

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
“IPAB: The Controversial Consequences for Medicare and Seniors”
Subcommittee on Health
July 13, 2011

Mr. Chairman, I regret to observe that this hearing today is a very partisan and very hypocritical exercise.

It is partisan because this is another battle in the war waged since January by the Republicans to tear down the Affordable Care Act. When the Republicans passed their repeal bill through the House in January, we were promised that a Republican replacement would be right behind it.

But we are now in July, and we have seen absolutely no progress on any positive Republican ideas for addressing our nation’s problems in health care: skyrocketing costs, 50 million Americans without insurance, and uneven quality of care.

This is an exercise in hypocrisy because of the utter fallacy of the pious arguments made on the issue of Medicare and costs.

The main Republican attack on the Affordable Care Act is that we cannot afford it. Too much coverage, not enough cost reduction, they say. They ignored the CBO’s estimates, and they ignored the testimony from hundreds of economists and doctors and experts of all stripes – Republicans just assert that it doesn’t control costs.

And then they attack the new law for the comprehensive approach it takes to controlling costs. And they do it the old fashioned way: through fear. Dr. Burgess has called IPAB “Armageddon.” Dr. Gingrey compared the Republican plan for Medicare unfavorably to throwing grandmother off a cliff – but said that IPAB is worse than that, because grandma could possibly survive the fall from a cliff, but cannot survive IPAB.

I too have concerns about some aspects of the IPAB. I don’t agree with the premise that we need IPAB to make Congress do its job. But no one should think that the hyperbole of IPAB’s Republican critics – rationing, death panels, and faceless bureaucrats pulling the plug on grandma – represents reality.

It is a fact that IPAB is prohibited from rationing. It is also a fact that the savings CBO expects from IPAB over the next ten years amount to just \$2 billion – less than 10% of what Republicans propose to cut from Medicare, even before they would end the program in 2022 and replace it with their voucher plan.

But the heart of the matter is Medicare and its future.

What is the Republican plan for controlling costs in Medicare? Simple – end Medicare as we know it.

The Republican plan shifts all of the burden for health care costs onto seniors, people with disabilities, and states.

It would double costs for new enrollees in 2022, by \$6,000 per person according to CBO. For people with disabilities, including people in nursing homes, Medicaid cuts come almost immediately, in 2013, meaning that people won't be able to pay for nursing home care, or the home-based care that will keep them out of nursing homes in the first place.

Republicans are seeking to end Medicare's guaranteed benefits, leaving seniors and people with disabilities on their own in the insurance market. They want to cut the program by \$20 trillion over the next few decades. Fears about IPAB are hypothetical at this point, and always leave alternatives to the Congress. The harm to Medicare from the Republican plan, if enacted, would be a certainty.

With respect to IPAB, Mr. Chairman, Congress has the final say over Medicare policy.

And Congress has the final say over all IPAB recommendations, which will pass through this Committee. I hope one day to return to the chairmanship of this Committee, and if I do, I will certainly exercise this Committee's oversight duties over IPAB thoroughly. I'm sure that Mr. Upton will do the same.

So I think it's time we set aside efforts to repeal the Affordable Care Act and focus on real problems American families are facing today.