

Remarks of Ranking Member Bobby Scott
Full Committee Hearing
“Legislative Proposals to Improve Health Care Coverage and
Provide Lower Costs for Families”
Wednesday, March 1, 2017

Thank you, Madame Chair.

I would like to welcome our witnesses and thank them for their testimony. This hearing will discuss three legislative proposals that will weaken insurance protections for consumers and shift costs onto workers. While the title insinuates that the goal of these proposals is to reduce costs for families, in truth, these bills will lower costs for only a lucky few, at the expense of others.

But let’s be clear. This hearing is a distraction from a larger debate about the future of America’s health care. All across the country, millions of people are lining up in town halls and expressing their deep concern over Republicans’ reckless attempts to repeal the Affordable Care Act.

A Republican draft health care proposal leaked just last week shows these concerns are well founded. Insofar as the Republicans have any direction on their replacement efforts, it is the wrong direction. Now, it is not clear whether or not this leaked draft is the proposal the Majority intends to move forward. Republicans have yet to communicate any concrete timetables for action and have missed their own legislative deadlines by more than a month.

But, for seven years we have heard calls for repeal. We've heard a lot of complaints about the Affordable Care Act, but every proposal or idea we have heard from the Majority fails to make things better. But, if this leaked draft is any indication of their priorities, one thing is becoming increasingly clear. The Majority's vision for health care in America is to push more costs onto working families, seniors, and average Americans, while giving bigger breaks to corporations and the wealthy.

This means dismantling Medicaid, which primarily provides funding for the elderly and those with disabilities. And their ideas include taxing

workers' health insurance to foot the bill for big tax breaks for the wealthy. That's right – the leaked proposal includes a provision allowing workers' health insurance to be taxed so that a current tax on high-income earners, those making over \$200,000, can be repealed.

The Majority believes that affordable, quality health care is a privilege reserved for the young, healthy, and wealthy – not a right for all Americans.

The three legislative proposals being discussed today reflect this belief. One of these proposals expands association health plans, a recycled idea from nearly 20 years ago that has been widely discredited as doing nothing but accelerating a race to bottom for health coverage at the expense of both workers and employers. In 2000, the Congressional Budget Office found that the proposal would have little effect on increasing health coverage. Researchers, including the American Academy of Actuaries, have expressed concern that association health plans lead to market segmentation, where a few healthy people may be

better off – so long as they stay healthy – while older and less healthy workers and employers are left out in the cold. In a press release back in 2003, the Academy characterized the legislation as “flawed” because it is neither actuarially sound nor does it protect consumers. These flaws are still present in the idea today. For example, a small business owner who is older or who perhaps has struggled with a mental or physical illness in the past will not be a very attractive partner for an association. Proposals like these that allow for cherry picking only serve to make health coverage less affordable and accessible for those who need it the most.

The second proposal insulates stop-loss insurance from certain federal oversight. It is unclear to me how this does anything to help workers get quality health insurance. While stop-loss can help self-insured employers mitigate risk, there are questionable implications for both employers and workers, particularly when smaller businesses decide to self-insure. If anything, perhaps the Committee can look into making sure businesses and workers are being protected in the variety of new

health insurance arrangements that have arisen over the past few decades.

The third proposal allows workplace wellness programs to circumvent the protections in the Americans with Disabilities Act and the Genetic Information Nondiscrimination Act. Because wellness programs can carry large financial penalties, this legislation makes it easier for workplace wellness programs to penalize people who are not comfortable divulging sensitive medical or genetic information, undermining key workplace civil rights. This is yet another policy that will harm sicker and older people, including those who have disabilities that may not be readily noticeable. A range of consumer and disability groups, including AARP, have been vocal supporters of ensuring that important civil rights protections remain in place in workplace wellness. While wellness programs – if done correctly – have the potential to benefit both workers and employers, there is no compelling reason to subvert civil rights laws and protections to administer them.

So today we will hear about some ideas that frankly just won't work or won't do anything to protect the millions of Americans who now benefit from the ACA.

As we discuss these legislative proposals, let's not lose sight of the larger debate that we will continue to play out in town halls and the needs of our constituents who are so vocally expressing their fears. I hope that we can refocus our efforts on the financial security of American families by working to improve health care, instead of revisiting policies that do little more than shift costs onto American working families. Thank you.