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3 HEARING ON FISCAL YEAR 2012 HHS BUDGET AND THE IMPLEMENTATION

4 OF PUBLIC LAWS 111-148 AND 111-152

5 THURSDAY, MARCH 3, 2011

6 House of Representatives,

7 Subcommittee on Health

8 Committee on Energy and Commerce

9 Washington, D.C.

10 The Subcommittee met, pursuant to call, at 9:31 a.m., in  
11 Room 2123 of the Rayburn House Office Building, Hon. Joe  
12 Pitts [Chairman of the Subcommittee] presiding.

13 Members present: Pitts, Burgess, Whitfield, Shimkus,  
14 Murphy, Blackburn, Gingrey, Latta, McMorris Rodgers, Lance,  
15 Cassidy, Guthrie, Barton, Upton (ex officio), Pallone,  
16 Dingell, Towns, Engel, Capps, Schakowsky, Gonzalez, Baldwin,  
17 Weiner, and Waxman (ex officio).

18 Also present: Representative Green.

19           Staff present: Ryan Long, Chief Counsel; Howard Cohen,  
20 Chief Counsel; Clay Alspach, Counsel; Marty Dannenfelser,  
21 Senior Advisor; Julie Goon, Health Policy Advisor; Brenda  
22 Destro, Professional Staff; Paul Edattel, Professional Staff;  
23 John O'Shea, Professional Staff; Monica Popp, Professional  
24 Staff; Heidi Stirrup, Health Policy Coordinator; Jimmy  
25 Widmer, Health Intern; Alex Yergin, Legislative Clerk; Phil  
26 Barnett, Democratic Staff Director; Stephen Cha, Democratic  
27 Senior Professional Staff Member; Alli Corr, Democratic  
28 Policy Analyst; Tim Gronniger, Democratic Senior Professional  
29 Staff Member; Purvee Kempf, Democratic Senior Counsel; Karen  
30 Lightfoot, Democratic Communications Director, and Senior  
31 Policy Advisor; Karen Nelson, Democratic Deputy Committee  
32 Staff Director for Health; Rachel Sher, Democratic Senior  
33 Counsel; and Mitch Smiley, Democratic Assistant Clerk.

|

34           Mr. {Pitts.} This subcommittee will come to order. In  
35 light of the interest in hearing from our distinguished  
36 witness today, and so that every member of this subcommittee  
37 may have time to answer questions, we will be strict in  
38 enforcing our time limits today. That is 5 minutes for  
39 questioning and that is questioning and answers. So don't as  
40 a 5 minute question and then ask the secretary to then try to  
41 respond in the remaining seconds. And we have agreed to 3  
42 minute opening statements. And Chair will recognize himself  
43 for an opening statement. It is 3 minutes.

44           I would like to welcome our distinguished witness today,  
45 the Honorable Kathleen Sebelius, Secretary of the U.S.  
46 Department of Health and Human Services. Madame Secretary,  
47 thank you for your time and your testimony today. The  
48 Department of Health and Human Services is a large department  
49 with broad authority and jurisdiction. With the enactment of  
50 the Patient Protection and Affordable Care Act, PPACA, we  
51 have found that there are several sections of this new law  
52 that require mandatory funding, hence bypassing the normal  
53 appropriations process.

54           Today's hearing will give us a chance to examine these  
55 provisions and consider the budgetary implications for  
56 implementation and administration of this new law. One

57 aspect that I am concerned with is the Office of Consumer  
58 Information and Insurance Oversight, OCIIIO. Less than a  
59 month after PPACA passed last year, the Department moved  
60 regulation of health insurance from the Centers for Medicare  
61 and Medicaid Services where it had been for years to a new  
62 office OCIIIO which reports directly to the secretary. Then  
63 in January of this year, the secretary announced that OCIIIO  
64 would be moving and would now be housed at CMS. This is  
65 interesting because OCIIIO implements and regulates many of  
66 the new healthcare's private insurance provisions and CMS  
67 runs the Nation's public health programs. The office has  
68 been in the news lately for granting over 900 waivers to  
69 private health plans unable to meet various standards set by  
70 Obamacare. It is important to note that the OCIIIO was not  
71 authorized nor even mentioned in Obamacare, yet the  
72 President's budget request includes a \$1 billion increase for  
73 program management discretionary administration at CMS. It  
74 appears that this additional \$1 billion will be funding  
75 OCIIIO. I will be interested in learning more about this new  
76 office and the role it plays. And I look forward to seeing  
77 more transparency in the Department's budget. And for my  
78 remaining time I yield to the gentlelady from Tennessee, Ms.  
79 Blackburn.

80 [The prepared statement of Mr. Pitts follows:]

81 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|

82           Mrs. {Blackburn.} Thank you, Mr. Chairman, and I do  
83 welcome the secretary and I will pick up right where Mr.  
84 Chairman left off with transparency. And I think what is  
85 astounding to many is the lack of transparency in this  
86 process and the difficulty with getting information. We know  
87 that our states have fought the battle indeed; not only  
88 companies, but states are receiving waivers. What we see in  
89 front of us, Madame Secretary, seems to be a confused  
90 process. Our states are frustrated. We have heard from  
91 State Legislators, from Governors--they are all beginning to  
92 agree with your former colleague Governor Brettison who  
93 called to this the mother of all unfunded mandates and with  
94 others who said, you know, it is too expensive to afford and  
95 this is something that would bankrupt the states. There is  
96 just truly a dissatisfaction, and one of the things I will  
97 highlight with you today and question with you is my concern  
98 over lack of response and in the adequate response to  
99 questions. Yield back.

100           [The prepared statement of Mrs. Blackburn follows:]

101           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
102 Mr. {Pitts.} Chair thanks gentlelady and yields to the  
103 Ranking Member, Mr. Pallone, for 3 minutes.

104 Mr. {Pallone.} Thank you, Chairman Pitts, and I want to  
105 welcome Secretary Sebelius. In these tough economic times I  
106 recognize how difficult budgetary and spending decisions are  
107 for the President and this Congress. I commend the President  
108 for his responsible budget. I only hope that we can work  
109 together to move this country forward to create jobs and to  
110 foster economic growth.

111 And I want to comment Secretary Sebelius for your  
112 agency's hard work this past year to implement the Affordable  
113 Care Act. I will continue to fight against the Republican  
114 efforts to defund this important landmark law. I can't agree  
115 more with President Obama that as we continue to work our way  
116 out of the recession towards a thriving economy that offers  
117 economic opportunities for all Americans that we must out-  
118 innovate, out-educate, and out-build the rest of the world.  
119 And to do that I believe the Federal Government has vital  
120 role to play.

121 At the core of innovation is research and development.  
122 It is R&D that propels the science and the business of  
123 healthcare. In fact, a recent report show that healthcare  
124 R&D supports 211,000 jobs, and \$60 billion in economic

125 activity in my State of New Jersey. But R&D requires  
126 resources. Investments made by government can help research  
127 projects get off the ground and leverage resources off the  
128 private sector and academia. And that is why I was very  
129 pleased to see that the President's budget includes  
130 government investments and healthcare R&D. His budget  
131 recognizes that key agencies like NIH and FDA are essential  
132 to facilitate an environment where Americans can continue to  
133 innovate.

134 I did want to mention, however, my disappointment in one  
135 program. That is the termination of the Children's Hospital  
136 Graduate Medical Education Program. This has reverse  
137 declines in pediatric training programs that had threatened  
138 the stability of the pediatric work force and the small class  
139 of hospitals that receive this funding which includes the  
140 Children's Specialized Hospital in my district represents  
141 about one percent of hospitals nationwide, but trains  
142 approximately 40 percent of all pediatricians. Eliminating  
143 this program would have a major negative impact on access to  
144 primary care and impact access to specialty care for  
145 children. But--and I wanted to mention that I am committed  
146 to reauthorizing and funding this program and introducing a  
147 bill to do that soon.

148 But really, I wanted to stress, Madame Secretary, that I

149 really do think that as we move forward with the Affordable  
150 Care Act, I know the anniversary is coming up I believe on  
151 March 23, just in a couple of weeks. Already, there are so  
152 many of my constituents and so many people that I talk to  
153 that talk about the benefits of, you know eliminating pre-  
154 existing conditions, of being able to put their children on  
155 the policies, what we have done for seniors in terms of  
156 cutting back on and eventually eliminating the donut hole,  
157 eliminating co pays for preventative care. People are very  
158 much aware of the benefits of this and more and more, I  
159 think, as it continues to be implemented will be. And I am  
160 very much opposed to any efforts to defund the program  
161 particularly since we see the positive benefits from it.  
162 Thank you, Mr. Chairman.

163 [The prepared statement of Mr. Pallone follows:]

164 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
165           Mr. {Pitts.} Thank you. Chair thanks gentleman and  
166 yields 3 minutes to the Chair of the Committee, Mr. Upton.

167           The {Chairman.} Thank you, Mr. Chairman. Two days ago,  
168 we heard from the--some of the Nation's governors on the  
169 negative impact that the new law will have on their states in  
170 quality of healthcare. What we heard is similar to what most  
171 members here--anytime they speak with their governor, they  
172 express their concern that the mandates and requirements  
173 coming out of D.C. are hindering to deal with the state's  
174 problems.

175           The President did offer, I think, some flexibility on  
176 Monday by declaring that the states could opt out of certain  
177 aspects of the health reform law a few years early as long as  
178 they met every one of the goals. Well, I am concerned that  
179 the states will only be allowed to take advantage of the so  
180 called flexibility if they construct a program that looks  
181 almost exactly like the system that was set up in the  
182 healthcare law. States need real flexibility without all the  
183 strings and caveats attached.

184           The President did call on the governors to come up with  
185 a bipartisan proposal on Medicaid. Dozens of governors have  
186 already asked for relief from maintenance of effort  
187 requirements so that they can direct Medicaid funds to those

188 most in need and meet their constitutional responsibility to  
189 balance their state budgets. If states are instead enforced  
190 to impose steep reductions out of payments to providers, they  
191 will likely drive more doctors and other providers out of the  
192 Medicaid program and in some cases out of the practice of  
193 medicine altogether. I believe that is detrimental to both  
194 patients and to the quality of care that they can expect to  
195 receive. If the President wants a bipartisan Medicaid  
196 proposal, then we need to repeal the maintenance of effort is  
197 the place to start, and I hope that the Administration will  
198 work with members of this committee to expeditiously repeal  
199 those requirements.

200 I would also like to hear from the secretary what  
201 programs at HHS she believes are redundant and duplicative.  
202 With federal deficits as far as the eye can see, \$1.6  
203 trillion in the President's budget for 2012, we must go  
204 through the budget with a fine tooth comb. As yesterday's  
205 report from the GAO revealed that the Subcommittee on  
206 Oversight Investigations, the federal government is wasting  
207 tens of billions of dollars on duplication, overlap, and  
208 fragmented programs. We cannot simply fund programs because  
209 what we did last year or the year before. Every program has  
210 to be scrutinized and I look forward to working with you, and  
211 I yield the balance of my time to Mr. Cassidy from Louisiana.

212 [The prepared statement of Mr. Upton follows:]

213 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
214 Dr. {Cassidy.} Governor Duval Patrick testified  
215 Tuesday, that Massachusetts developed the model for Obamacare  
216 and that Massachusetts gives a vision of our future. I  
217 agree. We were told almost everything else he said though  
218 was false. We were told that because of this model that ER  
219 visits are down. They are not. As it turns out, throughout-  
220 -significantly according to the Urban Institute and 20  
221 percent in western Massachusetts. We were told that the  
222 private insurance market is unaffected. Actually, fewer  
223 businesses are offering insurance and premiums are up above  
224 the national average. We were told that a cost is an issue  
225 that is being addressed and access is expanding. Actually,  
226 according to the Globe and the National Journal, people are  
227 being disenrolled and dental benefits are being slashed to  
228 hundreds of thousands threatening their access to their  
229 dentist.' ' Indeed the Democratic State Treasurer said if the  
230 United States implements a plan like Massachusetts, we will  
231 go bankrupt. Now the question before us today is whether we  
232 believe the vision of which we were told, or the vision that  
233 we see. I yield back.

234 [The prepared statement of Dr. Cassidy follows:]

235 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
236 Mr. {Pitts.} The Chair thanks the gentleman. Yields 3  
237 minutes to the Ranking Chair of the Committee, Mr. Waxman.

238 Mr. {Waxman.} Madame Secretary, it is a pleasure to  
239 welcome you back to our committee. First, I want to commend  
240 you on the work you are doing to implement the Affordable  
241 Care Act. That is the name of the law. The job you were  
242 given by Congress and the President is imposing but you have  
243 met it with leadership and steadfast commitment. Today's  
244 hearing is meant to address the President's budget proposal  
245 for HHS for fiscal year 2012. You wouldn't know it from the  
246 opening statements. But fiscal year 2012 seems very far away  
247 at this point. I am much more focused on the threats from  
248 the continuing resolution passed by the House. I believe the  
249 cuts proposed by the Republican budget would be just  
250 devastating to the mission of your department. The  
251 Republican proposal would cut 23 percent from the Centers for  
252 Medicare and Medicaid services. Well, this will devastate  
253 the ability of the agency to maintain its basic functions  
254 like paying Medicare claims, cracking down on fraud, and  
255 funding health programs through Medicaid and the Children's  
256 Health Insurance Program.

257 The FDA would see cuts of 17 percent with enforcement of  
258 the new food safety law gutted. The Centers for Disease

259 Control would be cut by 37 percent leaving Americans more  
260 exposed to viruses and illnesses. The Community Health  
261 Centers Program which has strong bipartisan support would be  
262 cut by \$1 billion closing 127 health centers and cutting off  
263 11 million patients from care they need. Cuts of this  
264 magnitude are not belt tightening or doing more with less.  
265 They go to the heart of the core mission of the agencies that  
266 comprise HHS, jeopardize access to healthcare, research, and  
267 the safety of our food and pharmaceuticals. I agree with  
268 President Obama's guidance to us yesterday in discussing a  
269 final CR for this fiscal year. Disagreements should be  
270 bipartisan. They should be free of any party's social or  
271 political agenda, and it should be reached without delay.  
272 Thank you, Madame Secretary for being here today and I urge  
273 you to continue to work diligently to implement the essential  
274 protections of the Affordable Care Act. And I would be  
275 pleased to yield to any of my colleagues on the Democratic  
276 side. Mr. Engel, I yield to you the rest of my time.

277 [The prepared statement of Mr. Waxman follows:]

278 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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279           Mr. {Engel.} Yes, I want to second what Mr. Waxman has  
280 just said. When we look at the Republican budget we see  
281 things cut out that are really just unimaginable. You know,  
282 we heard the governors and I know, Madame Secretary, you are  
283 a former governor. We heard the Republican governors come  
284 here and basically say they don't like the healthcare law.  
285 They want government to get out of people's lives. You know  
286 if Governor Barbour is happy with Mississippi always being  
287 49th and 50th in education and healthcare then I suppose he  
288 will be happy with it. But some of us do feel that  
289 healthcare, affordable healthcare is a right and that is what  
290 we tried to do. And the negativity boggles my mind.

291           [The prepared statement of Mr. Engel follows:]

292           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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293           Mr. {Pitts.} Chair thanks the gentleman and at this  
294 time will go to our witness. I would like to introduce our  
295 witness, the Secretary of Health and Human Services, Kathleen  
296 Sebelius. Secretary Sebelius was first elected to the Kansas  
297 House of Representatives in 1986. In 1994, Secretary  
298 Sebelius was elected State Insurance Commissioner for the  
299 State of Kansas and in 2002, she was elected to be the  
300 state's governor. Madame Secretary, we welcome you to the  
301 committee. We look forward to your testimony.

|  
302 ^STATEMENT OF KATHLEEN SEBELIUS, SECRETARY, U.S. DEPARTMENT  
303 OF HEALTH AND HUMAN SERVICES

304 } Secretary {Sebelius.} Thank you very much, Chairman  
305 Pitts, Ranking Member Pallone, and members of the committee.  
306 Thank you for inviting me here today to discuss the 2012  
307 budget for the Department of Health and Human Services.

308 In the President's State of the Union Address, he  
309 outlined his vision for how the United States can win the  
310 future by out-educating, out-building, and out-innovating the  
311 world so we can give every family and business the chance to  
312 thrive. And I think our 2012 budget is a blueprint for  
313 putting a portion of that vision into action. It makes  
314 investments for the future so that we grow our economy and  
315 create jobs.

316 But we also recognize that we can't build lasting  
317 prosperity on a mountain of debt. Years of deficits have put  
318 us in a position where we need to make tough choices. In  
319 order to invest in the future we need to live within our  
320 means. So in developing the budget we look closely at every  
321 program in our department and when we found waste we cut it.  
322 And when programs weren't working well we redesigned them to  
323 put a new focus on results. And in some cases we cut

324 programs we wouldn't have cut in better fiscal times. And I  
325 look forward to answering your questions, but Mr. Chairman, I  
326 would like start with just sharing some highlights.

327 Over the last 11 months we have worked around the clock  
328 with our partners in Congress and States to deliver on the  
329 promise of the Affordable Care Act. Thanks to the law,  
330 children are no longer denied coverage because of their  
331 preexisting health conditions. Families have protections in  
332 the new Patient's Bill of Rights. Businesses are getting  
333 relief from the soaring healthcare costs and seniors have  
334 lower cost access to prescription drugs and preventive care.

335 This budget builds on the progress by supporting  
336 innovative new models of care that will improve patient's  
337 safety and quality while reducing the rising burden of health  
338 costs on families, businesses, cities, and states. We make  
339 new investments in our healthcare workforce and community  
340 health centers to make quality affordable care available to  
341 millions more Americans, and create hundreds of thousands of  
342 new jobs across the country.

343 At this same time the budget includes additional  
344 proposals that strengthen program integrity in Medicare,  
345 promote lower medicine costs, improve Medicare program  
346 operations, and reform the quality improvement organizations  
347 which help providers improve care. The budget also includes

348 saving proposals to strengthen Medicaid. It includes funding  
349 for the Transitional Medical Assistants Program and Medicare  
350 Part B premium assistance for low income beneficiaries,  
351 programs which help keep health costs down for low income  
352 individuals and help them keep their vital coverage.

353 To make sure America continues to lead the world in  
354 innovation, our budget includes funding increases for the  
355 National Institutes of Health. New frontiers of research  
356 like cell based therapies and genomics have the promise to  
357 unlock transformative treatments and cures for diseases  
358 ranging from Alzheimer's to cancer to autism. And our budget  
359 will allow the world's leading scientists to continue to  
360 pursue discoveries while keeping America at the forefront of  
361 biomedical research. And because we know there is nothing  
362 more important to our future than the healthy development of  
363 our children, our budget includes significant increases in  
364 funding for childcare and Head Start.

