

ONE HUNDRED TWELFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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**Prepared Statement of Rep. Henry A. Waxman**  
**Ranking Member, Committee on Energy and Commerce**  
**“Expanding Health Care Options: Allowing Americans to Purchase Affordable Coverage**  
**Across State Lines”**  
**Subcommittee on Health**  
**May 25, 2011**

Up until today this committee has only acted to repeal provisions of the Affordable Care Act. Today for the first time we see what the replacement is. However, this “replacement” clearly fails to keep the promises made in the Republican resolution to replace the ACA and it would be a step backward for the American people.

The Republicans promised to “increase the number of insured Americans” and to “lower health care premiums.”

For people who are sick, where insurance is a lifeline, this proposal of allowing insurance companies to sell their products across state lines does just the opposite.

CBO analyzed the legislation introduced by Rep. Blackburn in 2005, when it was sponsored by Mr. Shadegg. In its letter, CBO says there would be very little effect on the rate of uninsurance, that this proposal would cause families to lose employer sponsored insurance, and those needing healthcare to lose insurance in the individual market. That is a far cry from Republican claims that this bill will cover millions of the uninsured.

CBO also noted that the bill “would increase the price of coverage for those expected to have relatively high health care costs.”

How is increasing premiums for the sick who already spend dollars on healthcare at the expense of rent and food a step forward in providing quality healthcare? This bill basically asks someone with diabetes, or breast cancer, to pay more or go without health insurance, so that someone else can pay less.

The goal of the Affordable Care Act is to make affordable coverage available to everyone – sick and healthy alike – not to help one group of people at the expense of another.

Let's be clear, states have long had the ability to allow the sale of insurance across state lines, but they could control how it happens and when it happens. The ACA affirmed that policy while assuring consumer protections.

Today Maine, Georgia, and Wyoming have passed laws to allow purchasing across state lines. Maine and Wyoming decided to allow this with a limited number of states, but the federal preemption of their laws by the Blackburn bill would require they open their borders up to every state in the country.

Numerous other states are debating pending bills and any legislation is merely preempting the state's prerogative to do it their way.

Governor Jan Brewer of Arizona last month vetoed a bill that allows selling insurance across state lines saying that this "provision...would...change Arizona's benefit requirements based on legislative decisions in other states." She also said she is "concerned about risks to our citizens who may be subject to other states' regulatory procedures that could leave them with little recourse in the event of mistreatment."

The proposal before us today would not allow states to permit the selling of insurance across state lines; it would require it the federal way.

The Blackburn bill is unlike the ACA which regulates insurance to set a federal minimum standard, but permits states to go further to protect their state residents.

Republicans claim to support the authority of states to govern themselves as they see fit, but on two major issues in just this month we have seen them fall short of their professed principles. Two weeks ago this Committee approved a bill that preempts state laws on medical malpractice. Today this Committee is moving down the path to preempt state laws on insurance regulation and consumer protection.

People with breast cancer, diabetes, and newborns have been guaranteed coverage for their services by most, but not all, states. When the federal government comes in and preempts those state laws patients with breast cancer and diabetes may not be able to find insurance that covers their treatments and testing. They will likely be charged more as insurers and states race to the bottom to offer the cheapest, worst coverage possible. And is it so horrible that a state would require coverage of adopted children in a family policy?

Critics claim that state benefit requirements add as much as 50% to health insurance premiums. But according to a more impartial source, the National Association of Insurance Commissioners, it is less than 5%. CBO concurs. So the idea that this proposal will significantly reduce premiums is preposterous.

This proposal is a bad idea on its own terms. As a replacement for the Affordable Care Act, it is disastrous.