

Congressman Michael C. Burgess, MD
Subcommittee on Health
“Protecting America’s Sick and Chronically Ill.”
April 3, 2013

Thank you Mr. Chairman,

For far too long, Republicans have been accused of not having alternatives to the major parts of President’s health care law.

Although we can all attest that this is simply untrue- if anything our party has a multitude of ideas - one overarching policy we all agree on that requires action is addressing the needs of Americans with pre-existing conditions.

The Affordable Care Act created the new Pre-Existing Condition Insurance Plan (PCIP) which was arguably duplicative of actions taken by 35 states prior to 2010 that were operating high risk pools which served an estimated 207,000 Americans.

It has been shown that state based programs play an important role in lowering costs across markets and in providing coverage options for those with preexisting conditions.

In some states PCIP was merged with a state’s existing high risk pool and in others, like Texas the PCIP plan operates parallel to the state’s pool.

However PCIP is providing coverage to over 100,000 individuals – well short of the 375,000 CMS estimated – but still a significant group of people who need protection.

As a physician, ensuring those with pre-existing conditions have access to ~~quality~~ and affordable health insurance is a top priority for me.

As much as I believed that the ACA stretched the bounds of Constitutionality and still do, I was concerned that had the Supreme Court invalidated the law that those in PCIP would have the rug pulled from beneath them and could be barred from merging into a state's pool because PCIP had previously provided them coverage.

That is why – to ensure that did not happen I was prepared to answer that challenge had it arisen by introducing *The Guaranteed Access to Health Insurance Act of 2012* prior to the Court's decision to provide states the financial backing to decide how best to provide coverage for this population through a high risk pool, reinsurance program or other innovative method.

I will also note - unlike many of the complaints that PCIP has faced this bill did not require those with pre-existing conditions to jump through hoops or remain uninsured for six months before being eligible for coverage.

There are always stories of those who have done the right thing and insured themselves, who then fall out of the system – usually because of a job loss – get a medical diagnosis and even when their employment status changes can find themselves forever locked out of coverage.

Those were the stories that people thought of when they did say they wanted something done about this issue – they also said they wanted us to address cost and not screw up the rest of the system for everyone else.

We obviously failed in both those respects when it comes to the ACA and as of February 15th of this year when CMS announced it would suspend enrollment in PCIP – the Administration has failed in implementing an area that conceptually was bipartisan.

How many people have aged into the 6 month exclusion since CMS's announcement? How many were awaiting coverage but now are told – especially in states where PCIP is the only option – you'll just have to wait till 2014? And why was enrollment so low?

Was it because of PCIP's design or because the costs were still too high, or was it because maybe the problem of serious pre-existing conditions existing in a population that wanted to purchase insurance was lower than estimated? We will never know, but it would have been nice to think these issues out prior to adopting the ACA.

I will freely admit that many of the current state based programs are underfunded and lacking the ability to meet their needs. It is costly to deal with this issue – I was prepared to authorize \$30 billion – House Republicans supported \$25 billion in our substitute to the ACA. We are serious about funding these programs and dealing with this issue. And those costs are a drop in the bucket to what the ACA will cost our nation.

But these efforts recognized that for those who do need insurance and are truly uninsurable in the market – it will be costly and yet while PCIP's spending has consistently exceeded expectations the ultimate solution was not to prepare for needing more money, or transfer funds from other parts of ACA implementation or even to approach Congress for funding – it was to tell people tough luck.

I cannot underestimate how important that approach by CMS and the Administration is to this conversation.

If that is the attitude what happens if ACA costs exceed what is expected?

What about Medicaid expansion?

Is there really a question as to why states are nervous about seeing exchange subsidies reduced or the Medicaid FMAP paired down for new populations?

The Administration says that will never happen but yet they are perfectly willing to turn away sick people – not healthy childless adults – currently not categorically eligible for other programs.

I think that point is worth hovering on for a moment.

The Administration is saying this is all the coverage we can afford so no more is available?

So again I ask - what happens if subsidies get too expensive?

What about Medicaid? Already many in Medicaid cannot get care because the programs reimbursements drive providers from the program.

What about Medicare – we actually know the answer there too - IPAB. Seems like this could be a trend in approaching these tough issues.

And there are some who will still say that concerns about rationing are not based in fact?

They will look at us and with a straight face and say coverage without access isn't something we have to be worried about?

Really? Because I think every single person who is left in the void between PCIP's enrollment suspension and 2014 is a testament to these being VERY real concerns that are worth asking of the Administration and seeing how far they are willing to take an ideology that prioritizes coverage over lowering costs or ensuring access to care.

Thank you.