365 Science shows that success in school is significantly  
366 enhanced by high quality, early learning opportunities.  
367 These investments are some of the wisest that we can make in  
368 our future. But our budget does more than provide additional  
369 resources. It also aims to raise the bar on quality in  
370 childcare programs supporting key reforms to transform the  
371 Nation's childcare system into one that fosters healthy

372 development and gets children ready for school; proposes a  
373 new early learning challenge fund, a partnership with the  
374 Department of Education that promotes state innovation in  
375 early education; and these initiatives combined with the  
376 quality efforts already underway in Head Start are an  
377 important part of the President's education agenda to help  
378 every child reach his or her academic potential and make our  
379 Nation more competitive.

380         The budget also promotes strong family relationships.  
381 It supports a child support and fatherhood initiative that  
382 encourages fathers to take responsibility for their children;  
383 changes policies so that more of that support reaches the  
384 children; and maintains a commitment to vigorous enforcement  
385 promoting healthy relationships between fathers and their  
386 children. We also fund new performance driven incentives for  
387 states to improve outcomes for children in foster care such  
388 as reducing long term foster stays and the reoccurrence of  
389 child maltreatment. These children also need to be part of  
390 our better future.

391         Our budget recognizes that at a time when so many  
392 Americans are making every dollar count we need to do that  
393 same. That is why the budget provides new support for  
394 President Obama's unprecedented push to stamp out waste,  
395 fraud, and abuse in our healthcare system, an effort that

396 more than pays for itself returning a record of \$4 billion to  
397 taxpayers last year alone. In addition the budget includes a  
398 robust package of administrative improvements for Medicare  
399 and Medicaid. The proposals include prepayment scrutiny,  
400 expanded auditing, increased penalties for improper actions,  
401 and strengthens CMS's ability to implement corrective actions  
402 and address state activities that increase federal spending.  
403 Over 10 years on a conservative estimate they should deliver  
404 over \$32 billion in savings.

405         Across our Department we have made eliminating waste,  
406 fraud, and abuse a top priority but we know that isn't  
407 enough. So over the last few months we have also gone  
408 through the department's budget program by program to find  
409 additional savings and opportunities where we can make our  
410 resources go further.

411         In 2009, Congress created a grant program to help states  
412 expand healthcare coverage and we have eliminated that  
413 program because it is duplicative. CDC funding has been  
414 helping states reduce chronic diseases but the funding was  
415 split between different diseases: one grant of heart  
416 disease, another for diabetes. We thought it didn't make  
417 sense since a lot of those conditions have the same risk  
418 factors like obesity and smoking. And now states will get  
419 one comprehensive grant that allows them more flexibility to

420 address chronic disease in their home territories more  
421 effectively.

422           The 2012 budget we are releasing today makes tough  
423 choices and smart targeted investments today so we have a  
424 stronger healthy and more competitive America tomorrow. That  
425 is what it will take to win the future and that is what we  
426 are determined to do. So thank you, Mr. Chairman. I will  
427 look forward to answering your questions.

428           [The prepared statement of Ms. Sebelius follows:]

429 \*\*\*\*\* INSERT 1 \*\*\*\*\*

|  
430 Mr. {Pitts.} Chair thanks the gentlelady and recognizes  
431 himself for 5 minutes for questions. Madame Secretary,  
432 Section 4002 of the PPACA created a fund to provide funding  
433 for programs authorized by the Public Health Service Act for  
434 prevention, wellness, and public health activities. From the  
435 period fiscal year 2012 to fiscal year 2021, there will be  
436 \$17.75 billion deposited in fund. My question is who has the  
437 authority to determine how these funds are spent?

438 Secretary {Sebelius.} Mr. Chairman, our department in  
439 consultation with Congress we--presents a spending plan for  
440 the prevention fund a year at a time.

441 Mr. {Pitts.} Follow-up on that are you authorized to  
442 spend this money without any further Congressional action?

443 Secretary {Sebelius.} Yes, we are.

444 Mr. {Pitts.} Are you authorized to add funds to a  
445 program above and beyond what Congress appropriated for that  
446 program in a given year?

447 Secretary {Sebelius.} Yes, yes, sir.

448 Mr. {Pitts.} Madame Secretary, like most states  
449 nationally, my State is struggling with a major projected  
450 shortfall in its coming budget. The Maintenance of Effort  
451 Provision in PPACA for the Medicaid Program is removing a  
452 major lever for them to consider as they try to balance the

453 budget. Can you give me a yes or no answer as to whether  
454 there will be an opportunity to waive that provision to help  
455 Pennsylvania and other states close their budget holes?

456 Secretary {Sebelius.} Mr. Chairman, the question  
457 doesn't lend itself to yes or no. We are--have the ability  
458 to grant 1115 waivers to states that improve the Medicaid  
459 Program and we are working very actively with governors  
460 across the country. I have met with all the new governors.  
461 We have been in 19 states so far. We are working a budget at  
462 a time to look at the flexibility that governors are  
463 requesting.

464 Mr. {Pitts.} Given that the Supreme Court will be  
465 looking at this new law in the coming months or years, we as  
466 a Congress have to prepare for the possibility that a portion  
467 of PPACA might be invalidated while other parts remain. If  
468 the individual mandate were set aside and the remaining  
469 portions of the bill were left intact what would be the  
470 impact in the total number of uninsured and assuming that  
471 number would grow would the administration seek to find a new  
472 way to cover these folks through Medicaid?

473 Secretary {Sebelius.} Well Mr. Chairman, we are  
474 confident that the personal responsibility portion will be  
475 upheld. There are 12 judges who have dismissed cases so far:  
476 three federal judges including one as recently as last week

477 who have held the entire law constitutional; one Judge in  
478 Virginia who found a portion, the individual responsibility  
479 portion unconstitutional, but declared it severable and  
480 refused to grant an injunction; and a Florida judge who has  
481 ruled another way. So our team is confident at the end of  
482 the day that the law will be held constitutional. We are  
483 looking at a variety of options and those were examined as  
484 the Affordable Care Act was being considered about the best  
485 way. If you eliminate preexisting conditions to make sure  
486 that you have a stable and secure insurance pool--as you know  
487 the personal responsibility section actually came from the  
488 insurance industry, from the American Association of Health  
489 Insurance Plans who felt that the way to have a solvent pool  
490 in an insurance market is to make sure that you can balance  
491 the risk. And that proposal really comes from the insurance  
492 industry.

493 Mr. {Pitts.} If you could give me a yes or no--will you  
494 approve of Medicaid Block Grant Program?

495 Secretary {Sebelius.} Mr. Chairman, there isn't a block  
496 grant program that is being suggested at this point. But I  
497 know that there is some interest in that. I can't tell you  
498 what the parameters might be. I think a block grant has the  
499 real danger of shifting enormous burdens onto already  
500 strapped states.

501 Mr. {Pitts.} Thank you. I will yield the balance of my  
502 time to Dr. Cassidy.

503 Dr. {Cassidy.} Thank you, Ms. Secretary. One of my  
504 concerns is how the State Medicaid budgets are going to be  
505 supplemented. Mr. Waxman the other day spoke about currently  
506 there appear to be discrepancies how much a state should get  
507 and how much they do get. Frankly, his State, California,  
508 suffers under this. It is important because Jonathan Gruber,  
509 I think one of your consultants published an article that  
510 says in his state about 1.7 million people will be added to  
511 Medicaid. So under this plan, so it is going to stress it  
512 further. Do you see concerns with how the current F map, S  
513 map is constructed equity issues regarding states? I say  
514 that Vermont, although a lower F map, gets about \$7,500  
515 permanent resident beneficiary and Mississippi gets--with a  
516 higher F map, about \$3,000 per beneficiary. Any thoughts  
517 about that?

518 Secretary {Sebelius.} Well, I know there are constant  
519 concerns about the formula that is the allocation formula for  
520 F map. Mississippi actually has the highest match rate of  
521 any state.

522 Dr. {Cassidy.} But they only get \$3,000 from the  
523 federal government. So they have an 83 percent F map, but  
524 they only get \$3,000 per beneficiary.

525 Secretary {Sebelius.} And I won't dispute that. I  
526 don't know the numbers. I do know they have the highest F  
527 map rate in the country. I think that there is a constant  
528 analysis of changing demographics, changing populations. I  
529 know in your State of Louisiana it became an issue after  
530 Katrina in New Orleans and the changing demographics of that  
531 city changed dramatically their share of the federal budget.  
532 So there have been concerns over the past and we would work  
533 with Congress to look at updating the F map on a regular  
534 basis.

535 Mr. {Pitts.} My time is expired. Yield 5 minutes to  
536 the Ranking Member, Mr. Pallone.

537 Mr. {Pallone.} Thank you, Mr. Chairman. I would  
538 mention to you that if you would entertain the possibility of  
539 upping F map or doing more with F map I would be glad to  
540 oblige. Just so you had any doubt about where I stand on  
541 that issue--would be more than willing to do another F map  
542 bill and increase the F map funding.

543 I wanted to ask about innovation, Madame Secretary.  
544 America's competitiveness depends on our ability to innovate  
545 and keep America number one but instead the Republicans  
546 included over a billion dollars in cuts to NIH and over 240  
547 million to the Food and Drug Administration in their 2011 CR,  
548 and I believe this represents a significant setback because

549 key agencies like NIH and FDA are essential to facilitating  
550 an environment where Americans can continue to innovate. For  
551 instance, at a medical device hearing last week we heard  
552 about CDRH's newly announced medical device innovation  
553 initiative and this is a new Voluntary Priority Review  
554 Program by FDA for new breakthrough medical devices to help  
555 innovator companies bring their products to market. But in  
556 the cuts, if the cuts in the Republican's CR are enacted, FDA  
557 did not think they would have the funds to implement this  
558 initiative. And this is just an example of the dangerous  
559 impacts we would see if FDA's budget is cut by over \$240  
560 million. So Madame Secretary, I believe a cut of 17 percent  
561 will slow the approvals for devices, drugs, and other  
562 innovative products, isn't that correct? I mean, isn't that  
563 what we are going to face with the FDA if this CR becomes  
564 law?

565 Secretary {Sebelius.} Well I think, Congressman, the  
566 President shares your belief that investments in both the  
567 Food and Drug Administration and in the National Institutes  
568 of Health are wise and strategic investments for the safety  
569 and security of our food supply, and our acceleration of  
570 devices and drugs getting to the market, and to keep America  
571 at the forefront of the biomedical industry which we have  
572 been for decades. So he has made recommendations about

573 investments, enhancements to both the National Institutes of  
574 Health budget and for the Food and Drug Administration and  
575 believes strongly that that is really keeping a commitment  
576 with the--not only the American public, but growing jobs in  
577 the economy that we desperately need. And that the failure  
578 to fund those agencies to the full extent both jeopardize  
579 some of the important responsibilities they have as well as  
580 threaten--I think the last detail I saw from Dr. Collins at  
581 NIH is that for every dollar in research grants, seven  
582 dollars is generated in a local community. So that it has an  
583 enormous ripple effect when research grants are put out in  
584 university communities across this country as well as the  
585 life saving cure possibility that results.

586       Mr. {Pallone.} And I mean, the same is true--I mean,  
587 the CR with the NIH, the CR proposes over a billion dollars  
588 in cuts to the NIH budget. For innovation the CR is worse.  
589 It appears the majority of the cuts will come out of the  
590 small percent of the budget for new NIH grants--about 640  
591 million from the budget of 3.9 billion. That would mean  
592 thousands of fewer NIH awards this year. Again, I mean the  
593 cut to the NIH would be devastating on the cutting edge  
594 research into new cures and treatments for diseases. If you  
595 would just comment on that briefly, because then I do want to  
596 ask about the Children's Graduate Medical Education.

597 Secretary {Sebelius.} Well as you know, Congressman,  
598 the NIH budget had a dramatic increase in funding thanks to  
599 the investment in the Recovery Act feeling that scientific  
600 investment was a major innovation effort for the United  
601 States. So they are already struggling with that grant  
602 funding which is coming to an end. And I can tell you it  
603 will have a very chilling impact on research grants across  
604 this country if indeed the NIH budget is not adequately  
605 funded in 2012.

606 Mr. {Pallone.} All right, let me ask you this about the  
607 Children's Graduate Medical Education because the President  
608 has budget zeroed that out. In my home State of New Jersey,  
609 we have the highest rate of autism in the country, one in 94  
610 children. In my district, Children Specialized Hospital  
611 provides services to children with disabilities and clinical  
612 services to like 4,000 kids. My concern is that you know we  
613 have very few subspecialties in pediatrics right now and in  
614 the budget, the President's budget, it basically justifies  
615 zeroing it out by saying that they want to focus on primary  
616 care. But we actually need more subspecialists, not you know  
617 more so by every--you know physician's group. So how do you  
618 justify that? I mean, it seems to not make sense to me.

619 Secretary {Sebelius.} Well, I would say, Mr. Chairman,  
620 I--your concern about this program we have heard from a

621 number of people and I can assure you in any different budget  
622 time this would not have been one of the recommendations.  
623 The goal was to try and focus as many GEME dollars as  
624 possible into the work force for primary care, gerontology,  
625 and to put it into the programs where the vast majority is  
626 training primary care doctors. But this trade off is very  
627 difficult.

628 Mr. {Pallone.} Okay. Thank you, Madame Secretary.  
629 Thank you, Mr. Chairman.

630 Mr. {Pitts.} Gentleman's time has expired. Recognizes  
631 the Chairman of the full committee, Mr. Upton for 5 minutes.

632 The {Chairman.} Thank you, Mr. Chairman. I want to  
633 just start off initially by following up on a question that  
634 you asked regarding the Maintenance of Effort. Now, the  
635 President said earlier this week that if the states could  
636 present a bipartisan proposal on Medicaid that he would like  
637 to support it and if there is broad bipartisan support to  
638 repeal the Maintenance of Effort would that be something that  
639 you would like to work with us on to see it happen?

640 Secretary {Sebelius.} Well, the President has directed  
641 me, Chairman Upton, to work with the governors around this  
642 proposal, so I will be very actively involved. And he is  
643 eager to see their ideas. I think what we are eager to do  
644 and have pointed out to a number of governors is the focus of

645 the--a lot of the cost drivers is the so called dual-eligible  
646 which is why at--Congress was wise enough to include a new  
647 office of dual-eligibles as part of the Affordable Care Act  
648 structure. It is about 15 percent of the population of  
649 Medicaid beneficiaries and over close to 40 percent of the  
650 cost nationwide. So we are really eager to work on those  
651 issues.

652       The {Chairman.} Now, I know that the President--this  
653 happened earlier this week so there has not been a lot of  
654 time, but have you identified a subset of Republican and  
655 Democratic governors that will be the lead that you are going  
656 to work with yet?

657       Secretary {Sebelius.} That is not--believe me I am very  
658 deferential to my former colleagues.

659       The {Chairman.} I know you are.

660       Secretary {Sebelius.} The National Governors  
661 Association, Governor Gregoire chairs it and Governor  
662 Heineman from Nebraska is the vice chair this year. They  
663 have been asked to put together a governor's group.

664       The {Chairman.} Okay. Let me ask you. In your  
665 testimony you discussed the state based health insurance  
666 exchanges that were created by the new law. As noted in your  
667 budget you are provided a mandatory appropriation, not simply  
668 an authorization of such sums as necessary to issue grants to

669 states. Is there any monetary limitations to the grant  
670 making authority?

671 Secretary {Sebelius.} No, sir.

672 The {Chairman.} The--

673 Secretary {Sebelius.} With the exception that the  
674 exchanges have a series of legal parameters that have to be  
675 met in order to draw down funds.

676 The {Chairman.} Under Section 1311H, it authorizes your  
677 department to force doctors, hospitals, and other providers  
678 to meet new quality requirements or face expulsion from  
679 contracting with any qualified health plans offered in the  
680 exchange. Has HHS started to draft any regulations yet on  
681 that--those provisions that you are aware of?

682 Secretary {Sebelius.} Mr. Chairman, I am not aware of  
683 any mandatory provider provisions or expulsion. I will be  
684 glad to answer that question in writing. I don't--I am not  
685 familiar with the section that you are speaking of off the  
686 top of my head--

687 The {Chairman.} Okay.

688 Secretary {Sebelius.} I am sorry.

689 The {Chairman.} Before the House Budget Committee two  
690 weeks ago, I want to say a Richard Foster CMS was asked about  
691 two of the main claims that the supporters of PPACA talked  
692 about. First he was asked about whether the claim that the

693 law would hold down cost--whether it was true or false. He  
694 said false more so than true. And second, he was asked  
695 whether Americans, whether they could keep their health care  
696 plans if they like them and he indicated that it was not true  
697 in all cases. So those are his words. Do you agree or  
698 disagree with some of the things that he said?

699 Secretary {Sebelius.} Mr. Chairman, I have read Mr.  
700 Foster's testimony and I think that what he has indicated is  
701 that he does not feel it is likely that Congress follow the  
702 outlines of the law. I--if indeed the law has changed there  
703 will be a different result. We believe the Congressional  
704 budget office analysis that--which was updated just I think  
705 10 days ago that \$230 billion would be saved over the next 10  
706 years and a trillion dollars over the two decades is an  
707 accurate assessment. If indeed the laws change there needs  
708 to be a different assessment.

709 The {Chairman.} Last question I have is regarding the  
710 grandfather status on the healthcare plans. By some  
711 estimates provided in your department's rule anywhere between  
712 87 million and 117 million Americans will not be able to keep  
713 their healthcare plan. Does the Administration continue to  
714 claim that the healthcare law will in fact allow their plan--  
715 allow Americans to keep their plan if they like it?

716 Secretary {Sebelius.} Mr. Chairman, the law is built

717 around the private insurance market and as you know employers  
718 voluntarily enter that market and make decisions a year at a  
719 time on plan design, on provider issues, on network issues.  
720 The grandfather clause is designed to make sure that as much  
721 as possible without shifting major financial burdens onto  
722 consumers or dramatically changing benefits that plans can  
723 indeed keep exactly the plan moving forward, making  
724 adjustments in premiums as they go along. But nothing  
725 precludes what has been part of a dynamic market in the  
726 private sector all along which is that employers choose year  
727 in and year out moving in and out of a marketplace.

728         Mr. {Pitts.} The gentleman's time has expired. Chair  
729 recognizes the Ranking Member of the Full Committee, Mr.  
730 Waxman, for 5 minutes.

731         Mr. {Waxman.} Thank you, Mr. Chairman. Madame  
732 Secretary, as I mentioned in my opening statement I am deeply  
733 concerned about the cuts proposed by the Republicans for the  
734 remaining seven months of this fiscal year and their  
735 continuing resolution H.R. 1. I have a letter, Mr. Chairman,  
736 I would like to insert in the record by unanimous consent  
737 from the Social Security Administration to its employees.

