

Pallone Statement on IPAB

Washington, D.C. - Congressman Frank Pallone, Jr., the Ranking Member of the House Energy and Commerce Health Subcommittee, issued the following opening statement at Wednesday's hearing by the subcommittee on the Independent Payment Advisory Board:

Thank you, Mr. Chairman. I am strongly opposed to the Independent Payment Advisory Board (IPAB) created under the Affordable Care Act (ACA). I've never supported it, and I would certainly be in favor of abolishing it.

However, I do not see IPAB as a significant factor in the ACA. In fact, I continue to be one of its strongest advocates. For many reasons, the ACA has finally set our health care system on a path to reform. It was the most significant improvement to Medicare passed in years and will reduce costs to Medicare through a number of broad efforts. Most notably, by reforming the way in which doctors deliver care – incentivizing a focus on efficiency and value, rather than just the number of services performed.

Furthermore, it's important to note that the ACA reduced projected Medicare spending growth to historically low levels. Over the past decade, Medicare cost growth per beneficiary was 7.8 percent; the most recent Trustees report projects that, over the next ten years, that growth rate will be just less than 3 percent.

Now, it's become increasingly clear that Republicans will use IPAB as yet another way to oppose and deface the ACA. But this issue, from my perspective, should be the farthest thing from partisan. This is an issue that I believe all legislators, from all political backgrounds, should take concern.

This is about the legislative and executive branches. This is about Congressional prerogatives being limited. We should absolutely not, under any circumstances, cede legislative power to the executive branch. This is simply not what our founding fathers wanted or intended.

Indeed, I'm opposed to independent commissions or outside groups playing a legislative role other than on a recommendatory basis. It's not the job of an independent commission to get involved in Congressional matters, in this instance health care policy for Medicare beneficiaries. We've had the counsel of MedPAC for long time. But MedPAC is just that – counsel. Nothing MedPAC recommends is automatic. When Congress agrees, it enacts those recommendations. When Congress disagrees, we ignore those recommendations. This is how the process should work. This is the process that should continue.

Unfortunately, this debate reminds me of the Base Realignment and Closure (BRAC) process. IPAB is just another BRAC, only the health care version. But, I strongly believe that BRAC is a monumental failure.

The worst part is, as an elected official, who was sent to Congress by my constituents to represent their best interests, that I became powerless to stop it. Not because I didn't try. I fought the closure of Fort Monmouth, NJ with everything that I had. In more ways than I can count. But it wasn't enough, because like IPAB, the BRAC took away all legislative authority and prerogative. To this day, I fight to minimize its affects on my constituents.

Mr. Chairman, this is not about IPAB or its relation to Medicare. It's about a growing imperialistic presidency. And we need to find a way to reverse it.

Just because decisions are tough doesn't mean Congress shouldn't make them. I believe this Committee and this Congress has the know-how to make the tough choices that are still needed to improve our health care system. So, instead, let's build on the ACA's reforms and expand efforts to contain the growth in future health care costs.

Thank you.