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4 MARKUP ON H.R. 1173, FISCAL RESPONSIBILITY AND RETIREMENT
5 SECURITY ACT OF 2011
6 TUESDAY, NOVEMBER 15, 2011
7 House of Representatives,
8 Subcommittee on Health
9 Committee on Energy and Commerce
10 Washington, D.C.

11 The subcommittee met, pursuant to call, at 10:04 a.m.,
12 in Room 2123 of the Rayburn House Office Building, Hon. Joe
13 Pitts [Chairman of the Subcommittee] presiding.

14 Members present: Representatives Pitts, Burgess,
15 Shimkus, Rogers, Murphy, Blackburn, Gingrey, Latta, McMorris
16 Rodgers, Lance, Cassidy, Guthrie, Barton, Upton (ex officio),
17 Pallone, Dingell, Towns, Capps, Schakowsky, Ross, Matheson
18 and Waxman (ex officio).

19 Staff present: Jim Barnette, General Counsel; Kirby
20 Howard, Legislative Clerk; Debbie Keller, Press Secretary;
21 Peter Kielty, Senior Legislative Analyst; Ryan Long, Chief
22 Counsel, Health; Carly McWilliams, Legislative Clerk; Jeff
23 Mortier, Professional Staff Member; Katie Novaria,
24 Legislative Clerk; Monica Popp, Professional Staff Member,
25 Health; Chris Sarley, Policy Coordinator, Environment and
26 Economy; Heidi Stirrup, Health Policy Coordinator; Alex
27 Yergin, Legislative Clerk; Phil Barnett, Democratic Staff
28 Director; Alli Corr, Democratic Policy Analyst; Ruth Katz,
29 Democratic Chief Public Health Counsel; Elizabeth Letter,
30 Democratic Assistant Press Secretary; Karen Lightfoot,
31 Democratic Communications Director, and Senior Policy
32 Advisor; Karen Nelson, Democratic Deputy Committee Staff
33 Director for Health; and Anne Morris Reid, Democratic
34 Professional Staff Member.

|
35 Mr. {Pitts.} The subcommittee will come to order. The
36 chair will recognize himself for 3 minutes for an opening
37 statement.

38 This subcommittee has held two hearings on the CLASS
39 program this year. The first hearing was on March 17, 2011,
40 and the most recent hearing was on October 26, 2011, after
41 the Department of Health and Human Services announced it was
42 not moving forward with the implementation of the CLASS
43 program ``at this time.''

44 Even before its inclusion in the President's health care
45 law in March 2010, we were warned by the Administration's own
46 actuary, the American Academy of Actuaries, and Members of
47 Congress from both parties, and outside experts that the
48 program would not be fiscally sustainable. However, under a
49 convenient budgetary gimmick, the CLASS program accounted for
50 nearly half of the savings that proponents claimed Obamacare
51 would produce.

52 During our last hearing, Assistant Secretary Greenlee
53 testified that HHS had spent \$5 million in 2010 and 2011
54 trying to implement the program. By November 14, 2011, after
55 determining that the CLASS program could not meet the law's
56 75-year solvency requirement, the department finally admitted
57 what nearly everyone already knew: the CLASS program was not

58 sustainable, and it could not be made so.

59 The intent behind the CLASS program, a voluntary program
60 for long-term care insurance, was laudable. Only about 9
61 million Americans purchase long-term care insurance, and yet
62 most of us will end up needing it. Crushing medical costs
63 are leading people to bankruptcy courts and already
64 overburdened Medicaid rolls. Good intentions, however, do
65 not make up for fundamentally flawed, actuarially unsound
66 policies designed to show the illusion of savings.

67 During our October hearing, several of my colleagues
68 seemed to be saying that if you believe there is a long-term
69 care problem in this country and you want to be part of the
70 solution, then you must defend the CLASS program. They also
71 implied that if you don't defend the CLASS program, then you
72 must either want people to suffer under the crushing weight
73 of medical bills and inevitable poverty or you simply don't
74 care one way or the other if they do. That is a false choice
75 and a premise that I refuse to accept.

76 Supporting repeal of the CLASS program is not denying
77 the existence of a very significant problem facing millions
78 of Americans, nor is it a show of apathy towards those who
79 are suffering. There are many of us who want to tackle the
80 long-term care situation our country faces, but we realize
81 that CLASS is not the way to do it.

82 The Department of Health and Human Services has stopped
83 attempts to implement this program. However, it is difficult
84 to imagine a more vibrant private sector long-term care
85 insurance market if the prospects of a government-run program
86 remain. Our subcommittee should support H.R. 1173, the
87 ``Fiscal Responsibility and Retirement Security Act of
88 2011,'' which will officially repeal the CLASS program, and
89 then move on to discuss real solutions to this problem. The
90 subcommittee will take up long-term care again, and I look
91 forward to working with my friends on both sides of the aisle
92 on this issue.

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

94 ***** COMMITTEE INSERT *****

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95 Mr. {Pitts.} I now recognize my friend from New Jersey,
96 Mr. Pallone, for 3 minutes for his opening statement.

97 Mr. {Pallone.} Thank you, Mr. Chairman.

98 I am opposed to H.R. 1173 because it is a giant step
99 backwards towards addressing the long-term care crisis in
100 this country. When the subcommittee last convened, I
101 expressed my disappointment with the Administration for
102 abandoning the CLASS program. Today, my disappointment is
103 solely directed towards my Republican colleagues that seek to
104 repeal the CLASS program and in turn have failed to offer any
105 real solutions for long-term care access in America.

106 I understand, Mr. Chairman, I listened to what you said.
107 You are saying we can repeal this and then we will come up
108 with something else. I don't believe that that will happen,
109 as much as I understand you would try but I don't see that
110 happening.

111 My problem is that, you know, I think that my Republican
112 colleagues continue with this attitude that Congress can't do
113 anything, and that is not what the American people want to
114 hear. Repeal of CLASS is both dangerous and premature.
115 Current law provides a structured framework that allows for a
116 reasonable long-term care insurance program that helps people
117 plan for their eventual long-term care needs. We simply have

118 to convince the Administration to try the implementation. A
119 path was outlined with their actuary that the department
120 hired. This Congress must continue to work towards
121 addressing a workable solution to implement CLASS in a
122 fiscally sound manner, and that is why I am advocating for
123 HHS to convene the CLASS Independence Advisory Council. The
124 expertise of this council is critical to informing Congress
125 and have HHS move forward on CLASS.

126 American families have too few long-term care options
127 and they need our help. I say to my Republican friends,
128 running away from the problem through repeal is not the
129 anger, and that is why I will not give up on CLASS. In fact,
130 my Democratic colleagues and I will offer a number of
131 amendments at full committee to block repeal of the CLASS
132 program.

133 Let me just close by saying this. I am kind of tired of
134 wasting Congress's valuable time with haphazard repeal bills.
135 This is not the first. We have had many efforts to repeal
136 different aspects of the Affordable Care Act. I think it is
137 just a waste of time. CLASS can be implemented in a
138 meaningful way if everyone merely tried. We need to have a
139 can-do attitude in this committee. Congress can do things.
140 The Republicans have a negative attitude that Washington
141 can't do anything, and I just don't understand. Moving

142 forward with CLASS is a realistic solution that has the
143 promise of making a difference in the lives of many
144 Americans. Let us keep it on the books. Let us try a way to
145 implement. Let us try to be positive about what we can do.

146 I am certainly open to other means of implementation,
147 you know, talk and have hearings or have discussions about
148 ways of implementing CLASS, but repealing at this point
149 accomplishes nothing other than to send a very negative
150 message to the disabled community and those who were
151 supportive of trying to come up with a long-term care
152 solution. There is nothing accomplished with repeal, Mr.
153 Chairman.

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

155 ***** COMMITTEE INSERT *****

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156 Mr. {Pitts.} The chair thanks the gentleman and now
157 recognizes the chair emeritus of the full committee, Mr.
158 Barton, for 3 minutes for his opening statement.