738         Mr. {Pitts.} Without objection, so ordered.

739         [The information follows:]

740 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
741 Mr. {Waxman.} This letter states that the Social  
742 Security Administration may have to initiate furloughs if the  
743 budget cuts being considered by the House become law. Why  
744 would that matter to Medicare, Madame Secretary?

745 Secretary {Sebelius.} That the Social Security  
746 Administration?

747 Mr. {Waxman.} Right, well the Social Security  
748 Administration processes the new enrollments into Medicare.  
749 Furloughs at the Social Security Administration would lead to  
750 backlogs in processing new enrollment and gaps in coverage  
751 for nearly half a million new Medicare beneficiaries. So  
752 that should be of concern not just for Social Security, but  
753 for the Medicare Program.

754 Secretary {Sebelius.} Well, and Mr. Waxman, as you know  
755 the first of the baby boomers became Medicare eligible so we  
756 are seeing an expanded Medicare beneficiary class this year  
757 and every year of the immediate future. So enrolling people  
758 in a timely and accurate fashion is hugely important.

759 Mr. {Waxman.} So that would really bop the baby boomers  
760 who are becoming Medicare--

761 Secretary {Sebelius.} 2011 is the first baby boomer  
762 Medicare eligible class.

763 Mr. {Waxman.} Mr. Chairman, I have an analysis from the

764 Democratic Staff that I would like to ask for unanimous  
765 consent to insert into the record.

766 Mr. {Pitts.} Without objection, so ordered.

767 [The information follows:]

768 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
769 Mr. {Waxman.} This memo documents the size of the cuts  
770 proposed by the Republicans--funding for CMS, the agency that  
771 runs the Medicare, Medicaid, and the Children's Health  
772 Insurance Program by 23 percent once you consider the fact  
773 that the year is almost halfway finished. This is not a  
774 little haircut or matter of finding some efficiencies. That  
775 kind of a cut could prevent CMS from performing its core  
776 duties, paying for the healthcare needs of seniors, persons  
777 with disabilities, mothers, and kids in Medicare, Medicaid,  
778 and CHIP. Madame Secretary, would you be concerned about the  
779 impact on Medicare beneficiaries of a proposed 23 percent cut  
780 combined with delays in processing the new enrollments?

781 Secretary {Sebelius.} Mr. Chair--I mean, yes,  
782 Congressman. It would be very difficult to continue the  
783 services to the American people. As you know, the  
784 administrative costs for Medicare in the budget year 2010  
785 included no Affordable Care Act implementation because there  
786 was no Affordable Care Act. So what we are talking about is  
787 an enormous reduction in the overall ability to administer  
788 Medicare, Medicaid, the Children's Insurance Program at a  
789 time when there are significantly more beneficiaries in each  
790 of those programs around the country.

791 Mr. {Waxman.} And it is not limited to CMS across your

792 department. Vital public health, vital public safety  
793 functions would be jeopardized. For instance, FDA would be  
794 cut and face an effective cut of 17 percent for the remainder  
795 of this year. Wouldn't this be a cut of that--wouldn't a cut  
796 of this magnitude seriously undermine FDA's responsibilities  
797 to rapidly identify and respond to food related health  
798 threats and its mission to protect patients from faulty or  
799 substandard drugs or devices?

800 Secretary {Sebelius.} Well Congressman, the President  
801 has recommended about a 31 percent increase in the Food and  
802 Drug Administration because of the new responsibilities with  
803 the Historic Food Safety Act and public initiatives.

804 Mr. {Waxman.} But he didn't anticipate this kind of a  
805 cut in this year. He was proposing more--

806 Secretary {Sebelius.} No, sir.

807 Mr. {Waxman.} --money for next year. The Republicans  
808 are proposing to cut a billion dollars in funding to the  
809 community health centers as part of a shocking nearly 50  
810 percent reduction for programs administered by the Health  
811 Resources and Services Administration. That cut to health  
812 centers could result in the closure--no, would result in the  
813 closure of 127 health centers and countless layoffs.  
814 Wouldn't that jeopardize access to patient care?

815 Secretary {Sebelius.} Well, community health centers

816 have long been a bipartisan effort to build a public health  
817 infrastructure delivering low cost high quality preventive  
818 care around the country and that would serious impact  
819 people's health services.

820       Mr. {Waxman.} And for my last question about Medicaid,  
821 every state has a different Medicaid Program. There is  
822 flexibility already in that program. At Tuesday's hearing  
823 Governor Barbour and Herbert asserted the need for total  
824 flexibility. Governor Barbour said the problem is federal  
825 regulations don't allow for--allow a provider to deny  
826 services to an individual on the basis of the individual's  
827 ability to pay. In addition, no cost sharing measures can be  
828 imposed on many Medicaid enrollees including children.  
829 Madame Secretary, can you talk about the flexibility that is  
830 already in the system and how that is balanced against the  
831 minimal levels of beneficiary and provider protections with  
832 regard to cost sharing access to providers and more?

833       Secretary {Sebelius.} The Medicaid Program as you say  
834 is a federal/state partnership and the program does look  
835 different in states around the country. The program already  
836 has enormous flexibility in the Affordable Care Act gives  
837 even more significant flexibility designing benefit packages,  
838 designing for some of the upper income beneficiaries cost  
839 sharing, making sure that optional services in some states

840 are part of the package and other states they are not. So  
841 there is a wide variety of program designs. Some are  
842 entirely in managed care. Others are not. We are working  
843 actively. As you know, the Nation has a host of brand new  
844 governors and working actively with each of those states to  
845 not only give them a snapshot of what their program looks  
846 like but also the strategies that have been implemented in  
847 other parts of the country that have been very effective in  
848 delivering care and saving costs.

849 Mr. {Pitts.} Thank you. The gentleman's time is  
850 expired and will yield 5 minutes to the vice chairman of the  
851 committee, Dr. Burgess.

852 Dr. {Burgess.} Thank you, Mr. Chairman. And I don't  
853 want to take up too much time, but I would just point out to  
854 the Ranking Member of the Full Committee that the Democrats  
855 did have an entire year with which to come up with their  
856 budget and their appropriations. And it is only because they  
857 failed to do their work that we are doing the CR right now.  
858 Let me direct your attention once again--

859 Mr. {Pallone.} The House asked that the Senate and  
860 public had stopped it--

861 Dr. {Burgess.} I know Chairman gets--the time--  
862 reclaiming my time. Chairman Pitts referenced Judge Vinson's  
863 ruling in Florida from earlier in February and I sent you a

864 letter on February 10 asking you about the implementation  
865 plans of HHS to which I have not yet received an answer. My  
866 concern is Judge Vinson in his ruling said that a declaratory  
867 judgment is the functional equivalent of an injunction and he  
868 went on to say that officials of the executive branch will  
869 adhere to the law as declared by the court.

870       As a result the declaratory judgment is a functionally  
871 equivalent--a declaratory judgment is the functional  
872 equivalent of an injunction. There is no reason to conclude  
873 that this presumption should not apply here. You apparently  
874 feel differently and we heard from our governors earlier this  
875 week that they are in fact feel like they are on--I think  
876 Governor Herbert said shifting sands. You feel that  
877 ultimately the individual mandate will be upheld as  
878 constitutional by the Supreme Court. Judge Vinson felt  
879 otherwise. We are in a period where I wish we could  
880 accelerate or expedite the Supreme Court, but apparently I  
881 don't get my wish.

882       The Supreme Court will likely rule in June 2012 and that  
883 is a long time for the states to look at this and wonder  
884 which direction do we go. You could certainly provide some  
885 guidance and some help by saying you know we are going to  
886 look seriously at what Dr.--at what Judge Vinson said. So I  
887 still await a response from your letter but could you briefly

888 give me some comfort that you are going to comply with the  
889 judge's order?

890 Secretary {Sebelius.} Congressman, I think it is far  
891 from clear what Judge Vinson's order indicates, so the  
892 Justice Department has gone back to the judge to ask him for  
893 a clarification of his order that--

894 Dr. {Burgess.} Yeah, reclaiming my time. Again, I  
895 think he stated it as clearly as he could. He is going to  
896 restate that and I look forward to his decision as well. But  
897 honestly, the decision of a member of the executive branch  
898 not to adhere to the directive of the court is--I think  
899 troubling.

900 Secretary {Sebelius.} He did not file an injunction as  
901 you know which is the standard procedure if we have asked  
902 him--

903 Dr. {Burgess.} But attorneys--

904 Secretary {Sebelius.} --to clarify and look forward to  
905 his--

906 Dr. {Burgess.} --but governors all across this country  
907 right now including my State of Texas and I know Attorney  
908 General Greg Abbott is very concerned about what do--you know  
909 what do we do now because we don't know. Let me--

910 Secretary {Sebelius.} But there isn't anything now that  
911 is being done with the individual responsibility portion.

912 Dr. {Burgess.} Well, I look forward to your written  
913 response to the letter I sent you a month ago and I hope that  
914 you will provide that for us.

915 Secretary {Sebelius.} We will.

916 Dr. {Burgess.} We heard some of the questions have  
917 already centered around some of the issues of mandatory  
918 funding within the law that was signed last year and I am  
919 particularly concerned about Section 4101 both A and B.  
920 4101A provides mandatory spending for the construction and  
921 only the construction of school clinics. 4101B creates new  
922 discretionary funding for paying the doctor and nurses who  
923 are going to work in those school clinics. So I guess the  
924 question is why is the construction mandatory and paying the  
925 staff discretionary?

926 Secretary {Sebelius.} That is the way the bill was  
927 constructed by members of Congress.

928 Dr. {Burgess.} By members of the Senate Finance  
929 Committee Staff. And to take up where Chairman Upton was  
930 talking just a moment ago I would draw your attention in the  
931 law to Section 1311. It is on page 79, 78 of my copy of the  
932 law where under Enhancing Patient Safety beginning on January  
933 1, 2015, a qualified health plan may contract with part B, a  
934 healthcare provider only if such provider implements such  
935 mechanisms to improve healthcare quality as the secretary may

936 by regulation require. I mean that is pretty specific, too.  
937 So where are you going with this? What have you directed  
938 your staff to look at? I mean again, providers all over the  
939 country are asking me what does this mean for us. Well,  
940 again, perhaps I could get that response in writing.

941 Secretary {Sebelius.} I am--

942 Dr. {Burgess.} But you know I think--look, we switched  
943 sides here in January and the reason we switched sides was  
944 because of this law. It is precisely because of this type of  
945 language in this law that the American people looked at this  
946 and rejected the notion of what was forced upon them last  
947 year. There is unprecedented power now that goes to your  
948 office, unprecedented spending that goes to your office.  
949 These are decisions that are made exclusively by the  
950 Secretary of Health and Human Services. At no other time in  
951 our history has so much power gone to one federal agency.  
952 Can you understand why the American people are understandably  
953 concerned by what has happened to them?

954 Secretary {Sebelius.} Congressman, I think that the  
955 American public should be alarmed if we are paying taxpayer  
956 dollars to any provider or a hospital bed of over 50 which  
957 doesn't have a quality system in play. I--

958 Dr. {Burgess.} But quality determined by the Secretary.  
959 Quality determined by the Secretary and no other--no right of

960 appeal, no secondary motion may be made--only by the  
961 Secretary. That is what is affecting--

962 Secretary {Sebelius.} It would be in the CMS guidelines  
963 in terms of payments for Medicare, pays that when that rule  
964 is promulgated there will be plenty of public input. But  
965 again, I think it would be alarming if we paid taxpayer  
966 dollars without the quality measurement.

967 Dr. {Burgess.} May I just add, the 10 rules have gone  
968 without public comment. Ten rules have gone into action.

969 Mr. {Pitts.} Gentleman's time is expired. Yield 5  
970 minutes to the Ranking Member Emeritus, Mr. Dingell.

971 Mr. {Dingell.} Thank you for your courtesy. Welcome  
972 Madame Secretary. It is a pleasure to see you here.

973 Secretary {Sebelius.} Sir.

974 Mr. {Dingell.} Your old dad who served on this  
975 committee with me and worked in this room would be very proud  
976 of what you are doing. Thank you. Questions with regard to  
977 the Affordable Care Act, the continuing resolution H.R. 1  
978 makes a number of blunt, reckless cuts in programs that are  
979 critical to the health and wellbeing of the American people.  
980 At the same time, the Affordable Care Act has begun  
981 implementing historic consumer protections including insuring  
982 coverage for children with pre-existing conditions,  
983 prohibiting rescissions on coverage by insurance companies,

984 allowing children up to 26 to stay on their parent's  
985 insurance, amongst others. Under H.R. 1, CMS would receive a  
986 cut of 458 million or more than 23 percent of that agency's  
987 2010 budget. Will H.R. 1 delay or impede the implementation  
988 of the consumer protection provisions of the health reform  
989 act, yes or no?

990 Secretary {Sebelius.} Yes, sir.

991 Mr. {Dingell.} Madame Secretary, would you please give  
992 us for the record a statement as to how and where these cuts  
993 will come and what will be the affect on the programs  
994 involved? Madame Secretary, the Affordable Care Act provides  
995 seniors on Medicare with a 50 percent discount on brand name  
996 drugs, a critical step towards increasing the coverage under  
997 Medicare Part D. Will H.R. 1 delay or prevent the seniors  
998 from receiving this discount, yes or no?

999 Secretary {Sebelius.} Mr. Chairman, the cuts to  
1000 Medicare services will--

1001 Mr. {Dingell.} But it is a danger?

1002 Secretary {Sebelius.} Pardon me?

1003 Mr. {Dingell.} But it is a danger that it will affect  
1004 those provisions?

1005 Secretary {Sebelius.} Yes, sir, yes sir.

1006 Mr. {Dingell.} All right, Madame Secretary, just  
1007 yesterday we heard from Medicare Program Integrity Group

1008 Director John Spiegel regarding the anti-fraud efforts at CMS  
1009 including the new tools provided by ACA to prevent fraud  
1010 before it occurs. Will H.R. 1 delay or harm efforts to  
1011 prevent fraud, waste, and abuse in Medicaid or Medicare, yes  
1012 or no?

1013 Secretary {Sebelius.} Yes, sir.

1014 Mr. {Dingell.} Would you submit for the record a  
1015 statement as to how and why?

1016 Secretary {Sebelius.} I will.

1017 Mr. {Dingell.} Madame Secretary, with regard to food  
1018 safety as you know another important undertaking is the  
1019 implementation of FDA Food Safety Modernization Act. This  
1020 legislation made historic investments in our food safety  
1021 system and provided new authorities to help FDA to prevent  
1022 food safety programs before they occur throughout the food  
1023 supply. H.R. 1 included \$241 million in cuts from the FDA.  
1024 Will this cut or these cuts impede FDA's ability to implement  
1025 the Food Safety Modernization Act, yes or no?

1026 Secretary {Sebelius.} Yes, sir, they will.

1027 Mr. {Dingell.} Would you please explain that for the  
1028 record if you please, Madame Secretary?

1029 Secretary {Sebelius.} Yes, sir.

1030 Mr. {Dingell.} Madame Secretary, last Congress I  
1031 enjoined with my colleagues Mr. Waxman, Mr. Pallone, and Mr.

1032 Stupak to introduce drug safety legislation that would give  
1033 the FDA the authorities and resources it needs to adequately  
1034 protect consumers from unsafe drugs and to monitor our food  
1035 safety or rather the safety of our drug supply. Will H.R. 1  
1036 impede FDA center for drug evaluation and research from  
1037 evaluating and monitoring drugs for safety and effectiveness,  
1038 yes or no?

1039 Secretary {Sebelius.} Yes, sir.

1040 Mr. {Dingell.} Madame would you submit an explanation  
1041 as to why that is so? Madame Secretary, the FDA is  
1042 consistently and chronically underfunded and I continue to  
1043 hope that FDA will get needed registration fees to help fully  
1044 implement the food safety law. I note that those fees would  
1045 have--were approved by and supported by the industry. Do you  
1046 believe that registration fees are necessary to implementing  
1047 the Food Safety Modernization Act, yes or no?

1048 Secretary {Sebelius.} Yes, sir.

1049 Mr. {Dingell.} Madame Secretary, you have been  
1050 requested or the department has been requested to produce  
1051 documents of the benefit of this committee. I would note  
1052 Madame Secretary that HHS has produced over 50,000 documents  
1053 I note a significant expense in response to the committee's  
1054 requests related to the waiver process and the creation of  
1055 CCIO. Would you submit to the statement or rather submit to

1056 the committee a statement as to how you have complied with  
1057 that request for papers and documents and what seem to be the  
1058 problems if any that exist with regard to the committee's  
1059 requests for information?

1060 Secretary {Sebelius.} I would be happy to submit that.

1061 Mr. {Dingell.} Madame Secretary, we have completed our  
1062 business with 11 seconds. Thank you. Thank you.

1063 Mr. {Pitts.} The gentleman's time is expired and Chair  
1064 recognizes Chair Emeritus of the committee, Mr. Barton.

1065 Mr. {Barton.} Thank you, Mr. Chairman. Welcome, Ms.--  
1066 Madame Secretary. Congratulations to your Jayhawks for  
1067 beating my Texas Aggies last night in basketball. I hated to  
1068 see it, but you all were the better team.

1069 I think Dr. Burgess asked this question, but I am going  
1070 to--I may ask it in a little bit different way. I think you  
1071 are very well aware that a federal court has recently ruled  
1072 that the healthcare law that became law last year is  
1073 unconstitutional. As the Chief Administrative Executive in  
1074 charge of implementing that law what is your position on  
1075 agreeing to the court order and ceasing to implement the new  
1076 law? Do you intend to agree with it? Are you going to  
1077 ignore it? Or are you going to appeal it? Could you  
1078 enlighten us as to what your position is on this recent court  
1079 ruling?

1080 Secretary {Sebelius.} Well, Congressman Barton, thank  
1081 you on behalf of the Hawks. We have sought a clarification  
1082 from Judge Vinson about the implication both for the  
1083 plaintiff's states as well as the membership of the NFIB  
1084 which is one of the plaintiffs in the Florida case. Once we  
1085 get that clarification we intend then to take next steps. In  
1086 the meantime we are actively implementing the law because as  
1087 you know, Judge Vinson is now an outlier in terms of what the  
1088 other federal judges, the four other judges who have ruled  
1089 have ruled very differently than the judge. So we are  
1090 seeking clarification and continuing to move ahead.

1091 Mr. {Barton.} What is your timeline on that?

1092 Secretary {Sebelius.} Well, the plaintiffs and the--we  
1093 expect to hear back from the judge soon. The DOJ has filed  
1094 their clarification request. The plaintiffs have responded  
1095 this week, and the judge indicated that he would rule very  
1096 quickly.

1097 Mr. {Barton.} Is it once that information is received  
1098 from the judge is--whose decision is it? Is it your  
1099 decision? Is it the Attorney General's decision? Is it the  
1100 President's decision or all of the above on how to proceed?

