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4 EXAMINING THE FISCAL YEAR 2016 HHS BUDGET

5 THURSDAY, FEBRUARY 26, 2015

6 House of Representatives,

7 Subcommittee on Health

8 Committee on Energy and Commerce

9 Washington, D.C.

10 The Subcommittee met, pursuant to call, at 10:03 a.m.,
11 in Room 2123 of the Rayburn House Office Building, Hon. Joe
12 Pitts [Chairman of the Subcommittee] presiding.

13 Members present: Representatives Pitts, Guthrie, Barton,
14 Whitfield, Shimkus, Murphy, Burgess, Lance, Griffith,
15 Bilirakis, Ellmers, Bucshon, Collins, Upton (ex officio),
16 Green, Engel, Capps, Schakowsky, Butterfield, Castor,

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17 Sarbanes, Matsui, Lujan, Schrader, Kennedy, Cardenas, and
18 Pallone (ex officio).

19 Staff present: Clay Alspach, Chief Counsel, Health; Gary
20 Andres, Staff Director; Sean Bonyun, Communications Director;
21 Leighton Brown, Press Assistant; Noelle Clemente, Press
22 Secretary; Andy Duberstein, Deputy Press Secretary; Paul
23 Edattel, Professional Staff Member, Health; Robert Horne,
24 Professional Staff Member, Health; Charles Ingebretson, Chief
25 Counsel, Oversight and Investigations; Peter Kielty, Deputy
26 General Counsel; Carly McWilliams, Professional Staff Member,
27 Health; Emily Newman, Counsel, Oversight; Katie Novaria,
28 Professional Staff Member, Health; Tim Pataki, Professional
29 Staff Member; Michelle Rosenberg, GAO Detailee, Health;
30 Krista Rosenthal, Counsel to Chairman Emeritus; Adrianna
31 Simonelli, Legislative Clerk; Alan Slobodin, Deputy Chief
32 Counsel, Oversight; Heidi Stirrup, Health Policy Coordinator;
33 Josh Trent, Professional Staff Member, Health; Traci Vitek,
34 Detailee, HHS; Ziky Ababiya, Democratic Policy Analyst; Jeff
35 Carroll, Democratic Staff Director; Eric Flamm, Democratic
36 FDA Detailee; Hannah Green, Democratic Public Health Analyst;
37 Tiffany Guarascio, Democratic Deputy Staff Director and Chief

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38 Health Advisor; Rachel Pryor, Democratic Health Policy
39 Advisor; Tim Robinson, Democratic Chief Counsel; and Arielle
40 Woronoff, Democratic Health Counsel.

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41 Mr. {Pitts.} The Subcommittee will come to order.

42 Chair will recognize himself for an opening statement.

43 I would like to thank Secretary Burwell for appearing
44 before the Subcommittee to discuss the Administration's
45 fiscal year 2016 budget request for the Department of Health
46 and Human Services. Earlier this year, Madam Secretary, you
47 stated that, ``The hallmark of effective leadership is
48 instilling a culture of transparency, ownership, and
49 accountability.'' These are all laudable goals, and I
50 appreciate your verbal commitment to these principles,
51 however, your department's actions have failed to adhere to
52 the same standard. For example, we have only heard silence
53 from the White House on how the Administration is preparing
54 for an adverse ruling in King v. Burwell. We did receive a
55 reply from you, and I thank you for that courtesy.

56 But your letter contained no substantive answers to our
57 questions. During your testimony to the Senate Finance
58 Committee you were again asked about the Administration's
59 plan--plans, and again you repeatedly declined to provide a
60 direct answer. And, you know, this is not the transparency

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61 that we had hoped for. Understandably, we were very
62 frustrated with the Administration witnesses artfully dodging
63 the questions that we ask here. And so I am asking you
64 today, please let your guard down a little, and give us
65 direct and complete answers to our questions.

66 In 2009 the President correctly said, ``The real problem
67 with our long term deficit actually has to do with our
68 entitlement obligations.'' Since then we have had the
69 Simpson-Bowles Commission, a super-committee, sequestration,
70 and a government shutdown, and never once in all this time
71 did the Administration propose a plan to get the Nation's
72 fiscal house in order by recommending reforms to
73 entitlements. The 2014 Medicare Trustees' Report, which you
74 signed, tells us that Medicare will be bankrupt very soon.
75 We recently had Senator Joe Lieberman and former OMB Director
76 Alice Rivlin here, and they told us much the same. And we
77 stand ready to do the hard work of saving and strengthening
78 Medicare, but we need a willing partner.

79 Once again, the President's budget fails to propose
80 serious entitlement reform. The proposals in the budget
81 related to Medicaid amount to saving just 15 days' worth of

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82 program spending over the next 10 years. The plan,
83 apparently, is to let Medicare expenditures continue to grow
84 without any of the structural reforms needed to strengthen
85 and save this critical program, and this is not taking
86 ownership. If we are going to save and strengthen our safety
87 net programs for the most vulnerable, we have to do better
88 than the President's budget. Both parties have to work
89 together. You, we, the President need to work together to
90 save our entitlement programs, make them sustainable, so we
91 ask that you please work with us.

92 On another subject, you may also remember that in early
93 November of last year we spoke on the phone about why HHS has
94 so far failed to hold California accountable under Federal
95 law. As you know, on August 22, 2014 the California
96 Department of Managed Health care, DMHC, issued a directive
97 mandating that all plans under DMHC authority immediately
98 include coverage for all legal abortions. This is in direct
99 violation of the Weldon Amendment, a civil rights statute
100 that prohibits Federal taxpayer funding for Federal agencies
101 and state or local governments that discriminate because a
102 health care entity does not provide--pay for or provide

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103 coverage of, or refer for abortions.

104 What California is doing is clearly illegal. It is also
105 morally wrong, and violates the fundamental principles of
106 freedom and conscience that our democracy is founded on, and
107 it is your job to stop them, and so for that hasn't happened.
108 So I will have more to say about this when we get to the
109 questions.

110 In the meantime, Madam Secretary, we look forward to
111 your testimony. We hope that you will stay to answer all of
112 our questions. And, with only 5 minutes of questions per
113 member, we respectfully ask that you keep your answers
114 concise and to the point.

115 [The prepared statement of Mr. Pitts follows:]

116 ***** COMMITTEE INSERT *****

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|

117 Mr. {Pitts.} And, Dr. Burgess, do you want the
118 remaining time?

119 Mr. {Burgess.} Thank you, Mr. Chairman, that is very
120 kind of you. And, Secretary, thank you for coming to our
121 humble little subcommittee. I am frustrated over the
122 Administration's lack of transparency, and the ability for
123 Congress to get information that, realistically, we have been
124 asking for for the last 4 or 5 years, but specifically around
125 ACA created entities, the Center for Medicare and Medicaid
126 Innovation, the Prevention and Public Health Fund, the
127 Consumer--the Office of Consumer Information and Insurance
128 Oversight, and the Patient Center for Outcomes and Research
129 Initiative. Year after year they have failed to achieve
130 their mission of reducing health care costs and improving
131 quality. We can't hold them accountable if we don't know how
132 you are spending the dollars. So we--you and I have talked
133 about this, and I do look forward to your responses and being
134 able to finally get that information regarding those agencies
135 under your--

136 [The prepared statement of Mr. Burgess follows:]

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137 ***** COMMITTEE INSERT *****

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|

138 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
139 the Ranking Member, Mr. Green, 5 minutes for opening
140 statement.

141 Mr. {Green.} Good morning, and thank you, Secretary
142 Burwell, for being here today to discuss the President's FY
143 '16 budget proposal for the Department of Health and Human
144 Services. A budget is more than a line of items on a page.
145 It is a reflection of the priorities of our country. Our
146 commitment must be to protect the progress that we made, and
147 to make strategic investments so that progress will continue
148 in the future.

149 This year marks the 50th anniversary of the creation of
150 Medicare and Medicaid. Since the Children's Health Insurance
151 Program was created to ensure America's children have
152 insurance, most recently Congress passed the Affordable Care
153 Act, dramatically expanding access to health coverage and
154 high quality care. The Affordable Care Act took historic--
155 steps toward laying the foundation for a better and more
156 efficient health care system, and expanding access to cover
157 for millions of Americans for whom it was previously out of

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158 reach. It also took important steps to restore the fiscal
159 solvency of our health care system. According to the most
160 recent estimates by the Congressional Budget Office, the
161 Affordable Care Act will reduce the deficit by more than \$100
162 billion for the first decade, and by more than a trillion in
163 the second decade.

164 As we have seen through the second enrollment period,
165 the Affordable Care Act has already succeeded in ensuring
166 every American can have access to high quality affordable
167 coverage. Thanks to the ACA, nearly 30 million Americans got
168 covered. These are people who would otherwise be uninsured.
169 We have made great progress, but the work is not done. I
170 thank the agency for implementing the landmark health reform
171 law, and continuing to work with us so that we can build on
172 these successes.

173 It is--in addition to prioritizing essential services
174 and programs, I was pleased to see that the budget makes
175 strategic investments to improve our health care system, and
176 clear the way for the progress into the future. This
177 includes funding to support training of the next generation
178 of health care providers, national preparedness against

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179 threats to public health, biomedical research, drug safety,
180 and mental health services. The budget invests in community
181 health centers to support the care they provide for 22
182 million patients. In their role of providing an accessible,
183 reliable source of primary care in underserved communities,
184 health centers will continue to be a critical element of our
185 health system.

186 The President's proposal takes a critical important step
187 by including four years of funding for the Children's Health
188 care Insurance Program. Currently more than 10 million
189 children get health insurance through CHIP. Additional
190 funding for CHIP must be authorized so that there is no
191 disruption in coverage, and the states are able to continue
192 operating their programs. The budget proposes an increase in
193 NIH funding. Since its creation, NIH has fostered remarkable
194 advancements in human health, but for the past decade NIH has
195 suffered inadequate funding. Without significant funding
196 increases, the U.S. will lose its status as a global leader
197 in science and innovation. Additional resources will help
198 defeat our Nation's most harmful diseases, and ensure that
199 the United States continues to lead biomedical research and

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200 scientific breakthroughs.

201 The budget proposal strengthens national preparedness
202 for threats to public health, including naturally occurring
203 threats, and deliberate attacks. It also includes funding to
204 reinforce our Nation's ability to move quickly to detect
205 infectious disease outbreaks through new advanced molecular
206 detection initiative, maintaining strong expertise at the
207 Centers of Disease Control and Prevention. These are just a
208 few highlights of what is included in the proposed HHS
209 budget. I look forward to hearing more about the
210 Administration's proposal during today's hearing.

211 Thank you, Madam Secretary, for joining the committee to
212 discuss the HHS budget. And if someone would like about a
213 minute and 20 seconds? My colleague from California, Ms.
214 Matsui.

215 [The prepared statement of Mr. Green follows:]

216 ***** COMMITTEE INSERT *****

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217 Ms. {Matsui.} Thank you very much for yielding the
218 time, and welcome, Secretary Burwell. I appreciate the goals
219 the President and you have laid forth in the fiscal budget
220 2016 Department of HHS Services Budget. Building on the
221 improvements made by the Affordable Care Act, we are seeking
222 to move our Nation's health system by rewarding volume, and
223 forgetting about the waste business. So--do this is working
224 to achieve the triple aim in health care, better care, better
225 outcomes, and reduced costs. We do this by making health
226 insurance more affordable, by emphasizing prevention and
227 public health, by encouraging scientific and clinical
228 research, by taking advantage of the benefits of technology,
229 and building up our Nation's mental health system.

230 Many of the proposals in the budget find savings in the
231 Medicare and Medicaid programs by streamlining processes and
232 realigning systems to ensure that patients get the right
233 service at the right time. The budget would make the SGR fix
234 permanent, which we need to do to provide stability for
235 doctors, and for seniors, and people with disabilities in the
236 Medicare program. The budget would also extend the

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237 Children's Health Insurance Program, or CHIP, that provides
238 much needed pediatric coverage to our Nation's children.

239 To conclude, I want to emphasize the Affordable Care Act
240 is working. Over 11 million Americans signed up this year,
241 including 500,000 in California alone. The Administration
242 just announced that since the law was enacted in 2010, 9.4
243 million people with Medicare have saved over \$15 billion in
244 prescription drugs. This is what we set out to do, and I
245 appreciate working with you as we move forward. Thank you.
246 Yield back.

247 [The prepared statement of Ms. Matsui follows:]

248 ***** COMMITTEE INSERT *****

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249 Mr. {Pitts.} Gentlelady yields back. Chair now
250 recognizes Chairman of the full Committee, Mr. Upton, for 5
251 minutes for an opening statement.

252 The {Chairman.} Well, thank you, Mr. Chairman.
253 Secretary Burwell, welcome. Today marks your first official
254 appearance before the Health Subcommittee, but I know that
255 this is not your first time in this room, as you participated
256 in one of our 21st Century Cures roundtables last year, and
257 we very much appreciate that participation.

258 Your testimony does come at a very pivotal point in
259 health policy, from our exciting cures effort, to next week's
260 Supreme Court oral arguments. We look forward to hearing the
261 Administration's perspective on the many important issues
262 facing the American people. You have said during your tenure
263 at HHS that transparency, ownership, and accountability are
264 important values for the Department of demonstrate, which we
265 certainly welcome.

266 In that spirit, we look forward to gaining
267 straightforward answers here today about implementation of
268 the President's health care law. There have been quite a few

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269 red flags raised in recent weeks on the continued struggles
270 to implement key pieces of that health law. Just in the last
271 week, 800,000 households learned that key tax forms sent out
272 by the Administration contained major errors. Those
273 Americans were asked to delay tax filing, therefore also
274 delaying their refunds. A recent analysis from H&R Block
275 estimates that the majority of Obamacare customers are being
276 forced to pay back some of those subsidies. Millions of
277 Americans are also learning about the law's IRS fines for
278 failing to comply with the individual mandate.

279 The backlash has been so intense that the Administration
280 has resorted to yet another special enrollment period to
281 quell some of the anger of those who are just coming to learn
282 about the individual mandate penalty. In this last week, the
283 healthcare.gov CEO, Kevin Counihan, suggested that the
284 backend functions of the exchange would undergo a 2-year
285 development plan. That means that this key part of the law
286 will not be fully complete until President Obama leaves the
287 White House.

288 Collectively, these revelations suggest that the health
289 care law is still not working. Our constituents deserve

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290 better, we know that. That is why I have worked on
291 introducing the Patient Care Act, a health care reform
292 blueprint, with my colleagues in the Senate, Chairman Hatch
293 and Mr. Burr. I look forward to working with my colleagues
294 about these ideas to improve health care in America by
295 empowering states and families, not Washington.

296 Yes, we have concerns with the President's signature
297 law, but there are other important health care areas that we
298 believe are fertile for collaboration. For the past year,
299 almost year and a half, this committee has undertaken the
300 bipartisan 21st Century Cures Initiative to accelerate the
301 pace of the discovery, development, and delivery of new
302 treatments and cures for American patients.

303 I would like to thank you for your personal engagement
304 on the 21st Century Cures Initiative. As you know, this is a
305 top priority for our committee this year. Patients and
306 families in my district in Michigan, as well as across the
307 country are looking for hope, and that is what we seek to
308 instill. And this effort is also important to many job
309 creators, as well--whether it be Striker, Parago, or Pfizer
310 in southwest Michigan. I also want to thank the staff

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311 throughout the administration, particularly at the FDA and
312 the NIH for their work, their time, and effort to help us
313 improve the ideas released by our committee at the end of
314 last month. We have established a very good foundation, I
315 think, for bipartisan success. And I will yield to other
316 Republican members on this side. Seeing none--

317 Mr. {Pitts.} Anyone seeking time?

318 The {Chairman.} --yield back.

319 [The prepared statement of Mr. Upton follows:]

320 ***** COMMITTEE INSERT *****

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321 Mr. {Pitts.} The Chair thanks the gentleman, and now
322 recognizes the Ranking Member of the full Committee, Mr.
323 Pallone, 5 minutes for an opening statement.

