

The Honorable Tom Barrett (MI07)
Member Day Hearing Testimony

E&C Member Day Health Care Costs

Thank you Mr. Chairman,

As we continue through open enrollment, millions of Americans are being told AGAIN that their health insurance premium costs will spike next year.

Rising health care costs and our convoluted health care system continue to put a real strain on hardworking families and small businesses in Michigan.

Obamacare has failed Americans. Excessive regulations and mandates ignore the needs of patients and drive up costs.

The solution by Democrats has been to throw money at the problem, most recently by subsidizing insurance companies with supersized “tax credit” checks under the guise of COVID-19 pandemic relief.

Despite its name, they are not real tax credits. They don’t go to patients, but instead flow directly to big insurance companies.

COVID is long over, and a blanket extension of these subsidies is not the answer... especially since rampant waste, fraud, and abuse has and continues to be uncovered.

Right now, high-income households earning more than \$500,000 per year are eligible to benefit from COVID-era subsidies.

And perhaps most troubling of all, the Government Accountability Office revealed that it set up fake health insurance accounts to test fraud prevention; **all but two of the fake accounts received taxpayer-subsidized coverage through the premium tax credits.**

This explains how 12 million Obamacare enrollees never filed a claim against their insurance plans in 2024. That means 12 million health care

plans were never used, yet health insurance companies pocketed more than \$35 billion in subsidies anyway... and costs have continued to rise.

Premiums for Obamacare coverage have risen by 75% since 2020.

It is clear that insurance companies have no incentive to keep Obamacare costs low, approve claims, or mitigate fraud when more taxpayer subsidies means higher revenues for them.

If things stay the way they are, coverage plans will continue to offer poor care, patients will face higher copays and narrower networks, and taxpayers will still be responsible to pay the bill.

Obamacare, along with the COVID-era “tax credits,” represents a deeply and fundamentally flawed approach to health care policy. We are spending more on *coverage* than *care*.

There is an urgent need for real reform and accountability in our health care system.

We must make significant reforms to the way we deliver health care in this country, and it starts with both sides of the aisle coming to the table for genuine, good-faith conversations around how to put patients first.

We must explore every avenue to restoring affordability in health care, this includes...

...correcting the Obamacare medical loss ratios that benefit insurers...

...taking significant steps to mitigate fraud in our health care systems...

... and expanding access to accounts like FSAs or HSAs.

These are ways that we can empower individuals to make decisions that are right for them and their families.

The time for action is now. We cannot afford to wait any longer, and we cannot continue down this unsustainable path.

Thank you, Mr. Chairman, and I yield back.