1101 Secretary {Sebelius.} Well, our legal team is led by  
1102 the Department of Justice so we defer to their legal counsel.

1103 Mr. {Barton.} Do you have official input into the

1104 decision? In other words--

1105 Secretary {Sebelius.} Into the legal counsel's  
1106 decision?

1107 Mr. {Barton.} Well, you are the Secretary of Health and  
1108 Human Services.

1109 Secretary {Sebelius.} I understand. I--our legal  
1110 counsel is involved with the justice team, but they are  
1111 proceeding to have this dialogue with the court.

1112 Mr. {Barton.} Okay. I would disagree with you that the  
1113 judge's decision was an outlier. My understanding is that if  
1114 you are keeping score it is two to two. So I don't--

1115 Secretary {Sebelius.} No, it is three to two.

1116 Mr. {Barton.} We had--have we had another one?

1117 Secretary {Sebelius.} I have to keep an accurate score  
1118 and as I say there are 12 who have dismissed the case  
1119 outright, so.

1120 Mr. {Barton.} All right.

1121 Secretary {Sebelius.} And Congressman, the  
1122 clarification I would make is that in the other decision  
1123 which came out of a court in Virginia where the judge found  
1124 an individual responsibility to be the one portion of the law  
1125 that he found unconstitutional, he disagreed with Judge  
1126 Vinson's description that it was essential to strike down the  
1127 entire law and so that is what I meant--

1128 Mr. {Barton.} Yeah, I am aware of that.

1129 Secretary {Sebelius.} --in terms of the outlier.

1130 Mr. {Barton.} And I guess one more--one last question  
1131 on that. Is it conceivable that the Obama Administration  
1132 would appeal directly if the decision is to appeal--would  
1133 appeal directly to the Supreme Court so that we get this  
1134 thing solved hopefully before the next presidential election?

1135 Secretary {Sebelius.} Congressman, the Attorney General  
1136 of the State of Virginia has filed an expedited appeal to the  
1137 United States Supreme Court asking them to grant cert in the  
1138 case in Virginia. The Administration has opposed that  
1139 decision to expedite, but that is now before the court. So  
1140 that is ripe and the court will make a decision on whether or  
1141 not they intend to expedite this case.

1142 Mr. {Barton.} My time has just about expired. I have  
1143 got a number of questions for the record I will submit in  
1144 writing. My final question is on NIH. Several years ago we  
1145 passed an NIH Reform bill through this committee that was  
1146 signed into law. That bill was a reauthorization bill. It  
1147 lapsed several years ago and it is up for renewal. I am  
1148 going to encourage Chairman Upton to have a hearing and  
1149 hopefully do a reauthorization on that later this year or  
1150 next year, but in that was the creation of a Common Fund to  
1151 try to get more cross-semination, insemination between the

1152 various NIH organizations. Have you followed that? And if  
1153 so, could you give us an update on how you believe that  
1154 common fund is operating?

1155 Secretary {Sebelius.} Well, Mr. Chairman, I know that  
1156 the new director of the National Institutes of Health has  
1157 taken a great interest in the Common Fund and has actively  
1158 involved in not only seeking to fill gaps in research but  
1159 directing it to the most promising options he feels in the  
1160 research field. So I think it has been something that has  
1161 been definitely a stream of funding that has been very  
1162 important and one that I would be happy to get some detail  
1163 from Dr. Collins on exactly where those funds are being  
1164 directed. But it is something that he takes very seriously.

1165 Mr. {Barton.} Thank you, Madame Secretary. And thank  
1166 you.

1167 Mr. {Pitts.} Gentleman's time is expired. Chair yields  
1168 5 minutes to the gentleman from New York, Mr. Engel, for  
1169 questions.

1170 Mr. {Engel.} Well, thank you. Thank you, Mr. Chairman.  
1171 You know I have been listening to the whining and complaining  
1172 on the other side of the aisle and it just really boggles my  
1173 mind, Madame Secretary. But the bottom line is do we want to  
1174 provide American citizens with healthcare or don't we? I  
1175 know there hasn't been any enthusiasm for the Affordable Care

1176 Act on the other side of the aisle, but you know let us try  
1177 to improve it rather than try to destroy it.

1178 I noted with a bit of a chuckle the assault on the  
1179 Massachusetts law. The fact is that the governor of  
1180 Massachusetts came here and said that the law is working and  
1181 I wonder if Governor Romney is going to run on his strong  
1182 implementation of that law in the Republican primaries when  
1183 he runs for president. Madame Secretary, what are the most  
1184 dangerous things in the Republican cuts as you see it from  
1185 your very important point of view of providing healthcare for  
1186 Americans and all the other things that are in the Republican  
1187 plans for funding the government? What do you see as the  
1188 most draconian of the cuts and how would it affect the health  
1189 of the American people?

1190 Secretary {Sebelius.} Congressman, President feels  
1191 strongly that education, innovation, building are key blocks  
1192 for the future. So the investment in early childhood  
1193 education which pays huge dividends down the road; the  
1194 investment into scientific research to keep us at the front  
1195 of biomedical innovation; the infrastructure for public  
1196 health delivery with community health centers; and funding  
1197 the training of providers all of those are jeopardized  
1198 without you know having adequate funding in the future as  
1199 well as essential services. The centers for Medicare and

1200 Medicaid and--are looking at increased beneficiaries in a  
1201 very restrictive budget and our efforts to have new fraud,  
1202 waste, and abuse efforts which are really paying off are very  
1203 much in jeopardy.

1204       Mr. {Engel.} You know what I see in terms of the  
1205 Republican for funding the government, it is not a matter of  
1206 the fact that we need to cut to balance a budget. We do need  
1207 to balance our budget and I find it odd that we are giving  
1208 these huge tax breaks to wealthy people and that blows a hole  
1209 in the budget. And I find that very interesting, but it is  
1210 an attempt as I can see it to get rid of all the programs  
1211 Republicans having liked for all these years and to try to  
1212 tie it in and kind of use the budget problems to do that.  
1213 You know we see it on a state level in Wisconsin. We see it  
1214 all over the country. And we see it on a national level as  
1215 well. We had Governor Barbour here and he complained that he  
1216 didn't like the Affordable Care Act and he would agree to  
1217 block a grant. Do you think the people of Mississippi would  
1218 be better off four years from now under Governor Barbour's  
1219 blocked grant program or under the Affordable Care Act?

1220       Secretary {Sebelius.} Congressman, I don't know a lot  
1221 of the details about the Mississippi healthcare situation. I  
1222 do know that they have a population that by poverty level  
1223 qualifies them for the highest F map rate. And one of the

1224 challenges of any kind of block grant is if you would look at  
1225 the recent economic downturn when millions more Americans  
1226 qualified for Medicaid because they lost their jobs or their  
1227 incomes took a drastic downturn. No state would have any  
1228 help from the federal government in responding to that. It  
1229 shifts huge burdens frankly onto state bases and doesn't have  
1230 a federal partnership moving forward.

1231       Mr. {Engel.} Let me ask you this. There have been a  
1232 number of criticisms of the Pre-existing Condition Insurance  
1233 Program and I would like to just review the facts. First  
1234 there was concern over whether there won't be enough money  
1235 for all the people that will enroll. Then we heard that very  
1236 few have enrolled and both criticisms were asserted as  
1237 failures. How many people have enrolled and what changes  
1238 have you made to the program in response? And let me throw  
1239 out another question tying in with this. Governor Barbour at  
1240 Tuesday's hearing asserted they were unable to run the  
1241 program. So were states given the opportunity to run the  
1242 program? Could they have run it in combination with existing  
1243 high risk pools in the states? And the irony as I see it is  
1244 that a high risk pool was essentially a tattered feature in  
1245 the Republican proposal for health reform debated right in  
1246 this very committee last year. So I wonder if you can  
1247 comment on those things.

1248           Secretary {Sebelius.} Well, there are now approximately  
1249 12,000 people across this country who are enrolled in their  
1250 state or the federal high risk pool and the enrollment  
1251 increased by about 50 percent over the last couple of months.  
1252 Many states are--finally got their program set up, are doing  
1253 aggressive outreach, are informing people but as you know  
1254 there are some pretty strict requirements. You have to be  
1255 uninsured for six months which is a barrier to a lot of  
1256 folks. And the insurance, even though it is capped at market  
1257 rates is still not inexpensive coverage. This was always  
1258 designed as a bridge strategy to try and get to 2014 when the  
1259 market rules will change and for the first time ever in the  
1260 history of this country we will have insurance available  
1261 without regard to people's pre-existing health condition.  
1262 They will be able to participate in a broad based pool.

1263           Mr. {Pitts.} Gentleman's time has expired. Chair  
1264 recognizes the gentleman from Illinois, Mr. Shimkus, for 5  
1265 minutes for questions.

1266           Mr. {Shimkus.} Thank you, Mr. Chairman. Madame  
1267 Secretary, welcome. We have been waiting to visit with you  
1268 for a long time. I would just--I would state that you know  
1269 it is funny that you mention that NFIB which is a National  
1270 Federation of Independent Businessmen were plaintiffs. When  
1271 I thought they got such great small business tax credits that

1272 I wouldn't really expect them to be in opposition to this  
1273 law. I--it is just I am surprised to hear that. The other  
1274 thing--you were a governor of a state and I would imagine  
1275 that had you been governing--did you ever pass--under  
1276 governorship was budgets passed? Did you pass budgets when  
1277 you were governor?

1278 Secretary {Sebelius.} Yes, sir.

1279 Mr. {Shimkus.} Was the chambers held by just Democrats  
1280 in the Senate and the House or did you have--

1281 Secretary {Sebelius.} Never.

1282 Mr. {Shimkus.} What is that?

1283 Secretary {Sebelius.} Never.

1284 Mr. {Shimkus.} Never. And you passed budgets?

1285 Secretary {Sebelius.} We did.

1286 Mr. {Shimkus.} And then the last Congress we held--  
1287 Democrats held the House of Representatives. That is true,  
1288 right?

1289 Secretary {Sebelius.} And the house passed a budget.

1290 Mr. {Shimkus.} And they also held the Senate.

1291 Secretary {Sebelius.} They did.

1292 Mr. {Shimkus.} And we have a Democratic President?

1293 Secretary {Sebelius.} Yes, we do.

1294 Mr. {Shimkus.} And we didn't pass a budget?

1295 Secretary {Sebelius.} I think the House passed a

1296 budget.

1297 Mr. {Shimkus.} So I am--I guess I am trying to be a  
1298 little cute. The point is the Democratic attack on this CR  
1299 is because of their failure to pass a budget. So they can  
1300 position all they want, you know we are in the majority  
1301 because they can't pass a budget.

1302 Mr. {Pallone.} Will the gentleman yield?

1303 Mr. {Shimkus.} No, I will not. We are in the majority  
1304 because they passed this bill--became a law. We are in the  
1305 majority because they passed Cap and Trade. Our frustration  
1306 is the last time you visited this committee was February 4,  
1307 2010, the last time. This bill was not even the law of the  
1308 land. I became Ranking Member of the Health Subcommittee.  
1309 After that vote Nathan Deal left and I think I asked the then  
1310 Chairman Waxman and Frank Pallone who really is a great  
1311 friend 19 times to ask you to come visit us. You never came.  
1312 Why? Why didn't you come after the law to help us understand  
1313 the provisions and the implementation of this law?

1314 Secretary {Sebelius.} Congressman, I responded to the  
1315 request that I got.

1316 Mr. {Shimkus.} So you are saying we never requested you  
1317 to come back?

1318 Secretary {Sebelius.} Yes, sir.

1319 Mr. {Shimkus.} Okay. So Chairman Waxman did not ask

1320 you to come back to help explain this law?

1321 Mr. {Pallone.} Would the gentleman yield?

1322 Mr. {Shimkus.} No, I will not.

1323 Mr. {Pallone.} He is referencing the Chair and it is  
1324 not accurate.

1325 Mr. {Shimkus.} No, I will not. I will not. Will you  
1326 answer the question, Madame Secretary? Chairman Waxman never  
1327 asked you--

1328 Secretary {Sebelius.} Congressman, I will go back. I  
1329 need to look at the record.

1330 Mr. {Shimkus.} Okay.

1331 Secretary {Sebelius.} All I can tell you is I respond  
1332 to the--

1333 Mr. {Shimkus.} Will you submit the answer for the  
1334 record in writing?

1335 Secretary {Sebelius.} I will be happy to.

1336 Mr. {Shimkus.} Thank you very much. Let me go--this is  
1337 really a budget--our frustration is there are so many  
1338 particular problems and concerns we haven't had a chance to  
1339 really talk to you. This is a budget hearing so let us talk  
1340 about a budget issue. In that February 4, 2010, hearing I  
1341 asked you a question; it was kind of out of the same way.  
1342 And then you admitted that the \$500 billion Medicare cuts,  
1343 there were \$500 billion in Medicare cuts. Is that correct?

1344 Secretary {Sebelius.} No, sir, it is not correct.  
1345 There were \$500 billion dollars in a slowdown in growth rate  
1346 spending.

1347 Mr. {Shimkus.} Well, I would refer--I am reclaiming my  
1348 time. I would refer you to the transcript.

1349 Secretary {Sebelius.} Sir.

1350 Mr. {Shimkus.} And I will read it if you want me to.

1351 Secretary {Sebelius.} The growth rate was projected in  
1352 Medicare to be at 8 percent.

1353 Mr. {Shimkus.} Mr. Shimkus, so the President supports  
1354 cutting \$500 billion in Medicare, yes or no? Secretary  
1355 Sebelius: the President is supportive of the health reform  
1356 legislation. Is that a yes? Secretary Sebelius: I said  
1357 yes, sir. So our problem in this whole debate on Medicare  
1358 cuts--

1359 Secretary {Sebelius.} The health legislation doesn't  
1360 include \$500 million worth of cuts.

1361 Mr. {Shimkus.} Ma'am, my concern--this is a budget  
1362 hearing, so there is a--there is an issue here on the budget  
1363 because your own actuary has said you can't double count.  
1364 You can't count 500--they are attacking Medicare on the CR  
1365 when their bill, your law cut \$500 billion in Medicare. Then  
1366 you are also using the same \$500 billion to what? Say you  
1367 are funding healthcare. Your own actuary says you can't do

1368 both. So my simple question--I have 26 seconds left. What  
1369 is the \$500 billion cuts for: preserving Medicare or funding  
1370 healthcare law? Which is it?

1371 Secretary {Sebelius.} Sir, the Affordable Care Act adds  
1372 12 years to the Medicare Trust Fund according to every  
1373 actuary and the \$500 billion represents a slowdown in the  
1374 growth rate of Medicare over 10 years from what was projected  
1375 at 8 percent to a growth rate of six--

1376 Mr. {Shimkus.} So is it Medicare? Is he using it to  
1377 save Medicare or are you using it to fund healthcare reform?  
1378 Which one?

1379 Secretary {Sebelius.} Both.

1380 Mr. {Shimkus.} So you are double counting. I yield  
1381 back my time.

1382 Mr. {Pitts.} Gentleman's time is expired. Chair  
1383 recognizes gentlelady from California, Mrs. Capps for 5  
1384 minutes of questions.

1385 Mrs. {Capps.} I am pleased to yield 10 seconds to the  
1386 Ranking Member of the Subcommittee.

1387 Mr. {Pallone.} I just wanted to say, Mr. Shimkus, you  
1388 shouldn't be asking the Secretary about whether we invited  
1389 her. Fact of the matter is that Mr. Waxman and myself did  
1390 not invite her after the healthcare bill passed. And you can  
1391 simply address that to us and the answer is no, we didn't

1392 invited her. So it is not that she failed to come, we did  
1393 not invite her.

1394 Secretary {Sebelius.} Thank you.

1395 Mrs. {Capps.} Thank you, Mr. Pallone. Thank you for  
1396 your testimony, Madame Secretary, and welcome to our  
1397 subcommittee. I want to acknowledge and support the interest  
1398 that was expressed by former Chairman Barton in the Common  
1399 Fund he was describing and you answered how much the current  
1400 secretary of NIH or Chairman of NIH is supporting it as well.  
1401 It was his idea and he got it funded in 2006 and point out to  
1402 my colleagues that H.R. 1, the continuing resolution cuts  
1403 \$48.5 million from the Common Fund. You know, these are  
1404 tight fiscal times and I think the President's budget  
1405 identifies areas for smart investments that will pay off both  
1406 in improvements in the Nation's health and economic  
1407 stability. The President has called on our Nation to come  
1408 together to out-educate, out-innovate, and out-build our  
1409 competitors. I support this focus and I think the HHS is in  
1410 a strong position to help reach these goals. As nurse, I am  
1411 concerned about strengthening the health work force. We face  
1412 a primary care shortage now and as we move into  
1413 implementation of health reform we are going to need an even  
1414 more robust healthcare workforce. As you know, the  
1415 Affordable Care Act lays out a course for creating that

1416 workforce, creating a commission to help guide analysis and  
1417 recommendations of workforce enhancement, providing primary  
1418 care providers a pay increase through both Medicare and  
1419 Medicaid and providing enough service--enough funding to more  
1420 than triple the National Health Service Corp. But we in  
1421 Congress need to support these programs for proper  
1422 implementation. So I am very concerned that the House  
1423 continued resolution would cut workforce programs by about  
1424 \$145 million from the fiscal year 2010 level, slashing vital  
1425 Title VII and Title VIII by nearly a third. I am  
1426 particularly worried about Title VIII programs which support  
1427 the education and training of nurses. We have a nursing  
1428 shortage. Last year over 50,000 qualified applicants were  
1429 turned away from nursing schools due to budget constraints  
1430 and the lack of faculty to train them. Madame Secretary, you  
1431 understand this. The President's budget provided an increase  
1432 in these same programs. Can you discuss the steps taken in  
1433 the budget to strengthen our healthcare workforce and  
1434 increase the numbers of jobs which will result from that?

1435 Secretary {Sebelius.} Well, Congresswoman, I think that  
1436 there is no doubt that the President shares your concern  
1437 about the health workforce of the future which is why he has  
1438 made it a focus each year in his budget and why I think the  
1439 Affordable Care Act also focused on workforce enhancements.

1440 So the budget would include support as you say to train about  
1441 10,600 National Health Service Corp providers; train an  
1442 addition 4,000 new primary care providers over the next five  
1443 years. The Prevention and Public Health Fund Allocation  
1444 would also increase the number of nurse practitioners. Six  
1445 hundred nurse practitioners would be trained. Six hundred  
1446 new physician assistants across the country would be  
1447 available with the establishment of new community health  
1448 centers there would be providers available in the most  
1449 underserved areas, so there are a whole series of workforce  
1450 enhancements that would be jeopardized either by defunding  
1451 the Affordable Care Act or not passing the recommended  
1452 President's budget.