324 Mr. {Pallone.} Thank you, Chairman Pitts, and welcome,
325 Secretary Burwell. Thank you for being with us today. Today
326 we are going to hear about the President's fiscal year 2016
327 Health and Human Services budget proposal, and there are many
328 important provisions in the President's budget that we in
329 Congress must work to support. I was pleased to see that the
330 budget proposed a funding increase of \$1 billion for the NIH,
331 investing in early stage basic research, is one of the most
332 promising ways that we can accelerate the discovery of new
333 treatments and cures. And support for NIH is critical to
334 building our economy as well. Every dollar of NIH funding
335 generates over \$2 in local economic growth, yet we have let
336 NIH purchasing power decline by over 20 percent since 2003,
337 and that is why finding a way to significantly increase
338 funding for NIH will be my top priority, as the 21st Century
339 Cures Initiative continues.

340 I was also pleased to see that the budget fully funds a

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341 4-year extension of the Children Health Insurance Program, or
342 CHIP. We must act on this proposal immediately. With more
343 than 4/5 of state legislatures adjourning the by the end of
344 June, lack of action and clarify from Congress will make
345 budgeting and planning virtually impossible. By every
346 measure, CHIP has become enormously successful, and always
347 has had strong bipartisan support, so extending CHIP funding
348 should be the top priority of this committee to ensure
349 consistent coverage for the millions of children who depend
350 on this program. And I think we can all agree that no child
351 should be left worse off because of the actions, or lack
352 thereof, of Congress.

353 The budget also adopts the framework of the bipartisan,
354 bicameral SGR repeal and replace legislation that Congress
355 agreed to last year. I believe that because the sustainable
356 growth rate is the result of a budget gimmick, and we already
357 spent \$169 billion paying to fix the problem, that offsets,
358 especially those within our health programs, are not
359 necessary. And if we must include offsets, the war savings,
360 which are known as the Overseas Contingency Operation Funds,
361 could be used. I know some of the other side of the aisle

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362 don't share this view. What I do hope is that we can agree
363 that, first, SGR should be paid off--should not be paid off
364 of the backs of the beneficiaries. Beneficiaries will
365 already pay for their share of the cost of SGR repeal through
366 higher premiums, and half of all beneficiaries live on less
367 than \$23,500.

368 And that is why some of the proposals in the President's
369 budget concern me. The President's budget proposes to
370 further increase Part B and Part D premiums, increase the
371 Part B deductible for new enrollees, and impose a new
372 surcharge on the Part B premium for beneficiaries with
373 certain Medigap policies, and also institutes a \$100
374 copayment per home health episode. And this increases out of
375 pocket costs on beneficiaries, and I think that, you know, we
376 have seen enough of that. Beneficiaries may forego necessary
377 services, and, in result, use more high cost acute care
378 services, and such policies will disproportionately affect
379 lower and middle income beneficiaries who are not poor enough
380 for Medicaid, nor have access to employer sponsored retiree
381 health care. So I urge the President and my colleagues to be
382 extremely cautious when proposing cuts to Medicare, and

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383 consider impacts on our seniors.

384 The last thing I wanted to mention is--well, first to
385 commend you, Secretary, for your agency's hard work
386 implementing the Affordable Care Act. Because of your
387 efforts, 19 million uninsured Americans will be covered in
388 this year, 2015. And I recognize the challenge your agency
389 faces in implementing this law with limited resources,
390 however, despite what I call Republican obstructionism, the
391 Affordable Care Act is working.

392 In sum, I think this is a sound budget, and I look
393 forward to hearing from you today. And I would yield the
394 remainder of my time to the gentlewoman from Florida, Ms.
395 Castor.

396 [The prepared statement of Mr. Pallone follows:]

397 ***** COMMITTEE INSERT *****

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398 Ms. {Castor.} Well, I thank the Ranking Member for
399 yielding time, and I welcome Secretary Burwell. We are very
400 excited to hear about the budget, the investments in medical
401 research and Children's Health Insurance, improvements in
402 Medicare, and the Centers for Disease Control. But I
403 couldn't help but ask Mr. Pallone for a minute to highlight
404 the Florida enrollment numbers under the ACA. It is
405 remarkable. And I know you have seen them, and we have
406 talked about it. As of February 15, over 1.6 million
407 Floridians have signed up for health insurance in the
408 federally facilitated marketplace. We are surprised. This
409 exceeded all of our expectations, to beat California and
410 Texas, especially in a state that had many fits and starts
411 over whether to assist our neighbors in signing up.

412 But I wanted to highlight a couple of stories. The--a
413 27-year-old third year law student at the University of South
414 Florida got assistance from a navigator. His income is about
415 \$16,000 a year in scholarships. He was able to find
416 insurance for approximately \$10 per month, zero deductible.
417 It is his second year enrolling in the marketplace. He is

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418 very happy with his coverage. These--there are stories like
419 that again, and again, and again, so I look forward to
420 talking about it. Thank you.

421 [The prepared statement of Ms. Castor follows:]

422 ***** COMMITTEE INSERT *****

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423 Mr. {Pitts.} Gentlelady yields back. That concludes
424 the oral opening statements. As usual, all the written
425 opening statements of the members will be made a part of the
426 record. And so we will go now to Secretary Burwell. First
427 of all, thank you for appearing before us today, Madam
428 Secretary. Your written testimony will be made a part of the
429 record. You will be given 5 minutes to summarize your
430 testimony, and we certainly appreciate you being here this
431 morning. And you are recognized for 5 minutes for your
432 summary.

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433 ^STATEMENT OF THE HONORABLE SYLVIA MATHEWS BURWELL,
434 SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES.

435 } Secretary {Burwell.} Thank you Chairman Pitts, Chairman
436 Upton, Ranking Member Pallone, and Ranking Member Green, and
437 members of the committee. I appreciate the invitation to be
438 here today. I want to thank you for the opportunity to
439 discuss the President's budget for the Department of Health
440 and Human Services.

441 I believe firmly that we all share common interests, and
442 therefore we have a number of opportunities for common
443 ground, from preventing and treating substance abuse, to
444 advancing the promise of precision medicine, to building an
445 innovation economy, and strengthening the American middle
446 class. The budget before you makes critical investments in
447 health care, science, innovation, and human services. It
448 maintains our responsible stewardship of the taxpayers'
449 dollars. It strengthens our work together with the Congress
450 to prepare our Nation for key challenges, both at home and
451 abroad.

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452 For HHS, it proposes \$83.8 billion in discretionary
453 budget authority, and this is a \$4.8 billion increase, which
454 will allow our department to deliver impact today, and lay a
455 strong foundation for tomorrow. It is a fiscally responsible
456 budget, which, in tandem with accompanying legislative
457 proposals, would save taxpayers a net estimated \$250 billion
458 over the next decade. In addition, it is projected to
459 continue slowing the growth of Medicare. It could secure 423
460 billion in savings as we build a smarter, healthier, better
461 system.

462 In terms of providing all Americans with access to
463 quality, affordable health care, it builds upon our historic
464 progress in reducing the number of uninsured, and improving
465 coverage for families who already have insurance. We saw a
466 recent example of this progress with the about 11.4 million
467 Americans who either signed up or re-enrolled in this past
468 open enrollment. It extends CHIP for 4 years, it covers
469 newly eligible adults in the 28 states, plus D.C., which have
470 expanded Medicaid, and it improves access to health for
471 Native Americans. To support communities throughout the
472 country, including underserved communities, it invests \$4.2

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473 billion in health centers, and \$14.12 billion to bolster our
474 Nation's health workforce. It is--it is more than 50,000
475 National Health Service Corps clinicians, serving nearly 16
476 million patients in high need areas across the country. With
477 health center mandatory funding ending in 2016, we estimate
478 that more than seven million Americans may lose access to
479 essential cost-effective primary care, and this could
480 approximately result in 40,000 jobs lost.

481 To advance our common interests in building a better,
482 smarter, healthier delivery system, the budget supports
483 improvements to the way care is delivered, providers are
484 paid, and information is distributed. On an issue for which
485 there is bipartisan agreement, it replaces Medicare's flawed
486 sustainable growth rate formula, and supports a long term
487 policy solution to fix the SGR. The Administration supports
488 the type of bipartisan, bicameral efforts that the Congress
489 took last year.

490 To advance our shared vision for leading the world in
491 science and innovation, it increases funding for the NIH by a
492 billion dollars to advance biomedical and behavioral
493 research. In addition, it invests 250 million for the

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494 Precision Medicine Initiative, an effort to focus on
495 developing treatments, diagnostics, and prevention strategies
496 tailored to individual genetic characteristics. To further
497 our common interests in providing Americans with the building
498 blocks for success at every stage of life, this budget
499 outlines an ambitious plan to make affordable quality child
500 care available to every working class--middle class family.

501 To keep Americans health, the budget strengthens our
502 public health infrastructure, with \$975 million for domestic
503 and international preparedness, including critical funds to
504 the Global Health Security Agenda. The budget will support
505 CDC's critical infrastructure and cost-cutting research to
506 facilitate rapid response to public health emergencies, and
507 other public health threats, like the recent measles
508 outbreak. It also invests in behavioral health sciences, and
509 substance use prevention. Finally, as we look to leave our
510 department stronger, the budget invests in our shared
511 priorities of cracking down on waste, fraud, and abuse
512 initiatives, and are projected to yield \$22 billion in gross
513 savings for Medicare. We are also addressing our Medicare
514 appeals backlog with a variety of approaches, and we are

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515 investing in cybersecurity.

516 As a close, I want to make one final point, and that is
517 I am personally committed to responding quickly and
518 thoughtfully to the concerns of Congress and members. Since
519 I was confirmed, I have made it the top priority of our
520 department to respond promptly and thoroughly, and work with
521 you as we can. I also just want to take one moment to thank
522 the HHS employees for all their work on Ebola, unaccompanied
523 children, and all the other issues. With that, I look
524 forward to your questions. Thank you.

525 [The prepared statement of Secretary Burwell follows:]

526 ***** INSERT 1 *****

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527 Mr. {Pitts.} Thank you, Madam Secretary. I will begin
528 the questioning, and recognize myself for 5 minutes for that
529 purpose.

530 Let me start with King v. Burwell. In a few short days,
531 the Supreme Court will be hearing oral arguments in the King
532 v. Burwell case that could have a major impact on Obamacare.
533 In January we sent you a letter, asking for any actions,
534 analysis, or--and/or contingency plans that HHS has
535 undertaken to prepare if the IRS rule is overturned. And
536 while we received a letter from you earlier this week, your
537 response failed to actually answer our question. The letter
538 simply stated that you believed no administrative action by
539 HHS could reverse the effects of a decision in favor of the
540 Plaintiffs.

541 Madam Secretary, your statement of opinion in the letter
542 does not answer a simple question, so let me ask you the
543 question this way. Have you or senior Department officials
544 instructed counselors within HHS to prepare any potential
545 actions or approaches if the Supreme Court rules against the
546 IRS?

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547 Secretary {Burwell.} Mr. Chairman, with regard to what
548 is in the letter, one of the things that I think is important
549 to reflect that is in the letter is the analysis of what
550 would happen. That is a part of the letter. And in terms of
551 what would happen--and I first should state that we believe
552 that the Court will decide in favor of the position we hold,
553 which is we believe that this law says that--people have
554 traveled across the country--people in Texas should have the
555 same subsidies as people in New York. It is an important
556 starting point.

557 But with regard to what would happen, because I think
558 that is an important part of answering the question, first,
559 what would happen is, when those subsidies go away, 11.4
560 million people, that was the number I gave you--as of January
561 30, when we did our most recent analysis, 87 percent of the
562 individuals in the marketplace are eligible for subsidies.
563 Those subsidies are, on average, estimated to be \$268 per
564 individual, per month. Those subsidies, number one, would go
565 away.

566 Mr. {Pitts.} Yeah.

567 Secretary {Burwell.} That would lead to a number--

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568 Mr. {Pitts.} Madam Secretary, I understand that. I am
569 asking if you know of any plan to respond to approaches if
570 the Supreme Court rules against the IRS? Has the White
571 House, has OMB, or other Administration officials directed or
572 asked you about any approaches in response to King v.
573 Burwell, or to work with the Treasury Department on potential
574 responses? That is my question.

575 Secretary {Burwell.} So, in order to respond to the
576 question, Mr. Chairman, in order to think about the question
577 of a plan, one needs to, I think, analyze the problem, which
578 is what I was articulating, in terms of the three major
579 things that would occur if the Court decides with the
580 Plaintiffs.

581 Mr. {Pitts.} Let me ask it a different way. I would
582 like to provide you some more information as to why we expect
583 you--an answer from you today. The Committee received
584 recently specific information from a source within your
585 department about the existence of an approximately 100 page
586 document related to potential actions HHS may take if the
587 Supreme Court rules against the Administration in King v.
588 Burwell. Are you, or senior staff at HHS, aware of this

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589 document?

590 Secretary {Burwell.} Mr. Chairman, this is a document I
591 am not aware of.

592 Mr. {Pitts.} Okay.

593 Secretary {Burwell.} With regard to the question that
594 you have asked, as I said in the letter, we believe--and I
595 think it is very important to understand the damage, because
596 it is related to the answer. The damage comes in the number
597 of uninsured that would occur. Number two, it occurs in what
598 happens in the individual marketplace, where a group of less
599 health individuals come in, and that drives premiums up in
600 that marketplace. And, number three, the indigent care that
601 occurs from the uninsured, and what that means in both those
602 states, in terms of their economies, as well as what it means
603 for employer base. Those are the ramifications. With regard
604 to those things, which we believe are the damage, as I state
605 in the letter, we believe we do not have any administrative
606 actions, and, therefore, there is not--

607 Mr. {Pitts.} All right, let me ask--go on to another
608 issue. I, as you know, as we discussed over the phone, am
609 deeply concerned about the lack of HHS action regarding

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610 California, and the DMHC authority to immediately include
611 coverage for abortion. And this mandate, California mandate
612 is a clear violation of the Weldon Amendment, which provides
613 civil rights protections, and prohibits funding to government
614 entities discriminating against health care entities for
615 following their conscience. Do you agree that the Weldon
616 Amendment prohibits funding for states that mandate abortion
617 coverage in insurance plans?

618 Secretary {Burwell.} We take the Weldon Amendment very
619 seriously. And since you spoke with me, Mr. Chairman, and we
620 received those letters, we have opened an investigation in
621 the Office of Civil Rights at HHS to investigate the concerns
622 that you and others have articulated. We take this
623 seriously, and are trying to move through that investigation
624 as expeditiously as possible.

625 Mr. {Pitts.} So since it is clear that California is in
626 violation of Federal law, can you project a date by which you
627 expect the violation to be stopped?

628 Secretary {Burwell.} With regard to the issue of the
629 investigation, Mr. Chairman, that is not something--I need to
630 let the investigation go, and I have asked the team to make

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631 sure they do it as expeditiously as possible, but in order--
632 that I stay away from the investigation, in terms of my
633 interference in any way. I want to let them go forward, but
634 I have asked for due speed.

635 Mr. {Pitts.} Okay. We will follow up. Thank you.
636 Chair recognizes the Ranking Member Green, 5 minutes for
637 questions.

638 Mr. {Green.} Thank you, Mr. Chairman.

639 Madam Secretary, it has been almost 5 years since the
640 Affordable Care Act was passed, and have yet to see any
641 legislation introduced by my Republican colleagues to replace
642 the Affordable Care Act, even though we have had at least 56
643 votes on the House floor to repeal it. Given all this talk
644 of repealing the Affordable Care Act, are you aware of any
645 request for technical assistance from Republicans on
646 legislation that would replace the Affordable Care Act with a
647 credible proposal to provide comprehensive health coverage to
648 millions of Americans?

649 Secretary {Burwell.} I am not aware of those requests.

650 Mr. {Green.} Madam Secretary, over the last couple days
651 we have heard a lot about contingency plans. If the millions

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652 of Americans who received financial help through the
653 Affordable Care Act would lose them, are you aware of any
654 Republican legislative proposals that would provide millions
655 of Americans with the financial assistance to help them with
656 affordable health care coverage?

657 Secretary {Burwell.} I am not aware.

658 Mr. {Green.} Secretary, I want to get your input on an
659 issue that I know you are concerned--I appreciate you
660 addressing it in your opening remarks, that myself, and a lot
661 of members of our committee--there is a funding cliff that is
662 facing our community health centers. Health centers serve
663 nearly 22 million patients, and are projected to serve 28.6
664 million patients over--in over 9,000 locations across the
665 country in the fiscal year of 2016. Because of the current
666 patient demographics and statutory mandate to locate in
667 underserved areas, or to serve underserved populations,
668 health centers are well positioned to provide health care
669 service to millions of newly insured Americans. They are
670 particularly important in our district, which is a federally
671 designated underserved community in Houston, Texas.