159 Mr. {Barton.} Thank you, Mr. Chairman. I am going to
160 submit my opening statement for the record. I won't take the
161 entire 3 minutes, but I do appreciate having it.

162 I support repeal. I think that the chairman and the
163 full committee chairman are right to put this bill before the
164 subcommittee and then the full committee. Having said that,
165 we do have a problem in America that needs to be addressed,
166 and I was gratified to hear the subcommittee chairman state
167 that he wishes to do something about long-term health care.

168 Each Member of Congress pays the maximum each month in
169 Social Security taxes until we reach the cap, which is about
170 \$800 per month for the first 8 or 9 months of the year. It
171 would seem to me that at some point in time perhaps we could
172 take a small portion of the taxes that we are already paying
173 and at least give people the option to put some of that into
174 a long-term health care plan so that we have some long-term
175 health care option for our citizens.

176 We all know that Medicaid, which is designed for
177 indigent health care, spends more money on long-term health
178 care than it does on actual health care, so we do need to

179 solve this problem. The CLASS Act is not the way to solve it
180 so I will say to the benefit of those who support it, the
181 CLASS Act when it was implemented I did not but at least they
182 put in a provision that the program had to be solvent, and
183 again, the actuaries at HHS have determined that it cannot be
184 solvent, so the thing to do is to repeal this program and
185 then hopefully work together on a bipartisan basis to come up
186 with something different that does work.

187 With that, Mr. Chairman, thank you for your leadership
188 and I yield back.

189 [The prepared statement of Mr. Barton follows:]

190 ***** COMMITTEE INSERT *****

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191 Mr. {Pitts.} The chair thanks the gentleman and now
192 recognizes the gentleman from New York, Mr. Towns, for 2
193 minutes for opening statement.

194 Mr. {Towns.} Thank you very much, Mr. Chairman. Let me
195 thank you, Chairman Pitts, and Ranking Member Pallone.

196 The issue before us today is of crucial importance to
197 millions of Americans who need long-term care and they need
198 it now or will be in need of in the future. The absence of
199 affordable long-term health care options is a major burden on
200 individuals and their families as well as our government.
201 Under the status quo, seniors or disabled citizens in need of
202 long-term care can only get financial assistance once they
203 have spent their savings and become eligible for Medicaid.

204 In New York, AARP recently reported that the median
205 annual nursing home private pay costs in 2010 amounted to 393
206 percent of median household income for those over 65. We can
207 all see this is unacceptable. With more and more of us
208 living longer and requiring long-term care, the number of
209 seniors driven into poverty and in need of Medicaid will
210 substantially increase. In New York alone, by 2015 the
211 number of people 65 and older with functional impairments is
212 projected to grow by 17.1 percent. A growing portion of
213 those impaired will be elderly minorities who are especially

214 at risk of requiring long-term care assistance.

215 Within less than 5 years, there may be as many as
216 690,000 people who require long-term service in home and
217 community-based settings. An additional 160,000 will be
218 living in nursing homes or group care facilities. In the
219 context of these figures, it is clear that the cost of health
220 care to the government will become a massive burden.
221 Repealing CLASS without an alternative simply allows an
222 unsustainable status quo to continue and does nothing to
223 solve the problem we are facing.

224 To that end, Mr. Chairman, I plan to offer an amendment
225 during full committee markup that ensures that we do not
226 repeal CLASS before being certain that there is a suitable
227 alternate option in place. Instead of repealing it outright,
228 we should all work together to figure out how we can make
229 long-term care a reality. Let us show that we can do
230 something that most of the committees around here have not
231 done, and that is work together to improve the quality of
232 life for people.

233 On that note, I yield back, Mr. Chairman.

234 [The prepared statement of Mr. Towns follows:]

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

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236 Mr. {Pitts.} The chair thanks the gentleman and
237 recognizes the gentleman from Illinois, Mr. Shimkus, for 2
238 minutes for an opening statement.

239 Mr. {Shimkus.} I don't have an opening statement, Mr.
240 Chairman.

241 Mr. {Pitts.} The gentleman from Pennsylvania, Dr.
242 Murphy, is recognized for 2 minutes.

243 Mr. {Murphy.} Thank you, Mr. Chairman, and as a
244 cosponsor of this legislation, I am pleased we are having
245 this markup today.

246 As I have said on many occasions, if any insurance
247 company began collecting premiums, held onto them or spent
248 them for several years and then tried to spend that \$86
249 billion before paying out a single penny in benefits, it
250 would rightly be prosecuted. Such Ponzi schemes are illegal
251 in this country. The Administration knew this program was
252 not sustainable. They knew that it would do nothing to
253 address the issue of long-term care insurance but it was
254 included in the health care bill anyways because it provided
255 a false veil of savings for them to hide behind.

256 Now Secretary Sebelius admits the program is totally
257 sustainable and the promised savings have evaporated. This
258 is another example of how the health care law puts perception

259 and politics ahead of real policy and really taking care of
260 what our citizens need.

261 What people want is affordable and accessible health
262 care, not more costs. What Americans want is lower costs and
263 less taxes. What they have is a plan that raises both. What
264 Americans want is less debt and less deficit. The CLASS Act
265 increases both. Job creators want to be able to lower their
266 costs to create more jobs. This adds to their costs.

267 Americans want us to fix the broken government programs
268 that are already in place, not to create another broken
269 program. They want us to eliminate waste, fraud and abuse in
270 Medicare and Medicaid and reform the ways that those plans
271 manage chronic illness that can reduce costs dramatically.
272 We have not done those things and instead this offer of a new
273 program is going to increase cost and not provide the
274 solutions. Basically what Americans are saying, it is not
275 time to do this. We don't need to add more to our deficit
276 and more to promises and more to reducing jobs.

277 And with that, I yield back.

278 [The prepared statement of Mr. Murphy follows:]

279 ***** COMMITTEE INSERT *****

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280 Mr. {Pitts.} The chair thanks the gentleman and now
281 recognizes the gentleman from California, the ranking member
282 of the full committee, Mr. Waxman, for 3 minutes for his
283 opening statement.

284 Mr. {Waxman.} Thank you, Mr. Chairman.

285 Today, Republicans on this subcommittee will vote to
286 tear down the only framework we have in place to begin to
287 address the Nation's long-term care crisis. The CLASS
288 program is an important effort to provide assistance to
289 elderly and the disabled who need help with daily living.
290 This voluntary, privately financed insurance program is
291 designed to allow the elderly and disabled to live
292 independently, to stay out of institutions and in their
293 homes. And for those who are no longer able to be on their
294 own, the program also can assist with the astronomical cost
295 of nursing home care.

296 CLASS is not perfect. But rather than working with us
297 and with Secretary Sebelius, House Republicans want to throw
298 out CLASS altogether and replace it with absolutely nothing.
299 Their plan is to keep the status quo. House Republicans
300 would have our most vulnerable citizens and their families
301 continue to believe that Medicare is the answer when, in
302 fact, that program covers only minimal and short-term long-

303 term care needs. They would push private long-term care
304 policies even though these policies are often too expensive
305 or difficult to purchase and don't always cover the services
306 that are needed, when they are needed. That is why less than
307 10 percent of the population holds these policies.

308 House Republicans would watch the elderly and disabled
309 spend down into poverty, so they can qualify for Medicaid
310 coverage to pay for their long-term care and supports. At
311 the same time, they would turn their backs on both the States
312 and the federal government as they struggle with ever-rising
313 costs of long-term care under Medicaid. The price tag for
314 these services in 2010 alone was some \$120 billion.

315 We simply cannot persist in relying on this patchwork of
316 options, not when 25 million Americans will be in need of
317 such services by 2020 and not when long-term care is draining
318 our Medicaid resources. Instead, we should maintain the
319 framework that CLASS provides for moving forward to achieve
320 the goal we should all share: ensuring that Americans who
321 require long-term care and support services are able to get
322 them what they need when they need it.