1453 Mrs. {Capps.} And what concerns me is it the House  
1454 Continuing Resolution would be a reduction of 54 percent  
1455 cutting our workforce programs by more than half in all of  
1456 the areas that you specified. I think this is going to  
1457 devastate our healthcare workforce. And I hope you will  
1458 quickly agree with me.

1459 Secretary {Sebelius.} Yes.

1460 Mrs. {Capps.} Thank you. I needed that for the record.  
1461 What puzzles me is that I know my colleagues across the aisle  
1462 have expressed concerns that we don't have enough healthcare  
1463 workforce, but I shared their concern and this--the key to

1464 addressing this problem is right in front of us and yet they  
1465 propose cuts that will make the situation worse. Their  
1466 budget will hamper efforts to fill the gaps that we have  
1467 today and just as the demand for healthcare professionals  
1468 increases. In my last minute, I would like to address  
1469 something you mentioned in your remarks which are the \$4  
1470 billion in waste, fraud, and abuse that HHS and the  
1471 Department of Justice has recovered just in this past year--  
1472 \$4 billion that was saved for American taxpayers. When I am  
1473 home meeting with my seniors in healthcare advocates as well  
1474 about how they can be active participants now in looking for  
1475 waste, fraud, and abuse. We want this to continue. Some of  
1476 it is in the Medicare payments. Would you expand upon this  
1477 \$4 billion in savings and ways that we can look to increase  
1478 this amount over the future?

1479 Secretary {Sebelius.} Well, the President's budget  
1480 again has requested additional resources. This is an  
1481 enormous payoff--

1482 Mrs. {Capps.} Yes.

1483 Secretary {Sebelius.} --in terms of dollars returned  
1484 for dollars spent. We are building a new data systems that  
1485 can allow us to spot billing irregularities in a much more  
1486 timely fashion, recredentialling providers, putting in place  
1487 strike forces. We would like to expand those strike forces

1488 which have been enormously helpful in the fraud hotspots.  
1489 But this collaborative effort with not only our partners at  
1490 Justice, but local Attorneys General and states has been  
1491 enormously effective so far and we hope to be able to expand  
1492 and broaden that outreach.

1493 Mrs. {Capps.} Thank you.

1494 Mr. {Pitts.} Gentlelady's time is expired. Chair  
1495 recognizes the gentleman from Pennsylvania, Mr.--Dr. Murphy  
1496 for 5 minutes for questions.

1497 Mr. {Murphy.} Thank you. And thank you, Madame  
1498 Secretary. Three things I think I am going to put out that  
1499 we agree on. First of all that first Pitt and Kansas both  
1500 deserve to be in the final four. A yes would be good. I  
1501 will take that as a yes.

1502 Secretary {Sebelius.} Yes.

1503 Mr. {Murphy.} Thanks. Number two, this committee  
1504 worked very hard together and my friend and colleague Gene  
1505 Green and I worked together on and it passed the House 417 to  
1506 one a bill to allow doctors to volunteer at community health  
1507 centers. Now, I know the estimates are that huge numbers of  
1508 more people will go to community health centers. With the  
1509 CBO analysis of this however just said that using the Federal  
1510 Torts Claim Act and using only those numbers because that is  
1511 all they are allowed to look at, I think the cost over

1512 several years was 30 million. But I am asking if your  
1513 department could work with us in coming up with a more  
1514 detailed analysis if we allowed the doctors to volunteer at  
1515 community health centers what would the cost savings be in  
1516 terms of allowing more patients to go through those centers.

1517 Is that something that you could help us come up with an--

1518 Secretary {Sebelius.} I would be glad to work with you  
1519 on that.

1520 Mr. {Murphy.} That would be extremely helpful because  
1521 you know we have huge rates for vacancies of jobs in those  
1522 centers and that would be very helpful. And I have no doubt  
1523 that this committee and this House will pass it again. Will  
1524 you help the nudge the Senators, help them understand the  
1525 great value in this as well? We don't try and put pressure  
1526 on them, but perhaps you could perhaps add some wisdom to  
1527 them. Second thing--or the third thing, in the National  
1528 Child Traumatic Stress Network--it is a group of academic and  
1529 community based centers that give--that disseminate standards  
1530 in clinical excellence and care of traumatized children. It  
1531 is funded through the Substance Abuse and Mental Health  
1532 Services Act. When I read your budget proposal, however, it  
1533 seems like the Administration although you were supportive of  
1534 the program there were some cuts to the program. Actually it  
1535 cut the funding from 40 million to 10 million, but at the

1536 same time the SAMSA budget is calling for major increases in  
1537 spending in a number of other areas such as increased  
1538 spending for military families initiatives for service  
1539 grants, some things for homeless--certainly you know that  
1540 with regard to homelessness there is a high correlation  
1541 between childhood trauma and homelessness. And in my own  
1542 experience of working with servicemen and women at Bethesda  
1543 Naval Hospital, my own clinical experience as a psychologist  
1544 also tells me that there is a higher risk for people for PTSD  
1545 and homelessness and other trauma if they themselves  
1546 experience a great deal of trauma in their lives when they  
1547 were younger. And I think that you have like 2.37 billion in  
1548 homeless grants through HUD and other things for veterans  
1549 although I think the VA should be handling some of this. Is  
1550 this something you are able to relook at and see that perhaps  
1551 we should be spending more in the early treatment and  
1552 prevention, let the VA handle some of the other things for  
1553 veterans, but to revisit that so make sure we are not cutting  
1554 some of the treatment programs out of the childhood treatment  
1555 of trauma?

1556       Secretary {Sebelius.} Well, I would be glad to have  
1557 that discussion with Pam Hyde who is the Director of the  
1558 Substance Abuse and Mental Health Services. I can tell you  
1559 she is absolutely committed to prevention as being the most

1560 effective treatment possibility, so I will certainly circle  
1561 back with her about your concern about that particular  
1562 program.

1563         Mr. {Murphy.} Thank you. I know that the VA for  
1564 example has 14 homeless programs and initiatives and although  
1565 I do want to support all of those I also recognize that we  
1566 would do well to prevent some of these problems for a lot of  
1567 them, too. Finally in the area of Medicare and Medicaid  
1568 those programs were designed in 1965 and I oftentimes liken  
1569 it to none of us were driving a 1965 car and if we had one we  
1570 would put a lot of patches and repairs to it over time.  
1571 Whenever I talk to medical subspecialties in a wide range of  
1572 areas--cardiology being one, I think 40 percent of our money  
1573 is spent on cardiovascular disease. I very often--when we  
1574 ask the question if you were to design Medicare today would  
1575 it look anything like the Medicare of 1965? And I am  
1576 assuming you would agree, no. Could you tell me what major  
1577 initiatives you have in mind that really help us perhaps even  
1578 redesign this from the ground up particularly for some of the  
1579 major disease entities such as cardiovascular disease, lung  
1580 disease, cancer, et cetera?

1581         Secretary {Sebelius.} Well, Congressman, the Affordable  
1582 Care Act actually includes a major direction that the  
1583 Medicare incentives B redesigned and aligned with a quality

1584 outcomes and healthcare strategies that we know are not only  
1585 more patient centered outcomes like medical home models and  
1586 bundling care to prevent unnecessary hospital readmissions,  
1587 but the Medicare incentives I would say are right now aligned  
1588 to volume and not value. So we are in the process through  
1589 the centers for innovation, through working with providers  
1590 across this country to try and capture the best possible  
1591 patient practices and implement those. Yes.

1592 Mr. {Murphy.} I hope you will do that. I know my time  
1593 is up, but the academies and colleges of various specialties  
1594 of medicine have standards and protocols and I hope you will  
1595 look to them for some guidance on that.

1596 Secretary {Sebelius.} We are working very closely with  
1597 them. Thank you.

1598 Mr. {Murphy.} Thank you, Mr. Chairman. Thank you,  
1599 Madame Secretary.

1600 Mr. {Pitts.} The Chair thanks gentleman. The  
1601 gentleman's time has expired. Chair recognizes the gentleman  
1602 from Texas, Mr. Gonzalez, for 5 minutes for questions.

1603 Mr. {Gonzalez.} Thank you very much, Mr. Chairman.  
1604 Welcome, Madame Secretary. I do want to address a comment  
1605 that was made by a fellow Texan that the uncertainty that is  
1606 out there regarding the constitutionality of the mandate and  
1607 wondering what the Texas Attorney General has to do and that

1608 he is wondering what he has to do as well as our Governor  
1609 Rick Perry. Those two gentlemen also represent me and I do  
1610 have a suggestion as to what they could be doing in the  
1611 meantime. They could be coming up with a solution to make  
1612 healthcare insurance affordable for Texans so that employers  
1613 have access to it at a reasonable price to offer it to their  
1614 employees, and that Texas, its citizens have affordable  
1615 insurance products available to them so that we don't lead  
1616 the Nation in the uninsured. That is what they could be  
1617 doing. That is just a suggestion. I am sure they have  
1618 thought of it.

1619 We have heard that the American people want us to  
1620 balance the budget, reduce the national debt, and we all  
1621 agree and I think the President's fiscal year 2012 budget  
1622 places us in a good place to accomplish that. But I don't  
1623 think the American people said and while you are doing this  
1624 expose us to dangerous drugs, or continue a healthcare  
1625 insurance industry that does not provide us adequate,  
1626 affordable, accessible coverage. I don't think they said  
1627 that. So I join you and I join the administration and I  
1628 believe that I join members on the other side of the aisle in  
1629 that objective. And we may have different plans on how to  
1630 get there, but the truth is nothing was done until we passed  
1631 the Affordable Care Act. The discussion is ongoing and it

1632 will be a continuing debate, but the need still exists, the  
1633 problem still exists.

1634           We can debate this thing and just continue to  
1635 hemorrhage, so I will ask you this, Madame Secretary. We  
1636 hear so much about market forces and just let the free  
1637 markets take care of all of this. And I think in large  
1638 measure we all agree with that to a point until the markets  
1639 are dysfunctional, until the markets don't deliver what is  
1640 necessary without the incentives, and the directions,  
1641 sometimes and a push, and a shove, but mostly a collaborative  
1642 effort which I think is what the President is seeking to do.  
1643 When it comes to the FDA why not just let an industry police  
1644 itself. Why don't we just let them do that?

1645           Secretary {Sebelius.} Well, Mr. Congressman, we have  
1646 seen I think the results of a lack of regulation in way too  
1647 many areas that have just gone terribly awry. I think the  
1648 FDA is certainly seeking to make sure that the 25 cents of  
1649 every consumer dollar which comes in a product that is under  
1650 the umbrella of that agency whether it is drugs and devices  
1651 or our food supply is safe and secure. And frankly, I think  
1652 in many cases the industry is very supportive of those  
1653 efforts in the food debate for the new Food Safety bill that  
1654 we just had, the industry ultimately takes the economic hit  
1655 from an unsafe product being available to consumers. There

1656 is a huge ripple effect that ends up penalizing the food  
1657 industry. So they are eager for a regulatory oversight and  
1658 they are willing and able to actually help finance that  
1659 regulatory oversight.

1660 Mr. {Gonzalez.} And I do believe it is a collaborative-  
1661 -it is a partnership. But I think government has a  
1662 responsibility to protect the welfare and safety and health  
1663 of our constituents. That is what we were hired to do and  
1664 provide them with opportunities. The last question is and I  
1665 am very concerned about NIH because I am having all of my  
1666 universities, they are all coming and these are Democrats and  
1667 Republicans and they are all have basically this same  
1668 request. What is going to happen to replace those particular  
1669 funds that are so essential? Again why is NIH so necessary?  
1670 Why don't we just allow the public--the private sector to  
1671 make those funds available to our universities?

1672 Secretary {Sebelius.} Well, Congressman, as you know  
1673 one of the areas that the United States leads the world is  
1674 biomedical research. And it has been an enormously important  
1675 partnership between the commercial industry and the research  
1676 that goes on in universities across the country funded in  
1677 large part by NIH which is why I think the President has  
1678 recommended an increase to the NIH budget which is already  
1679 looking at a losing the two years of enhanced funding from

1680 the Recovery Act and trying to make sure that we continue  
1681 those breakthroughs that are happening all across this  
1682 country.

1683 Mr. {Gonzalez.} Thank you very much. Thank you, Mr.  
1684 Chairman for your indulgence.

1685 Mr. {Pitts.} Gentleman's time is expired. The Chair  
1686 recognizes the gentlelady from Tennessee, Mrs. Blackburn, for  
1687 5 minutes for questions.

1688 Mrs. {Blackburn.} Thank you, Mr. Chairman, and thank  
1689 you, Madame Secretary for being with us. I found a--your  
1690 opening statement a little bit curious. You mentioned that  
1691 you think that it is the responsibility of the Administration  
1692 to give every family and business the chance to thrive while  
1693 making the investments that will grow our economy and create  
1694 jobs. And I just have to tell you being out there and  
1695 holding listening sessions in my district and with some of my  
1696 colleagues the American people do not want to be dependent on  
1697 the federal government for their cars, their loans, their  
1698 home loans, their housing, their education, and their  
1699 healthcare. What they would like to do is see the regulation  
1700 reduced and to see the federal government get out of the way.  
1701 So I would ask you, do you have any data that shows that  
1702 businesses are actually getting relief on the cost of the  
1703 insurance that they are paying every year? Do you have any

1704 data that is verified that this is lowering costs? Because  
1705 we are hearing the opposite and are actually being shown  
1706 bills and estimates for that.

1707 Secretary {Sebelius.} Congresswoman, if you are talking  
1708 about data as a result of the Affordable Care Act--

1709 Mrs. {Blackburn.} Yes, of Obamacare. Yes, ma'am.

1710 Secretary {Sebelius.} --as you know the law was signed  
1711 just about a year ago. What we have seen with the enhanced  
1712 rate regulation there are numbers of states that actually  
1713 have used those new tools to lower the impact of rate  
1714 increases and that is showing--

1715 Mrs. {Blackburn.} Could you supply that because we are  
1716 not seeing that in Tennessee--

1717 Secretary {Sebelius.} I would be happy to supply that.

1718 Mrs. {Blackburn.} --and I know Tennessee had to come to  
1719 you for one of the 900 waivers. And I know they are  
1720 appreciative for that. Let me ask you about the 1115  
1721 waivers. When you grant a waiver and it seems like you all  
1722 are doing more of that, is that waiver--does that take the  
1723 elected officials in that state out of the decision making  
1724 equation? Is that waiver granted to the governor's office  
1725 between CMS and the governor's office? Because that is the  
1726 way TennCare was done. We as state legislators were taken  
1727 out of the equation.

1728           Secretary {Sebelius.} Actually Congresswoman, the  
1729 traditional 1115 waiver was a dialogue between CMS and the  
1730 governor's office. The Affordable Care Act changes that  
1731 provision so now there is a notice requirement. There are  
1732 public hearing requirements. There is input opportunity, so  
1733 the waiver process actually has been amended by the  
1734 Affordable Care Act to include far more transparency.

1735           Mrs. {Blackburn.} Okay. I would like to call to your  
1736 attention this is the reason it is so important to me.  
1737 Today's Wall Street Journal: Obama's health waiver gambit.  
1738 And it talks about Ms. Cutter and Ms. Deporal saying  
1739 privately to our liberal interest groups that this is a way  
1740 to increase centralization for instance with a state based  
1741 public option or even single payer. And I tell you why this  
1742 is of concern to me. We had Governor Patrick in here this  
1743 week and his Medicaid State Director is on the record having  
1744 said that when you look at the way the market Medicaid works  
1745 that he is beginning to favor a single payer. And I would  
1746 just submit to you that this is not what the American people  
1747 want. They do not want the federal government that can't  
1748 tend to the items that are on their plate making the  
1749 decisions for their healthcare and we hear it from them every  
1750 single day and ma'am, it is of concern. If we have--

1751           Secretary {Sebelius.} Congresswoman, that is not at

1752 all--first of all we don't design any waiver. The State  
1753 comes to us with a--

1754 Mrs. {Blackburn.} I have seen the applications from my  
1755 state and I respect that and I understand that. We want to  
1756 move on.

1757 Secretary {Sebelius.} The rules aren't even developed  
1758 for the program you are referencing.

1759 Mrs. {Blackburn.} I do want to move on. Fraud, you  
1760 mentioned fraud. We had a hearing on this this week. Are  
1761 you able to quantify the amount of fraud that is there in  
1762 Medicare and Medicare and then--

1763 Secretary {Sebelius.} No, ma'am.

1764 Mrs. {Blackburn.} Okay. So the four billion that you  
1765 feel like you saved you don't have a way to quantify what the  
1766 problem is and how widespread?

1767 Secretary {Sebelius.} We don't know how--if we knew how  
1768 big it was we would hopefully shut it down.

1769 Mrs. {Blackburn.} And what percentage of your energy  
1770 this year is going to go to addressing that fraud?

1771 Secretary {Sebelius.} What percent of my energy?

1772 Mrs. {Blackburn.} Yeah, your resources and energy. I  
1773 mean, when we hear organized crime getting into Medicare and  
1774 Medicaid fraud I think it should cause us all--so if you  
1775 could just let us know your resources, what you plan to put

1776 into that.

1777 Secretary {Sebelius.} There are significant new  
1778 resources requested in the budget for fraud and abuse.

1779 Mrs. {Blackburn.} Another question I would like to--  
1780 your budget this year, your request is 891 billion. Your '08  
1781 budget which we would love to return to those numbers was 708  
1782 billion and you mentioned that you have cut in your testimony  
1783 four programs but or you list four programs that you cut.  
1784 Are those the only cuts that you all made or were there  
1785 others?

1786 Secretary {Sebelius.} No Congresswoman, there are about  
1787 \$5 billion worth of cuts. Our budget proposal is below the  
1788 2010 levels.

1789 Mrs. {Blackburn.} Do you mind submitting that list to  
1790 us?

1791 Secretary {Sebelius.} I would be happy to.

1792 Mrs. {Blackburn.} That would be great. You are below  
1793 2010, but not down to '08. I yield back.

1794 Mr. {Pitts.} The chair thanks the--

1795 Mr. {Pallone.} Mr. Chairman--

1796 Mr. {Pitts.} --gentlelady.

1797 Mr. {Pallone.} --Mr. Chairman, a point of personal  
1798 privilege here or whatever--

1799 Mr. {Pitts.} Yeah, let me just say--

1800 Mr. {Pallone.} The Secretary should be allowed to  
1801 answer the question.

1802 Mr. {Pitts.} That is correct. The gentlelady's time is  
1803 expired. Madame Secretary, do you wish to add additional  
1804 response? You may continue to respond in writing as well if  
1805 you feel like you have not adequately responded.