672 Secretary Burwell, I was pleased to see the President's

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673 budget included a multi-year extension of mandatory funding
674 for health centers. As you know, the health centers patients
675 face a major loss of access in a few months if we don't act
676 to prevent the funding cliff caused by the expiration of the
677 mandatory funding at the end of the fiscal year. Can you
678 speak about the importance of community health centers within
679 our health system as we look at the issues of access,
680 quality, and cost?

681 Secretary {Burwell.} We believe that they are a
682 fundamental underpinning, and not just in terms of health
683 care in communities, but they are also an important part of
684 the economics of communities, when you think about the fact
685 that we could lose up to 40,000 estimated jobs in terms of
686 who we don't extend. But as you think about the numbers,
687 thinking that 1 in 15 Americans actually are served by these
688 health centers, how integral they are to providing primary
689 care throughout the country.

690 And so we think it is extremely important to continue
691 that so that we can--as we have reduced the number of
692 uninsured, we also want to make sure that those people are
693 having care, and those that had care before still have access

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694 to that care, especially in our underserved communities
695 across the country, not all, but many of which are very
696 rural.

697 Mr. {Green.} Can you comment on the impact that the
698 funding cuts would have on patients' access to care? Can you
699 estimate how many fewer people would be able to receive
700 services at our local health centers?

701 Secretary {Burwell.} Our estimates are that if we
702 aren't able to extend, that it could be up to seven million
703 patients who would no longer be able to have access to that
704 care. We estimate that perhaps over 2,000 of the centers
705 would shut down without that, and that--then there are the
706 patients who would not be served because people would have to
707 scale back in a number of the centers with reduced funding.

708 Mr. {Green.} In those 2,000 centers, do you know how
709 many jobs we lost?

710 Secretary {Burwell.} Approximately--the estimates are
711 up to 40,000.

712 Mr. {Green.} Okay. Thank you. The health centers are
713 a crucial part of our Nation's primary care infrastructure
714 for 50 years, and have long had truly bipartisan support. In

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715 the last year, along with my colleagues on both sides,
716 including Representative Lance, support--reiterating our
717 support for health centers, and calling for a bipartisan
718 solution, we had 250 co-signers, including 31 members of our
719 committee. A similar letter in the Senate gathered 60--
720 gained 66 votes, and more than 100 national organizations
721 have called for a fix. Consensus is something must be done,
722 and we have to act as soon as possible.

723 This issue is a top priority of mine, and I know a lot
724 of other members, literally, Republican and Democrat across
725 the country, who look forward to working with you and our
726 colleagues on the committee on a bipartisan basis to find a
727 solution to avert that funding cliff.

728 Mr. Chairman, I have 43 seconds left, and I would like
729 to yield for somebody for that 43 seconds on our side.
730 Anybody want about 30 seconds now? Okay. Well, Mr.
731 Chairman, I yield back.

732 Mr. {Pitts.} Thank you. Chair now recognizes the
733 Chairman of the full Committee, Mr. Upton, 5 minutes for
734 questions.

735 The {Chairman.} Thank you again, Mr. Chairman.

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736 Secretary Burwell, there are a number of health care law
737 implementation issues that continue to trouble us. In the
738 interest of time, I would ask that you submit answers to the
739 following questions in writing within 2 weeks.

740 The CEO of healthcare.gov recently stated that there is
741 a 2 year development plan for the backend of the
742 healthcare.gov. If you could provide us an estimate of when
743 the backend will finally be fully automated, would be great.
744 Second one is HHS recently announced that 800,000 Americans
745 enrolled in coverage through healthcare.gov received
746 inaccurate tax forms under the ACA. We would like a detailed
747 assessment on what--on when the Department expects these
748 taxpayers will have accurate information in hand so that they
749 can file their taxes. And third, many Americans were
750 automatically re-enrolled in exchange plans, raising concerns
751 that individuals and families may be getting unexpected
752 premium bills, or inaccurate exchange subsidies in 2015. We
753 would ask that you submit specific data on the number of
754 Americans who have been automatically re-enrolled in those
755 exchange plans. So that would be helpful.

756 Now I will return to 21st Century Cures, and again,

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757 appreciate your personal assistance with this. And I, for
758 the record, want to certainly thank Dr. Collins, Commissioner
759 Hamburg, Dr. Woodcock, and Dr. Shurin, countless others at
760 your department for the help on 21st Century Cures. Because
761 of that participation, and participation of folks from across
762 the country, we have been able to learn more about the status
763 of innovation in this country, and we hear about ways to
764 accelerate the discovery, development, delivery of cures and
765 treatments for patients.

766 As we heard at our first roundtable, there are over
767 10,000 diseases, and we have only cures and treatments for
768 about 500, so we have a great deal of work ahead to do. We
769 released a discussion document last month, and have been
770 working with Congresswoman to get, Mr. Ranking Member
771 Pallone, Mr. Green, other members of our Committee, and on
772 both sides of the aisle to improve that document. One area
773 that includes a placeholder is precision medicine, something
774 the President talked about in the State of the Union Address,
775 and subsequently a White House event a couple weeks ago. We
776 did put that placeholder into the draft, and we look forward
777 to continuing to work with you, and the White House, the

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778 Administration, on that important issue. Could you give us a
779 background on the Administration's precision medicine policy,
780 and what we should look forward to?

781 Secretary {Burwell.} Thank you, and thank you for the
782 partnership, as we work through these issues together, and it
783 is exciting to have the energy around these issues, including
784 the precision medicine, which is, I think, a subset of the
785 broader issues you are looking at. Our precision medicine
786 initiative is \$215 million, with regard to--as we think about
787 it from a budget perspective.

788 But I think thinking about it from the pieces and what
789 it is doing, one part of the initiative is creating a very
790 large database of a million people through NIH, but we will
791 access that through other channels, so that we are drawing
792 from existing databases to get the information we need,
793 because, as we are talking about what this is, precision
794 medicine, or personalized medicine, is getting the
795 information so that we can do treatments that are to the
796 individual.

797 I was at NIH recently, had the opportunity to both see
798 the tumors and meet the cancer patient of a kidney cancer

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799 patient, where he had a group of tumors removed. They came
800 back, but then, using precision medicine, which meant looking
801 specifically at the genetic makeup of his tumors--be treated
802 in a different way. I met him. That happened months ago,
803 and now he--the patient was there, discussing it with me, and
804 is a very different place. So, one, that large database.
805 Two, specifically focusing in the area of cancer, because we
806 already are seeing some progress there, and we believe that
807 place is right for it.

808 The other thing we need to do is FDA. Make sure that,
809 as we think about precision medicine, we regulate, and think
810 about how to improve these things in ways of a different type
811 of medicine. And then finally, we need the health records,
812 the Office of National Coordinator for Health--Electronic
813 Health Records to be a part of making sure this will do with
814 payments, and how clinicians will use. Those are the
815 elements.

816 The {Chairman.} Well, I just want to say, that is very
817 help, and we are excited as well. And though I have been out
818 to the NIH a number of times in the past number of years, I
819 want to remind members here that we have got a committee

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820 trip--I have invited, I think, all the members on this
821 subcommittee to go out to the NIH next Monday morning. Dr.
822 Collins has been very interested in having us out to kick the
823 tires, like you saw yourself.

824 And I know that, because we have votes tomorrow, Friday,
825 and again on Monday, and perhaps over the weekend, there may
826 be more of us here over the weekend than originally thought.
827 So I want to remind members that they are invited to join
828 with us and not miss votes come Monday on a trip there, and I
829 yield back. Thank you very much.

830 Mr. {Pitts.} Chair thanks the gentlemen. Now recognize
831 the Ranking Member of the full Committee, Mr. Pallone, 5
832 minutes for questions.

833 Mr. {Pallone.} Hello, Secretary Burwell. You know, I--
834 I am sure you can sense that I am very proud of the
835 Affordable Care Act, and concerned about Republican efforts
836 to repeal it, or now take it to court, in the case of King
837 vs. Burwell.

838 Are you aware of any Republican bill that would reduce
839 the number of uninsured in this country by 11 million people--
840 --or--I said 11, it is actually 19 million people, the way

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841 that the Affordable Care Act does? I mean, obviously I am
842 saying this because I don't see them coming up with any
843 alternative.

844 Secretary {Burwell.} You know, we haven't, and I think
845 it is important to reflect, historically, when one looks at
846 the history, and actually I have gone back to Teddy
847 Roosevelt, and the quotations from Teddy Roosevelt forward,
848 through both Republican and Democratic administrations, we
849 see--whether it was President Bush, President Nixon,
850 President--Republican and Democrat, President Clinton, the
851 conversation about how we make this next step forward, with
852 regard to reducing uninsured, is something that we struggled
853 with as a Nation.

854 And this is the first time, and someone reflected on the
855 anniversary of Medicare, and that 50 year anniversary, this
856 is the first time that we have seen that. And so the plan
857 that we have in place, the implementation of the Affordable
858 Care Act, has done that. But we have not seen any
859 alternatives.

860 Mr. {Pallone.} All right. Let me ask you about CHIP.
861 All the Democrats on the Committee recently introduced a bill

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862 to extend the CHIP program, and I want to emphasize again
863 that we have to act on this legislation immediately, when we
864 consider SGR, which expires at the end of March. While
865 funding may not expire until the end of September for CHIP,
866 in fact, 20 states will finish their legislative sessions by
867 the end of April, and more than half by June 1, so it is
868 clear that Congress needs to act swiftly to ensure states can
869 budget appropriately for CHIP, and the avoid any disruption
870 in children's coverage. So, given the bipartisan history of
871 this program, I see no reason why Congress can't act very
872 soon.

873 Can you comment on the impact on states if the CHIP
874 funding isn't extended soon?

875 Secretary {Burwell.} I would comment on that from two
876 different perspectives, one as former director of OMB, and
877 the issues of predictability of funding, and the issues of
878 management, and ability to manage. And so, for the states to
879 be able to do that, this is something that is important.
880 When we have had predictability in our own budget system, we
881 have seen the benefits of that economically throughout the
882 past years--2 years.

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883 And the other thing I would say is, having just spent a
884 lot of time with the governors this weekend when they were in
885 town, this is a very important issue to them. We have seen
886 that letter that 40 governors have signed with regard to
887 knowing that they have that predictability of a program that
888 is providing great benefits to the children in their states.

889 Mr. {Pallone.} Now, the Senate and House Republicans
890 have released a CHIP proposal this week, however, this
891 proposal would institute a 12-month waiting period,
892 needlessly forces low income children off of Medicaid and
893 onto CHIP, and reduces or completely discontinues coverage
894 for children above 250 percent of the Federal poverty level,
895 despite the choice of 28 states around our Nation to cover
896 those kids. Can you discuss the impact of policies like this
897 on some of our most vulnerable children?

898 Secretary {Burwell.} So we think that the CHIP program
899 is a program--bipartisan program, and a program that is
900 working a delivering results, in terms of that quality health
901 care for those children, and has worked. We believe, that is
902 in our budget, a 4-year extension of the program, is a very
903 important thing, and that we need to do that in a timely

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904 fashion to both make sure those children are covered, and
905 receive the care that they need, but also, in addition, to
906 have that predictability for states, especially those states
907 that are in their legislative process right now.

908 Mr. {Pallone.} And I know you mentioned the 4-year
909 extension. The budget includes a 4-year extension of the
910 CHIP program. Can you talk about why that full extension of
911 4 years is so critical for the kids that depend on this
912 health coverage? And maybe also mention, as part of the
913 extension, the budget includes a permanent extension of
914 express lane eligibility. If you would talk about the
915 success of express lane eligibility as an option for states?

916 Secretary {Burwell.} So the express lane eligibility,
917 and those issues, we--folks ask us to try and figure out ways
918 to simplify, to make things easier, and that is making things
919 easier in two ways. When we hear from folks, it is about
920 both the customer, in terms of when they came in, as well as
921 the states. And we believe this is a program that is been
922 successful in getting to that simplicity, and the simplicity
923 often can work to create either A, better quality, or B,
924 lower costs, and so we think that is important--4 years, we

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925 believe that is a good amount of time, and the right amount
926 of time for us to do this extension. There will be
927 interaction with the Affordable Care Act, we know that, and
928 we believe that the 4-year period is the right period for us
929 to understand and look at that.

930 Mr. {Pallone.} Thank you. Mr. Chairman, I would like
931 to submit for the record two CHIP articles. The first is an
932 op-ed published in the New York Times this month by former
933 Secretary Hilary Clinton, and former Senator Bill Frist,
934 discussing the long term bipartisan history of the program,
935 and the importance of a 4-year extension. And the second
936 article was published in the New York Times last month, shows
937 how health coverage for children pays for itself, and all the
938 research showing that when children have health coverage,
939 future earnings are boosted. If I could--

940 Mr. {Pitts.} Without objection--

941 Mr. {Pallone.} Thank you, Mr.--

942 Mr. {Pitts.} --ordered.

943 Mr. {Pallone.} --Chairman.

944 Mr. {Pitts.} Chairman yields--the gentleman yields
945 back. Chair now recognizes the Chair Emeritus of the full

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946 Committee, Mr. Barton, 5 minutes for questions.

947 Mr. {Barton.} Thank you, Mr. Chairman. Thank you,
948 Secretary, for being here. As I have talked to you before,
949 there are lots of problems that we have to deal with, you in
950 your position, and the Committee in our position. But there
951 are some opportunities for bipartisanship, and one of them is
952 a piece of legislation that we call the Ace Kids Act. The
953 original co-sponsors are Ms. Castor of Florida, I think Ms.
954 Eshoo of California, Mr. Green of Texas, myself, on the
955 Republican side, along with several other members of this
956 committee on the majority side.

957 You said in your opening statement that Medicaid is
958 going to be about \$345 billion this year, an increase, I
959 believe, of over 16 billion. Well, there is one piece of
960 legislation we could pass on a bipartisan basis that would
961 actually save money in Medicaid, and that is the Ace Kids
962 Act. It creates a home for families that have medically
963 complex children, based on an anchor hospital concept with
964 the major children's hospitals in America. I think there are
965 about 60 of them. So if a parent has a child that is
966 medically complex, and qualifies for the program, that child

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967 gets access to the network on kind of a one stop shop. All
968 the specialties, all the various procedures are provided, and
969 Medicaid is billed on time. We think there are about 12
970 million children that would qualify the--program, and we
971 believe that it will save billions of dollars over a 10 year
972 period.

973 It has been introduced in the Senate, the identical
974 bill, with three Republican co-sponsors, three Democrat co-
975 sponsors. So here is a rare piece of legislation that both
976 sides of the aisle support. The Republican leadership
977 supports it. Chairman Upton supports it. Chairman Pitts
978 supports it. Does your department have a position on the
979 bill, and if so, could you explain to the Committee what that
980 position is?

981 Secretary {Burwell.} So with regard to the specific
982 legislation, I don't think we, as an administration, have
983 issued--but what I would say is all of the concepts, we
984 agree, and we welcome the opportunity. The idea that we can
985 improve both quality and cost for these children, who are
986 very complex, and who are moving state to state, and the
987 current system doesn't afford us the opportunity, both with

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988 regard to making sure we don't have duplicative payments, we
989 obviously do not want that, fiscal responsibility, and we
990 want that ease that the parent can have the child at the
991 right place with the right care, even if it is across state
992 lines.

993 So I would just say we look forward to working with you,
994 welcome the opportunity, if there are questions and ways that
995 we can provide technical assistance and other things as part
996 of this, we welcome that opportunity, because we agree with
997 the fundamental of what we are trying to do here, and believe
998 this is something that could improve both cost and quality.

999 Mr. {Barton.} Well, I would encourage you and your
1000 department to take a look at the bill. It is not illegal or
1001 immoral for the Administration to issue a letter of support,
1002 and this is one that I think, with Chairman Upton and
1003 Chairman Pitts, and the Ranking Member in the full Committee
1004 and Subcommittee, and leadership on both sides of the aisle
1005 of the House said this bill could go. It could be a part of
1006 Chairman Upton's 21st Century effort, or it could be a
1007 standalone bill.

