

JOHN L. MICA, FLORIDA
MICHAEL R. TURNER, OHIO
JOHN J. DUNCAN, JR., TENNESSEE
PATRICK T. McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
PAUL A. GOSAR, ARIZONA
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DESJARLAIS, TENNESSEE
TREY GOWDY, SOUTH CAROLINA
BLAKE FARENTHOLD, TEXAS
DOC HASTINGS, WASHINGTON
CYNTHIA M. LUMMIS, WYOMING
ROB WOODALL, GEORGIA
THOMAS MASSIE, KENTUCKY
DOUG COLLINS, GEORGIA
MARK MEADOWS, NORTH CAROLINA
KERRY L. BENTIVOLIO, MICHIGAN
RON DeSANTIS, FLORIDA

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
<http://oversight.house.gov>

CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
JACKIE SPEIER, CALIFORNIA
MATTHEW A. CARTWRIGHT, PENNSYLVANIA
MARK POCAN, WISCONSIN
L. TAMMY DUCKWORTH, ILLINOIS
ROBIN L. KELLY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
PETER WELCH, VERMONT
TONY CARDENAS, CALIFORNIA
STEVEN A. HORSFORD, NEVADA
MICHELLE LUJAN GRISHAM, NEW MEXICO

LAWRENCE J. BRADY
STAFF DIRECTOR

Opening Statement Ranking Member Elijah E. Cummings

Hearing on "ObamaCare's Impact on Premiums and Provider Networks" December 12, 2013

This week, I had the great honor and privilege of traveling to South Africa as part of our nation's delegation to honor the life of Nelson Mandela. It was an inspirational trip because I had the opportunity to reflect on the amazing changes that one individual, working with determination over a lifetime, can bring to millions of others. There will always be forces aligned against progress, against equality, and against basic human dignity. But Nelson Mandela's life reminds us that our mission on earth is to transcend these destructive forces and always pursue the betterment of our fellow man.

As I traveled back yesterday on the 20-hour flight home, I began thinking about today's hearing, and I was amazed again at the significance of what our nation accomplished with the Affordable Care Act. Before we passed this landmark law, millions of our own citizens could not obtain health insurance because they had pre-existing conditions, and we allowed insurance companies to discriminate against them. They charged exorbitant premiums that were prohibitively expensive, they attached riders that excluded care for these illnesses, and in many cases they denied access to health insurance altogether.

Think about this. Before we passed the Affordable Care Act, there were about 50 million people in the United States without health insurance. That's almost exactly the population of the entire country of South Africa. Before the Affordable Care Act, we had an entire nation within a nation of people without coverage—no insurance for doctor visits, cancer treatments, prescription drugs, or hospital care. That was a shameful and immoral legacy for a nation as prosperous as ours.

Three years ago, after decades of inaction, Congress and the President passed the Affordable Care Act. We finally banned insurance companies from discriminating against people with pre-existing conditions. We prohibited insurance companies from charging higher prices for women than men. We eliminated junk plans that collected premiums but then did not pay hospital bills when people got sick.

The result today is that tens of millions of people now have something they did not have before we passed this law—the opportunity and ability to obtain affordable quality health insurance that will safeguard their financial security and recognize their dignity as human beings.

Congress understood when we passed the Affordable Care Act that these changes would tend to increase premiums for a subset of people who already had insurance under the old discriminatory rules, so we put in place several measures to lower prices and control costs, including subsidies to help people buy insurance, a requirement that insurance companies spend at least 80% of premiums on healthcare services or offer rebates to consumers, and reviews of proposals by insurance companies to raise their rates by more than 10% in a year.

The good news is that actual premium rates have now been submitted by insurance companies, and they have come in much lower than expected. In September, the Department of Health and Human Services issued a report explaining that actual premium rates now being offered under the Affordable Care Act are 16% percent lower than projected.

Based on this actual premium data, the Center for American Progress issued a report in October showing that these lower premiums will save the federal government \$190 billion over the next ten years, meaning 700,000 additional people may be able to obtain coverage.

More broadly, the Centers for Medicare and Medicaid Services issued a report finding that national health spending has slowed to only 3.9% in the last three years, which is the lowest rate since the government began keeping these statistics in 1960.

I understand that we will consider two studies today that assert that premiums are increasing for the majority of people in the exchanges. Both reports have significant flaws.

First, the Heritage Foundation report completely disregards the subsidies provided by the Affordable Care Act. As a result, it inaccurately inflates the actual costs of coverage for consumers across the country.

Second, although the Manhattan Institute study is better because it includes subsidies, it still compares "apples to avocados," as one commentator explained. It compares five plans under the Affordable Care Act with the five "cheapest" plans offered before the law was passed. The obvious problem is that the old, cheap plans offered vastly inferior coverage.

To me, the most significant problem with comparing premiums before and after the Affordable Care Act is that it disregards the 50 million people who could not get insurance. If someone could not afford a policy that covered a pre-existing condition, the price of that prohibitively expensive plan is not considered.

Let me close by offering a final thought. One of the things Nelson Mandela will always be remembered for is his push for reconciliation. I respect the viewpoints of my colleagues on this Committee, as well as those of our witnesses, and I understand that the Affordable Care Act is not perfect. In that spirit, I hope we can work together in a bipartisan way to improve the Affordable Care Act rather than continuing to fight over its very existence. We can no longer disregard the experiences of 50 million of our fellow citizens. We can no longer ignore the pain, the frustration, and the fundamental inequality of this nation within a nation.

CONTACT: Jennifer Hoffman, Communications Director, 202-226-5181