323 Regrettably, H.R. 1173 does just the opposite. It does
324 not fix; it just repeals. Once again, there are no answers
325 from House Republicans and no solutions. Once again, they
326 set us back in our long struggle to deal with this terribly

327 complex and difficult challenge.

328 For these reasons and more, I urge my colleagues to

329 reject H.R. 1173.

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

331 ***** COMMITTEE INSERT *****

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332 Mr. {Pitts.} The chair thanks the gentleman and
333 recognizes the chair of the full committee, Mr. Upton, for 3
334 minutes for opening statement.

335 The {Chairman.} Well, thank you, Mr. Chairman.

336 It has been 2 years since the CLASS Act was first
337 debated as part of the President's health care reform plan.
338 American taxpayers deserve to know about the concerns that
339 went largely ignored by the Democratic leadership in both
340 chambers in an attempt to rush through the President's health
341 care bill.

342 The truth is that outside analysts, such as the American
343 Academy of Actuaries, raised concerns with this program as
344 early as July of 2009, 5 months before the President's plan
345 was even considered on the Senate Floor. During the health
346 care reform debate, members from both sides of the aisle also
347 raised concerns about the program's long-term sustainability.

348 Then earlier this year, a bicameral investigation
349 revealed that concerns from within HHS were rampant during
350 the health care debate but never brought to light by the
351 Democrats' leadership or the Administration itself. Those
352 concerns all came to a head about a month ago on October 14,
353 when Secretary Sebelius announced what honest accounting told
354 us was inevitable: the Administration finally admitted that

355 there was no viable path forward and therefore was halting
356 further implementation of the CLASS program.

357 The failure of HHS to implement the CLASS program is not
358 a surprise. It really isn't. However, it is a catastrophic
359 consequence of what happens when Congress rushes to enact
360 costly policies and dismisses warnings from independent
361 experts.

362 Most troubling are the budget gimmicks used to sell the
363 CLASS program, and indeed, the entire law. CBO, using strict
364 rules about how to project costs in a limited window of time,
365 estimated the CLASS program would save money by collecting
366 premiums from enrollees, premiums that will now never be
367 collected in light of a failed implementation.

368 We knew the savings for the President's health care plan
369 were wrong. We did. It defied common sense that such a
370 massive spending expansion would not have a cost. Now, more
371 than a year later, the President will have to explain to the
372 American people why the health care law will cost them \$80
373 billion more than they were told, \$80 billion on top of the
374 trillions the President has added to the books since he took
375 office 3 years ago.

376 Today, we will have an opportunity to start over on
377 long-term care reform, an issue that is important to all of
378 us as we hear from constituents regularly about the growing

379 cost of long-term care services. We will begin that process,
380 but first we must take CLASS off the books.

381 Thanks, Mr. Chairman, for holding this markup today, and
382 I urge my colleagues to support the bill to repeal a program
383 that does not work and that we cannot afford.

384 I yield back.

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

386 ***** COMMITTEE INSERT *****

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387 Mr. {Pitts.} The chair thanks the gentleman and now
388 recognizes the ranking member emeritus, the gentleman from
389 Michigan, Mr. Dingell, for 3 minutes for opening statement.

390 Mr. {Dingell.} Mr. Chairman, I thank you for your
391 courtesy.

392 As this subcommittee heard just a few weeks ago from
393 Assistant Secretary Greenlee and Assistant Secretary Glied,
394 HHS has determined that the CLASS Act is unworkable at this
395 time. Assistant Secretary Greenlee also committed at the
396 hearing to working with the Congress, industry and consumers
397 to explore options for affordable long-term care insurance
398 for Americans, a desperate need for millions of Americans.

399 Like other members of this subcommittee, I am
400 disappointed that HHS is not moving forward with the CLASS
401 Act. However, I cannot in good conscience support repealing
402 the CLASS Act when we have no viable alternative for
403 affordable long-term care and when we could be working on
404 making this legislation into something that will in fact work
405 to benefit the United States and its people.

406 Repealing the CLASS Act does nothing to address the fact
407 that private long-term care insurance options are limited and
408 the costs are too burdensome for many American families. The
409 CLASS Act was designed to fill an unmet need in our society,

410 a desperate need that will not disappear with repeal, to
411 provide an affordable long-term care option for the 10
412 million Americans in need of long-term care now and the
413 projected 15 million Americans that will need long-term care
414 by 2020.

415 We must leave the framework in place if we are to be
416 able to work effectively to solve a problem that plagues, as
417 I have mentioned, some 10 to 15 million Americans, and we
418 have to try and see to it that HHS and others can find a way
419 to make the CLASS Act or another long-term care program work.
420 We cannot and we must not allow Medicaid to continue to be
421 the only affordable long-term care service available to
422 Americans. That program is causing substantial financial
423 difficulty to the American people, to the States and to the
424 federal government. American families should not have to
425 spend down their savings or assets to access long-term care.

426 In my time in Congress, I have worked hard to expand
427 access to affordable, quality health care for all, and the
428 CLASS Act, if it could be fixed, could properly help us to
429 further that goal. It is clear that the CLASS Act is not
430 perfect. HHS has acted to withhold action on that
431 legislation until such time as it does become workable, and I
432 believe strongly that we can find a way to make this program
433 work or to modify the program so that it will work, and I

434 hope that my colleagues on the other side of the aisle will
435 work with me to ensure that affordable long-term care is
436 available for anyone who needs it. I ask my colleagues to
437 join in working together on this problem instead of repealing
438 legislation which does address a problem of great importance
439 to the American people.

440 I thank you for the recognition and kindness. I yield
441 back the balance of my time.

442 [The prepared statement of Mr. Dingell follows:]

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444 Mr. {Pitts.} The chair thanks the gentleman and
445 recognizes the gentleman from Michigan, Mr. Rogers, for 2
446 minutes.

447 Mr. {Rogers.} Thank you, Mr. Chairman.

448 It is a sad day that we had to even get here because of
449 the sheer fact that the CLASS Act is not able to be
450 implemented because it just doesn't work, and this pride of
451 authorship on this particular bill is killing America. Just
452 in my district, my family physician, who has taken care of my
453 family for years, has announced that he is going down to 3
454 days a week because he will not take patients and lose money
455 under the new Medicare provisions under the health care act
456 that was passed by this committee last year. Other doctors
457 in my particular district have said that they are going to
458 take one appointment a week now on Medicare, and they are
459 doing this now so that they can prepare for the law as it
460 comes, one slot a week for Medicare patients. So seniors are
461 calling in tears wondering where they are going to get care
462 in the future. We have several groups of doctors that are
463 selling their practices today to hospitals to try to get out
464 of what is a loser financially to see Medicare patients. I
465 have another set of doctors who have told me that they will
466 take no new Medicare patients starting next year.

467 This is a catastrophe that is on its way to ruin
468 America, and it is this pride of authorship that my friends
469 on the other side of the aisle can't shake themselves from
470 that will allow this to happen. This uncertainty is costing
471 jobs in the economy and it is spreading fear amongst our
472 seniors and doctors are walking away from providing services
473 in this country, and it is happening today. It is not
474 hypothetical. It is ``not going to happen.'' It is not
475 something we are speculating about. It is happening today
476 and this, what we are going to do today, is just the symptom
477 of a disease that will kill America.

478 Thank you, Mr. Chairman, for your time and taking up
479 this important piece of legislation so we can once again re-
480 analyze how dangerous their health care bill is to the health
481 of Americans.

482 [The prepared statement of Mr. Rogers follows:]

483 ***** COMMITTEE INSERT *****

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484 Mr. {Pitts.} The chair thanks the gentleman and
485 recognizes the gentlelady from California, Ms. Capps, for 2
486 minutes.