1008 I also, in the brief time I have, want to concur with

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1009 what Ranking Member Green said about community health
1010 centers. I hope we can work together in a bipartisan fashion
1011 to find an answer to keep those funded. I know there is a
1012 funding issue this year that we need to address, and
1013 reauthorize the program. I have a number of those health
1014 centers in my Congressional district, and they are very
1015 helpful, providing indigent care.

1016 And, finally, I wasn't going to ask this question, but I
1017 am a little bit puzzled. When Chairman Pitts asked you the
1018 question about this report that deals with planning in case--
1019 Secretary {Burwell.} Um-hum.

1020 Mr. {Barton.} --the health exchanges at the state level
1021 under the Affordable Care Act are found to not be legal the
1022 way they are currently funded, if there was a plan, and if
1023 you had seen the plan, I take you at your word that you
1024 haven't seen the plan, but don't you think it is prudent that
1025 there should be a plan? I mean, I hope I don't have a
1026 primary opponent, I hope I don't have a general election
1027 opponent, but I have a plan in case I do. I know you hope
1028 that the Court upholds your position, but shouldn't the
1029 Administration and your agency have a plan in case it fails?

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1030 Secretary {Burwell.} Congressman, what we state in the
1031 letter, and what we believe is, if the Court decides, which
1032 we don't believe they will, but if the Court decides on
1033 behalf of the Plaintiffs, if the Supreme Court of the United
1034 States says that the subsidies are not available to the
1035 people of Texas, we don't have an administrative action that
1036 we could take. So the question of having a plan, we don't
1037 have an administrative action that we believe can undo the
1038 damage.

1039 And that is why, when I was answering the Chairman, I
1040 think it is important to understand what the damage is,
1041 because then it comes to the question of--we don't believe we
1042 have any administrative--

1043 Mr. {Barton.} So, my time has expired, but if the Court
1044 strikes it down, the Administration is just going to hold up
1045 your hands and say, we surrender?

1046 Secretary {Burwell.} What we believe is--we believe the
1047 law as it stands is how it should be implemented.

1048 Mr. {Barton.} I understand.

1049 Secretary {Burwell.} And with regard to--when the
1050 Supreme Court speaks, if the Supreme Court speaks to this

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1051 issue, we do not believe that there is an administrative
1052 authority that we have in our--

1053 Mr. {Barton.} All right.

1054 Secretary {Burwell.} --to undo it. And so that is--

1055 Mr. {Barton.} That is--

1056 Secretary {Burwell.} --something we don't believe we
1057 have--

1058 Mr. {Barton.} That is puzzling--

1059 Secretary {Burwell.} --and--

1060 Mr. {Barton.} --but I accept that. Thank you, Mr.

1061 Chairman, for your courtesy, and the minority, for letting me
1062 have extra time.

1063 Mr. {Pitts.} Chair thanks the gentleman, and now
1064 recognize the gentleman from New York, Mr. Engel, 5 minutes
1065 for questions.

1066 Mr. {Engel.} Thank you very much, Mr. Chairman, and
1067 welcome, Secretary Burwell. Let me piggyback on a backup
1068 plan. You know, I was part of this Committee. I
1069 participated in months and months of deliberations for the
1070 Affordable Health care Act. We had weeks of markups, this
1071 Committee did, and not once was there mention of subsidies

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1072 not being available to individuals in states that did not set
1073 up their own exchanges. I have heard a lot of complaints on
1074 the other side of the aisle about the law, but never was this
1075 issue discussed until they lost at the Supreme Court in 2012.

1076 Some of my friend signed on to amicus briefs, and
1077 wasting credible time forcing votes on the full repeal of the
1078 law, yet they are upset that the Administration doesn't have
1079 a backup plan, should the Supreme Court ruling threaten the
1080 availability of subsidies for 8.6 million Americans. And I
1081 think it is somewhat ironic that my Republican friends are
1082 demanding that this Administration fix problems that they
1083 themselves created, and have shown zero interest in fixing.
1084 Should Republicans get what they want, and the Supreme Court
1085 rules in favor of King, I would urge my colleagues, if that
1086 should happen, to pass legislation to ensure that Americans
1087 have continued access to affordable coverage through the
1088 Federally facilitated exchange, just as Democrats intended.

1089 Next month the Affordable Care Act will have been the
1090 law of the land for 5 years. It is not a perfect law, and
1091 there are issues that need to be changed with it, but I would
1092 like to see those issues addressed. And let us both of us,

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1093 in a bipartisan way, turn our focus on improving the law, and
1094 enabling more quality coverage options for our constituents,
1095 instead of trying to kill it, repeal it, take it to court,
1096 and things like that. So I just wanted to say that I am sure
1097 that you agree with what I just said.

1098 Secretary {Burwell.} Yes. We look forward to moving
1099 forward, and we do want to make improvements as we can.

1100 Mr. {Engel.} Thank you. And I want to use my home
1101 state of New York as a great example of what is possible when
1102 the Federal Government has a willing and enthusiastic partner
1103 in the Affordable Health care implementation. As a result of
1104 our successful exchange and Medicaid expansion, more than 2.1
1105 million New Yorkers have quality health care coverage. Our
1106 state's uninsured rate has dropped to only 10 percent. And
1107 there is clear evidence we are reaching the right people too,
1108 since 88 percent of people who obtained coverage through the
1109 exchange reported being uninsured at the time they enrolled,
1110 so it is really working in New York. And the health
1111 insurance options available through New York State of Health
1112 are on average 50 percent cheaper than the comparable
1113 coverage available before the exchange was established.

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1114 So I want you to know, I am sure you know it, that the
1115 ACA is working, and working well in New York, and that is why
1116 I really think it is terrible that I have been forced to take
1117 more than 50 votes to repeal some or all of this law. We
1118 should fix what is wrong. But in my state, it has really
1119 been a tremendous success.

1120 Secretary {Burwell.} And, fortunately, I have had the
1121 opportunity to travel the country and see the individuals,
1122 those are the numbers, and the individuals, and whether it is
1123 Laura in Florida, 26 years old, married to someone who is a
1124 truck driver, who does not have coverage. She is training to
1125 be an X-ray tech, they have two children. They did not have
1126 insurance. She now has insurance with a premium of \$41 a
1127 month. Or a woman who had MS in the State of Texas, and for
1128 17 years she had not had health insurance. And so how people
1129 go about--she treated her MS through the emergency room, and
1130 she has four children, and she works. And so, when it would
1131 get bad enough, that is what she would do. And so the
1132 stories of what it means to people, in terms of their
1133 financial and health security, I think are--the numbers are
1134 important, but it is those stories which really make this

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1135 real.

1136 Mr. {Engel.} And, you know, Secretary Burwell, I
1137 understand that we have seen robust exchange enrollment
1138 nationwide, even in states where Republican governors refuse
1139 to set up a state exchange, or expand their Medicaid
1140 programs. Isn't this true?

1141 Secretary {Burwell.} So the numbers--and I spoke to
1142 this yesterday, when we would been able to look at the
1143 numbers, 53 percent of the enrollees in the marketplace this
1144 year, in the Federal marketplace, are new enrollments. And
1145 so I think that is indicating that--the demand for the
1146 product, and the need for the product.

1147 Mr. {Engel.} Thank you. I want to second Mr. Pallone's
1148 positive discussions about CHIP. I have always been a strong
1149 supporter, and, as of July 2014, an estimated 476,000
1150 children were enrolled in this affordable coverage option for
1151 their care in New York, and so I think that that is really,
1152 really important. I was pleased, therefore, to see with the
1153 budget proposal for fiscal year 2016 including funding--
1154 included funding for CHIP for the next 4 years, through
1155 fiscal year 2019. So can you elaborate on why you believe

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1156 increasing tobacco taxes is a viable means for funding this
1157 program while we sort out the transition issues associated
1158 with the Affordable Care Act?

1159 Secretary {Burwell.} We believe, you know, one of the
1160 things of trying to be fiscally responsible, and indicating
1161 how we are paying for things, we believe that this is a
1162 legitimate way to pay for things, especially in the context
1163 of we are providing health care, and something that will
1164 hopefully create a deterrent, and help health care, in terms
1165 of the issue of a tobacco tax. As one analyzes across the
1166 Department, and whether it is at CMS or CDC, the impact that
1167 tobacco has on health in our Nation, and the cost of health
1168 care in our Nation, is one that we think is a fair place to
1169 go to pay for this care for the children.

1170 Mr. {Engel.} I agree with you. And, finally, I want to
1171 talk about graduate medical education, because I was
1172 concerned that the Administration's proposal to cut enduring
1173 GME funding--one in six physicians in America obtains
1174 training in my home State of New York, and we have some of
1175 the finest academic medical centers in the country. So you
1176 require significant funding and time to develop the

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1177 infrastructure and expertise necessary to ensure quality care
1178 is available. So how do we ensure stability for these
1179 academic medical centers, and the patients they serve, if we
1180 put GME funding at risk?

1181 Secretary {Burwell.} We believe and hope that our
1182 proposal does not do that, and meets the objectives of making
1183 sure we are training appropriate positions for both primary
1184 care and specialties, where we don't have as many as we
1185 should, at the same time, making sure we target it. There is
1186 100 million for pediatric, and then a wider pool for
1187 competition. It is an issue that we want to meet the same
1188 objectives at the same time we do it in a fiscally
1189 responsible way.

1190 Mr. {Engel.} Thank you. Thank you, Mr. Chairman.

1191 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
1192 the Vice Chairman of the Subcommittee, Mr. Guthrie, 5 minutes
1193 for questions.

1194 Mr. {Guthrie.} Thank you, Madam Secretary for coming,
1195 and I really--and--look forward to working on 21st Century
1196 Cures, and all the things that we could work on over the next
1197 years as Vice Chair.

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1198 But first I would like to direct your attention to the
1199 cost share reduction program contained in the ACA,
1200 specifically Sections 1402 and 1412. Does any part of this
1201 budget request, or does any part of this budget that we are
1202 talking about today request any new authority, including any
1203 transfer authority to pay insurers under the cost share
1204 reduction program?

1205 Secretary {Burwell.} With regard to the program, which,
1206 as a program, as you know, is about making sure that the
1207 costs of health care to this individuals that are coming into
1208 the marketplace is something that they afford, that is what
1209 it is about, and we believe that we do have the authorities
1210 to do the cost sharing.

1211 Mr. {Guthrie.} Is there any new authority requested in
1212 this budget?

1213 Secretary {Burwell.} No new language.

1214 Mr. {Guthrie.} There is no new language? And so we do
1215 know it is up and running. I think we spent \$3 billion
1216 already on the cost share reduction program, that are then
1217 paid to insurers with taxpayer funds. The budget that is
1218 being submitted estimates 11.2 billion over 2015-2016, and

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1219 CBO says 175 billion over the next 10 years is what they have
1220 estimated. And could you cite where the appropriations
1221 authority is? You said you do believe you have the--can you
1222 cite where that is?

1223 Secretary {Burwell.} We do believe we do, and I am sure
1224 you know that right now this is an issue that is under
1225 litigation, and a court case that has been brought. And so,
1226 with regard to that, that is an issue that I will let our
1227 colleagues at the Justice Department speak to, because of the
1228 place it is in litigation.

1229 Mr. {Guthrie.} I understand that, but we are doing
1230 oversight here. I am not an attorney, so--you had--in--when
1231 you were at OMB in 2014, there actually was a request in the
1232 2014 budget for direct appropriation, and that didn't happen,
1233 for whatever reason, but we are spending money. So whether
1234 we spend a penny or 100--this is \$175 billion over 10 year
1235 program. I mean, we feel like we--this is an oversight
1236 hearing, on a--not a--and so we feel like it is our
1237 responsibility to make sure to our taxpayers that we have
1238 good answers on where this is coming from. So we are just
1239 asking for where the appropriation comes from--

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1240 Secretary {Burwell.} I understand--

1241 Mr. {Guthrie.} --authority.

1242 Secretary {Burwell.} --and I appreciate the question,
1243 and I am sorry that it is in litigation. I wish we weren't
1244 in a place where we are in litigation, but once something has
1245 entered into that place, it does create a difficult
1246 circumstance. I respect the issue of oversight, but because
1247 the litigation has been brought by the House--

1248 Mr. {Guthrie.} Yeah.

1249 Secretary {Burwell.} --on this issue, we are in a place
1250 where I think that is the appropriate place for this
1251 conversation.

1252 Mr. {Guthrie.} We are really--we are--I am just not
1253 aware of any pending litigation exception at oversight
1254 hearing questions, and--is there, like, a legal case, or
1255 authority, or did the Justice Department say you don't have
1256 to--

1257 Secretary {Burwell.} With regard to issues that are
1258 being litigated, generally those are matters that we refer,
1259 and let the Justice Department continue on.

1260 Mr. {Guthrie.} And--that we have never been able to get

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1261 an answer from the Administration for where the language--
1262 there--nobody has even been able to point to us where that
1263 appropriation language comes from. And it was--and you
1264 previously had requested appropriation.

1265 Let me ask you another question. You had recently--you
1266 said--you received--I think 18 employer groups sent you a
1267 letter, urging that small groups be maintained at 50
1268 employees. And they were citing an actuarial analysis that
1269 showed when they go to 50--to 51, they use--actuarial
1270 analysis said that it would--estimated that 2/3 of the
1271 members--so they would receive an increase, and--of 18
1272 percent. And I just don't believe that these small
1273 employers, 50 to 100 employees, can accept an 18 percent
1274 increase in their premiums. Also, the promise that if you
1275 like the plan, you can keep it, because if they have--if the
1276 50 to 100 have to go into the new plan, they will have to
1277 meet the new--the requirements of the health care law that--
1278 essential benefits, and the other things that have caused
1279 other people to lose their--the plans that they liked, that
1280 they could keep.

1281 And due to this impact, would you support allowing

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1282 states to keep their market at 50 or below, not go to the 51
1283 to 100?

1284 Secretary {Burwell.} This is an issue that we are
1285 looking at and examining because we have a number of comments
1286 on it. And what I would say is I would welcome the
1287 opportunity to see the piece of work that you are talking
1288 about and referring to so that we can see and understand
1289 that. I think what we want to do is understand the facts
1290 around this type of thing, so I would welcome the opportunity
1291 to see the study and piece of work that you are articulating.

1292 Mr. {Guthrie.} Okay. My understanding, it has been
1293 submitted, a letter from these 18 employers, but we will make
1294 sure that that is--

1295 Secretary {Burwell.} Okay.

1296 Mr. {Guthrie.} Well, thank you, Mr. Chairman. I yield
1297 back.

1298 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
1299 the gentlelady from Illinois, Ms. Schakowsky, 5 minutes for
1300 questions.

1301 Ms. {Schakowsky.} Thank you, Mr. Chairman, and thank
1302 you, Madam Secretary, for being here today. I wanted to ask

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1303 you if you are aware of any Republican legislative proposal
1304 that would keep insurance companies from denying coverage
1305 from people with pre-existing conditions, like cancer, or
1306 dropping someone from coverage because they got in an
1307 accident, or got sick?

1308 Secretary {Burwell.} I am not aware of a piece--

1309 Ms. {Schakowsky.} That is right.

1310 Secretary {Burwell.} --of legislation that would take
1311 care of that issue.

1312 Ms. {Schakowsky.} And are you aware of any Republican
1313 legislative proposal that would provide access to preventive
1314 services, like cancer screenings, yearly wellness exams, and
1315 do that at no additional out of pocket cost to consumers?

1316 Secretary {Burwell.} I am not aware of a piece of
1317 legislation that would do that in the--way that the ACA does.

1318 Ms. {Schakowsky.} Thank you. I wanted to talk a little
1319 bit about something that is a growing concern, and that is
1320 Alzheimer's disease, and the cost that it is in personal
1321 lives, and also in funding. So scores of public agencies,
1322 including many HHS agencies, as well as numerous private and
1323 non-profit organizations, are trying to address this

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1324 challenge of preventing Alzheimer's, serving those who have
1325 dementia today, finding a cure. Shouldn't the Federal
1326 Government be coordinating a plan on Alzheimer's?

1327 Secretary {Burwell.} In terms of the issue of
1328 coordination, there is a body, an advisory group, that
1329 includes both people from the Federal Government, as well as
1330 external folks, to be a part of putting together our thoughts
1331 and strategies, and it has informed the way that we are doing
1332 investments. There are members of the Federal Government
1333 across the government, as well as external bodies that are a
1334 part of that.

