

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

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

Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “FY 2013 HHS Budget”
Subcommittee on Health
March 1, 2012

Welcome to you, Secretary. It has been a full year since we have had the pleasure of your company, and you have been busy in that year.

I would like to take this opportunity to compliment you on the great work that is underway on the Affordable Care Act. Here are some of the early accomplishments:

- More than 2.5 million young adults under the age of 26 now have health insurance through their parents plan.
- More than 85 million people, including those in Medicare and private health insurance plans, have access to free preventive coverage.
- More than 30 states have begun planning health exchanges – helping make good on the promise of affordable coverage for all.
- More of your premium dollars are going to health benefits, not corporate profits helping consumers get more value for their dollar.

Your testimony goes into more detail on these points, but I think these facts are important and worth repeating. Millions of Americans are benefiting from the Affordable Care Act in ways that are life changing, life saving, and cost saving.

Your budget includes important funding to ensure effective administration of Medicare, Medicaid and CHIP, and continued implementation of the healthcare law.

It is essential that Congress meet the President’s budget request. Some of my colleagues may wish to deny your agency this funding in an effort to halt the progress of the health reform law.

Such politics would jeopardize access to free preventive care, insurance coverage for those with incurable illnesses, and other preexisting conditions, and reduced costs for prescription medicines for the elderly.

We should not let that happen.

Let me now turn briefly to provisions in the President's budget related to public health.

First, I want to commend the President for his ongoing commitment to a strong and effective Food and Drug Administration. We cannot have a better, more productive FDA by weakening its authority as some would have us do. What we need instead are adequate financial resources to back up it up; to make it possible for FDA to do its job to protect the health and safety of the American people. The President's budget does just that.

Second, I also want to applaud the President for his support for biomedical research, community health centers, and our primary care workforce. Even in these difficult economic times, it is critical that we maintain our investment in these programs that will pay big dividends to millions of Americans in the years ahead.

But I would be remiss if I did not note my disappointment with the President's approach to the Prevention and Public Health Fund. His proposed budget not only cuts the Fund; it also uses the Fund to replace resources that have been taken away from other public health programs.

All this, despite what Democrats and Republicans -- and the experts -- have argued for decades: we must shift the focus of our health care system to services and programs that keep people well, rather than continue to simply pay for medical treatments when they get sick. I know you share this view and hope that you will work with the Congress to help make it a reality.

I recognize that the President's FY 2013 budget makes difficult choices and spreads the responsibility for lowering our country's deficits across the board. I don't agree with all of those choices. I don't support increasing costs for beneficiaries served by Medicare and Medicaid. But I do understand he has proposed this only in the context of shared sacrifice with the highest income among us.

We should recognize the President for having this balanced approach unlike the plan offered by Republicans that targets low income and working class families.

And I would be remiss in not mentioning that although healthcare costs overall are going up, Medicare and Medicaid have controlled cost growth better than private insurance over the last decade. The average annual growth rate per beneficiary was 4.6% in Medicaid and 5.1% in Medicare compared to 7.7% in private insurance. The Affordable Care Act provides opportunities to bring private insurance into the discussion of healthcare costs.

Thank you for taking time today to join us to discuss these important points.