487 Mrs. {Capps.} Thank you, Mr. Chairman.

488 You know, the issue of long-term care as a critical hole
489 in our health care system is agreed upon by both sides of
490 this committee. In addition, we know that the cost of long-
491 term care is a critical component of any attempt to bring
492 down our Nation's health care costs and is key to getting our
493 Nation's fiscal house in order. The cost of long-term care
494 bankrupts many families but it is also costing taxpayers
495 billions at the federal, the State and the local levels. The
496 private market is out of reach for most Americans, and
497 instead, many hold out for as long as they can before falling
498 into the Medicare social safety net that can't handle the
499 strain itself.

500 The CLASS Act was an attempt to address this problem by
501 protecting more Americans against the cost of long-term care,
502 and while the effort as written did not allow for the
503 flexibility to align the program's benefits and structures,
504 we just simply can't walk away from the issue. Instead, I
505 believe we should use the existing law as a framework upon
506 which we can build a sustainable program. The problem does

507 not go away with CLASS Act repeal but some paths to a
508 solution do. I believe we need all options on the table
509 including options to fix the CLASS Act to help families deal
510 with the ever-growing problem of paying for long-term care.
511 I want to work with my colleagues, Democratic and Republican,
512 to find that path forward.

513 So I encourage my colleagues to vote against H.R. 1173
514 and instead for this committee to spend its time doing all we
515 can to help our Nation's elderly, persons with disabilities
516 and caregivers get the long-term care relief they need and
517 deserve, and I yield back.

518 [The prepared statement of Mrs. Capps follows:]

519 ***** COMMITTEE INSERT *****

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520 Mr. {Pitts.} The chair thanks the gentlelady and
521 recognizes the vice chairman of the subcommittee, Dr.
522 Burgess, for 2 minutes.

523 Dr. {Burgess.} Mr. Chairman, with your permission, I
524 would like to yield my time to the coauthor of the
525 legislation before us, Dr. Gingrey.

526 Dr. {Gingrey.} Mr. Chairman, thank you, and Mr. Vice
527 Chairman, thank you for yielding your time in the queue to
528 me.

529 Mr. Chairman, CBO Director Doug Elmendorf, in response
530 to a question that I put to him back in March of this year,
531 wrote that, and I quote, ``The Secretary of HHS has now
532 concluded that the CLASS program cannot be operated without
533 mandatory participation so as to ensure its solvency.'' To
534 paraphrase, the CBO Director said that CLASS cannot work
535 without the Obama Administration forcing every working
536 American to buy this government insurance product.

537 To my colleagues that oppose repeal, I have just one
538 question: Do you support forcing every working American to
539 buy government insurance? That is the core question that we
540 are here to decide today because absent President Obama
541 forcing every American worker to buy long-term care
542 insurance, the CLASS program simply will not work.

543 Mr. Chairman, there were a few ideas that HHS considered
544 when trying to make the program work. For instance, page 39
545 of the Obama Administration's CLASS report mentions imposing
546 a 15-year waiting period for the receipt of benefits on
547 patients ``with preexisting conditions.'' Page 40 of the
548 report cites a proposal to provide a very low benefit amount
549 to patients in the first 20 years of enrollment and only
550 qualify for the \$50-per-day benefit after two decades. In
551 addition, the former CLASS Actuary told the Associated Press
552 that the program could be made solvent if the government
553 marketed the plan only to groups of primarily healthy people
554 first or by requiring those in poor health to wait longer
555 before they could receive benefits.

556 Mr. Chairman, I for one will be voting today against
557 forcing Americans to buy any health insurance program,
558 especially from a bankrupt government, against imposing a 15-
559 year waiting period on sick patients and against a program
560 that gives priority to healthy patients over sick patients.
561 The CLASS Act is bad public policy. It is a fiscal nightmare
562 that threatens the livelihood of every taxpayer. And so I do
563 urge my colleagues to support H.R. 1173 and repeal the CLASS
564 Act, and I yield back.

565 [The prepared statement of Dr. Gingrey follows:]

566 ***** COMMITTEE INSERT *****

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567 Mr. {Pitts.} The chair thanks the gentleman and
568 recognizes the gentlelady from Illinois, Ms. Schakowsky, for
569 2 minutes.

570 Ms. {Schakowsky.} Thank you, Mr. Chairman.

571 I just want to first respond to my friend, and he is my
572 friend, Mr. Rogers, who was talking about Medicare. I do
573 want to remind everyone that it was the Republicans who voted
574 to end Medicare as we know it, to end the central idea of a
575 guaranteed benefit that older Americans will have and setting
576 them loose on the not-so-loving arms of the insurance
577 industry to be able to provide health care for them, and it
578 also is important to remember that when the Democrats were in
579 charge last session, we passed a permanent fix for the doctor
580 payments so that there would be assurance that the doctors
581 would get an adequate benefit from their Medicare patients.

582 But let me address now for the minute I have left the
583 CLASS Act. We all agree that there is a need for long-term
584 care in this country, and what I have heard from both sides
585 of the aisle is that we need to come up with a plan, so let
586 us come up with a plan. There is an admission that the CLASS
587 Act is not perfect. We don't disagree with at all. But why
588 is there is such a compelling reason to get rid of the entire
589 framework? Let us sit down with what is there, work

590 together. I agree with the chairman emeritus that we can
591 with this framework but with changes make something happen.
592 I agree with Mr. Towns, who called on our colleagues across
593 the aisle. We have always worked together in this committee.
594 That is the history of this committee. So rather than
595 throwing stones at each other about the CLASS Act, let us sit
596 down and figure out how we can help to make it work.

597 You know, we are talking about a long-term care crisis
598 in this country. The American people can't wait. They can't
599 pay \$70,000 a year for long-term care. So let us fix it
600 together.

601 I yield back.

602 [The prepared statement of Ms. Schakowsky follows:]

603 ***** COMMITTEE INSERT *****

|
604 Mr. {Pitts.} The chair thanks the gentlelady and
605 recognizes the gentlelady from Tennessee, Ms. Blackburn, for
606 2 minutes.

607 Mrs. {Blackburn.} Thank you, Mr. Chairman.

608 I am so pleased to cosponsor the bill that is in front
609 of us, and as we discuss it today, I want to remind my
610 colleagues that repeatedly as we have had this debate on
611 Obamacare here in this committee, I have asked the
612 Administration, I have asked the Secretary of HHS if they
613 have any example where all of these near-term expenses have
614 yielded a long-term savings, and unfortunately, for their
615 arguments in favor of government-run systems, they have never
616 been able to give an example where they actually yield a
617 long-term savings.

618 Indeed, in our State of Tennessee, we certainly did not
619 see a savings come from TennCare. What we saw was the cost
620 increased, even quadrupling within a few years. What we do
621 know is that less regulation, less litigation, less taxation
622 in the health care arena is going to yield more personal
623 choices for our constituents. That is what they want.

624 What we also know is that currently the impending
625 imposition of Obamacare is increasing the costs of health
626 insurance and of health care delivery and it is limiting

627 access in our communities. We see this regularly. We also
628 know that what government gives, government can dictate how
629 much you are going to get and it can also take it away. Our
630 seniors deserve better than that. They also deserve better
631 than the vote our colleagues across the aisle took when they
632 agreed to cut \$600 billion out of Medicare over a 10-year
633 period and use it to help stand up the Obamacare program.
634 Our goal is to increase access to affordable health care for
635 all Americans.

636 I want to thank my colleagues for continuing to work
637 toward that goal and I look forward to the passage of H.R.
638 1173. Yield back.

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

640 ***** COMMITTEE INSERT *****

|
641 Mr. {Pitts.} The chair thanks the gentlelady and
642 recognizes the gentleman from Georgia, Dr. Gingrey, for 2
643 minutes for opening statement.

644 Dr. {Gingrey.} Mr. Chairman, I will yield my time to
645 the vice chairman of the subcommittee, Dr. Burgess from
646 Texas.

647 Dr. {Burgess.} I thank the gentleman for yielding.

648 You know, it is interesting. This morning we have heard
649 statements like we need to work on problems before we pass
650 legislation. You know, that would have been great before we
651 passed the CLASS Act.