1335 With regard to the work at the Department, the work cuts
1336 across a number of different areas. NIH and research is
1337 generally what comes to mind for most people, but where the
1338 biggest dollars are spent is actually in CMS, and making sure
1339 that we are thinking through the issues in that space,
1340 because that is where the dollars--the other thing is the
1341 Administration for Community Living is where we work on and
1342 think about things like those that are caregivers, and those
1343 that are going through that process of dementia, and how they
1344 deal with it. So at the Department we work through all of

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1345 those. There is this overall advisory group that we have
1346 externally, and includes internal members.

1347 Ms. {Schakowsky.} So the population is aging rapidly,
1348 obviously, and Alzheimer's is taking a much bigger toll than
1349 ever on families, on health care systems, on people who have
1350 the disease, and the number of people living with dementia
1351 will continue to grow as baby boomers age. So you had
1352 mentioned the research that is going on, so what is HHS, NIH
1353 doing to find a cure?

1354 Secretary {Burwell.} So in this budget you see a 24
1355 percent increase to funding for Alzheimer's, which is much
1356 greater than the percentage increase even within the other
1357 NIH, so focusing deeply on doing that. It is also part of
1358 the BRAIN Initiative, as we think through their specific
1359 issues. But we are also making progress on something called
1360 t-al, which is a protein that is indicative of Alzheimer's.
1361 That is one of the pieces of research that is going on, and
1362 if we can make progress there--the other piece of research is
1363 seeing if there are ways that we can slow the progression by
1364 understanding how the neural channels move, and what is
1365 happening in the disease. Those are pieces of research that

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1366 we are starting, we believe that, with the funding we are
1367 asking for, that we can move that research--we can broaden
1368 it, and we can make it faster.

1369 Ms. {Schakowsky.} So dementia is a major focus of work
1370 in the United Kingdom and other developed countries. Are we
1371 keeping up with the rest of the world in research activities
1372 and investments?

1373 Secretary {Burwell.} You know, we believe that we are,
1374 with regard to that, and I have been in touch with my
1375 colleagues and the secretary--or the minister in the U.K.,
1376 and continue to have those conversations. So we make sure
1377 that we are leaning, and staying connected to our colleagues,
1378 especially that particular example, where I have been in
1379 touch with Mr. Hunt, and will continue--do that so that we
1380 make sure that we are learning everything we can from our
1381 colleagues. And in places where we can work together, see if
1382 we can leverage the efforts that are going on in each of our
1383 countries. And that is both across the research, the
1384 regulation, as well as the more social issues.

1385 Ms. {Schakowsky.} And who is on the Alzheimer's
1386 Advisory Committee? I am asking that because shouldn't there

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1387 be a person with Alzheimer's on the--as part of the group?

1388 Secretary {Burwell.} I want to get back to you
1389 directly, but it is my understanding that there is a person,
1390 that there is a slot, and that there--either there is or will
1391 be a person that does have that is part of the committee. I
1392 will want to get back to you on that, though, specifically.

1393 Ms. {Schakowsky.} Well, I want to thank you for the
1394 focus, and, as the coach here of the Seniors Task Force of
1395 the Democratic Caucus, I really want to work with you on
1396 that, because this is a problem affecting so many families
1397 and individuals. I appreciate it, and yield back.

1398 Secretary {Burwell.} Thank you.

1399 Mr. {Pitts.} Chair thanks the gentlelady. Now
1400 recognize the gentleman from Kentucky, Mr. Whitfield, 5
1401 minutes for questions.

1402 Mr. {Whitfield.} Thank you. Well, Secretary Burwell, I
1403 also want to thank you for being with us today, and I want to
1404 just follow up on my colleague Brett Guthrie's question. We
1405 are concerned about this cost reduction program because--cost
1406 sharing program because it is 170 some billion dollars over a
1407 number of years, and we understand that that is one of the

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1408 issues involved in the lawsuit. But all we are asking you
1409 is, since you all are dispersing the money, what is your
1410 opinion as to where the appropriation is designated that you
1411 are working from?

1412 Secretary {Burwell.} This is an issue--as I said, I
1413 understand the question. We believe we have the authorities.
1414 With regard to the specifics of that, because we are in
1415 litigation--

1416 Mr. {Whitfield.} But you can't tell us where the money
1417 is coming from?

1418 Secretary {Burwell.} With regard to having that
1419 conversation, that is--that is what the--

1420 Mr. {Whitfield.} Were you instructed by DOJ not to
1421 answer that question?

1422 Secretary {Burwell.} With regard to that specific
1423 issue, that is at the root of the litigation.

1424 Mr. {Whitfield.} Were you instructed by DOJ not to
1425 answer the question?

1426 Secretary {Burwell.} With regard to--when there are
1427 issues of litigation like this, I--this is--our standard--

1428 Mr. {Whitfield.} Well, you know, yesterday we had Gina

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1429 McCarthy here, and we were talking about 111(d), which is
1430 before the Supreme Court right now, and she gave us her
1431 theory of why she thought she was right. We are not saying
1432 that we are right or you are right, we are simply asking what
1433 is your theory? What are you--where does the money come
1434 from, in your view?

1435 Secretary {Burwell.} That is something, as I said--why
1436 don't I work to get back to you on where we feel comfortable--
1437 -

1438 Mr. {Whitfield.} Okay.

1439 Secretary {Burwell.} --with regard to where the
1440 litigation is, and I would like to come back on that.

1441 Mr. {Whitfield.} Well, I must say, I have been
1442 impressed with your facility to use numbers. You were--you
1443 are really tuned into the budget, responding to Mr. Pitts,
1444 responding to Mr. Green about the community health centers.
1445 I was a Rotary Club meeting recently--

1446 Secretary {Burwell.} Um-hum.

1447 Mr. {Whitfield.} --and I was asked the question--they
1448 said, Congressman, can you tell us what dollar amount has
1449 been incurred by the Federal Government as a result of state

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1450 expansion of Medicaid programs pursuant to the Affordable
1451 Care Act? Because we picked up a larger percentage of the
1452 normal cost.

1453 Secretary {Burwell.} Um-hum.

1454 Mr. {Whitfield.} And I would ask you that question. I
1455 didn't know the answer, but could you tell me what is the
1456 total dollar amount incurred by the Federal Government by the
1457 expansion of the state Medicaid programs as a result of the
1458 Affordable Care Act?

1459 Secretary {Burwell.} That--in terms of the Federal
1460 dollars versus the state dollars?

1461 Mr. {Whitfield.} Yeah, just the additional dollar--

1462 Secretary {Burwell.} Yeah, I--

1463 Mr. {Whitfield.} --amount incurred by us.

1464 Secretary {Burwell.} Let me go back and look, because
1465 the question of being able to disaggregate whether a person
1466 came in because of expansion, or were under the old rules, I
1467 think--I would want to make sure that we could--

1468 Mr. {Whitfield.} But you don't have a dollar amount for
1469 that?

1470 Secretary {Burwell.} Not--I don't know. I will check

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1471 with the Department if we do. The one thing that I think we-

1472 -

1473 Mr. {Whitfield.} You would think that you all would
1474 definitely know that, because that, you know, just--we can
1475 all talk about the advantages and disadvantages of this
1476 program, but there is a big additional cost to the Federal
1477 Government, and we are simply asking--I am asking what is
1478 that total dollar amount incurred?

1479 Secretary {Burwell.} I think the question that I am not
1480 sure is how one breaks out the actual number from expansion.
1481 Because when people come through--

1482 Mr. {Whitfield.} Well, let me ask you this question--

1483 Secretary {Burwell.} --that is where--

1484 Mr. {Whitfield.} --at what year does--the states were
1485 encouraged to expand Medicaid, which is fine, because the
1486 Federal Government is picking up more of that dollar amount.

1487 Secretary {Burwell.} Um-hum.

1488 Mr. {Whitfield.} But at some point in the future the
1489 Federal Government is not going to be picking up those
1490 additional costs. What year is that?

1491 Secretary {Burwell.} What year that is is--we never go

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1492 below--the Federal Government never goes below a 90 percent
1493 of the payment of the additional, so--and that is--

1494 Mr. {Whitfield.} Until when?

1495 Secretary {Burwell.} --2020 is--

1496 Mr. {Whitfield.} 2020?

1497 Secretary {Burwell.} And so 2016 is the year through
1498 which there is 100 percent.

1499 Mr. {Whitfield.} Okay.

1500 Secretary {Burwell.} And in your own state--

1501 Mr. {Whitfield.} Well, do you have any projected cost
1502 over that period of time for the Federal--

1503 Secretary {Burwell.} We do have those incorporated in
1504 our budget. But one of the things, in terms of these cost
1505 issues, that I think are important in the State of Kentucky--

1506 Mr. {Whitfield.} Okay. Well, that is okay. Listen,
1507 you can't answer the question, but I appreciate it anyway.
1508 Let me ask you this. I am--I noticed that you all made \$2.5
1509 billion in loans in the co-ops, and Kentucky has a good co-op
1510 program as well. We sent a letter last year, and we were
1511 concerned about the solvency of some of these co-ops. And
1512 the Federal Government, as I said, has loaned \$2.5 billion.

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1513 We now see that in Iowa and Nebraska, those co-ops are in
1514 bankruptcy. Have you all done any analysis to project--are
1515 there other states that there is a chance that these co-ops
1516 will go into bankruptcy? Are you looking at that?

1517 Secretary {Burwell.} We are looking at the co-ops. The
1518 one thing I think is very important to note is the cuts, the
1519 deep cuts in the funding for co-ops. When the program was
1520 originally designed, and the passage of the Affordable Care
1521 Act occurred, the amount of money for the co-ops to do the
1522 loans, and the loans that states like Iowa felt would have
1523 made a difference, at the end, because those monies were cut,
1524 they were cut as part of sequestration. They were cut in
1525 '12, they were cut in '11, they were cut in '13.

1526 Mr. {Whitfield.} So are you saying the bankruptcy
1527 occurred because of sequestration?

1528 Secretary {Burwell.} What I am saying is that, had we
1529 had more funding in order to provide the additional loans to
1530 the co-ops, it could have made a difference. With regard to
1531 the fundamental of your question, which was are we looking at
1532 the co-ops? And there are two things that we want to do,
1533 understand whether they are stable, and then the second is

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1534 where we can provide technical assistance.

1535 Mr. {Whitfield.} Well, those questions that you
1536 couldn't answer, or were not familiar with, I do hope that
1537 you will get back with us with those answers soon.

1538 Secretary {Burwell.} Be happy--

1539 Mr. {Whitfield.} Within 7 days, if possible. Thank
1540 you.

1541 Secretary {Burwell.} I will--

1542 Mr. {Whitfield.} Thank you.

1543 Secretary {Burwell.} --want to make sure that--we will
1544 get back as quickly as--

1545 Mr. {Whitfield.} Because I have got to be back at that
1546 Rotary Club next week.

1547 Secretary {Burwell.} As a neighboring state, I
1548 appreciate that.

1549 Mr. {Pitts.} Gentleman yields back. Chair recognizes
1550 gentlelady from Florida, Ms. Castor, 5 minutes.

1551 Ms. {Castor.} Thank you, Mr. Chairman. Madam
1552 Secretary, thank you again for--on behalf of the 1.6 million
1553 Floridians that were able to buy affordable health insurance
1554 in our exchange. I will give you due credit, and everyone at

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1555 HHS, but I think the real credit goes to our terrific
1556 navigators that were on the ground, hospitals across the
1557 State of Florida, community health centers, and family
1558 members that probably put in a good word for their sons and
1559 daughters, or aunts and uncles, to sign up. You probably
1560 want to give them a pat on the back yourself this morning. I
1561 encourage you to do that.

1562 Secretary {Burwell.} I do. I want to express
1563 appreciation. I have seen the local stakeholders, and met
1564 with them across this country, and it was the communities
1565 coming together, it was individuals, it was people in the
1566 community health centers, as was mentioned, it was the
1567 businesspeople, it was everyone. When I would visit, the
1568 hospitals would be there, everyone would be around the table
1569 working on this issue together, and it was that kind of work-
1570 -and then the individuals that I visited--

1571 Ms. {Castor.} Okay.

1572 Secretary {Burwell.} --on Second Sunday in Texas--
1573 actually was given the opportunity to speak at one of the
1574 churches. And it was all of that coming together to give
1575 this information to people so that they could make choices,

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1576 and have that financial and health security.

1577 Ms. {Castor.} So, in Florida, we have a very
1578 competitive marketplace as well. Consumers could choose from
1579 14 different issuers in the marketplace this year. That was
1580 up from last year, where we had 11. And Florida consumers
1581 could choose from an average of 42 health plans in their
1582 county for 2015 coverage.

1583 So with 1.6 million now enrolled, it really demonstrates
1584 the high stakes involved with the Supreme Court case that the
1585 Court will hear next week. I cannot imagine that the Court
1586 would rule to take that away from over a million and a half
1587 Floridians, and then millions more all across the country.
1588 And just like Representative Engel said, I was here during
1589 the hearings in advance of the Affordable Care Act, the
1590 adoption, during the markup, during the amendment process,
1591 during negotiations with the United States Senate. Never in
1592 those discussions was there any dichotomy between a state
1593 exchange, and a Federal exchange, and the availability of tax
1594 credits. Have you seen any evidence to the contrary, in your
1595 review of the record, and the case that is before the Supreme
1596 Court?

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1597 Secretary {Burwell.} With regard--I would let the
1598 Justice Department, who has reviewed everything--but the
1599 thing that I agree with is we don't think that that was--we
1600 just don't believe that that is what the law says, or what
1601 was intended by the law either.

1602 Ms. {Castor.} Yeah, and I can say straightforwardly, as
1603 a member of this committee, what the legislative intent was,
1604 and it was for those tax credits to be available to every
1605 American, no matter if they are in the state marketplace or a
1606 Federal marketplace. But I would say if the Court rules
1607 otherwise, they are going to create chaos, and they are going
1608 to strike right at the heart of the economic security of so
1609 many of my neighbors in Florida, and many Americans. So I
1610 know that they will study the legislative intent, and I hope
1611 I--they rule the right way, and we don't have the address
1612 that chaotic situation.

1613 But I think, with the Affordable Care Act, the real
1614 untold story is what has happened to people who have
1615 insurance, because I can cheer on the million and a half
1616 Floridians that now have it, but most of my neighbors already
1617 had insurance, private insurance or Medicare, and I noticed

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1618 some more good news that was announced this week for my
1619 neighbors that rely on Medicare. Just in Florida alone,
1620 Floridians have saved almost a billion dollars since 2010
1621 because of the ACA's donut hole discount. Almost 350,000
1622 beneficiaries saw savings in 2014, to the tune of about \$300
1623 million last year. The average discount per beneficiary was
1624 \$884.

1625 Then, for private insurance--how come we haven't been
1626 able to get the word out on how much better an insurance
1627 policy is that a consumer can't be kicked off if they get
1628 sick? In Florida alone, over 200,000 young adults can stay
1629 on their parents' plan. Floridians have received millions of
1630 dollars in rebates because the law says, you have new rights
1631 and protections, and insurance companies cannot spend that
1632 money on profits. It has to go to--it can't spend the
1633 profits on salaries and excessive profits. It has to go to
1634 health care. How come--what else can the administration do
1635 to tell this good news story?

1636 Secretary {Burwell.} I think we can do a better job of
1637 making sure people do know. And another area is the issue of
1638 preventative care, and the importance of the fact that your

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1639 childhood visits and those things are no longer--require co-
1640 pays or cost sharing, in terms of when you go in for that, or
1641 measles, an important thing, I think, right now, and a timely
1642 thing. And so I think we need to do a better job of making
1643 sure people know about those improvements to quality.

1644 Ms. {Castor.} Thank you. I yield back.

1645 Mr. {Pitts.} Chair thanks the gentlelady. Now
1646 recognize the gentleman from Illinois, Mr. Shimkus, 5 minutes
1647 for questions.

1648 Mr. {Shimkus.} Thank you. Secretary Burwell, thank
1649 you. I talked to your staff prior. I appreciate your
1650 outreach, trying to call. It was a crazy day, and I talked
1651 to them before you--

1652 Secretary {Burwell.} Thank you.

1653 Mr. {Shimkus.} --came to the table. And I do have
1654 great respect for that. But I also want to make sure that,
1655 you know, this happy clap talk about how great health care
1656 is, and the Affordable Care Act, is moderated by real
1657 concerns out there.

