

**Prepared Remarks of Rep. Henry A. Waxman  
Chairman, Committee on Energy and Commerce  
GTC BIO Conference  
“Healthcare Reform: Dealing with the Hurdles and Building up Successes”  
November 9, 2010**

Thank you and good morning.

I welcome the opportunity to address this GTC BIO conference on health reform.

And I am going to give you one very clear message: in my view, Congress did the right thing when we enacted health reform, and I and other Democrats in Congress are going to do everything we can to protect and implement it.

The reality is: The Affordable Care Act will not be repealed in the 112<sup>th</sup> Congress. And its basic principles will remain intact.

The election results were a huge disappointment to me, but they were not surprising. Democrats lost the House in 1994 when unemployment was at 5.8%. This year, we were running with unemployment at 9.6%. That proved too great a headwind. The results reflected the fact that economic conditions have not been getting good enough, fast enough, for enough people, despite all the efforts made at getting more people back to work.

Thus, the results do not change my view that the enactment of health reform was one of the most important pieces of legislation enacted since Social Security. It will always be my proudest achievement in this Congress – and among the proudest achievements of my entire congressional career.

### **Making the Case for Health Reform**

The law will extend coverage to 32 million Americans who would otherwise be uninsured. And while it is not perfect, it is a far better path for our nation than allowing the status quo to fester.

Make no mistake: if we fail to deal with the problem of the uninsured – if we retreat from it – the problem will simply continue to get worse.

With the recent election, the media fixation on efforts to “repeal and replace” or “defund” health reform or to have the law declared unconstitutional has reached a new crescendo.

But these efforts shouldn’t surprise us – they are simply an extension of the strenuous opposition to the enactment of health reform in the first place.

Once you wade through all the rhetoric and get to the bottom line, you find that the opponents simply do not value making health insurance available to the 50 million Americans who are now uninsured.

They have offered no alternative that will achieve the same result as the law enacted in March – basic coverage for most of these Americans starting in 2014, and a reduction in the federal deficit by \$143 billion over the next 10 years.

I do not believe it is morally right to leave millions of Americans without health insurance.

Nor is it an economically defensible position.

The evidence on the costs of being uninsured – to the individuals affected and to our nation – is unequivocal.

Last year, the Institute of Medicine issued a landmark report on the consequences of uninsurance. The report documents in exhaustive detail that a lack of health insurance coverage results in needless illness, suffering, and even death.

Children without health insurance are likely to receive less timely diagnosis of serious health conditions, to experience more avoidable hospitalizations, to have worse asthma outcomes, and to miss more days of school.

Adults without health insurance are less likely to receive clinical preventive services that have the potential to reduce premature death.

They are more likely to be diagnosed with later-stage cancers that are detectable by screening or by a clinician.

And they are more likely to die from trauma or other serious acute conditions, such as heart attacks or strokes.

Regrettably, these facts are being crowded out by the relentless, well-funded ideological assault on the law.

My guess is that most of the ideologues leading this charge have health insurance coverage. There is no more telling evidence for the importance of health reform for the 50 million Americans who are uninsured.

### **Health Reform is more than expanding coverage**

Of course, the health reform law will do more than expand coverage.

It will replace a dysfunctional individual health insurance market with state health insurance exchanges in which predatory behavior by insurance companies is no longer tolerated.

It will shore up state and local public health infrastructure so that we can more effectively address the public health challenges that confront our nation, such as obesity and health disparities.

It will test new arrangements for delivering health care that will reward quality and health outcomes rather than the volume of tests and procedures provided.

It will increase the supply of primary care physicians, nurse practitioners, and physician assistants, so that all Americans have better access to preventive and primary care.

It will expand the capacity of community health centers to provide primary care to underserved urban and rural communities.

It will add an annual wellness visit to Medicare coverage so that beneficiaries will be able to access recommended preventive services without cost-sharing.

It will close the “Donut Hole” in Medicare Part D drug coverage and reduce overpayments to Medicare Advantage plans, extending the life of the Medicare Trust Fund.

It gives the federal government and the states important new tools to fight fraud against Medicare, Medicaid, CHIP, and the state health insurance exchanges.

These are major, far-reaching changes in the way in which health care is now delivered and paid for. Making them a reality will take time and a great deal of work by the federal government, the states, and the private sector.

## **Implementation**

It is only seven months since health reform was enacted, but implementation is already well underway.

In June the Department of Health and Human Services issued regulations to implement the law’s protections for consumers in today’s health insurance market.

These rules stop most insurance companies from imposing pre-existing condition exclusion on children, rescinding coverage based on unintentional mistakes, and setting lifetime limits on coverage.

The new rules will also ensure most patients can choose an available primary care doctor or pediatrician from a plan's provider network, and that most women can see an OB-GYN without needing a referral.