652 The last hearing we had on long-term care was actually
653 under Chairman Barton's tenure, May 17, 2006. We didn't have
654 a single hearing on long-term care or long-term care
655 insurance during the run-up to the passage of the Affordable
656 Care Act. Instead, at 11 o'clock at night we got placeholder
657 language dropped in the bill that passed out of this
658 committee onto the Floor of the House. So yeah, it would be
659 great if we could have some hearings, and in fact, we have
660 had two hearings this year on the repeal of the CLASS Act.

661 You know, we are finding more and more as the whole
662 Affordable Care Act is called into question at the Supreme
663 Court, you know, how many of these dominoes are going to

664 fall. We had a poor process, an irresponsible policy passed
665 with rapidity. It is sort of like the ``we can't wait''
666 agenda for health care. And we have always suspected that
667 this program was structured so that it could not be properly
668 paid for and it eventually would fall into insolvency, and
669 now we see from emails that have been discovered by the
670 committee, we see that that is true. It really can't come as
671 a surprise, and that is, I guess, what is so striking about
672 these statements this morning. The complaints about the
673 insolvency came from both sides of the aisle as well as
674 documents obtained by the committee and from the
675 Administration's own staff, and it will be hard. It will be
676 a hard lesson, but the taxpayers already paid for this lesson
677 and the least we can do is try to learn. To do otherwise is
678 an insult to the taxpayer.

679 The fact is, the CLASS Act cannot be fixed. It will not
680 deliver on the deficit reductions or the services promised,
681 and until repealed, it remains an unacceptable, silent threat
682 to both the Treasury and the efforts to do good work on long-
683 term care issues overall.

684 I thank the chairman for holding this, and I will yield
685 back the balance of my time.

686 [The prepared statement of Dr. Burgess follows:]

687 ***** COMMITTEE INSERT *****

|
688 Mr. {Pitts.} The chair thanks the gentleman and
689 recognizes the gentleman from Ohio, Mr. Latta, for 2 minutes.

690 Mr. {Latta.} Thank you, Mr. Chairman, and thank you for
691 holding the markup today on H.R. 1173, of which I am a
692 cosponsor.

693 This subcommittee has held two hearings on the CLASS
694 Act, and both showed loud and clear that the program is
695 unsustainable and now needs full repeal. It is not enough
696 that the Administration has stated that they are suspending
697 the program. The CLASS Act must be repealed in law.

698 During the hearing on the program, it was revealed from
699 the Administration witnesses that the CLASS program was
700 unworkable, and yet the Administration continued to plow
701 ahead with implementation of the program for 19 months. In
702 addition to the implementation and therefore paying employees
703 to work on this knowingly troubled program, the President
704 requested \$120 million in fiscal year 2012 with the bulk of
705 funds to be used towards education and outreach efforts.

706 During the March 17, 2011, hearing, Ms. Greenlee
707 responded to one of my questions that \$93.5 million be used
708 for education and outreach efforts for the CLASS program, a
709 program the Administration knew was unsustainable.

710 While the current debt and deficit figures are

711 staggering, the Administration decided to request funds to
712 continue marketing the CLASS Act, a broken product, with
713 taxpayer dollars. According to the CBO, the fiscal year 2000
714 deficit was \$1.3 trillion, and since President Obama has
715 taken office, the debt has increased by \$3.7 trillion, a 24
716 percent increase in federal spending, not including the \$3.8
717 trillion outlined in the spending in the fiscal year 2012
718 budget. This is truly unsustainable and it has to be
719 stopped.

720 I look forward to today's markup and supporting H.R.
721 1173 to fully repeal the CLASS Act, and I thank the chairman
722 and yield back.

723 [The prepared statement of Mr. Latta follows:]

724 ***** COMMITTEE INSERT *****

|
725 Mr. {Pitts.} The chair thanks the gentleman and now
726 recognizes the gentlelady from Washington, Ms. McMorris-
727 Rodgers, for 2 minutes for opening statement.

728 Mrs. {McMorris-Rodgers.} Thank you, Mr. Chairman. I
729 don't have a statement at this point.

730 Mr. {Pitts.} Are there any other members seeking
731 recognition for opening statement? The chair reminds members
732 that pursuant to committee rules, all members' opening
733 statements will be made a part of the record.

|

734 H.R. 1173

735 Mr. {Pitts.} If there are no other opening statements,
736 the chair calls up H.R. 1173 and asks the clerk to report.

737 The {Clerk.} H.R. 1173, a bill to repeal the CLASS
738 program.

739 [H.R. 1173 follows:]

740 ***** INSERT 1 *****

|
741 Mr. {Pitts.} Without objection, the first reading of
742 the bill is dispensed with and the bill will be open for
743 amendment at any point. So ordered.

744 Are there any bipartisan amendments to the bill? Are
745 there any other amendments? If not, the question now occurs
746 on--I am sorry. The chair recognizes the gentlelady from
747 California for 5 minutes.

748 Mrs. {Capps.} Mr. Chairman, I do move to strike the
749 last word.

750 You know, we have listened to statements made this
751 morning by our colleagues, and I worry we are losing sight of
752 the big-picture issue at hand, and that is the serious long-
753 term care crisis that this Nation faces.

754 As we all know, the statistics are sobering. Currently,
755 10 million Americans need long-term care. Over the next
756 decade, an additional 5 million Americans will join this
757 number. And the impact goes far beyond those who need care.
758 Consider the countless hours of productivity that are lost by
759 working family members who pick up the slack, and rather than
760 being productive at their workplace become primary caregivers
761 for our elderly or frail relatives.

762 While nearly 2 million Americans currently reside in
763 nursing homes or other institutions, the vast majority of

764 Americans with long-term care needs remain in their homes
765 with informal care-giving arrangements to help them get by.
766 In fact, an estimated 52 million unpaid caregivers make it
767 possible for their loved ones to stay out of nursing homes
768 and hospitals. As anyone who has ever cared for a loved one
769 knows, this is often an arduous task, even under the best of
770 circumstances. I know this as a nurse and a mother. This is
771 an extremely difficult role and it is hard to do this role
772 while continuing to do the other tasks that you might have.

773 While the direct and indirect economic costs to the
774 caregiver can be measured, the psychosocial toll is much
775 harder to quantify. The vast majority of Americans who need
776 long-term care are our seniors and people with disabilities.
777 These individuals are among our most vulnerable, making it
778 even more imperative to ensure that we have accessible and
779 affordable ways to address their care needs. And the rest of
780 us are just one accident or serious illness away from joining
781 the ranks of those in need.

782 Moreover, this issue is not going away. Instead, it
783 will become and it is becoming a growing strain on our
784 federal, our local and our familial resources. As our Nation
785 continues to age, the demand for these important services
786 will certainly grow. If we simply maintain the status quo
787 and we do that by repealing the CLASS Act, then Medicaid,

788 which is the safety-net program that has sort of by default
789 become our long-term care system, Medicaid will no longer be
790 able to handle this strain. It will crash. And isn't this
791 also unsustainable?

792 Mr. Chairman, as we debate whether or not to repeal the
793 CLASS program, I urge my colleagues to keep in mind the
794 staggering needs for long-term care we have now and will
795 continue to face in the coming years. I would ask us all to
796 think of the ways that a reworked CLASS program could help
797 their constituents and their family members, and I would ask
798 for a clear commitment from this subcommittee to work on this
799 issue until we get it right.

800 And with that, I yield back the balance of my time.

801 Mr. {Pitts.} The chair thanks the gentlelady and
802 recognizes the vice chairman of the subcommittee, Dr.
803 Burgess, for 5 minutes.

