

Ralph Hall Statement for the Record, SGR Hearing, 6/5/13

Mr. Chairman, I would like to commend you for all the hard work that you have done, including the coordination with the Ways and Means Committee, to bring us to this point where we can have a meaningful hearing on the Sustainable Growth Rate issue. This is a complex issue, and the stakeholders are many, but it is an issue that we must resolve before the end of the year.

As we move forward in this process, we are going to need to resolve not just the important details of the “doc fix” issue, but also the need for spending offsets to assure that the legislation does not have a significant impact on our budget. In that regard, I would like to suggest one budget savings that might be included as an offset in this bill. It is the language of H.R.1076, which is legislation that I have introduced along with Mr. Olson and others. Our bill would assist political subdivision health care pools by giving employees in these pools the same premium tax credits and cost sharing assistance that will be available in the new health care exchanges. But the employees in these health care pools would only get the assistance on one condition – if they can show that doing so would save the federal government money.

Most states have one or more of these health care pools. In Texas, we have one for small towns and one for county employees. In our case, the health care plans offered in these pools are expected to be less expensive than those that will be available in the exchanges. So keeping these employees where they are – in less expensive plans that provide the same quality of coverage – means that the value of the tax credit will be less, and the impact on the federal budget will be less.

Mr. Brady, who Chairs the Ways and Means Health Subcommittee, has asked CBO for a score of this language. When we get that score and find out how much budget savings the language will generate, I hope we can consider including it in this bill as an offset.

I look forward to working closely with the Chairman on this idea.