1658 Remember, the bill that passed, signed into law, we had
1659 nothing to do with on the House side. It was a Senate health

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1660 bill that came over to us that we passed, all right? So that
1661 is the health care law that we have today, and on--the
1662 language of the law is pretty clear, and I am concerned also
1663 that the Supreme Court will rule that the Federal exchanges
1664 and states are not authorized to receive subsidies, and we
1665 just need--we need to be prepared for that here, and I would
1666 hope the Administration would be too.

1667 I promised two ladies from my Congressional district
1668 that I would mention their names. Angie Esker from
1669 Teutopolis, who is pro-life, a strong family, and she cannot
1670 buy a policy that does not have abortion coverage. And for
1671 millions of Americans, this is a really important issue, and
1672 she--this is an emotional--just like on the other side, you
1673 know how this debate is.

1674 Secretary {Burwell.} Um-hum.

1675 Mr. {Shimkus.} And I think part of the agreement from
1676 some of my pro-life Democrats was to ensure that that option
1677 would be available--

1678 Secretary {Burwell.} Um-hum.

1679 Mr. {Shimkus.} --and it is just not for her. The other
1680 one is Debbie McKinney-Huff from a town called Highland. She

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1681 is a Democrat. Her premiums went up astronomically last
1682 year. This year they have gone up another \$2,000, with a
1683 \$10,000 deductible, and she can't afford it. So for all the
1684 happy dances, there are challenges out there that--we don't
1685 do our constituents service if we don't understand that there
1686 are problems that have to be resolved. There are some budget
1687 requests that I want to talk about, so I am going to move
1688 forward, but I just put that in the record.

1689 I am a big supporter of Medicare Advantage. You know, I
1690 was here when we passed it. Seniors didn't have any
1691 prescription drug coverage. It has been very successful, it
1692 is very popular. The budget request makes a reduction again
1693 in that, where the enrollment is going up, favorable are
1694 high, and 670,000 people weren't able to access Medicaid
1695 Advantage. And if you are from rural parts of this country,
1696 that option is very limited, if not--or it doesn't exist. So
1697 I would ask that we look at that, so that seniors who want to
1698 have this option can choose that. And our concern is your
1699 budget hurts the ability for that to happen.

1700 Secretary {Burwell.} So with regard to the first issue,
1701 in terms of your two constituents, want to make sure we

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1702 understand that. On the issue of the question of abortion,
1703 and that--

1704 Mr. {Shimkus.} Well, let us just answer this question,
1705 because I have got to keep more on budget--

1706 Secretary {Burwell.} --Medicare Advantage issue.

1707 Mr. {Shimkus.} Thank you.

1708 Secretary {Burwell.} With regard to that, we want to
1709 make sure--the program during the period of changes that we
1710 have had, we have seen a large increase in the number of
1711 people in Medicare Advantage plans. I want to understand
1712 your 670, because 99 percent of beneficiaries have access to
1713 MA plans, and there may be something, and so I would like to
1714 understand that 670 better.

1715 The third thing is that we know that those number of
1716 plans quality that have gone from four stars, you know, gone
1717 to the higher ratings, we have offered 67 percent in the two
1718 highest rating categories, 17 percent to 67 percent, so we
1719 are improving quality. More people are coming in the system,
1720 and there is premium control, so I want to understand the
1721 670. We want to make sure, and are listening. We alter our
1722 plans as we hear concerns. That is why I want to understand

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1723 that 670, because we believe that we can continue making
1724 these changes. It comes back to some of the points the
1725 Chairman raised with regard to deficits, and making sure
1726 that--

1727 Mr. {Shimkus.} Okay.

1728 Secretary {Burwell.} --we are being responsible.

1729 MedPAC and the GAO have recommended that there is up-coding,
1730 and we need to work on it.

1731 Mr. {Shimkus.} Okay. Thank you. Are you aware of any
1732 efforts by FDA to accelerate the next round of user fee
1733 negotiations? And our concern is, if they are, and they are
1734 not doing due diligence about the fees and the return on
1735 investment, we would hope that they would not accelerate it
1736 until due diligence is done.

1737 And the last thing I wanted to address was the Biologics
1738 Price Competition and Innovation Act. Stakeholders have to
1739 be involved in that. That is really part of the 21st Century
1740 Cures debate, not just having bureaucrats or panels, but
1741 bringing patients, bringing physicians, bringing in alike--
1742 and our concern is that is not happening on this--on the
1743 Biologics Price Competition and Innovation Act, and those

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1744 concerns.

1745 So if you would take that for suggestions, and if you
1746 want to come back and follow up on a lot of these issues, we
1747 would be happy to talk with you again. I do appreciate you
1748 reaching out personally, and I look forward to working with
1749 you.

1750 Secretary {Burwell.} I do appreciate this issue of
1751 stakeholder input. We think it is important to making sure
1752 we get this right.

1753 Mr. {Shimkus.} Thank you very much.

1754 Mr. {Pitts.} Chair thanks the gentleman. Chair now
1755 recognizes gentlelady from California, Ms. Matsui, for 5
1756 minutes for questions.

1757 Ms. {Matsui.} Thank you, Mr. Chairman. Secretary
1758 Burwell, thank you for being here. I want to talk about
1759 mental health. When we think about health, we need to
1760 consider the whole person. Mental health has historically
1761 taken a back seat to physical health, but the head is
1762 connected to the body, and one affects the other.

1763 I have been working for years with my colleagues on both
1764 sides of the aisle, and both sides of the Capitol, to make

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1765 changes to fix our broken mental health system. And as you
1766 know, a demonstration project based on the Excellence in
1767 Mental Health Act, that I co-authored with my colleague here,
1768 Congressman Lance, into law last year, and I look forward to
1769 working with you as--and the Administrator to make sure this
1770 is implemented properly, and in a way that states can
1771 demonstrate success.

1772 I also look forward to working with you to make further
1773 changes and improve our mental health system. I was pleased
1774 to see that the budget will eliminate Medicare's 190 day
1775 mental health services more in line--and keep that more in
1776 line with physical, for which no limit exists. Can you
1777 briefly talk about that policy, and how it would benefit
1778 seniors and people with disabilities who need psychiatric
1779 services?

1780 Secretary {Burwell.} The--our overall approach in the
1781 mental health space, and it is one that we consider a
1782 priority, is to try and get, in terms of both care and
1783 payment, to parity with how we think about other health
1784 issues. And there are steps that we are taking throughout
1785 the budget, and whether it is the implementation of the piece

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1786 of legislation that you referred to, and the issue that your
1787 colleague just raised about stakeholder engagement, and
1788 making sure we are getting that input as we implement. So we
1789 are implementing, and thinking about the policies to promote
1790 behavioral and mental health through our payment system, and
1791 making sure that there is parity. That seems to be something
1792 that is been important.

1793 We are trying to focus on access, because many people--
1794 the question of access to the right types of providers, in
1795 terms of behavioral health, that is something you see in some
1796 of our now is the time budgeting work, in terms of making
1797 sure that SAMSA and others are ensuring that we have
1798 providers. And then there is access, and that is an issue
1799 for all people of all ages, but especially young people
1800 getting the access that they need.

1801 So as we think about all the pieces working together,
1802 about the funding, about the access, and then that there are
1803 providers that can provide.

1804 Ms. {Matsui.} I appreciate that, and as we move
1805 forward, there is a continuum of mental health issues that we
1806 need to address. And it is a complicated issue, and we would

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1807 certainly like to work with you as we move forward on that.

1808 And now I would also like to talk about seniors, because
1809 that is a special interest area of mine too. And, as we
1810 consider changes to the Medicare program, our first priority
1811 should always be seniors, especially knowing that seniors
1812 spend about 14 percent of their household income on health
1813 care costs, compared to five percent--households who do not
1814 have a Medicare beneficiary. And we need to find ways to
1815 save money in the Medicare program, and we have been, but not
1816 by cutting benefits, but by re-aligning incentives to improve
1817 outcomes in patient care. If a senior gets the right care at
1818 the right time, it is not only better for the senior, but
1819 also saves the system a lot of money.

1820 Now, I appreciate some of the provisions in the budget,
1821 and I would like to discuss these further with you. The
1822 budget seeks to save money by restoring drug rebates for the
1823 dual-eligible population on Medicare. Secretary Burwell, can
1824 you please elaborate on that?

1825 Secretary {Burwell.} In terms of the dual-eligible--

1826 Ms. {Matsui.} Yes, right. The drug rebates for dual-
1827 eligible population.

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1828 Secretary {Burwell.} One of the things that--the dual-
1829 eligible population has two elements to it. Is both a very
1830 complicated population--

1831 Ms. {Matsui.} Um-hum.

1832 Secretary {Burwell.} --because they are people who have
1833 a number of different conditions that are being treated in
1834 different ways. It is also a very expensive population. And
1835 as we work to improve both the quality and affordability of
1836 the care, that is what we are trying to do, as we look at
1837 these proposals. And it is all a part of the broader issue
1838 of delivery system reform, which you touched on a little bit,
1839 and we have set out clear goals.

1840 For the first time ever we have said that in the area of
1841 Medicare, that by 2016 we have set a goal that 30 percent of
1842 all payments will be in different payment systems, where we
1843 are not paying for volume, but paying for value. And as a
1844 part of--we move forward to this change system, we want to do
1845 that. That is about price, but it is also about quality, and
1846 this is a proposal that we are trying to move forward on
1847 both.

1848 Ms. {Matsui.} And I know that this is going to be

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1849 difficult because there are areas where you have to look at
1850 the budget, but as we look at this, we have to also look at
1851 the seniors. And that is really why, when we look at this--I
1852 know you seek to increase the skin in the game for Medicare
1853 beneficiaries, however, I would argue that seniors already
1854 have a lot skin in the game, and Medicare, and the additional
1855 cost sharing, will not bring down costs in the program.

1856 And as you know, as they have increased costs, you look
1857 at--most of them are supported by Social Security, and then
1858 that--what they do is shift over the costs to pay for their
1859 health care from Social Security. So I think it is something
1860 we really have to look at more holistically. So thank you
1861 very much for everything that you are doing.

1862 Secretary {Burwell.} Thank you.

1863 Ms. {Matsui.} Yield back.

1864 Mr. {Pitts.} Chair thanks the gentlelady, now
1865 recognizes the gentleman from Pennsylvania, Dr. Murphy, 5
1866 minutes for questions.

1867 Mr. {Murphy.} Welcome here, Madam Secretary. We
1868 appreciate you being here. I also want to associate myself
1869 with the comments of my friend, Ms. Matsui of California,

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1870 about mental health, and look forward to working with you on
1871 those things.

1872 In a related area, we have had a number of hearings here
1873 regarding mental health, and among them has been the
1874 Substance Abuse and Mental Health Service Administration. We
1875 have asked them repeatedly for information over almost a year
1876 for getting some records. Chairman Upton and I have asked
1877 for these things. We have not gotten those documents, and we
1878 are concerned about their delays. I wonder if you could help
1879 us get some assurance that we will get those documents from
1880 SAMSA?

1881 Secretary {Burwell.} As you and I had the opportunity
1882 to discuss, this is something that we are working on, and I
1883 am hopeful that very soon you will have some of those
1884 documents, and we will continue to work with you on it.

1885 Mr. {Murphy.} Thank you. I appreciate your teamwork on
1886 this. On another question, when we passed the SGR patch, I
1887 think it was last year, there was also a demo project, which
1888 is what Ms. Matsui was also referring to, for certified
1889 community behavioral health clinics to improve access.

1890 Secretary {Burwell.} Um-hum.

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1891 Mr. {Murphy.} Now, as part of this, we also attached
1892 something for AOT, assisted outpatient treatment, for
1893 counties and communities to also have access to some grants
1894 to facilitate that, as long as they also were--so those
1895 community behavioral health clinics would get those--to also
1896 help for those who are cycling through with histories of
1897 violence, prison, homelessness, et cetera. Those--that small
1898 one percent of one percent that are persistent chronically
1899 mentally ill going through the system.

1900 One of the things I want to make sure and find out from
1901 you is--the way this was designed is to make sure that only
1902 those counties who really have AOT would be eligible for
1903 those grant programs, if they are going to attach those to
1904 those community health centers. Is that something you are
1905 aware of, and can you work with us to make sure that those
1906 grant programs are available in that sense?

1907 Secretary {Burwell.} We do want to work with you on
1908 that, and yes, we are working on that, and would like to work
1909 with you to make sure that we do have those standards in--

1910 Mr. {Murphy.} Thank you. Another one has to do with a
1911 program that was discussed by SAMSA which is called iCare,

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1912 which is to help with those going into emergency rooms--

1913 Secretary {Burwell.} Um-hum.

1914 Mr. {Murphy.} --to deal with those in crisis. One of
1915 the concerns I have, and certainly we have seen headlines,
1916 some tragic, sad cases, such as that with the Virginia
1917 Senator, Creigh Deeds, his son Gus. The problem is that
1918 there are thousands this occurs in this country every year,
1919 where there just simply aren't enough psychiatric hospital
1920 beds, and so people languish in emergency rooms, often in a
1921 five point tie-down, and given chemical sedatives until a
1922 room opens up. It could be hours, or days, or weeks, in some
1923 cases. We wouldn't have this problem if we had more psych
1924 beds.

1925 And so I am hoping that, since the demand for
1926 psychiatric beds exceeds the current supply of inpatient
1927 psychiatric beds, that is something else you can work with us
1928 in legislation to say, we ought to have a place for those in
1929 crisis to get stabilized, not go to jail, not sit in a jail
1930 cell and languish there, but--or sit in an emergency room,
1931 but work with us on that. Would you be willing to work with
1932 us on that too?

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1933 Secretary {Burwell.} Yes, looking--

1934 Mr. {Murphy.} Thank you.

1935 Secretary {Burwell.} --forward to that.

1936 Mr. {Murphy.} And another issue, then, related to the
1937 assisted outpatient treatment grant program as a stand-alone
1938 thing, I want to show you--I think I have a poster here of--I
1939 just want to show you some of the outcome measures. This
1940 comes out of a Duke University study.

1941 Secretary {Burwell.} Um-hum.

1942 Mr. {Murphy.} And when you have assisted outpatient
1943 treatment, so working with someone from the court, or Judge,
1944 working with a person, saying, you need to stay in treatment
1945 for a number of months, outpatient treatment, not inpatient,
1946 take your medication, see this person to report back, like
1947 with the mental health court or something, they saw an 87
1948 percent reduction in incarcerations, an 83 percent reduction
1949 in arrests, 77 percent reduction in psychiatric inpatient
1950 hospitalizations, and a 33 percent reduction in ER
1951 hospitalizations. So I just want to show you that too. And,
1952 by the way, the costs are cut in half for these folks too.

1953 But there is one that--in working with the issues of CBO

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1954 scoring, et cetera, we are really going to have to, I think,
1955 team up together on this, and say there ought to be some
1956 options for people to be in outpatient care. And this is
1957 psychiatry, psychology, peer support, social workers, people
1958 helping with job training, housing, all those things
1959 together, but there has to be this coordination of programs.
1960 You will work with us on this too?

1961 Secretary {Burwell.} Well--and I think it is part of
1962 the broader issue of delivery system reform, and how we
1963 deliver quality. You are focused in a very important area,
1964 in mental health. When we look at diabetes, in the clinics
1965 that I have visited across the country, when we get these
1966 adherence numbers up, and people participating, and that
1967 usually has to do with coordinated care, and the type of
1968 interaction and communication you are talking about, we get
1969 adherence, we get less of the disease or problem, and we get
1970 lower costs because the things that happen when we have the
1971 bad things that go wrong when people aren't adhering.

1972 Mr. {Murphy.} Yes, it is going to require that
1973 different view of some things. And I think you may be
1974 familiar with the hearing we had in the Oversight Committee

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1975 two weeks ago, where a GAO report said--identified--I was
1976 amazed by this, 112 Federal agencies and programs, scattered
1977 across eight departments, that deal with mental illness.
1978 They said the interagency coordination program supporting
1979 individuals with serious mental illness is lacking. It was,
1980 to me, a really dizzying and sad description of the process
1981 here. I hope you will also work with us in--as we work to
1982 coordinate those programs. And can I have that assurance
1983 from you as well?