804 Mr. {Burgess.} Thank you, Mr. Chairman. I move to
805 strike the requisite number of words.

806 You know, we just heard some talk about the big picture
807 and not losing sight of the problem, and that is exactly my
808 concern with the CLASS Act as written. It wasn't going to
809 work. It was never intended to work. It was a budget
810 gimmick to allow the passage of the Patient Protection and
811 Affordable Care Act and to allow it to meet the goal or the

812 President to meet the goal of expanding coverage while
813 keeping the costs under \$1 trillion. But now the problem has
814 been unmasked and this thing is going to cost \$2 trillion or
815 \$3 trillion, and oh, by the way, the CLASS Act could never
816 work and the actuary at the Centers for Medicare and Medicaid
817 Services, Richard Foster, said as much in a memo in May of
818 2009, almost a year before the Affordable Care Act was passed
819 into law.

820 Now, I did a Resolution of Inquiry because I felt that
821 information was withheld from Congress before we had the vote
822 on the Affordable Care Act but nevertheless, it has become
823 clear over the hearings that we have had in this term of
824 Congress that the Affordable Care Act based upon a premise of
825 the CLASS Act delivering dollars to the bottom line was
826 specious at the start. It was never going to happen.

827 But the downside is, then we have told people that hey,
828 you don't have to worry about long-term care insurance. I
829 have told this committee before, I have long-term care
830 insurance because my mother told me to buy it years before I
831 came to Congress. She said you are getting old, and if you
832 don't buy it now, you won't be able to afford it, and she was
833 right. But we are anesthetizing people as to the necessity
834 of having some type of coverage for long-term care. And we
835 have put obstacles in their path. Companies that might

836 otherwise develop products for long-term care insurance are
837 saying now, well, we are not sure what the government is
838 going to do and this is a difficult enough landscape to play
839 in anyway and the government may in fact make it more
840 difficult so why would we invest our time and our resources
841 in developing new and innovative products for covering long-
842 term care insurance when we don't know what the Congress is
843 going to do next. Certainly their track record in this
844 regard is not all that commendable.

845 Now, the reference was made to a crash of the Medicaid
846 system, and I agree. The debt bomb that is going to go off
847 in this country is going to be staggering and going to make
848 everything that is dealt with up to this point look like
849 child's play, and this is baked into the cake. This is not
850 one administration versus another. This is stuff that is
851 already on a path to happen. But the cost to Medicaid of
852 long-term care is going to be substantial. So why would we
853 expand Medicaid to new populations when we already know we
854 have got an unsustainable expense just over the horizon with
855 the long-term care expense. Why would you say I am going to
856 do a transformational change of the way health care is paid
857 for and delivered in this country and expand Medicaid? Is
858 that the best you can do, expansion of Medicaid, and Medicaid
859 as we have already heard this morning is under so much stress

860 that it may not last. We took a bad problems and we made it
861 much, much worse.

862 Now, this committee does have a history of working
863 together on problems like this. Back in 2005, I had
864 legislation to expand what we called long-term care
865 partnerships to more States. They were started as a
866 demonstration project. They were limited to four States.
867 These partnership programs will allow people who have used
868 their long-term care insurance to then access the benefit
869 under Medicaid if their benefits are exhausted, and they
870 don't have to impoverish themselves to do so. It seemed like
871 a pretty straightforward thing and was working well in those
872 four States that had allowed partnerships. So in the Deficit
873 Reduction Act of 2005, that language was incorporated into
874 the eventual passage of the Deficit Reduction Act, and again,
875 that came from this committee and that was a consequence of
876 working together in a bipartisan fashion. I believe there
877 are innovative things we can do to provide long-term care
878 insurance to more people.

879 The problem is, we didn't go about it the right way over
880 the last 4 years leading up to the passage of the Affordable
881 Care Act. No meaningful hearings since May of 2006. We have
882 had two hearings this year but we had no hearings in the
883 intervening 4 years, and then the language that became the

884 CLASS Act was dropped into this committee at the 11th hour,
885 and we were told oh, well, don't worry about it, it is just
886 placeholder language and we will let the Ways and Means
887 Committee kind of fill in the details. No, that is wrong.
888 We are the committee that should be working on that, and I
889 hope going forward we are able to work on this in a
890 bipartisan fashion, but the critical thing now is, we have
891 got to remove the CLASS Act as it exists because it will
892 continue to be a problem for private industry to be sure but
893 certainly the Administration as they go forward and try to
894 fix the problems inherent in the Affordable Care Act, and I
895 will yield back 1 second.

896 Mr. {Pitts.} The chair thanks the gentleman.

897 Mr. {Dingell.} Mr. Chairman.

898 Mr. {Pitts.} For what purpose does the gentleman seek
899 recognition?

900 Mr. {Dingell.} I ask to strike the requisite number of
901 words.

902 Mr. {Pitts.} The chair recognizes the gentleman for 5
903 minutes.

904 Mr. {Dingell.} Mr. Chairman, I yield my time to Mr.
905 Pallone.

906 Mr. {Pallone.} Thank you, Mr. Chairman, and thank you,
907 Mr. Dingell, too.

908 I have to respond to Dr. Burgess because I know he is
909 very principled, and there are actually are times when we
910 agree, but I can't agree with anything that he said today for
911 several reasons.

912 First of all, I want to dispute the notion that the
913 CLASS Act was--I am using Dr. Burgess's words. He said the
914 CLASS Act was never meant to work, it was a budget gimmick.
915 Let me totally dispel that. This was something that Senator
916 Kennedy had worked on long before I got involved. It was
917 well meaning. It was worked on with the disability
918 community. It is really disrespectful, and I know that is
919 not what you mean, Mike, but it is kind of disrespectful to
920 the disabled community and to the people like Senator Kennedy
921 that worked on this for so many years to say that they never
922 meant for it to work. We all understood, and if anything,
923 Senator Kennedy was more realistic than anybody I ever met.
924 He always understood that he had to do things in a way, had
925 to have the right time, may have to pare things down, not get
926 exactly what he wanted, but it was always his intention to
927 try to come up with a program that would address long-term
928 care, maybe not fully but at least in part and particularly
929 with reference to trying to keep people in the community. So
930 this was not a budget gimmick. This was not something that
931 was never meant to work. It was fully intended to work.

932 Secondly, the whole idea that the people involved in
933 this are not taking responsibility, I don't know exactly what
934 you meant but you sort of suggested that somehow those who
935 were involved in the CLASS Act were not taking personal
936 responsibility. I mean, maybe that is not what you meant,
937 but in any case, I want to assure you that that is just that
938 the opposite of what we intended. In other words, the whole
939 idea was not to rely on the government, not to rely on
940 Medicaid or Medicare but instead to have people while they
941 were working establish a cash benefit that they were going to
942 pay while they were working and put into a trust fund that
943 would be made available for them when they became disabled
944 and had to go out and modify their house or get somebody to
945 come up and help them with personal care to stay in their
946 home. It was very much a notion of personal responsibility
947 and not relying on the government. So I want to dispel that
948 as well.

949 The other thing I want to dispel is, you know, it is not
950 that we don't believe that some on the other side of the
951 aisle are well intentioned but Dr. Burgess used the term ``we
952 can't wait,'' which the President has used now on numerous
953 occasions, and let me follow up on that ``we can't wait''
954 theme. The fact of the matter is that people can't wait.
955 You know, we have heard the Republicans talk about

956 privatizing Social Security, using vouchers for Medicare,
957 block granting Medicaid. We don't see proposals out there
958 that in my opinion are realistically trying to solve the
959 problem by keeping these health care programs going. We see
960 only Republican proposals that seek to repeal and tear down
961 what is out there to help people.

962 So, you know, the fact of the matter is, Dr. Burgess, we
963 can't wait. We have got the CLASS Act on the books. We
964 don't want to repeal it. If you want to come up with some
965 proposal within the existing framework to make this work,
966 they are out there, and let us do it. Let us not just say
967 okay, we are going to repeal and we will come up with
968 something, you know, a year down the road or 5 years down the
969 road or 10 years down the road. People are hurting now.
970 They have a need for this, and we cannot wait.

