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# Congress of the United States

## House of Representatives

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### Opening Statement

#### Rep. Elijah E. Cummings, Ranking Member

#### Hearing on "ObamaCare: Why the Need for an Insurance Company Bailout"

February 5, 2014

Thank you, Mr. Chairman, and welcome to you, Senator Rubio.

Today's hearing is our Committee's 24th on the Affordable Care Act. And after this hearing ends, we will be holding our 25th ACA hearing this afternoon. I am not sure what the line is between oversight and obsession, but our Committee has obviously crossed it.

I will begin as I do at all of our ACA hearings, by highlighting the single most important fact before us: millions of Americans are now receiving critical medical care they did not have before. No more discrimination against people with cancer, diabetes, or other preexisting conditions. No more discrimination against women. Free preventative care for millions of people. Billions of dollars in rebate checks sent to consumers across the country. And the lowest growth in healthcare costs in 50 years.

These amazing results are not happening because of Republican efforts, they are happening in spite of them. Republicans have done everything in their power to repeal, de-fund, and eviscerate the Affordable Care Act. And sadly, today's hearing is just the latest example.

According to press reports, while House Republicans were at their retreat last week, they were desperately searching for something to attach to the debt ceiling legislation. They could not simply pay our nation's debts. They had to come up with something—anything—to politicize the issue.

At first, they discussed the Keystone pipeline. But then, they settled on the issue before us today—the so-called ACA "bailout" of health insurance companies. They seized on several provisions in the ACA designed to distribute risk across insurance companies and prevent the artificial inflation of premiums for consumers.

Under one of these provisions, called the "risk corridor" program, the government collects funds from insurers with large financial gains and uses those funds to make payments to insurers with large losses.

The irony of this Republican attack is that Republicans first proposed these measures as part of the 2003 law to create the Medicare Part D drug benefit. Senate Minority Leader Mitch McConnell and House Speaker John Boehner both voted in favor of these provisions, and so did Paul Ryan, the Chairman of the Budget Committee, as well as our own Chairman, Mr. Issa.

At the time, Republican Senator Chuck Grassley described the risk corridor program as one of the “incentives that the Secretary can use” to get the new plans started “in a strong way.” He said “these plans are enabling many beneficiaries to lower their out-of-pocket costs substantially, and that’s particularly true for beneficiaries with chronic illnesses.”

The risk corridor program was a good idea during the Bush Administration, and it worked. Rather than a “bailout” for insurance companies, the program has resulted in \$7 billion in net gains to taxpayers.

But now—since these same mechanisms are part of “ObamaCare”—Republicans argue that they are a “bailout” for insurance companies. Senator Rubio calls them “government favoritism and corporate cronyism at its worst.” He claims we are getting “closer to the reality that billions of dollars in taxpayer money is going to be used to bail out these exchanges.” And he introduced legislation to repeal this program.

Just this week, however, the nonpartisan Congressional Budget Office issued a new report that completely obliterates this argument. CBO projects that the ACA risk corridor program will result in net gains to the taxpayer of \$8 billion over the next ten years.

So where is the bailout? There isn’t one. Just as in the Medicare Part D program, the ACA risk corridor program will save taxpayers money. And if we were to adopt legislation to eliminate this program, billions of dollars in savings would disappear.

I ask unanimous consent that the CBO report be entered into the official hearing record.

In conclusion, I am certainly no adviser to the Republican party. But if you are trying to create a new image for yourselves—one of caring for people facing hardship—why in the world would you eliminate a program that you invented, that has been working for nearly a decade, and that saves taxpayers billions of dollars? And why would you increase premiums for Americans across the country in the process? This approach makes no sense unless you are putting politics ahead of people.

So, for next week, I would like to make a suggestion. Rather than holding our 26th hearing on yet another false criticism of the Affordable Care Act, I ask that we turn to more constructive efforts. Let’s hold a hearing to help our constituents learn about the healthcare coverage they can now obtain, and let’s help them enroll. That would benefit them more than anything we do here today.