1984 Secretary {Burwell.} We will, and we do coordinate. We
1985 coordinate them across the overarching issue, and then within
1986 their areas, like veterans' homelessness, and the issues that
1987 relate. And so I want to have the conversation about how we
1988 think about we--where we can strengthen those things.

1989 Mr. {Murphy.} Thank you. Let us continue work with
1990 that. Thank you, Mr. Chairman. I yield back.

1991 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
1992 the gentleman from Oregon, Mr. Schrader, 5 minutes for
1993 questions.

1994 Mr. {Schrader.} Thank you, Mr. Chairman. Thank you for
1995 being here, Madam Secretary.

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1996 Secretary {Burwell.} Thank you.

1997 Mr. {Schrader.} Last year health care spending grew at
1998 the slowest rate on record since 1960. Health care price
1999 inflation is at its lowest rate in 50 years, and the ACA's
2000 gotten a lot of attribution by CBO for making a big
2001 difference in that result. Have you seen Republican
2002 legislative language that would give us that same result?

2003 Secretary {Burwell.} We haven't seen a proposal that
2004 would continue us on our path with regard to some of the
2005 changes we have put in place.

2006 Mr. {Schrader.} Seniors have also benefitted
2007 dramatically from the ACA. Prescription drug costs are a big
2008 issue for them.

2009 Secretary {Burwell.} Um-hum.

2010 Mr. {Schrader.} Eight million--over eight million
2011 seniors have actually benefitted from, and saved, over \$11
2012 billion, as I understand it, on prescription drugs since the
2013 enactment of the ACA. Is there a Republican proposal out
2014 there that does a similar thing?

2015 Secretary {Burwell.} We haven't seen a proposal about--
2016 that would take care of this issue, the donut hole. And,

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2017 actually, on Tuesday we actually were able to update our
2018 numbers in that space, and it is now \$15 billion in terms of
2019 the savings. And on average in the country, that is about
2020 \$1,600 per--

2021 Mr. {Schrader.} I find that ironic, that my colleagues
2022 on the other side of the aisle keep asking for a contingency
2023 plan from the Administration on this bogus lawsuit, and yet,
2024 you know, as a firm believer in Article I, legislative
2025 supremacy, with all due respect, Madam Secretary, I think it
2026 is our responsibility, and the majority party controls both
2027 chambers, where the heck is their contingency plan? That is
2028 a rhetorical question, Madam Secretary.

2029 One of the things that is been really good, I think, in
2030 my state is the expansion of the Affordable Care Act into the
2031 Medicaid population and into the private sector. We have had
2032 some unqualified success. Emergency room visits are down,
2033 like, 21 percent. We have actually gotten hospital
2034 admissions, complications from diabetes alone down nine
2035 percent, not to mention other diseases. COPD, Chronic
2036 Obstructive Pulmonary Disease, hospital stays down almost 50
2037 percent. Are you getting any of the same--those same type of

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2038 results from other states? What--could you--

2039 Secretary {Burwell.} So we are, and recently, actually,
2040 in the last 2 weeks, out of the State of Kentucky, we have
2041 seen a piece of analysis done by the University of Louisville
2042 in Deloitte, and that piece of legislation--that piece of
2043 analysis showed they did it at the beginning of the
2044 expansion, and then they did the analysis now. And what the
2045 analysis showed is that the expansion will contribute to
2046 40,000 jobs in the State of Kentucky, and will contribute to
2047 their GDP by \$30 billion. And that is the period to 2021, so
2048 that is over a period of time. But we are starting to see
2049 both the economic and job impacts, as well as some of the
2050 health impacts that you were describing.

2051 Mr. {Schrader.} Well, contrary to popular demagoguery
2052 on right-wing radio and TV, this is a marketplace system we
2053 set up. Federal Government is the facilitator in that. The
2054 state--hopefully those--some of the state exchanges are a
2055 facilitator. Like everyone, I think, here, we all believe in
2056 the power of marketplace competition. My own state, for
2057 instance, over the last year, instead of seeing the double
2058 digit increases in insurance premiums on average, ours

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2059 actually stayed level, or decreased slightly.

2060 That, to me, is a key indicator for the, you know,

2061 working or non-working of the Affordable Care Act. Our

2062 uninsured rate in Oregon went down 63 percent. I have had

2063 testimonials from hospitals and doctors about how people

2064 actually have health care access at this point in time.

2065 Could you talk about what you see nationally in increased

2066 competition--

2067 Secretary {Burwell.} So with regard to the issue of

2068 increased competition, we saw 25 percent more issuers come

2069 into the marketplace this year, and so more issuers means

2070 more plans and competition.

2071 Mr. {Schrader.} I mean, they wouldn't be doing this if

2072 they weren't making some money at this, and the program

2073 wasn't working, Madam Secretary.

2074 Secretary {Burwell.} And so--and also, with regard to

2075 the issue of competition, what we know is, in many plans at--

2076 that are employer-based plans, people do not come in and

2077 shop. They just automatically re-enroll. And, as you know,

2078 we had that as part of the marketplace this year. But we

2079 know that, actually, the majority of people came in and

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2080 shopped. And that, I think, is related to the competition,
2081 and it is related to a consumer who wants to make the best
2082 choice. And that choice, sometimes based on benefit, that
2083 choice sometimes based on cost, and cost has a number of
2084 different elements, whether that is premium or deductible.

2085 Mr. {Schrader.} Correct.

2086 Secretary {Burwell.} So we are seeing more players come
2087 in, and we are also seeing the consumer behave in a way that
2088 is indicative that they want that competition and shopping.

2089 Mr. {Schrader.} I would like to call out some kudos on
2090 the GME increase in the budget, the money you put in for
2091 Medicare appeals. Back home we do a lot of work, of course,
2092 with people that are having trouble navigating the system big
2093 time, and the investment in primary care docs. I think that
2094 is important.

2095 Quick little comment, the only thing I am a little
2096 concerned about is if we are going for bundled payments and
2097 increased competition, why we are hammering on the Medicare
2098 Advantage plans a little bit?

2099 Secretary {Burwell.} As I mentioned to your colleague,
2100 I think what we are trying to do is balance making sure that

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2101 those plans are good and strong, and we have seen that over
2102 the period of the changes we have done. We try and do the
2103 changes in a measured way that gets to things that actually
2104 have to do with what we believe is strong representation of
2105 the taxpayer, in terms of places where we believe there are
2106 issues, like up-coding, that is occurring, and that MedPAC
2107 has articulated those, and others. We always want to listen
2108 and hear, and we want to watch carefully if we are seeing
2109 problems that occur with the changes, and to date, we
2110 haven't.

2111 Mr. {Schrader.} Thank you, and I yield back.

2112 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
2113 the gentleman from New Jersey, Mr. Lance, 5 minutes for
2114 questions.

2115 Mr. {Lance.} Thank you, Mr. Chairman. Madam Secretary,
2116 regarding King vs. Burwell, I understand what you have said,
2117 that there can be no administrative action should the
2118 Plaintiff win the case. You have stated that explicitly, and
2119 repeatedly, and that this not my question. My question
2120 relates back to the Chairman, who said in his opening line of
2121 questioning, that we have a specific source within your

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2122 department that there is a document related to what HHS might
2123 do, should the Supreme Court rule against the Administration.
2124 I understand that your point of view is that there can be no
2125 administrative action. You have stated that explicitly. Are
2126 you aware of any such document? And I am not asking you
2127 about your position on administrative action. I am asking
2128 about a document in this regard.

2129 Secretary {Burwell.} Congressman, I would--if there is
2130 this document, and you know of it, I would certainly like to
2131 know of the document, because I don't have knowledge of a 100
2132 page--

2133 Mr. {Lance.} I didn't say 100 page, now did I?

2134 Secretary {Burwell.} Sorry.

2135 Mr. {Lance.} I just said a document.

2136 Secretary {Burwell.} --Chairman--

2137 Mr. {Lance.} I don't know how many pages it is. You
2138 are not aware of any document?

2139 Secretary {Burwell.} What I--I have--as I have said,
2140 there isn't administrative action--

2141 Mr. {Lance.} Yes, I don't--I have made that clear that
2142 I understand your point of view on that. Is there a document

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2143 as to a reaction from HHS should the case be won by the
2144 Plaintiff in the Supreme Court?

2145 Secretary {Burwell.} With regard to a reaction, as I
2146 said--because I have articulated that--I want to be careful,
2147 because I have articulated--

2148 Mr. {Lance.} As I have tried to be careful.

2149 Secretary {Burwell.} --the problems with regard to the
2150 question of what will happen, we know how many people are in
2151 the marketplace, how many--

2152 Mr. {Lance.} Yes. That is filibustering. I understand
2153 that. I am asking whether there is any document, we have a
2154 source indicating there is a document, as to what might be
2155 the response from HHS?

2156 Secretary {Burwell.} I am not familiar with the
2157 document you are referring to.

2158 Mr. {Lance.} And let me say that a former CMS
2159 administrator, Tom Scully of, I believe, the Bush
2160 Administration has said, of course they have a document. He
2161 said, of course they have one, I think he referred to a
2162 document, they should all resign if they don't. I would hope
2163 that your department, Madam Secretary, would have some sort

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2164 of contingency plan should the Court rule for Plaintiff. Do
2165 you believe that the suit is bogus?

2166 Secretary {Burwell.} With regard to the lawsuit, as I
2167 said, what I believe is that the law is clear--

2168 Mr. {Lance.} Yes, I understand that. Do you believe
2169 the suit is bogus?

2170 Secretary {Burwell.} That is a characterization. I--my
2171 point about the suit is--what I believe is that we hold the
2172 right position, and that our position--

2173 Mr. {Lance.} Yes, I understand that, and it will be
2174 argued next week, and a decision will be made by the end of
2175 June. Formerly, when I asked questions about this, not from
2176 you, but regarding prior officials, there was the impression
2177 that it was a frivolous suit. Do you believe the suit is
2178 frivolous or bogus?

2179 Secretary {Burwell.} What I believe is that we should
2180 continue making progress for the American people on three
2181 things that the Affordable Care Act--

2182 Mr. {Lance.} Yes, I am aware of that. Do you believe
2183 the suit is--

2184 Secretary {Burwell.} --access--

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2185 Mr. {Lance.} --frivolous or bogus?

2186 Secretary {Burwell.} May I finish, Congressman? I
2187 believe that we, as the Executive Branch and the Legislative
2188 Branch, should be working together on three things we agree
2189 with. That is affordability, access, and quality.

2190 Mr. {Lance.} I agree with all--

2191 Secretary {Burwell.} What I would--and what I would
2192 hope that we can do is build on the progress that we have
2193 seen. And that progress is that 11.4 million people--

2194 Mr. {Lance.} Reclaiming my time, do you believe that
2195 the Supreme Court is likely rule unanimously on this
2196 decision?

2197 Secretary {Burwell.} As I have indicated, we believe
2198 that the Court will rule in our favor.

2199 Mr. {Lance.} Um-hum. Do you believe the suit is bogus
2200 or frivolous?

2201 Secretary {Burwell.} With regard to characterization,
2202 what I think is valuable is that we believe that our position
2203 is the position that will stand, and that we believe we are
2204 right. The people in the State of New Jersey should not have
2205 their subsidies taken away because they do or don't have a

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2206 marketplace, when people right across the border in New York
2207 will get those--

2208 Mr. {Lance.} I believe, Madam Secretary, in equal
2209 justice under law, as is inscribed across the street on the
2210 Supreme Court building. I believe this is a very serious
2211 case. I think it is closely contested. Under no
2212 circumstances do I believe that Plaintiff will win nine to
2213 nothing. I think there are good arguments on both sides. I
2214 have read the briefs, all of the briefs. I have read the
2215 Solicitor General's brief. I have read the brief of the
2216 Plaintiff. I think it is a very serious case, and you and I
2217 may disagree on the case. I respect that, and I understand
2218 that.

2219 It is frustrating to me that, here in Washington, there
2220 cannot be an intellectual argument as to pros and cons, and I
2221 certainly would encourage the Administration to have a
2222 contingency plan, and to work with us in Congress, including
2223 the Republican majority in both the House and the Senate,
2224 should the Court rule for Plaintiff. Thank you, Mr.
2225 Chairman.

2226 Secretary {Burwell.} Congressman, with regard to the

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2227 question of our authorities, what you just ended with was the
2228 issue of the legislation, and I want to make sure that I
2229 touch on that. As we have said all along, we are willing,
2230 and look forward to working with the Congress on any
2231 legislation that would work on those three things we talked
2232 about, affordability, access, and quality, and preserves the
2233 economy, and supports working middle class. That is how we
2234 will look at legislation. We want to do that now, and we
2235 want to do that in any--

2236 Mr. {Lance.} And I was part of a group that had an
2237 alternative piece of legislation that didn't see the light of
2238 day put forth by the Tuesday lunch group, of whom I am a
2239 member of that group. It was different from the Affordable
2240 Care Act, but it was an alternative piece of legislation. Of
2241 course, it didn't see the light of day in any way, shape, or
2242 form in 2009 and 2010. Thank you, Mr.--

2243 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
2244 the gentleman from Massachusetts, Mr. Kennedy, 5 minutes for
2245 questions.

2246 Mr. {Kennedy.} Thank you very much, Mr. Chairman.
2247 Madam Secretary, thank you very much for being here. You

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2248 touched on, a moment ago, about legislation that you said you
2249 were eager to work with Democrats and Republicans on. Have
2250 you seen any such legislation?

2251 Secretary {Burwell.} With regard to legislation that
2252 would promote and move forward on those three things, the
2253 issues of the--making sure we are expanding that insured
2254 population, have not seen things that would work towards that

2255 Mr. {Kennedy.} Madam Secretary, are you aware of how
2256 many bills were passed and signed--or bills were passed by
2257 the 115th Congress?

2258 Secretary {Burwell.} I don't know the exact number.

2259 Mr. {Kennedy.} Give or take a few, 931, ballpark, sound
2260 about right? Any idea on how many of those bills were signed
2261 into law? 296 sound about right? Any idea how many times in
2262 my first term in Congress we repealed all or part of the
2263 Affordable Care Act? 55 sound about right? Any idea how
2264 many times those were signed into law? None.

2265 Secretary {Burwell.} None.

2266 Mr. {Kennedy.} Are you aware of how many times we voted
2267 on some sort of replacement bill to the Affordable Care Act,
2268 that we voted to repeal 55 times, to provide Americans with

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2269 quality affordable access and financial assistance to access
2270 to health care that they deserve? None.

2271 Secretary {Burwell.} I think the number is none.

2272 Mr. {Kennedy.} Okay. I would agree with you. So I
2273 think, given all of the discussion we have had over the
2274 course of the past several hours about contingencies, about
2275 other options, in the time that I have been in Congress, over
2276 55 times in my first term, including another time in my
2277 second term, to repeal all or part of the Affordable Care
2278 Act, and under the time that I have been here under
2279 Republican leadership, to not have a single bill that has
2280 seen the House floor to vote on an alternative to provide
2281 quality, affordable, accessible health care to millions of
2282 Americans, I would respectfully ask, as my colleagues have,
2283 for the Administration to work with Democrats and Republicans
2284 to work on any such legislation, should they decide to bring
2285 that to the light of day.

2286 Secretary {Burwell.} And in our budget, I would just
2287 like to mention we actually do have a proposal to improve the
2288 small business provisions of the Affordable Care Act, to try
2289 and both simplify and make the tax credits better for small

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2290 businesses. That is feedback we have received about that,
2291 and that is something that is included in our budget.

2292 Mr. {Kennedy.} Now, turning to a couple--I think--well,
2293 hopefully more substantive questions that I can get to with
2294 you, Madam Secretary, I was pleased to see that the
2295 Democratic CHIP reauthorization bill, that the President's
2296 budget was--included in the President's budget extended the
2297 Medicaid primary care payment increase. The rate of increase
2298 that was initially included in the ACA has been absolutely
2299 critical, and for the last 2 years, it has boosted payments
2300 to doctors who treat the most vulnerable populations, making
2301 access an attainable goal, not just an aspirational target.

2302 According to a recent report from the Urban Institute,
2303 however, the expiration of that payment bump at the end of
2304 last year will result in Medicaid provider payments that are
2305 going to be cut on average of 43 percent, and over 50 percent
2306 in some states. The impact on wait times could be drastic
2307 and immediate. I was hoping, Madam Secretary, you might be
2308 able to comment on the importance of parity between Medicare
2309 and Medicaid payment to our primary care providers, and when
2310 they have to choose between seeing some of most vulnerable

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2311 populations like seniors, pregnant women and children, why
2312 would there possibly be a reimbursement discrepancy?