971 Now, I just want to say, the CLASS Act is going to help
972 adults who have or develop functional impairments to remain
973 independent, employed and stay a part of their community. It
974 basically removes barriers to independence and choice. For
975 example, you take the cash benefit for housing modifications,
976 assisted technologies, personal assistant services,
977 transportation that can be overwhelmingly costly. The idea
978 is to prevent people--they take this cash benefit that they
979 have been paying into themselves. They take the

980 responsibility and they avoid having to go to a nursing home
981 or become a burden on the State because they stay in their
982 house and they re-equip their house so they have somebody
983 come in and take care of them so they can remain independent,
984 and that is what we are really asking for here.

985 It is not going to solve all the problems of long-term
986 care. I mean, I don't disagree with that. But at least it
987 is a beginning because we know that seven in ten people are
988 going to need some level of long-term care after turning 65
989 and one in 20 are going to need 5 years or more of that type
990 of care before they go to a nursing home. So let us make
991 this work. That is all we are asking.

992 Thank you, Mr. Chairman.

993 Mr. {Pitts.} The chair thanks the gentleman and now
994 recognizes the gentleman from Georgia, Dr. Gingrey, for 5
995 minutes.

996 Dr. {Gingrey.} Mr. Chairman, thank you. I move to
997 strike the requisite number of words.

998 You know, the argument that is being proffered by the
999 Democrats on the committee in regard to let us--I think maybe
1000 the final statement of the gentleman from New Jersey, the
1001 ranking member, was ``let us leave it'', that is, the CLASS
1002 program, let us leave it on the books.

1003 Look, I don't disagree with what the gentlelady from

1004 California, the nurse, Mrs. Capps, said in regard to the need
1005 to try to address this issue, and I don't disagree with much
1006 of what the gentleman from New Jersey said, but I do strongly
1007 disagree with them and my colleagues on the other side of the
1008 aisle who want to suggest that we need to leave this program
1009 on the books so that I guess at some future date, maybe when
1010 the political atmosphere is a little bit better, that the
1011 program can be resurrected. I don't want to resurrect
1012 Dracula. I want to drive a stake through his heart. And
1013 that is really the danger of leaving the CLASS Act on the
1014 books.

1015 Let us take a walk back in history. Maybe some of the
1016 members on the committee were here and understand it maybe a
1017 little better than I and would want to speak to this, but in
1018 1988 an issue came up that could not wait, and that was to
1019 provide catastrophic care for our Medicare seniors. They
1020 just could not wait for Congress to pass that bill, and then
1021 when they found out what it was going to cost them in the way
1022 of increased premiums and insolvability of the entire
1023 Medicare program, they couldn't wait to see it struck from
1024 the law. In fact, I think they used their umbrellas to beat
1025 on the hood of the car of the chairman of the Ways and Means
1026 Committee at the time, Mr. Rostenkowski. So in 1988, it
1027 passed. Seventeen months later, that bill was not just

1028 simply set aside for a better day, it was stricken from the
1029 law, and let me just give you the vote count at the time for
1030 repeal of catastrophic care: 360 to 66 in the House of
1031 Representative, 86 to 11 in the Senate, both bodies totally
1032 controlled by Democrats, Speaker Tom Foley at the time,
1033 Majority Leader George Mitchell.

1034 So think about that. You know, rushing to get something
1035 out the door leads to this kind of outcome, and we need to
1036 kill this bill. It is bad and we don't want it resurrected.
1037 I don't disagree one bit with my colleagues who would suggest
1038 that maybe we need to form a bipartisan commission and study
1039 this thing and try to come up with the right formula for this
1040 long-term care problem and provide a benefit, but I believe,
1041 I sincerely believe that the free market can do that, but
1042 they are not going to do it with this bill still on the books
1043 just waiting to be resurrected at some future date. They are
1044 not going to try to compete with that. So that is the reason
1045 why I feel so strongly. We need to strike this sucker dead,
1046 and that is what this bill is all about.

1047 And with that, I will be glad to yield to anybody else
1048 or I yield back my time. I yield to the gentleman, my good
1049 friend from Illinois, Mr. Shimkus.

1050 Mr. {Shimkus.} Yes, just briefly, and I am not going to
1051 pick on my friend Jan Schakowsky. There is a long history of

1052 that, and we are chuckling up here on some of that story.

1053 But I would just say HHS was given the authority to look
1054 at the solvency of this program, and they tried eight
1055 different plans to try to make it solvent, add 75 years from
1056 the basic plan, modify CLASS plan option, enhanced plan with
1057 phased enrollment, family of options, modified CLASS,
1058 temporary exclusion plan, temporary exclusion plan with
1059 phased enrollment, limited initial benefit plan with phased
1060 enrollment, prepaid benefit plan, you know, sometimes up to
1061 \$3,000 a month in premiums.

1062 To our credit, in the bill, HHS made the right call,
1063 that this plan is not--you cannot actuarially make it sound.
1064 So get rid of it. We are just codifying that. Let us get a
1065 do-over. And everybody knows this is an issue that has to be
1066 addressed, but in this way, shape and form, it is
1067 sustainable, and I yield back.

1068 Mr. {Pitts.} The chair thanks the gentleman. Does
1069 anyone seek recognition on this side?

1070 Ms. {Schakowsky.} Mr. Chairman.

1071 Mr. {Pitts.} For what purpose does the gentlelady seek
1072 recognition?

1073 Ms. {Schakowsky.} I move to strike the last word.

1074 Mr. {Pitts.} The gentlelady is recognized for 5
1075 minutes.

1076 Ms. {Schakowsky.} I believe the CLASS Act provisions of
1077 the Affordable Care Act do mark a significant step forward in
1078 addressing the long-term care needs of all Americans. But
1079 the CLASS Act is especially important for the women of this
1080 country because long-term care is very much a women's health
1081 issue. Women live longer than men. Their life expectancy
1082 exceeds those of men by some 5 years, and because they live
1083 longer, women are at a greater risk of needing long-term care
1084 services to help them when they become disabled or too sick
1085 or frail to care for themselves. Over 70 percent of nursing
1086 home residents and nearly two-third of home care users are
1087 women. Because women far more than men take on the role of
1088 caregiver, women are the ones who end up staying at home,
1089 sometimes giving up careers to provide care for a sick or
1090 disabled family member, adults and children alike. Indeed,
1091 women make up three-fourths of the health care workforce.

1092 CLASS would help make these challenges easier. It would
1093 provide the care women may require if and when they need
1094 long-term care or support for themselves. It would help
1095 provide relief, a break, if you will, for those women who
1096 spend all day every day at home taking care of others in need
1097 of long-term care. To take away this program entirely is to
1098 take away the first real opportunity of the women of this
1099 country will have to deal with the long-term care challenges

1100 they face day in and day out both as patients and caregivers.

1101 Like so many other Republican assaults on the Affordable
1102 Care Act, H.R. 1173 is in effect an attack on women and
1103 women's health. Like all those other assaults, we should
1104 push back and reject this one. CLASS is just one of the many
1105 advancements for women's health that is included in the
1106 Affordable Care Act.

1107 The subcommittee should work to improve CLASS rather
1108 than abandon the program's framework and leave nothing in its
1109 place. All the Republicans want to do right now it seems is
1110 to tear down this program and they will get H.R. 1173 out of
1111 this committee. But what is offered instead? We have heard
1112 that it is unsustainable for Medicaid to continue to be the
1113 primary payer of long-term care services, and the private
1114 market, while it is another option, serves only a fraction of
1115 those who will need long-term care services. Congresswoman
1116 Capps reminded us all of the staggering numbers behind this
1117 issue.

1118 Democrats and Republicans agree that we need to do
1119 something about long-term care. Republicans agree that the
1120 status quo is not working. Congressman Cassidy summed it up
1121 best at our hearing last month when he said, ``Everybody
1122 agrees we need to come up with a solution for the problem of
1123 long-term care. I don't think any of us argue with that.''