1806 Secretary {Sebelius.} Thank you, Mr. Chairman.

1807 Mr. {Pitts.} The Chair recognizes the gentlelady from  
1808 Wisconsin, Ms. Baldwin, for 5 minutes for questions.

1809 Ms. {Baldwin.} Thank you. Thank you, Madame Secretary  
1810 for being here. Earlier I wanted to start by reacting to  
1811 some of the other comments that were made. I think it was  
1812 Dr. Burgess who noted that we switched sides and it was  
1813 because of this law referring to Affordable Care Act or  
1814 Healthcare Reform. And I disagree. I think the last  
1815 election was about jobs, jobs, jobs.

1816 But instead of focusing on jobs, the new majority has  
1817 made it their first order of business to repeal the  
1818 Affordable Care Act. That was one of the first votes we took  
1819 this session which is already in my community providing  
1820 lifesaving coverage to many who didn't have it before and  
1821 improving their access and the affordability of their  
1822 healthcare. And instead of focusing on jobs, the new  
1823 majority has attempted also to deny funding to continue

1824 implementing the Affordable Care Act, the Healthcare Reform  
1825 bill we passed last session.

1826           Instead of focusing in on jobs, the new majority has  
1827 offered House Resolution 1 that Moody's earlier this week  
1828 said would lead to the loss of 700,000 jobs in the United  
1829 States. And instead of focusing in on jobs, some of our new  
1830 governors are presenting budgets imbedded with policies that  
1831 would gut Medicaid and would thwart at the state level the  
1832 implementation of the Affordable Care Act. It is precisely  
1833 what is happening in my home state of Wisconsin which used to  
1834 have a reputation as being a leader in healthcare and a  
1835 leader in preparation for the implementation of the  
1836 Affordable Care Act.

1837           Now I don't envy you your job right now. It is working  
1838 to implement these vital, lifesaving, important reforms when  
1839 so many are working so hard to see that legislation thwarted,  
1840 roadblocks placed, et cetera. But I want to focus back on  
1841 House Resolution 1, the continuing resolution that passed in  
1842 the House a couple weeks ago.

1843           I brought an amendment to the floor to restore funding  
1844 to the community health centers. My amendment was fully paid  
1845 for but unfortunately the Republicans barred me from offering  
1846 that. But H.R. 1 slashes over a billion dollars to community  
1847 health centers for the remaining seven months of this fiscal

1848 year. If this ultimately is passed and becomes law I guess I  
1849 would like to hear from you how you even go about  
1850 implementing that. How does this impact the constituents  
1851 that I represent that rely on the wonderful community health  
1852 centers that provide services in my area? I have heard that  
1853 this will impact coverage to probably 11 million Americans.  
1854 It will result in job losses and closure of clinics. Do you  
1855 drive--if you were forced to implement such draconian cuts  
1856 how would you go about that? What would we see at the local  
1857 level?

1858           Secretary {Sebelius.} Well Congresswoman, I share your  
1859 view that the community health center footprint is incredibly  
1860 important and both with the Recovery Act and the budget  
1861 investments and the Affordable Care Act that footprint will  
1862 double over the period of the next five years serving closer  
1863 to 40 million people. We are already seeing that increase.  
1864 There are about 10 million additional Americans served thanks  
1865 to the Recovery Act investments and they are in the most  
1866 underserved areas. And with those community health centers  
1867 are providers and often providing a host of community  
1868 services.

1869           So the effort to now deny care, fire healthcare  
1870 providers who would lose their jobs and restrict access in  
1871 the most underserved rural and urban communities to

1872 affordable available healthcare would just put additional  
1873 burdens on already strapped city and state budgets. Those  
1874 folks will come through the doors of emergency rooms, enlarge  
1875 our numbers. They will be sicker on the job. They will be  
1876 unable to take care of their kids. There will be students  
1877 who won't do as well in school because their health needs  
1878 won't be attended to. And I think that has a serious impact  
1879 not only in the health of this Nation but on certainly the  
1880 prosperity of the Nation.

1881 Ms. {Baldwin.} Thank you.

1882 Mr. {Pitts.} The gentlelady's time is expired. Chair  
1883 recognizes the gentleman from Georgia, Dr. Gingrey, for 5  
1884 minutes for questions.

1885 Dr. {Gingrey.} Mr. Chairman, thank you. Secretary  
1886 Sebelius, in testimony before this committee on January the  
1887 26 I asked Mr. Cass Sunstein from the White House Office of  
1888 Regulatory Affairs if he knew who had the authority within  
1889 your administration to slip a Medicare end of life service  
1890 rate into a final rule without first allowing for public  
1891 comment. And he testified under oath that and I quote ``the  
1892 secretary of HHS has considerable authority over her rules.''  
1893 Madame Secretary, in--yes or no, did you make the decision to  
1894 publish this end of life payment rate without allowing for  
1895 public comment?

1896 Secretary {Sebelius.} Yes, sir.

1897 Dr. {Gingrey.} Well, I appreciate your forthrightness  
1898 on that. I really do, but you know it flies in the face of  
1899 the comment, the response that you just gave to my colleague  
1900 from Tennessee regarding the 1115 Waiver Program and you  
1901 described how it formally worked between the department and  
1902 directly with the governor's office in calling for more  
1903 oversight and public hearing and transparency. So would you  
1904 agree that in the future that rather than making that  
1905 decision unilaterally even though you have the power to do  
1906 it, that maybe a little bit of time for public comment would  
1907 have been appropriate in regard to that?

1908 Secretary {Sebelius.} Congressman, the rule as you know  
1909 was--followed the outline that was directed in the Affordable  
1910 Care Act in terms of the provisions for a wellness visit. In  
1911 addition we looked at the original welcome--welcome to  
1912 Medicare visit and the one element that wasn't consistent  
1913 was--

1914 Dr. {Gingrey.} Yeah, I wish I had enough time to listen  
1915 to your full answer but--

1916 Secretary {Sebelius.} --end of life--but--well, we did--  
1917 -

1918 Dr. {Gingrey.} --if you could respond yes or no to  
1919 that? More transparency? More opportunity for public

1920 comment?

1921 Secretary {Sebelius.} --we got in fact--yes, sir. And  
1922 that is why it is not part of the final rule. We decided  
1923 that it was better to air it.

1924 Dr. {Gingrey.} And I would hope that that is a yes  
1925 answer. Let me move on. In the President's fiscal year 2012  
1926 budget, your department requested \$93 million for information  
1927 in education in order to sign American workers up for the  
1928 Class Act. This is that same program that you just recently  
1929 told Senate Finance Committee I guess a few weeks ago that  
1930 the program was unsustainable. Now those are your words. Do  
1931 you believe it is appropriate for the Administration to  
1932 solicit money from American workers for a health program that  
1933 is ``totally unsustainable''?

1934 Secretary {Sebelius.} Sir, my comment was that it was  
1935 unsustainable as the legislation was crafted, but I was given  
1936 considerable flexibility and we are in the process of making  
1937 I think the changes that will meet the criteria outlined in  
1938 the law, which is, that it be sustainable without taxpayer  
1939 support.

1940 Dr. {Gingrey.} Well, thank you. Given the current  
1941 budget crisis that we have in this country and I think  
1942 everybody on the dais and certainly you would agree with this  
1943 we have a tremendous budget crisis. And understanding that

1944 you are asking for money to sign people up for a program that  
1945 you say is unsustainable, will you pledge here today to work  
1946 with this committee to ensure that the Class Program, the  
1947 Class Act is truly sustainable before the Administration  
1948 proceeds with program operations?

1949 Secretary {Sebelius.} Yes, sir, I would be happy to do  
1950 that.

1951 Dr. {Gingrey.} Thank you, Madame Secretary. And the  
1952 last thing that I wanted to address with you and this is kind  
1953 of a follow on to Chairman Dingell's line of questioning  
1954 earlier regarding H.R. 1. And he asked you a number of yes  
1955 or no questions, and I think you responded to pretty much  
1956 everyone of them yes that H.R. 1 and the \$61 billion worth of  
1957 cuts would hurt this program and that program and the other  
1958 program. Do you believe that we need to restore fiscal  
1959 sanity to our budget? Yes or no?

1960 Secretary {Sebelius.} Yes, sir.

1961 Dr. {Gingrey.} Do you believe then that the \$61 billion  
1962 in discretionary cuts in the CR for fiscal year 2011  
1963 contained in H.R. 1 will help the federal government reduce  
1964 its current budgetary deficit? Yes or no?

1965 Secretary {Sebelius.} Sir, I believe that the President  
1966 has put a very responsible budget forward and it is one that-  
1967 -

1968 Dr. {Gingrey.} I am not talking about 2012 now, Madame  
1969 Secretary. I am talking about H.R. 1, the CR and the \$61  
1970 billion worth of cuts that Chairman--former Chairman Dingell  
1971 was attacking.

1972 Secretary {Sebelius.} I support the President's notion  
1973 that we have to make smart and strategic cuts because we have  
1974 got budget--

1975 Dr. {Gingrey.} So the answer is yes. I thank you,  
1976 Madame Secretary. And Mr. Chairman, I will yield back my 13  
1977 seconds.

1978 Secretary {Sebelius.} I don't think the answer was yes,  
1979 but--

1980 Mr. {Pitts.} Chair thanks the gentleman. Gentleman's  
1981 time is expired and the Chair recognizes the gentleman from  
1982 New York, Mr. Wiener, for 5 minutes for questions.

1983 Mr. {Weiner.} Thank you, Madame Secretary. Welcome.  
1984 As to this notion that didn't invite you to come testify last  
1985 year after the passage of the bill, having heard these  
1986 questions all I have to say to you is you are welcome. I  
1987 just wanted probably no member of the government maybe even  
1988 in history has had to spend so much of her time swatting away  
1989 lies. So let me kind of run through some things. Maybe we  
1990 can cover in four minutes and 33 seconds to try to get some  
1991 truth on some of the big questions of the day.

1992           First of all, this notion that if you give people a  
1993 subsidy and incentive to purchase health insurance somehow  
1994 that they are not going to want it, that this individual  
1995 mandate is somehow this huge burden. You might not be aware  
1996 of this, but I will tell you the number of people in Romney  
1997 Care in Massachusetts which also had a mandate that chose not  
1998 to sign up after they got the subsidy; chose instead to pay  
1999 for the penalty or the tax--whatever we are going to call it,  
2000 was .65 percent. Meaning that when you offer the people to  
2001 get insurance for their families to get better healthcare and  
2002 a better life they take it.

2003           So the idea that this mandate if it disappears will  
2004 somehow have a dramatic impact, maybe one percent of people  
2005 would be impacted. But just so we understand and you can  
2006 clear it up for us--the reason there is a requirement that  
2007 people get insurance when offered a subsidy and incentives to  
2008 get it, it is because if they don't get it and they are  
2009 uninsured when they need hospital care or healthcare costs,  
2010 they pass it along to the rest of society. Is that right?

2011           Secretary {Sebelius.} That is correct. That is  
2012 correct.

2013           Mr. {Weiner.} The second thing is we have heard a lot  
2014 of the in the repeal efforts this being called a job killing  
2015 bill. If we repeal the Healthcare bill would the subsidies

2016 going to small business, the tax credits to provide  
2017 healthcare for their workers making those workers less  
2018 expensive, would those subsidies disappear if we repeal the  
2019 bill?

2020 Secretary {Sebelius.} Yes, sir.

2021 Mr. {Weiner.} Thank you. Next is this notion about  
2022 Medicaid providing this enormous unfunded liability in the  
2023 out years. Is it not true that under the bill any additional  
2024 people covered under Medicaid but they are not going to be as  
2025 poor under the new bill since we are going to raise the limit  
2026 a bit--not to a lot, it is still--you have to have a \$30,000  
2027 family income for a family of four. It is not a lot of  
2028 money. That the--it provides no additional cost at all to  
2029 the states until at least the year 2017. Is that correct?

2030 Secretary {Sebelius.} That is correct.

2031 Mr. {Weiner.} And in the year 2018 when there is a  
2032 marginal difference, if the number of poor people in the  
2033 States goes down, meaning the economy has improved, meaning  
2034 fewer people are poor enough to be eligible for Medicaid,  
2035 more people are working, those costs could go down as well if  
2036 there are fewer people on Medicaid. Could there not?

2037 Secretary {Sebelius.} That is correct.

2038 Mr. {Weiner.} And I assume that all of us believe and  
2039 we hope that the economy is going to keep getting better. We

2040 have Republican governors here saying my costs are going to  
2041 go through the roof. Well, they only go through the roof if  
2042 you are a crummy governor and your poverty in your state  
2043 continues to go up. Is that correct? Well, you--never mind,  
2044 never mind, never mind.

2045 Secretary {Sebelius.} Thank you.

2046 Mr. {Weiner.} You can leave off the crummy governor  
2047 part. That is me editorializing. Finally, another thing my  
2048 Republican friends have said again and again is this is a  
2049 trampling of state's rights that the most powerful secretary  
2050 is taking more and more control. I am going to give you a  
2051 couple of things here. First of all, is it not true that the  
2052 exchanges are going to be run by the states?

2053 Secretary {Sebelius.} If they choose to do so,  
2054 absolutely.

2055 Mr. {Weiner.} If they choose to do so. Is it not true  
2056 that the Tort Laws which are now states by states--there was  
2057 a decision made in this law by the people who wrote the law  
2058 not to trample on states' rights with Tort Laws but now the  
2059 50 States still have their Tort Laws in effect. Is that  
2060 correct?

2061 Secretary {Sebelius.} That is correct.

2062 Mr. {Weiner.} Is it also not true that state insurance  
2063 commissioners and commissions and the state governance of

2064 insurance was left intact?

2065 Secretary {Sebelius.} At the state level with  
2066 additional resources for those States.

2067 Mr. {Weiner.} Correct. We actually empowered them.  
2068 They now have the ability--

2069 Secretary {Sebelius.} Correct.

2070 Mr. {Weiner.} --to do things to hold down rates and so  
2071 forth. So much for this notion of we are centralizing power  
2072 in your office or centralizing the federal government. We  
2073 went in an opposite direction. We did not go the direction I  
2074 would have like to expanding Medicare which is a much better  
2075 idea by the way Madame Secretary--expanding Medicare little  
2076 by little. We went a different way.

2077 And one final point on this notion of expanding the  
2078 office--your power of your office. These 1115 waivers that  
2079 you have been given are an effort each on is you saying we  
2080 are going to be flexible to allow to respond to your  
2081 expression of what is going on in the states, in the  
2082 marketplace, at the business so long as we get to the outcome  
2083 we all aspire to which is more people getting affordable  
2084 coverage, reducing the cost to people along the way. Isn't  
2085 it the waivers makes the point that this is not this  
2086 intractable, inflexible, centralized monolith, that it is a  
2087 conversation that is going on between states and businesses

2088 and your office to try to make sure we get the outcomes we  
2089 all want?

2090 Secretary {Sebelius.} I think the bill recognizes the  
2091 framework that states know their markets best. They are the  
2092 laboratories of innovation, they work to provide a state--

2093 Mr. {Weiner.} But on those waivers are an expression of  
2094 that as well are they not?

2095 Secretary {Sebelius.} Absolutely.

2096 Mr. {Weiner.} Okay. In 5 minutes we did one, two,  
2097 three, four, five, six, seven, eight, nine, lies told by the  
2098 Republicans. Imagine if we had more time but we don't.

2099 Thank you, Madame.

2100 Mr. {Pitts.} The gentleman's time is expired. The  
2101 Chair recognizes the gentleman from Ohio, Mr. Latta for 5  
2102 minutes.

2103 Mr. {Latta.} Well, thank you, Mr. Chairman. Secretary,  
2104 thank you very much for being with us today. And I am going  
2105 to--I would like to change track just a little bit and in  
2106 reading your testimony on page eight under the Advance the  
2107 Health Safety and Wellbeing of the American People it says  
2108 child support and fatherhood initiative. And the two  
2109 sentences I am interested in--the budget includes 305 million  
2110 in fiscal year 2012 and 2.4 billion over 10 years for the  
2111 child support and fatherhood initiative.

2112           This initiative is designed to promote strong family  
2113 relationships by encouraging fathers to take responsibility  
2114 for their children changing policies so that more of the  
2115 father's support reaches their children continuing a  
2116 commitment to vigorous enforcement. I guess my first  
2117 question, Madame Secretary, is where it states here that we  
2118 are going to encourage fathers to take responsibility for  
2119 their children. What encouragement are we going to be  
2120 offering them?

2121           Secretary {Sebelius.} I think it, Congressman, it  
2122 refers to working with states on a more effective and  
2123 vigorous enforcement of child support orders and seeking  
2124 child support orders from the outset. And making sure that  
2125 there is a financial connection between fathers and their  
2126 children that they have borne.

2127           Mr. {Latta.} Okay. Let me follow up with that. And  
2128 the reason I ask--this really caught my attention because  
2129 several lifetimes ago I was in the Ohio Senate. I chaired  
2130 the Senate Judiciary Committee and we had a large bill that I  
2131 had--that I sponsored in dealing on especially juveniles and  
2132 juvenile crime, et cetera. And one of the judges that  
2133 appeared before us during about I think it was like 18 or 19  
2134 hearings on that piece of legislation. That as we were going  
2135 through it and we were talking about parents it really came

2136 down to and I think this one judge really caught the essence  
2137 of the entire day. He said it was really--and what we are  
2138 looking at is an abdication of parental responsibility. And  
2139 I guess the next question would be then is that do we have  
2140 any current programs, models that we can base the belief or  
2141 successes that this is going to work with?

2142 Secretary {Sebelius.} I am sorry, sir. Do we have--

2143 Mr. {Latta.} Do we have any current programs or any  
2144 other models out there that is going to show--you know if we  
2145 are going to spend 305 to 2.4 billion over 10 years do we  
2146 have anything out there that is going to show that this is  
2147 going to work?

2148 Secretary {Sebelius.} Well, we have--I think this is  
2149 part of the TANF umbrella and I do think we have data that  
2150 indicates there are strategies that are more effective than  
2151 others and what we are trying to do is improve this effort  
2152 along the way to make sure that child support is not only  
2153 effectively administered but that more of these dollars will  
2154 actually go to the children and not be siphoned off along the  
2155 way. So it is a double improvement.

2156 Mr. {Latta.} Okay. And I guess the--you know it really  
2157 comes down to you know can government really change some of  
2158 these folks out there, the way that they are parent--I would  
2159 guess you would say non-parenting right now?

2160 Secretary {Sebelius.} Well--

2161 Mr. {Latta.} And if I could just--and I am going to  
2162 pose this too even going back on a farther lifetime we used  
2163 to have what they called Bureau Support. And I remember when  
2164 I was working in the prosecutor's office many moon ago I  
2165 asked one gentleman if he wanted to go to jail for not paying  
2166 his support and he said I don't care. And those are the kind  
2167 of--

2168 Secretary {Sebelius.} Well, unfortunately I wish there  
2169 was a law that you could pass that would do just what you are  
2170 suggesting, but at a minimum I think that what we can do is  
2171 be effective in terms of trying to make sure that children  
2172 are not penalized financially by a father who would walk  
2173 away. But I think this also includes fatherhood engagement  
2174 increases, and increased access in visitation. Often those  
2175 two things are tied together. If a father is really  
2176 prohibited from connecting with his children he is less  
2177 likely to be a financial provider. And so I think it looks  
2178 at the whole, the overall package of family.

