prices charged for medical care and prescription medications—all of which squeeze workers through higher premiums and out-of-pocket costs.

While many challenges remain, it’s important to note the progress we have made in improving the affordability of health care for workers and their families in recent years.

For example, thanks to the *Affordable Care Act*, workers enjoy preventive health care services free-of-charge, and dependents can stay on their parent’s health policy until age 26.

Additionally, in 2021, Congressional Democrats passed the *American Rescue Plan Act*, 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.

These reforms strengthened access to benefits for millions of Americans—but there is still room for further improvement. And I hope we can work together in a bipartisan way on these issues.

For example, there is much work to be done to ensure that job-based benefits—including long-term disability insurance—are available to people who need behavioral health care.

Access to disability insurance is critical in ensuring workers have the financial security they need once they experience a physical disability or illness that makes it impossible for them to work.

Unfortunately, a recent report by the ERISA Advisory Council found that long-term disability benefit plans often place discriminatory limitations on coverage based on mental health and substance abuse disorder. The report contains several thoughtful recommendations about how to address these issues, including by applying parity for behavioral health to long-term disability benefits.

I hope we can discuss this issue and others that will help ensure that ERISA lives up to its promise for workers and families.

I look forward to a productive discussion and yield back, Mr. Chairman.