

ONE HUNDRED TWELFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
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**Statement of Rep. Henry A. Waxman**  
**Ranking Member, Committee on Energy and Commerce**  
**“True Cost of PPACA: Effects on the Budget and Jobs”**  
**Subcommittee on Health**  
**March 30, 2011**

I find this hearing to be sadly ironic.

The Republican members of the House have frequently complained about the growth in spending in government health programs. We hear on a daily basis about how Medicare and Medicaid are jeopardizing the financial health of this country, and about how it's time that we had an “adult conversation” about spending.

Yes, let's have an adult conversation. Adult conversations start with facts.

These are the facts. When President Bush came to office, he inherited a surplus projected to total \$5.6 trillion over ten years.

When President Obama came to office, he inherited a deficit in 2009 of \$1.3 trillion for that one year alone.

President Bush thought that paying off the national debt was not a high priority, because he did nothing to eliminate it. Instead, he passed a series of reckless tax increases that enriched the wealthy at the expense of everyone else. Those tax cuts, like the Medicare prescription drug bill, and the two wars launched under President Bush, were not paid for. They were charged straight to the national credit card.

And that's how you take a \$5.6 trillion surplus and turn it into a massive deficit.

Health care has played a bit role in this drama. In the future, increasing numbers of baby boomers and stubborn health care spending growth will put pressure on our budget, without question. But the deficit “crisis” we find ourselves in is a man-made crisis – in fact, it is a Republican-made crisis.

The Bowles-Simpson deficit commission calls for a cap on federal health spending of GDP + 1% beginning in 2020. CBO projects that growth in Medicare, under the Affordable Care Act, will be slowed to historically low rates on a per capita basis – to just 2% per year over the next two decades, compared to a 4% per capita historically.

Projected spending on Medicare would fall well below even projected annual growth in GDP per capita, which CBO pegs at 3.7% over the next ten years.

Medicaid, too, has historically had slow growth on a per capita basis relative to private health plans. Over the last decade, Medicaid costs grew 4.6% per person per year, compared to 7.7% for employer-sponsored premiums.

The Affordable Care Act was the largest deficit-reducing bill passed by Congress in the last decade. The Affordable Care Act is true to its name.

So our current deficit crisis, right now, is not about health care.

And that takes us back to our adult conversation. Republicans keep telling us that we can't afford the reforms to Medicare that the ACA proposed. Now they're telling us that, once we repeal the ACA, we need to pass much larger cuts to Medicare and Medicaid in order to pay for tax cuts for the very richest Americans.

Majority Leader Eric Cantor said in a speech just last week, talking about Social Security, Medicare, and Medicaid:

“We're going to have to come to grips with the fact that these programs cannot exist, if we want America to be what we want America to be.”

How dare he say these programs cannot exist. That is not the America I want – or the American people want. The Affordable Care Act is entitlement reform done responsibly. It's time we stopped trying to repeal it and moved on to real work and real legislation.

I have 1 minute available to yield to members who would like to speak, but first, I would like to ask unanimous consent to introduce into the record testimony from John Arensmeyer, founder and CEO of the Small Business Majority, on why small businesses need the Affordable Care Act to help them get their health care costs under control.