2179 Mr. {Latta.} And if I could just--my last minute here  
2180 going back to a question that has come up I know from Mr.  
2181 Pallone, it is a question of--it is in the page 3 the budget  
2182 limited subsidies to Children's Hospitals Graduate Medical  
2183 Education. And it says if--in focusing instead on targeting

2184 those investments to increase the primary care work force. I  
2185 know a lot of the time when people are coming in from  
2186 Children's Hospitals from Ohio that they say that they are  
2187 the step children, that they are not getting the dollars.  
2188 They are not getting the dollars from NIH. What are we  
2189 targeting then in your testimony it says instead targeted  
2190 investments to increase primary care workforce?

2191 Secretary {Sebelius.} Well, the--again, I don't think  
2192 this is an easy cut to put on the table and I can guarantee  
2193 you that in budget that we had full resources this would not  
2194 be a preferred cut. The GME dollars are being redirected to  
2195 I think programs that have as a exclusive focus the sort of  
2196 primary care provider network recognizing that we are going  
2197 to need additional primary care docs looking forward.

2198 Mr. {Latta.} Thank you, Mr. Chairman. My time has  
2199 expired and I yield back.

2200 Mr. {Pitts.} Gentleman's time has expired. Chair  
2201 recognizes the gentlelady from Illinois, Ms. Schakowsky for 5  
2202 minutes for questions.

2203 Ms. {Schakowsky.} Thank you, Mr. Chairman. Madame  
2204 Secretary, I want to thank you so much for being here today.  
2205 We have asked you to lead a historic effort and I can't think  
2206 of anyone better able to do that given your experience as an  
2207 insurance industry regulator and as a governor. So clearly

2208 you have the mindset of governors as you go about your  
2209 business.

2210 We have asked you to reign in an out of control private  
2211 insurance industry that on a daily basis denies coverage and  
2212 benefits to healthcare consumers. I am interested that my  
2213 colleagues on the other side of the aisle seem more  
2214 interested in arranging your office structure than rooting  
2215 out those abuses. And I am interested that they have  
2216 attacked the size of the new Center for Consumer Information  
2217 and Insurance Oversight. By my calculation the 272 positions  
2218 that you have requested to staff CCHO is the equivalent of  
2219 about 16 House offices. I know our staffs work very hard  
2220 just as your staff does, but I don't think that is an  
2221 enormous number of people when we have tasked them with  
2222 setting up the new standards and structures created under the  
2223 Affordable Care Act.

2224 Let me also say you know that we heard from the other  
2225 side of the aisle this notion that all that Americans really  
2226 want is for government to get out of the way when it comes to  
2227 their healthcare. That is really not my impression in the  
2228 least. We certainly don't need more evidence than the  
2229 popularity of Medicare, the importance of Medicaid leaving  
2230 the Affordable Care Act aside. But is it your sense that  
2231 what the American people want is to reject help from the

2232 government to cover their healthcare--

2233 Secretary {Sebelius.} Well, as you said, Congresswoman,  
2234 I think Medicare is--

2235 Ms. {Schakowsky.} --to assure their coverage?

2236 Secretary {Sebelius.} --enormously popular and I think  
2237 the--probably the second most popular insurance program may  
2238 be the Children's Health Insurance Program both of which are  
2239 government based programs delivering vital services to  
2240 millions and millions of Americans.

2241 Ms. {Schakowsky.} And I think it is just important to  
2242 say over and over again that far from being a government  
2243 takeover of healthcare that the Affordable Care Act though  
2244 some of us felt perhaps it shouldn't be this way relies  
2245 entirely on the private insurance companies with some help  
2246 from the government that this is a private sector based plan  
2247 that we do--that we are doing. So let me ask a few questions  
2248 on behalf of my constituents.

2249 If you were denied funding to implement the Affordable  
2250 Care Act, the Affordable Care, will health insurance  
2251 purchasers know that at least 80 percent of their premium  
2252 dollars will be spent on medical care? Purchasers--will we  
2253 have any guarantee that that will happen?

2254 Secretary {Sebelius.} It will be very difficult to  
2255 implement the medical loss ratio as you have described.

2256 Ms. {Schakowsky.} In states like Illinois without any  
2257 rate approval requirements, how would rates that are out of  
2258 line even be enforced?

2259 Secretary {Sebelius.} Well, again I think it would be  
2260 one of the requirements is that we help to identify excessive  
2261 rates and at least post them so consumers have some way of  
2262 judging. But that would not be available to consumers.

2263 Ms. {Schakowsky.} But with the Affordable Care Act yes,  
2264 I think we would get some help in Illinois.

2265 Secretary {Sebelius.} Right.

2266 Ms. {Schakowsky.} But without it we are simply--

2267 Secretary {Sebelius.} That is correct.

2268 Ms. {Schakowsky.} --totally at the mercy of the  
2269 insurance companies. What does it mean for seniors and  
2270 people with disabilities who are counting on the phase out of  
2271 the donut hole if the Affordable Care Act were ultimately  
2272 repealed?

2273 Secretary {Sebelius.} Well, clearly those additional  
2274 benefits to seniors which include as you know annual wellness  
2275 visit, an elimination of co-pays for preventive screenings  
2276 and health and as you say a gradual elimination of the donut  
2277 hold starting this year with a 50 percent discount. That  
2278 would cease to be a Medicare benefit.

2279 Ms. {Schakowsky.} All those things just disappear. Let

2280 me quickly say I am wondering because process has been  
2281 attacked can you tell us briefly the process through which  
2282 HHS adopted the rules that deal with the 80 percent loss  
2283 ratio?

2284 Secretary {Sebelius.} Well Congresswoman, we were  
2285 directed and followed this very carefully working with the  
2286 Nation's insurance commissioners to ask for their input and  
2287 advice on the outline of a medical loss ration--what portion,  
2288 what element should be included in the medical portion of the  
2289 80 percent and what should be outside that. They made  
2290 unanimous recommendation to our office.

2291 This fall we adopted 100 percent of what they  
2292 recommended to us and that is the rule. So this is not an  
2293 HHS rule in so far as we did not design it. The Nation's 50  
2294 insurance commissioners made the recommendation which we  
2295 adopted.

2296 Mr. {Pitts.} The gentlelady's time is expired and Chair  
2297 recognizes gentleman from New Jersey, Mr. Lance for 5 minutes  
2298 for questions.

2299 Mr. {Lance.} Thank you, Mr. Chairman, and good morning  
2300 to you, Madame Secretary.

2301 Secretary {Sebelius.} Good morning.

2302 Mr. {Lance.} I am new to the committee and I look  
2303 forward to working with you on issues of mutual concern. I

2304 have the honor of representing a district that is arguably  
2305 the medicine chest of the Nation and I would like to think of  
2306 the entire world. And regarding the President's proposed  
2307 budget there is a suggestion that the data exclusivity be  
2308 reduced from 12 years to 7 years. I personally oppose that  
2309 and I do not think it is in the best interest of the Nation's  
2310 health. There has been extensive economic modeling this at  
2311 Duke University and the modeling indicates that there is a  
2312 range of between 12 and 16 is the time needed to allow an  
2313 innovator in bio-farma to recoup the amount spent in order to  
2314 bring to market needed medicines in this regard. And Madame  
2315 Secretary, I would like your comments regarding the suggested  
2316 reduction in the fiscal year 2012 budget on data exclusivity  
2317 from 12 to 7 years.

2318 Secretary {Sebelius.} Congressman, I think there is a  
2319 great importance in making sure that we continue to  
2320 accelerate our leading position in breakthrough science. And  
2321 certainly your state is renowned for being a great leader in  
2322 that.

2323 Mr. {Lance.} Thank you.

2324 Secretary {Sebelius.} I think the balance as you  
2325 recognize is not only making sure that companies can recoup  
2326 their investment and are profitable because if they are not  
2327 profitable they are not going to continue research, but that

2328 as quickly as possible once that determination has been made  
2329 that breakthrough medication is also widely available and  
2330 affordable to the population. And that is attention that I  
2331 think continues to exist.

2332         The president believes that based on information and I  
2333 know that there are competing experts on how long and--

2334         Mr. {Lance.} Yes.

2335         Secretary {Sebelius.} --and how much ever greening  
2336 should go beyond the patent protection that seven years would  
2337 indeed accomplish the goals of both returning the profit and  
2338 continuing the research but also making the medication widely  
2339 available.

2340         Mr. {Lance.} Thank you for your response. The last  
2341 time this committee examined this issue in an overwhelmingly  
2342 bipartisan fashion the committee chose to retain the 12 years  
2343 and I look forward to continuing discussions with your  
2344 department on this matter. Secondly, Madame Speaker,  
2345 regarding PADUFA there is the challenge now with its  
2346 reauthorization and at the most recent reauthorization there  
2347 was included the RMS, the Risk Management and Mitigation  
2348 Strategies and at least in some instances it is my judgment  
2349 that this has been a challenge. For example, Johnson and  
2350 Johnson had a product on the market for over 20 years and was  
2351 required to submit a RMS that took over 22 months to resolve.

2352 Your comments, Madame Secretary regarding this as we go about  
2353 reauthorizing PADUFA over the next year?

2354 Secretary {Sebelius.} Well again, I think it is an area  
2355 where we are mindful of time delays on behalf of not only  
2356 companies but certainly consumers--striking the right  
2357 balance.

2358 Mr. {Lance.} Thank you and I appreciate your comments  
2359 in both of these important areas that I think go to the heart  
2360 that we have to work together in these areas as we make sure  
2361 that the Nation's health is protected and that we remain the  
2362 medicine chest of the entire world. I yield back the balance  
2363 of my time.

2364 Mr. {Pitts.} Chair thanks gentleman and recognizes  
2365 gentleman from Louisiana, Dr. Cassidy for 5 minutes for  
2366 questions.

2367 Dr. {Cassidy.} Hey Madame Secretary, I am not so  
2368 hurried now. First I want to thank Mr. Pallone because  
2369 apparently he is committed to working on equity for F map  
2370 payments or at least federal support of care for the poor and  
2371 I will submit two articles for the record with unanimous  
2372 consent: one from the GAO, one from AEI talking about the  
2373 current inequity in that situation.

2374 Mr. {Pitts.} Without objection, so ordered.

2375 [The information follows:]

2376 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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2377 Dr. {Cassidy.} Secondly, Madame Secretary, I have got  
2378 young children so what I am about to say just strikes me.  
2379 Sometimes it seems like opposite day. So here we have a  
2380 report from Chairman Bernacki saying that Medicaid among  
2381 other entitlements are driving long term deficit spending.  
2382 You in your opening remarks mention how we, the  
2383 Administration is concerned regarding the deficit, and yet  
2384 when I look at all the literature given I see that here  
2385 according to CBO federal spending on Medicaid will increase  
2386 by \$674 billion over the next 10 years. I see from CMS  
2387 actuaries that federal--that state spending will go up by 190  
2388 billion and if you include the latest estimate from CBO that  
2389 is probably more like 250 billion over the next 10 years.  
2390 Now clearly you are concerned about it.

2391 I have a copy of your letter which suggests governors  
2392 the way that they can do it. For example, you suggest they  
2393 could eliminate optional benefits like pharmacy coverage.  
2394 And Massachusetts, doing that sort of thing because as their  
2395 budget chairman says their current Medicaid growth is  
2396 unsustainable. Mr. Engel--I'm sorry he has left, but I have  
2397 a Deloitte Report which I will submit for the record that  
2398 estimates that under PPACA 50 percent of New York's state  
2399 budget may go to Medicaid by 2030. Now with all this said,

2400 first, it does seem like opposite day. It does seem as if  
2401 there is concern for the deficit and yet we are driving the  
2402 deficit with this bill. And secondly regarding Maintenance  
2403 of Effort you mentioned your hands are kind of tied if you  
2404 will. Will you commit to working with Congress, with us to  
2405 help the governors with this Maintenance of Effort so that  
2406 they don't necessarily have to slash dental benefits in  
2407 Massachusetts or something else in New York?

2408 Secretary {Sebelius.} I ask your thoughts about  
2409 healthcare costs driving the deficit and I don't think there  
2410 is any question that it is the number one cost driver. I  
2411 would suggest that what we have to do and I am convinced we  
2412 have a new platform to work on this is actually I am also  
2413 look at the underlying cost drivers with which rather--  
2414 whether you are talking about the public programs, Medicare  
2415 or Medicaid or the private sector trying to provide  
2416 healthcare, we have a trajectory on healthcare costs that is  
2417 simply unsustainable.

2418 Dr. {Cassidy.} Can I--just because I have limited time  
2419 and I want your thoughts. Massachusetts as the governor said  
2420 is certainly the harbinger of how things are going to come.  
2421 I see over the last 10 years their state budget going towards  
2422 healthcare expenses has gone from 21 percent to 37 percent.  
2423 That is why they are now slashing benefits. So it seems like

2424 this is going to control costs when does it begin?

2425 Secretary {Sebelius.} Well, I think that the  
2426 Massachusetts program is a great example. And I think it is  
2427 a great example of what is possible on the exchange side and  
2428 with coverage which Congressman Weiner mentioned. But it  
2429 also had a missing component. Governor Romney and certainly  
2430 Governor Patrick would be the first to tell you that when  
2431 Massachusetts designed their program they focused on access  
2432 and not on cost containment and--

2433 Dr. {Cassidy.} Now if I can--

2434 Secretary {Sebelius.} --they are revisiting the cost  
2435 containment phase.

2436 Dr. {Cassidy.} I am with you on that and when I look at  
2437 what they--I am--just know and I have limited time. When I  
2438 look at what they are proposing none of which has been proven  
2439 to control costs, it is all theoretical but it has not  
2440 actually been proven. I think the governor at one point  
2441 proposed provider fee--freezing provider fees and that was  
2442 thrown out by a judge. So it really seems as if the cost  
2443 control mechanisms which again is similarly in PPACA have not  
2444 been established to control costs.

2445 Secretary {Sebelius.} Well, I think the Affordable Care  
2446 Act has as an underlying premise a huge number of underlying  
2447 cost control--both delivery system changes. But I think more

2448 importantly and unfortunately the Congressional Budget Office  
2449 hasn't scored this, but the effort to look at the drivers of  
2450 chronic disease which is where we spend about 75 cents of  
2451 every health dollar, obesity and smoking can have the most  
2452 enormous affect on your children's health care.

2453 Dr. {Cassidy.} I wish I had 5 more minutes. Let me  
2454 interrupt. Let me ask one more thing because I am out of  
2455 time. You mentioned that the Class Act you are kind of  
2456 concerned about it. It is \$75 billion scored by CBO towards  
2457 the credit side of PPACA. On the other hand you mentioned  
2458 that it is unsustainable. It seems a little disingenuous for  
2459 something which really long term is really sustainable to  
2460 then claim it as kind of a credit in terms of proving the  
2461 cost worthiness of a bill.

2462 Secretary {Sebelius.} The Deficit Commission  
2463 recommendation were that we either should look at repealing  
2464 the Class Act or reforming it and we have the flexibility  
2465 administratively to do the latter. That is exactly what we  
2466 intend to do and I look forward to this committee as I pledge  
2467 to do to tell you the outlines of what we think will be a  
2468 sustainable program.

2469 Dr. {Cassidy.} And could I ask you the one question I  
2470 asked at the beginning. Would you pledge to work with us on  
2471 helping the states on a bipartisan basis for their

2472 Maintenance of Effort?

2473 Secretary {Sebelius.} We are in the process of doing  
2474 that right now. Yes.

2475 Mr. {Pitts.} The gentleman's time has expired.

2476 Chair recognizes gentleman from Kentucky, Mr. Guthrie  
2477 for 5 minutes for questions.

2478 Mr. {Guthrie.} Thank you, Mr. Chairman. Thank you  
2479 Madame Secretary. I think I may be the last one on the  
2480 panel, so hopefully we are moving forward. One thing that  
2481 Mr. Weiner brought up if you expand Medicaid to 100 to 133  
2482 percent you are going to bring on children and the parents  
2483 but you also are going to bring on the disabled and the  
2484 elderly in big proportions. And if the economy does grow as  
2485 governors are looking if you think we can just grow out of it  
2486 the most expensive people who participate in Medicaid are the  
2487 disable and elderly which are more not as elastic to getting  
2488 jobs if the economy moves forward. They are still going to  
2489 be with us. So the fact that we can just grow out of this is  
2490 not really necessary. I just want to make that point.

2491 And when you made your opening remarks you listed a lot  
2492 of the things that people have been listening that people  
2493 like about the healthcare act: preexisting conditions for  
2494 children, 26-year-olds you can stay on, and you also said--  
2495 and I think I will quote ``businesses are getting relieved.

2496 They are also--business are getting relieved from rising  
2497 healthcare costs.' ' And I can tell you from businesses I  
2498 know that because of the new benefits that are mandated  
2499 premiums are rising as they have already started rising. So  
2500 I just--the evidence that business costs are decreasing--I--  
2501 we haven't seen that. Hopefully you have and I can share it  
2502 with businesses and see what they need to do differently.

2503 Secretary {Sebelius.} Well, short term Congressman, as  
2504 you know small business owners are eligible for a tax credit  
2505 which helps provide some relief to the costs of covering  
2506 their employees. And what I hear from small business owners  
2507 across the country is that is often their biggest bottom line  
2508 cost and the way they lose their best employees to their  
2509 larger competitors. So that provides some short term relief.  
2510 Long term relief comes in 2014 with a new market where they  
2511 will finally have the leverage buying power that their large  
2512 competitors have.

2513 Businesses on average, small business owners spend  
2514 about 25 percent more on exactly the same coverage as  
2515 does someone with market power and in 2014 those rates and  
2516 again CBO and other actuaries have said those rates will come  
2517 down fairly dramatically.

2518 Mr. {Guthrie.} But medium-sized businesses are seeing--  
2519 I know businesses with 400 employees and they have seen an

2520 increase because of the new mandated benefits. I mean that I  
2521 moving forward already reflecting--because you can increase  
2522 benefits. But if you are going to increase benefits you are  
2523 also going to--there is a cost to that and it is reflected in  
2524 the premiums businesses are paying.

2525 Secretary {Sebelius.} Well again, the actuarial reports  
2526 that I have seen indicate that there is a relatively  
2527 insignificant impact at this point on the kinds of benefits  
2528 going forward. And as you know we are trying to--the Waiver  
2529 Program that has been mentioned a number of times which dealt  
2530 with one feature of the bill, the Annual Limit, was designed  
2531 to try and insulate businesses in the short term from the  
2532 kind of rate shock that they may see. So we are in a  
2533 balancing act getting between now and 2014.