Related rules, also effective September 23, allow young adults to stay on their parents' plans until age 26.

In August HHS awarded \$46 million in grants to states to help them review premium increases proposed by health insurance companies. State oversight can prevent exploitation of consumers through excessive premium increases by companies that incorrectly blame all of these increases on the health reform law.

Last month, the National Association of Insurance Commissioners sent recommendations to the Secretary of HHS on the definition of the medical loss ratio. Drawing upon these recommendations, the Department will soon issue regulations to limit the amount of premium that goes toward purposes other than paying providers for furnishing covered services.

In July, the Department established the \$5 billion Pre-Existing Condition Insurance Plan to provide coverage for eligible Americans who are uninsured because of a pre-existing condition.

This Plan gives these Americans a coverage option until 2014, when they will be able to obtain coverage through the new state health insurance exchanges.

Last month, HHS began making payments under the \$5 billion Early Retiree Reinsurance Program to employers and unions that offer health insurance coverage to early retirees age 55 and older who are not eligible for Medicare.

Nearly 3,600 large and small businesses, state and local governments, educational institutions, nonprofit organizations, and unions are participating in the program.

Despite these achievements, much remains to be done. To name just a few of the remaining implementation challenges:

Health insurance exchanges must be established in every state. I am very proud that my own state of California is the first in the nation to enact enabling legislation for setting up an exchange under the new law.

Specifications will have to be developed for the essential benefits packages that insurers participating in the state exchanges will have to offer.

A system will have to be put in place for making premium tax credits available to eligible low-income Americans to help them purchase health insurance coverage through the exchanges.

State Medicaid programs will have to develop eligibility systems to enroll those low-income Americans who are not eligible for premium tax credits through the exchanges.

These Medicaid eligibility systems, and those of the exchanges, will have to be coordinated so there is no wrong door for low-income Americans who want to enroll in coverage.

Data on payment and quality will have to be collected and analyzed so that performance can be measured and problems can be identified as they develop.

### **It's the Law**

These implementation challenges are formidable. Meeting them will require a sustained effort over the next three years by state and federal officials, by the private sector, and by the public.

It's clear from developments over the past seven months that the Obama Administration is moving forward with implementation as quickly as possible.

It is also clear that the new Republican majority in the House, and a number of state officials, oppose the new law. Mr. Boehner and his colleagues have promised to repeal the law, and some 20 state attorneys general have brought suit to have it declared unconstitutional.

This opposition will further complicate the challenges of implementing health reform.

But let's be clear: turning our backs on this law would add to our deficit in this decade and the next.

The Affordable Care Act reduces the deficit by \$143 billion over the next ten years and by over a trillion dollars over the following decade.

Those seeking repeal don't have a clue as to how they will pay those costs of repealing the law.

Repeal would bring to a halt the movement toward a more organized, higher quality, and less wasteful health care system.

It would take away the protection for workers that they and their families will have health insurance even if their employer does not provide it.

It would deny 32 million uninsured Americans coverage that you and I – and the law's opponents – now enjoy.

And it would let insurance companies continue their practice of denying coverage to those who are sick or have other pre-existing conditions.

This will not succeed.

The campaign for repeal is also based on a fundamentally dishonest framing of the issues that misleads the American people.

Republicans always pose the question in terms of: Do you want to repeal “Obamacare?”

They never pose these questions:

Do you want to repeal the requirement that insurers cover pre-existing conditions?

That we forbid insurers from dropping coverage when you get sick?

That we end lifetime limits on coverage?

That we end the ability for your children to get coverage on your insurance policies through the age of 26?

And they never ask seniors:

Do you support ending the \$250 subsidy those of you in the donut hole received this year, or the new 50% discount for brand name drugs you will get next year?

Do you support closing the donut hole altogether in 2020?

No, the Republicans don’t pose the questions on repeal in this manner – because they know the answers they will get from the American people.

Some Republicans think they can keep these insurance reforms and junk the rest – as if they do not understand basic economics of the health system, in which these reforms are only possible if the insurance pool is close to universal levels. And that means, in turn, a mandate to obtain insurance.

Opponents never acknowledge these fundamental workings of health reform – and the costs of replacing it.

Blocking implementation means continuing to expose tens of millions of our fellow citizens to avoidable illness, suffering, and premature death simply because they lack health insurance.

That should not – and will not – happen.

In an election with lower turnout than 2008, and with a much more conservative electorate, it is still quite impressive that health care reform was clearly supported by half of this more conservative pool of voters. And a significant portion of them said they wanted the law to be made even stronger.

Whatever our philosophical differences, I hope that I can count on your and your organizations to help make this law work rather than to destroy it.

There are immense challenges in 2011. I hope we can work together to ensure the success of the Affordable Care Act.

Thank you.