1124 Chairman Pitts made the same point at our earlier hearing on
1125 CLASS. He said, ``I believe we can all agree that we do have
1126 a serious long-term problem in this country as the costs are
1127 driving people into bankruptcy and weighing down the Medicaid
1128 program. We do need to address the issue.'' And from Mr.
1129 Barton at the same hearing: ``Long-term care is a serious
1130 issue and I believe myself and all Republicans are very
1131 willing to support some sort of program for long-term care
1132 but it must be one which is sustainable and which is fiscally
1133 responsible.''

1134 So this issue does seem to be bipartisan, but yet none
1135 of my Republican colleagues has presented as solution to the
1136 problem. I think we need to decide that we will work
1137 together to improve CLASS, and clearly nothing else has been
1138 proposed in its place.

1139 In the words of Congressman Gingrey from last month's
1140 hearing, the only thing they want to do is ``start over'' in
1141 order to ``get it right,'' and I disagree with that premise.
1142 We all agree that we have a major long-term care crisis in
1143 this country. We also all agree that there is a law in place
1144 designed to address this problem. It is far from perfect but
1145 it is a starting point. Where we disagree is where to go
1146 from here, and I believe we should stay the course, fix CLASS
1147 and move forward. Our Republican colleagues instead believe

1148 we should kill CLASS. That is going to happen right now in
1149 this committee, it seems, in the subcommittee, and I think it
1150 is wrong to preserve the unfair, inadequate and unsustainable
1151 status quo and move backward.

1152 I support a better future for our elderly and disabled
1153 Americans and I oppose H.R. 1173, which simply repeals what
1154 we have already on the table instead of making a decision to
1155 work together to fix it, and I yield back. Thank you.

1156 Mr. {Pitts.} The chair thanks the gentlelady and
1157 recognizes the gentleman, Mr. Rogers, for 5 minutes.

1158 Mr. {Rogers.} I would move to strike the requisite
1159 number of words, Mr. Chairman. Thank you very much.

1160 There are two ironies here. One, the Obama
1161 Administration has said it is unworkable, it is a failure.
1162 It costs \$83 billion more than was projected. You could
1163 argue that that was just a miscalculation or you could argue
1164 that that was a budget gimmick. Either one of those is the
1165 wrong answer.

1166 The second biggest irony about this is for all of the
1167 discussion from my friends on the other side of the aisle
1168 about how this is for seniors and we must do this for
1169 seniors, even though we are causing them more harm than good,
1170 in their bill they cut \$16 billion out of nursing home care
1171 over 10 years and \$40 billion out of home health care in

1172 their bill to spend it on other programs. If you care about
1173 seniors, then we better shake ourselves out of this pride of
1174 authorship and get back to taking care of seniors. This bill
1175 is hurting seniors today.

1176 So for all of our fawning, of trying to help and protect
1177 seniors and somehow we are doing harm here, this is that
1178 first do no harm. We have got to get rid of this in the
1179 baseline or we are going to pay a horrible price for it down
1180 the road. This thing is dangerous. Their bill last year,
1181 Obamacare, was dangerous and the money that we took away from
1182 seniors was unconscionable.

1183 I yield back.

1184 Mr. {Pitts.} The chair thanks the gentleman. The chair
1185 recognizes Mr. Pallone for 5 minutes.

1186 Mr. {Pallone.} Thank you, Mr. Chairman. Again, I look
1187 to my colleague on the other side there.

1188 Mr. Rogers, first of all, I will point out that when you
1189 passed your budget, which I opposed because it did make
1190 Medicare into a voucher and sought to block grant Medicaid,
1191 in fact, you adopted and voted for the changes to Medicare
1192 and Medicaid that were in the Obamacare or Affordable Care
1193 Act, so you guys are on record as supporting those changes,
1194 frankly, even though you now seem to suggest otherwise.

1195 Also, the President and the Secretary and those

1196 representatives that were here to talk about the CLASS Act at
1197 the last hearing didn't say that the CLASS Act was a failure.
1198 In fact, they said that they wanted to build on the CLASS Act
1199 and that there were ways of moving forward and were very much
1200 opposed to repeal. One of you actually asked a question and
1201 the representative from the Administration said they were
1202 opposed to repeal.

1203 But, you know, I wanted to get--I hate to--sometimes I
1204 don't like to evoke Senator Kennedy's legacy because I feel
1205 that in some way I am not worthy of talking about his legacy,
1206 but the fact of the matter is, and when Jan Schakowsky spoke
1207 she reminded me of this, is that, you know, the Senator was
1208 looking to create a framework for long-term care, and once
1209 that framework was in place, his idea was, it is a small step
1210 but we can build on it, and I don't think I am wrong in
1211 saying that he also was the person actually that when you
1212 proposed Medicare Part D, actually went along with it because
1213 he thought it was a beginning and it was a framework for
1214 something that he could build on.

1215 And that is really what we are saying here today which
1216 is, you know, I opposed your Medicare Part D proposal because
1217 I thought that it was the wrong way to go and it had a lot of
1218 holes in it, but the fact of the matter is that when we were
1219 in the majority, we didn't seek to repeal it. We tried to

1220 improve upon it. And so what did we do? We had the problem
1221 with the donut hole, which I was very critical of, and we
1222 proposed filling the donut hole. So if you look at the
1223 Affordable Care Act, it actually phases out the donut hole
1224 over the life of the program.

1225 So I would say use the same principle here. Don't just
1226 repeal. You have a framework. Move forward with it. Try to
1227 come up with a way to improve it within the existing
1228 framework, and that is essentially what Senator Kennedy had
1229 in mind when he proposed the CLASS Act and it is certainly
1230 what he had in mind when he advocated and voted for the
1231 Medicare Part D.

1232 I just don't understand the theory here that says you
1233 just throw everything out because it is not workable. In
1234 fact, there is a framework that is workable and one of the
1235 things that I suggested, and we are working on an amendment
1236 that I will introduce at the full committee, is that we
1237 ensure that the independent advisory council is appointed and
1238 deliberates, and I said in my opening statement, I think the
1239 expertise of this advisory council is critical to inform
1240 Congress and HHS about moving forward.

1241 So rather than repeal, let us move forward with this
1242 advisory council. Let us see if they can come up with a way
1243 of building on the existing framework. There is absolutely

1244 no reason to repeal now other than just because, you know, we
1245 don't like it, you know, nothing works and let us just get
1246 rid of everything. It just makes no sense.

1247 I yield now to my colleague from California, Ms. Capps.

1248 Mrs. {Capps.} Thank you, and thank you for yielding Mr.
1249 Pallone, and I actually just wanted to respond to the topic
1250 that Mr. Burgess brought up during his time of speaking when
1251 he talked about his mother, his wise mother, giving him
1252 advice to purchase long-term health care insurance, which he
1253 did when it was affordable. The younger you are, the less
1254 expensive it is to purchase. And I know he would agree that
1255 not everyone has as wise a mother as he does. Not everyone
1256 can afford, even by signing up early, can afford long-term
1257 health insurance, and that is why the Affordable Care Act
1258 included the reauthorization of the National Clearinghouse on
1259 Long-Term Care, a nonpartisan, objective agency to provide
1260 answers to questions that many people have about how to go
1261 about this huge challenge that everyone is going to face at
1262 the end of their life.

1263 So I hope you are aware that this bill now, H.R. 1173,
1264 would deauthorize in section B in chapter 3 of H.R. 1173 the
1265 important program that gives unbiased long-term care
1266 information to people looking for ways to purchase this
1267 insurance. That program would be eliminated.

1268 I yield back.

1269 Mr. {Pitts.} The chair thanks the gentlelady.

1270 Is there anyone else seeking recognition? If not, the
1271 question now occurs on favorably reporting the bill to the
1272 full committee. All those in favor, say aye. Those opposed,
1273 no. The ayes appear to have it. The ayes have it and the
1274 bill is favorably reported.

1275 Without objection, staff is authorized to make technical
1276 and conforming changes to the bill approved by the
1277 subcommittee today. So ordered.

1278 The subcommittee stands adjourned.

1279 [Whereupon, at 11:14 a.m., the Subcommittee was
1280 adjourned.]