2534 Mr. {Guthrie.} So we need to be mindful--obviously  
2535 businesses plan for their long term success, too. And I  
2536 don't--you understand that. I know we need to work together.  
2537 I had a couple of physicians. One that wanted about a  
2538 minute. Can I give you a minute and him a minute? Yield a  
2539 minute to the gentleman from Texas.

2540 Dr. {Burgess.} Thank you. Madame Secretary, again  
2541 thank you for being here and you know where we are. Don't  
2542 make yourself so scarce. Going back to 4101A and B for just  
2543 a moment: the mandatory funding for the construction of the

2544 clinics, the discretionary funding for the staffing of the  
2545 clinics. There was no request in the budget for the  
2546 discretionary money for the funding of the clinics. So are  
2547 we likely to be left with a situation where we are required  
2548 to build them under mandatory funding but no one to staff  
2549 them under discretionary funding? These are the school  
2550 clinics under 4101A and B?

2551 Secretary {Sebelius.} Congressman, all I can tell you  
2552 is the budget does include in the health resources and  
2553 services administration a request for increased funding with  
2554 regard to community health centers for the work force for new  
2555 National Health Service Corp providers and new primary care  
2556 providers.

2557 Dr. {Burgess.} It is specifically the school based  
2558 clinic.

2559 Secretary {Sebelius.} But I--those are part of the--

2560 Dr. {Burgess.} Maybe you could get that answer back to  
2561 me in writing.

2562 Secretary {Sebelius.} Yeah, that is fine.

2563 Dr. {Burgess.} I yield back to the gentleman from  
2564 Kentucky.

2565 Mr. {Guthrie.} I want to yield the remainder to the  
2566 gentleman from Louisiana.

2567 Dr. {Cassidy.} Just one more question, Madame

2568 Secretary. I am sorry.

2569 Secretary {Sebelius.} Okay.

2570 Dr. {Cassidy.} To follow up on Congresswoman

2571 Schakowsky's--since it is my understanding that we are

2572 raising Medicare premiums to close that donut hole, what will

2573 the seniors do if they are able to keep their own money as

2574 opposed to closing the donut hole? And of course--

2575 Secretary {Sebelius.} I am sorry. We are raising

2576 Medicare premiums?

2577 Dr. {Cassidy.} It is my understanding that Medicare

2578 Part D premiums are going up to close that donut hole. Is

2579 that not true?

2580 Secretary {Sebelius.} No, sir, I don't think that is

2581 accurate.

2582 Dr. {Cassidy.} Well, then I will follow up with that at

2583 a later date.

2584 Secretary {Sebelius.} Okay.

2585 Dr. {Cassidy.} Thank you. I yield back.

2586 Dr. {Burgess.} Will you yield to me?

2587 Dr. {Cassidy.} Yeah, I yield to the Texan from Texas.

2588 Dr. {Burgess.} We haven't yet talked about the

2589 sustainable growth rate formula and that was one of the big

2590 omissions from PPACA. All of the money taken out of Medicare

2591 and not a single dime for a down payment for buying us out of

2592 the SGR reductions. What are your plans for getting us out  
2593 of the SGR?

2594 Secretary {Sebelius.} Well, as you know Congressman,  
2595 the SGR dates back to 2002 and has been an issue that has not  
2596 been effectively dealt with. This President since his first  
2597 budget has recommended a long term fix. He has proposed in  
2598 this year's budget not only working with Congress for a 10  
2599 year resolution, but also put more than two years of funding  
2600 into the budget. So we would look forward to working with  
2601 this committee to find a long term fix. I agree with you it  
2602 is probably the single most threatening issue to Medicare  
2603 beneficiaries on the horizon.

2604 Mr. {Pitts.} The gentleman's time is expired. Chair  
2605 recognizes the gentleman from New York, Mr. Towns for 5  
2606 minutes.

2607 Mr. {Towns.} Thank you very much, Mr. Chairman.  
2608 Secretary Sebelius, thank you so much for testifying before  
2609 the committee, subcommittee. I know your time is valuable  
2610 and so I will be brief with, you know, my questions.

2611 First, I should note that I am pleased to see the  
2612 direction that the Administration has taken on the budget  
2613 requests. I am concerned that should the cuts proposed by  
2614 H.R. 1 pass, HHS would not be able to deliver on key services  
2615 and programs that benefit the public. Let me--an area that I

2616 am very concerned about is the community health centers.  
2617 They provide an extremely valuable service in my district as  
2618 I imagine they do for many members on both sides of the aisle  
2619 even though some might not admit it. I understand that the  
2620 proposed cuts in H.R. 1 would have a devastating impact on  
2621 community health centers possibly closing up a 127 health  
2622 centers and cutting off 11 million patients over the next  
2623 year. In contrast, how has the HHS budget request dealt with  
2624 these very valuable centers?

2625 Secretary {Sebelius.} Well Congressman, I share your  
2626 appreciation for the critical services that health centers  
2627 provide in our most underserved areas. And between the  
2628 investment of the Recovery Act, the President's budgets, and  
2629 the Affordable Care Act the goal is to really double the  
2630 number of Americans that have access to those vital high  
2631 quality, lower cost, preventive services. And the President  
2632 has made a budget request for an increased support for  
2633 community health centers including for providers who serve in  
2634 that--in those centers training 15,000 new providers over the  
2635 course of the next five years and having those folks  
2636 available. Absent that expanded footprint, we will have far  
2637 more people accessing healthcare in the least expensive--I  
2638 mean the most expensive, least effective way through the  
2639 doors of emergency rooms are just not getting the health care

2640 at all.

2641 Mr. {Towns.} Let me say I was watching TV you know and  
2642 from the hearings here and I saw a member raising a booklet  
2643 saying this is why, you know you in the minority--and I hope  
2644 that you know you are not affected by that in any way because  
2645 you know sometimes, you know it takes some people a little  
2646 longer to figure out what is going on. And I think that we  
2647 need to just move forward because I think that there is no  
2648 question in my mind that this is going to save a lot of lives  
2649 and eventually we are going to save a lot of money. There is  
2650 no question about it.

2651 So I am hoping that, you know you don't let this deter  
2652 you in any way. You continue to move forward. Let that  
2653 encourage you because let us face it, eventually they will  
2654 get the message as well. So I want to thank you very, very  
2655 much for the work that you are doing and we look forward to  
2656 continuing to work with you.

2657 I think the only thing I would hoped that we would be  
2658 able to put together some more private and public  
2659 partnerships maybe even around the community health centers  
2660 to see in terms of what we might be able to do to sort of  
2661 keep them open because they provide us such a valuable  
2662 service in many, many neighborhoods.

2663 Secretary {Sebelius.} Well Congressman, every place I

2664 go I try to visit the community health center that is closest  
2665 and I have seen some extraordinary providers across this  
2666 country who not only are providing life saving medical care,  
2667 but incredible family support. And I don't disagree that it  
2668 is proven over and over again to be not only very high  
2669 quality care but at a far lower cost than any variety of  
2670 options. So I would look forward to looking for you to make  
2671 sure that this incredibly important public support stays in  
2672 place.

2673 Mr. {Towns.} Thank you very much and on that I yield  
2674 back.

2675 Mr. {Pitts.} Chair thanks gentleman. The gentleman  
2676 from Kentucky, Mr. Whitfield, is recognized for 5 minutes for  
2677 questions.

2678 Mr. {Whitfield.} Well, thank you, Mr. Chairman. And  
2679 Secretary Sebelius, thank you for being with us today. One  
2680 comment that I just wanted to make which probably doesn't  
2681 have to be made but I am sure you have felt a lot of  
2682 animosity, even a lot of frustration over this whole  
2683 healthcare bill as many in America has felt. And one of the  
2684 reasons that people have felt that way is that they brought a  
2685 2,400 page bill to the House floor last year and we were not  
2686 able to offer one amendment on the House floor.

2687 And I don't think the American people appreciate bills

2688 of that magnitude having the impact on this country and the  
2689 legislative body not being able to offer one amendment on the  
2690 House floor. It is certainly not your fault. You were not  
2691 the Speaker, but from that background and because of that  
2692 process there is still very strong feelings about the issue.

2693 But one of the questions I would like to just ask you,  
2694 many members of Congress to be honest did not have much of an  
2695 idea of what was even in the bill when we voted on it. And  
2696 as Secretary of HHS I am assumed that in the process of  
2697 developing the bill you must have at least been consulted.  
2698 You were hopefully able to suggest ideas and have some input  
2699 into the process.

2700 So my first question would be did you have an  
2701 opportunity to have input into the process?

2702 Secretary {Sebelius.} Yes, Congressman, I did and as  
2703 you know there were five committees, three in the House and  
2704 two in the Senate. There were numerous hearings and yes--

2705 Mr. {Whitfield.} No, I know that now. Just a minute--

2706 Secretary {Sebelius.} --I did--

2707 Mr. {Whitfield.} We, in fact, we adopted eight  
2708 amendments in the Energy and Commerce committee. All of them  
2709 were stripped out before it went to the floor and Democrats  
2710 and Republicans adopted those amendments. They all were  
2711 stripped about and we were not offered--able to offer one

2712 amendment on the floor. But here is the question I have. We  
2713 know that there is going to be about 20 million more people  
2714 on the Medicaid program according to all of the numbers that  
2715 we have seen by the year 2014 or whatever. And every  
2716 governor that I talk to both Democrat and Republican say that  
2717 one of the reasons they are having financial difficulty in  
2718 these states--not the only reason, but one is the fact of the  
2719 cost of the Medicaid program. Now, the states are having  
2720 great financial difficulty. The federal government goes  
2721 without saying. We have a \$14 trillion federal debt. How is  
2722 it concluded that the federal government would pick up 100  
2723 percent of the cost of those additional 20 million people on  
2724 Medicaid?

2725 Now I have heard some comment well the states are not  
2726 going to be hit with this additional cost. Well, the reason  
2727 they are not going to be hit with it is because the federal  
2728 government is. So my question would be how was it determined  
2729 that the federal government should do that when we are in  
2730 worse shape at the federal level than some of the states are  
2731 at the state level?

2732 Secretary {Sebelius.} Well Congressman, I think it was  
2733 seen as a way to have a partnership going forward and for the  
2734 first time ever have a benefit level that regardless of where  
2735 you lived in this country you were eligible for health

2736 insurance so that uniformly now across the country at  
2737 families at 133 percent of poverty or less would qualify and  
2738 for that additional population some states are well above  
2739 that right now. Some states are well below it, but for the  
2740 additional population at least for the first three years it  
2741 was seen that the federal government should pick up the lion  
2742 share and then gradually the state would participate.

2743 Mr. {Whitfield.} Well, I--I mean if I had been there I  
2744 think I would have disagreed with that but nevertheless that  
2745 is what it is. But the thing that really bothers me--when  
2746 you talk to primary care physicians today they are already  
2747 upset about the low reimbursement rates for Medicaid patients  
2748 and I don't think I am exaggerating we have two doctors here  
2749 and maybe some over there. Most of the primary care  
2750 physicians I talk to say we are not going to take any more  
2751 Medicaid patients. So if you put a 20 million more people on  
2752 there, they are going to go right back to the emergency room.

2753 Secretary {Sebelius.} Well, I--at least the doctors who  
2754 I talk to across the country and I do visit with a lot of  
2755 them are not happy with the Medicaid reimbursement rates.  
2756 But the vast majority of the people we are talking about have  
2757 no reimbursement rates, are not seeing a doctor, are using  
2758 the healthcare system in a very inefficient way. I think one  
2759 of the reasons that again the Affordable Care Act suggests

2760 that Medicaid doctors for at least the first several years  
2761 will be paid at Medicare rates is a recognition that the  
2762 Medicaid rates across the country are insufficiently low.  
2763 And that is again part of the Affordable Care Act structure.

2764 Mr. {Pitts.} The gentleman's time is expired. We have  
2765 one other member who is not a member of the subcommittee. He  
2766 is a member of the Full Committee. He has waited patiently  
2767 all hearing at our times past. Would you stay for 5 minutes?

2768 Secretary {Sebelius.} Yes.

2769 Mr. {Pitts.} Thank you, and the Chair recognizes the  
2770 gentleman from Texas, Mr. Green for 5 minutes.

2771 Mr. {Green.} Thank you, Mr. Chairman and I appreciate  
2772 the courtesy. Let me waive on. This is my first term on the  
2773 Energy and Commerce Committee. I haven't been on the Health  
2774 Subcommittee and so I appreciate the chance to be here.  
2775 Welcome Madame Secretary.

2776 Secretary {Sebelius.} Thank you.

2777 Mr. {Green.} And I just want to remind folks the  
2778 Medicaid reimbursement rates are set by the States.

2779 Secretary {Sebelius.} That is correct.

2780 Mr. {Green.} And we had three governors here yesterday  
2781 or a couple days ago with our oversight and investigation and  
2782 they wanted more flexibility and they have a lot of  
2783 flexibility now in reimbursement rates. And there are some

2784 decisions that can be made because--and I think we are right.  
2785 We understand that doctors Medicaid pays less than Medicare.  
2786 Frankly, in my part of the country, TriCare pays less than  
2787 Medicare. So you know, although in the Houston area where I  
2788 am from we don't have a big base, so a lot of physicians  
2789 won't take TriCare because it is so--but that is a state  
2790 issue. We don't want--we definitely don't want the state--  
2791 federal government to set Medicaid rates because we would  
2792 have more governors up here complaining.

2793 But the other issue I want to ask is on the Healthcare  
2794 Reform bill, the impact on the teaching health centers, our  
2795 medical schools and that are associated, what is the impact  
2796 that you are seeing on our teaching health centers because we  
2797 are fortunate at least in the Houston area to have three that  
2798 serve our metropolitan area. And my goal is to encourage  
2799 them to get out to our community based health centers and  
2800 partner with them because that way I also want those  
2801 residents to understand they can make a good living in a  
2802 community based health center.

2803 Secretary {Sebelius.} Well, recently I had the chance  
2804 to visit again with the head of the Association of Academic  
2805 Health Centers and he joined a group of providers talking  
2806 about what he sees as an enormously important opportunity to  
2807 begin to transport healthcare delivery with the Affordable

2808 Care Act. That the patient centered, provider centered  
2809 opportunities with the kind of payment models that are a part  
2810 of the Affordable Care Act everything from primary medical  
2811 home models which actually reimburse physicians for keeping  
2812 their patients healthy in the first place and you don't have  
2813 to wait until they go to the hospital to get paid, to  
2814 bundling care, to using the most innovative strategies they  
2815 see as a wonderful opportunity. And as you say in many areas  
2816 already there is a lot of discussion with academic health  
2817 centers and community health centers about becoming  
2818 accountable care organizations and combining those strategies  
2819 to deliver better care to more people.

2820 Mr. {Green.} Okay. I know that H.R. 1 cut or proposed  
2821 to cut 1.3 billion from the health centers program and I  
2822 understand the Health Centers Services Resource  
2823 Administration has announced its intention to award new  
2824 access points, new health centers and new sites of existing  
2825 centers. And as you know this funding opportunity to  
2826 facilitate health centers expansion made possible by  
2827 provisions in the Health Reform Law and the President's  
2828 request. And frankly I worked with the Administration under  
2829 President Bush many times expanding health centers funding.  
2830 Can you tell us how many applications for new health centers  
2831 HRSA has received and how many awards HRSA intends to fund,

2832 and how many of the awards would HRSA make if H.R. 1 if was  
2833 enacted and 1.3 billion were cut? I know that may not be  
2834 possible now.

2835 Secretary {Sebelius.} Congressman, I would love to get  
2836 you those specifics--

2837 Mr. {Green.} Okay.

2838 Secretary {Sebelius.} --in writing, but suffice it to  
2839 say that the loss of the investment in anticipated would  
2840 severely curtail this program.

2841 Mr. {Green.} You have better information than I do, but  
2842 we were understood that there were about 800 applications for  
2843 350 possible awards. But again, you have the exact numbers.  
2844 That is what we have heard. So Mr. Chairman, I know I have a  
2845 little bit left. It is well documented health centers  
2846 provide high cost effective and high quality patient directed  
2847 care and reduces overall costs in the healthcare system. Can  
2848 you describe the overarching impact of the healthcare system  
2849 and the continued healthcare expansion outlined in  
2850 President's fiscal year 2012 budget request?

2851 Secretary {Sebelius.} Well I think, Congressman, the  
2852 anticipation is that we would be able to gradually move from  
2853 serving 20 million Americans to 40 million Americans. And as  
2854 you know the Health Services Resource Administration maps  
2855 pretty carefully where is the underserved need, where are the

2856 access points that need to be filled. Some are in very rural  
2857 areas, some are in very urban areas and that expansion has  
2858 provided enormously important care to families across this  
2859 country.

2860 Mr. {Green.} Thank you and I appreciate it. And I know  
2861 I am almost out of time, but in the Houston area we got--we  
2862 started on community health centers much later than most  
2863 parts of the country so we are considered I think an under-  
2864 underserved area. But--

2865 Secretary {Sebelius.} You putting in a pitch?

2866 Mr. {Green.} --but also the community health centers  
2867 are not refusing Medicaid patients.

2868 Secretary {Sebelius.} That is correct.

2869 Mr. {Green.} So doctors cannot afford in their practice  
2870 to take them that is why we need expansion of community  
2871 health centers.

2872 Secretary {Sebelius.} Some are uninsured, some are  
2873 Medicaid, but a number of people are fully insured and choose  
2874 a community health center as their health home.

2875 Mr. {Pitts.} Gentleman's time--

2876 Mr. {Green.} Thank you, Mr. Chairman.

2877 Mr. {Pitts.} --is expired. In conclusion, I would like  
2878 to thank Secretary Sebelius and the members for participating  
2879 in today's hearing. I remind members that they have 10

2880 business days to submit questions for the record and I ask  
2881 Secretary Sebelius to respond promptly to the questions.

2882 Secretary {Sebelius.} Thank you, Mr. Chairman.

2883 Mr. {Pitts.} Members should submit their questions by  
2884 the close of business on March 17.

2885 Dr. {Burgess.} Mr. Chairman, would you yield for a  
2886 moment for a unanimous consent request?

2887 Mr. {Pitts.} Yes.

2888 Dr. {Burgess.} I have a unanimous consent to add the  
2889 letter that I wrote to Secretary Sebelius on February 10 to  
2890 the record.

2891 Mr. {Pitts.} Without objection it will be entered into  
2892 the record.

2893 Dr. {Burgess.} Thank you.

2894 [The information follows:]

2895 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

|  
2896           Mr. {Pitts.} If there is nothing further before the  
2897 committee, this Subcommittee hearing is adjourned.  
2898           [Whereupon, at 12:11 p.m., the Subcommittee was  
2899 adjourned.]