

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Markup of H.R. 1206, H.R. 6118, H.R. 1063, H.R. 6163, H.R. 4124, and H.R. 733
Subcommittee on Health
September 11, 2012

Today we mark up five important health bills on which we've reached consensus. Unfortunately we are also considering a bill on which we do not have agreement.

H.R. 1206 exempts agent and broker commissions from the medical loss ratio consumer protection created in the Affordable Care Act.

In passing the ACA, we took a number of steps to help hold down premiums which had been rising by double digits between 2000 and 2010.

1. The ACA requires insurers to publically justify high premium rate increases. According to a report released just this morning, this provision has saved Americans more than \$1 billion.
2. The ACA creates a fair and transparent marketplace in 2014 where premiums will not be higher for people with pre-existing conditions.
3. The ACA requires insurers to spend 80 to 85% of premium dollars on benefits and quality improvement limiting administration, marketing, and profit, or pay families and businesses premium rebates. Nearly 13 million Americans have received a total of \$1.1 billion in premium rebates because of this provision.

H.R. 1206 weakens this third protection, called the medical loss ratio requirement, by exempting from the calculation agent and broker commissions—essentially allowing more spending on administrative costs and increasing premiums.

Agents and brokers play an important role in the health insurance market and they will continue to do so, helping millions of new customers under health reform. The current medical loss ratio requirement benefits consumers while leaving adequate room for agents and brokers to be reimbursed.

Exempting such commissions without increasing the MLR puts more money in insurers' pockets, effectively weakening the standard and reducing premium rebates for families and businesses. Not importantly – it asks consumers to foot this bill.

Even though I oppose the bill, I am pleased that my Republican colleagues finally have given up their endless efforts to repeal every provision in the Affordable Care Act and are engaging in a substantive discussion of its provisions.

That's a step in the right direction.

Another step in the right direction is our bipartisan effort on the three public health bills we will also consider today. Collectively, these bills will:

1. Provide assistance to our returning war veterans with emergency medical training in their effort to transition to health professionals in civilian life.
2. Provide specific authority for NIH to establish a network of pediatric research centers, some of which are to focus on pediatric rare diseases and conditions.
3. Require the National Cancer Institute to focus specifically on recalcitrant cancers -- those with a low survival rate and a high mortality rate such as pancreatic cancer.

I also support two bills that build on the long history of work of this Committee: the clinical laboratory bill, H.R. 6118, and the Medicare Secondary Payer legislation, H.R. 1063.

The goal of the Medicare Secondary Payer bill is to reduce the burdens of the secondary payer process for beneficiaries and other stakeholders....but to do so in a way that makes sure we are also protecting taxpayer dollars and the Medicare trust fund.

I appreciate the Chairman's willingness to work with us to achieve a bipartisan solution. Because we have already agreed on many key issues, I will support this bill today, and I am confident that we will reach the right balance and address all major concerns before next week's full committee markup.

Congratulations to our various colleagues who led each of these worked out bills -- on both sides of the aisle -- on a job very well done.