2313 Secretary {Burwell.} So, I think, as you are
2314 indicating, why we have proposed the continuation of these
2315 payments is because we believe it is making a difference, and
2316 it is making a difference to the access and coverage that
2317 people are getting in the system. And so we have proposed it
2318 as a continuation, and we hope that that is something that
2319 the Congress will consider and support.

2320 Mr. {Kennedy.} Thank you. The second topic that I want
2321 to touch on today, actually, my colleague, Mr. Murphy,
2322 touched on it quite extensively in his comments, but it is
2323 about substance abuse and mental health. Back in
2324 Massachusetts, Madam Secretary, I see communities on the
2325 front lines of a growing and extraordinarily devastating
2326 opiate abuse crisis, and we are looking to the Federal
2327 Government for some support as prescription drug abuse, and a
2328 number of heroin overdoses, continue to mount.

2329 Madam Secretary, I was a prosecutor before I ran for
2330 office. I saw the impacts of this on a daily basis, not just
2331 in terms of addiction and people needing treatment, but in

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2332 terms of property crimes, personal crimes for folks that are
2333 looking to try to find a way to get help, but the treatment
2334 options just aren't there. There are not enough doctors.
2335 There are not enough beds, as Mr. Murphy indicated. There
2336 are not enough wrap-around services. There are not enough
2337 care. And I was hoping that you might be able to touch on
2338 the importance of actually creating these incentives through
2339 Medicaid largely, which is our largest mental health
2340 provider, to actually make sure that--not just another grant
2341 program, but to make sure the incentives are in place to
2342 allow that marketplace to provide that care?

2343 Secretary {Burwell.} So the bad news is, as you
2344 indicate, there were 259 million prescriptions for
2345 painkillers, opioids, during 2012. That is more than one per
2346 adult in the Nation. That is the bad news. The good news is
2347 that I believe that there is bipartisan support for us to do
2348 something, and I believe that that is both in the Executive
2349 and Legislative Branch here in Washington, D.C., as well as
2350 with the governors, who I met with over the weekend on this
2351 issue.

2352 I think with regard to payment, it is an important

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2353 place, but there are three fundamental things that we believe
2354 we need to work with the Congress and work with the governors
2355 to do. One is, in terms of the prescribing, that is at the
2356 root of much of the problem. We have seen progress in states
2357 like Florida, where they are watching the prescribing. The
2358 plans that states can put in place to oversee that is an
2359 important part, but we have a part two. Second is the issue
2360 of things like--and access to those, which I think gets to
2361 some of the payment issues. And the third is making sure
2362 there is medical treatment, and I think that was the third
2363 part of what you were mentioning. Those three elements, I
2364 think, is--that is a basic agreed upon.

2365 And whether it is Senator Portman and Senator Widen, or
2366 Mr. Rogers, or--it is across the board. There is bipartisan
2367 support because states from Massachusetts to Kentucky, and
2368 West Virginia, my own home state, are suffering in
2369 devastating ways. And the one piece you didn't mention,
2370 which you, you know, is the economic impact. And, having
2371 come from a large employer like Walmart, what it means in
2372 terms of having an employee base that can pass a drug test.

2373 Mr. {Kennedy.} Thank you, Madam Secretary.

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2374 Secretary {Burwell.} Thank you.

2375 Mr. {Pitts.} Chair thanks the gentleman. Chair will
2376 note that we have just been joined by a group of students
2377 from the Houston area. The Ranking Member has informed me--
2378 you want to say anything, Gene?

2379 Mr. {Green.} Mr. Chairman, I would just like to
2380 recognize a number of our chiropractic students from the
2381 Houston area, and Dr. Mossad, who actually retired as the
2382 president of our chiropractic college in Pasadena, Texas.
2383 And I invited them last night because I wanted to show how
2384 the health care policy is made in the health care
2385 subcommittee. Thank you, Mr. Chair.

2386 Mr. {Pitts.} Thank you. You are certainly welcome to
2387 be here. And the Chair now recognize the gentleman from
2388 Virginia, Mr. Griffith, 5 minutes for questions.

2389 Mr. {Griffith.} Thank you, Mr. Chairman, I appreciate
2390 that. Appreciate the students being here. We may have some
2391 disagreements today, but I will tell you that the Ranking
2392 Member, Mr. Green, and I worked very hard on a health care
2393 bill that was signed into law last year, so no matter what
2394 you may see today, we do get along more often than the press

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2395 lets you know. All right.

2396 That being said, Madam Secretary, in response to a
2397 previous question, you indicated you weren't aware of any of
2398 the laws being signed in. I am sitting here with a CRS
2399 report, Congressional Research Service, indicating that there
2400 are 12 bills that repealed parts of Obamacare that were, in
2401 fact, signed into law. You are not aware of that, is that
2402 correct, in relationship to your previous answer?

2403 Secretary {Burwell.} With regard to the specifics of
2404 the answer, those were repeal questions, I thought.

2405 Mr. {Griffith.} Yes, and this was part--

2406 Secretary {Burwell.} Full repeal.

2407 Mr. {Griffith.} He said--

2408 Secretary {Burwell.} Full repeal was--

2409 Mr. {Griffith.} He said full or a part. So you were
2410 mistaken, and weren't aware of these 12 that were partially
2411 repeals?

2412 Secretary {Burwell.} I was referring to the issue of
2413 full repeal.

2414 Mr. {Griffith.} But you are aware of these?

2415 Secretary {Burwell.} With regard--I would have to look

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2416 and see--

2417 Mr. {Griffith.} Okay. And if I could just have this

2418 entered into the record, I would appreciate--

2419 Mr. {Pitts.} Without objection, so ordered.

2420 [The information follows:]

2421 ***** COMMITTEE INSERT *****

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|

2422 Mr. {Griffith.} Thank you, Mr. Chair. Also, are you
2423 familiar with my H.R. 130?

2424 Secretary {Burwell.} Apologize, don't know what that
2425 bill is. Maybe if it is described I might--

2426 Mr. {Griffith.} And are you--it is a bill that deals
2427 with the black lung provisions of Obamacare.

2428 Secretary {Burwell.} I am not familiar with that--

2429 Mr. {Griffith.} I appreciate that. Are you--

2430 Secretary {Burwell.} --legislation.

2431 Mr. {Griffith.} --familiar with my H.R. 790, which is
2432 the Compassionate Freedom of Choice Act?

2433 Secretary {Burwell.} Not familiar with the specific
2434 names of the legislation--

2435 Mr. {Griffith.} And I appreciate that. And are you
2436 familiar with H.R. 793, which deals with preferred pharmacy
2437 networks and Part D?

2438 Secretary {Burwell.} Depending on a--

2439 Mr. {Griffith.} Another one of mine.

2440 Secretary {Burwell.} --description, that may--

2441 Mr. {Griffith.} And so the reason I ask those questions

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2442 is--been very well orchestrated today, from a political
2443 standpoint. The other side of the aisle has asked you
2444 repeatedly are you aware of Republican legislation that deals
2445 with the issues that we are dealing with related to
2446 Obamacare? I would submit to you that, in some way or
2447 another, the three points that you pointed out, each one of
2448 those bills did. You are not intimately familiar with them,
2449 and I understand that, and I am not blaming you, because you
2450 have been put into that unenviable position that sometimes
2451 happens, where there is a difference between negative
2452 evidence, and a lack of evidence. And what you presented
2453 today is a lack of evidence, and I appreciate that.

2454 That doesn't mean that these bills don't exist, just as
2455 I gave you the numbers on those three. It doesn't mean that
2456 there aren't other bills that other members have that are out
2457 there that are Republican proposals to take care of the
2458 American citizen while we are in the process of repealing
2459 Obamacare. And so you are just submitting that you are not
2460 aware of it, but there are, in fact, bills out there that may
2461 be doing that, and also further discussions behind the scenes
2462 that may be doing that that you are unaware of. Isn't that

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2463 correct?

2464 Secretary {Burwell.} Would welcome--the veterans' bill-
2465 -there was a veterans' bill that we all agreed on. The
2466 firefighters, I haven't--

2467 Mr. {Griffith.} I am just saying, though, that--

2468 Secretary {Burwell.} --legislation--

2469 Mr. {Griffith.} --when you say, though, in the answer
2470 to any number of members on the other side of the aisle that
2471 you aren't aware, that doesn't mean they don't exist, it just
2472 means you are not aware, am I correct? Yes? All right, we
2473 will move on.

2474 The President's fiscal year 2016 budget calls for 92
2475 million for the Office of National Coordinator, ONC, for
2476 purposes including the transition to a governance approach
2477 for health information exchange. In 2012, an HHS request for
2478 information noted that Congressional authorities granted to
2479 the ONC in the 2009 High Tech Act would support this
2480 governance mechanism. Madam Secretary, I hold in my hand a
2481 copy of a Congressional Research Report dated January 7, 2015
2482 that suggests ONC does not have the authority to support the
2483 ONC governance structure outlined in the President's budget.

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2484 Don't you agree that when agencies take action they should be
2485 supported by Congressional authorization?

2486 Secretary {Burwell.} Not familiar with the report,
2487 would welcome seeing it. With regard to the Office of the
2488 National Coordinator, I think you know we just came out with
2489 the plan to continue moving us towards electronic medical
2490 records. We back that up with specific things. We continue
2491 to work on something that cuts across many of the issues, and
2492 whether it is--

2493 Mr. {Griffith.} But you would agree with the principle,
2494 that there ought to be Congressional authority for an agency
2495 to take action, would you not? Yes or no?

2496 Secretary {Burwell.} I would agree that we--

2497 Mr. {Griffith.} Yes, ma'am.

2498 Secretary {Burwell.} --need--

2499 Mr. {Griffith.} And, Mr. Chairman, if I could also have
2500 that Congressional Research Service report placed into the
2501 record, I would--

2502 Mr. {Pitts.} Without objection, so ordered.

2503 Mr. {Griffith.} As a part of its governance push, ONC
2504 awarded a contract to RTI to develop its Health IT Safety

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2505 Center. RTI said at the time of the award that it would
2506 define the focus, functions, governance, and value of the
2507 national health IT safety content. I am just concerned, as I
2508 pointed out a minute ago, that when you have these comments
2509 being made--now, we haven't seen it yet, and the report that
2510 I just had entered into the record shows we haven't seen the
2511 final analysis of what they are going to do, but when you
2512 have comments that they are planning to work on governance,
2513 and they don't have that authority, I am concerned, when the
2514 experts are telling me, both legal and otherwise, that this
2515 agency is going beyond its scope of authority, that this is a
2516 problem in this Administration, and that we should be careful
2517 that we have any agency moving forward without Congressional
2518 authority.

2519 I am going to ask you to work with me as we move forward
2520 on this. I am going to follow up with some questions and
2521 some other things, and ask that you work with me to make sure
2522 that the ONC does not overstep its authority granted to it in
2523 legislation by this Congress.

2524 Secretary {Burwell.} Would--work with you to
2525 understand, and understand what these concerns on governance

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2526 are. This is new to me, and so I would like to--

2527 Mr. {Kennedy.} Yes, ma'am.

2528 Secretary {Burwell.} --understand further what the
2529 concern is.

2530 Mr. {Griffith.} And I appreciate that, and I yield
2531 back. Thank you, Mr. Chairman.

2532 Secretary {Burwell.} Um-hum.

2533 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
2534 the gentlelady from California, Ms. Capps, 5 minutes for
2535 questions.

2536 Mrs. {Capps.} I thank my Chair--colleague for yielding
2537 me time, and I do have a different topic to discuss with you,
2538 Secretary Burwell, but my colleague from Texas has asked for
2539 10 seconds.

2540 Mr. {Green.} I will do my 10 seconds. I want to thank
2541 the Congressman from Virginia, but I think the clarification
2542 is that up until Congressman Kennedy, all our statements were
2543 repeal the Affordable Care Act without an alternative. Now,
2544 there were bills that were passed, and none of us--up until--

2545 Secretary {Burwell.} That is right.

2546 Mr. {Green.} --Congressman Kennedy, but, you know,

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2547 there is no repeal and replace. There is only repeal for 56
2548 times. And thank you for--

2549 Secretary {Burwell.} And that is why I responded to
2550 full repeal. It was--

2551 Mrs. {Capps.} I want--thank you. You know, I want to
2552 go back to the President's budget this year, which I think,
2553 on the whole, strikes an important balance between
2554 controlling spending and promoting public health. These
2555 public health topics are what I want to bring to your
2556 attention.

2557 I was pleased to see that there was continued support
2558 for nursing workforce development. I believe, and I know you
2559 did too, a strong nursing workforce improves the health of
2560 our communities, as well as the quality of the health care
2561 system. And we now have the significant challenge in our
2562 Nation of caring for a growing patient population with
2563 limited resources. And I am a nurse, so I know that we can't
2564 reach our health care goals without a strong health care
2565 workforce made up of a range of health care professionals.
2566 And these are the development programs, such as Title 8, that
2567 are proven to be a solution that can help address this

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2568 challenge.

2569 And so would you please discuss briefly, because I have
2570 two more topics, what this budget request does to make sure
2571 that we have a diverse health care workforce, well equipped,
2572 and large enough to meet our needs?

2573 Secretary {Burwell.} I will just be very brief--

2574 Mrs. {Capps.} Sure.

2575 Secretary {Burwell.} --which is, I think one of the
2576 core and anchor places that we do that is making sure that we
2577 are funding our National Health Service Corps. And the
2578 increases that we have asked for are a very important part of
2579 that across, and it is especially important because we serve
2580 that group of people--30 percent are diverse in that--

2581 Mrs. {Capps.} Yes.

2582 Secretary {Burwell.} --group. And in the Nation as a
2583 whole, the number is 10 percent, so we are over-indexing for
2584 that in that, and we think that is a very important place.

2585 Mrs. {Capps.} Right.

2586 Secretary {Burwell.} I will stop. There are other
2587 things, but I want to--

2588 Mrs. {Capps.} Right, because this one that I am going

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2589 to mention is near and dear to my heart, and that is the
2590 maternal, infant, and early childhood home visiting programs.
2591 Such bang for the buck that you get with this. If you have
2592 ever seen it and I--as I have, been part of one, it is such a
2593 proactive and preventive service. And there is an increase
2594 in commitment in this home visiting program in the budget for
2595 2016. These are evidence-based, as you know, bipartisan
2596 programs, helping to ensure that all children across the
2597 board get an opportunity to be healthy and successful. And
2598 they are so critical to improving health outcomes for both
2599 women and children and families.

2600 So my question is how increased funding for these
2601 programs is going to address disparities and improve the
2602 health? How can we make it better?

2603 Secretary {Burwell.} So with regard to this issue,
2604 because I am a mother of a 5 and a 7-year-old, I have--

2605 Mrs. {Capps.} There you go.

2606 Secretary {Burwell.} --learned the importance of that
2607 information very recently, in terms of being able to give
2608 your children what they need. And so the program that you
2609 are describing, and why we think it is important to continue

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2610 on the pace, it is an evidence-based program. We have seen--

2611 Mrs. {Capps.} Yes.

2612 Secretary {Burwell.} --the results in terms of reading,
2613 and other analytical skills, up to 12 years old, in terms of
2614 the benefits. That is as far as it has been tested. And we
2615 see what--that is happened. When we give mothers and parents
2616 that opportunity to get the information they need in home--

2617 Mrs. {Capps.} Um-hum.

2618 Secretary {Burwell.} --when you go to them, it is
2619 making the difference. And so we believe this is a very
2620 important part, and part of a continuum that you see in the
2621 budget. That home visiting, next comes to that early child
2622 care, and making sure that we fund child care so working
2623 Americans can be a part of that. And then the issues of Head
2624 Start, and improving Head Start, both in terms of the length
2625 of day, the time of year, and the quality that we require.
2626 So it is a continuum in terms--

2627 Mrs. {Capps.} Um-hum.

2628 Secretary {Burwell.} --of making sure we are taking
2629 care of those children along the way for working families,
2630 and pressing ourselves to improve quality.

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2631 Mrs. {Capps.} Right. And, to build on that, and the
2632 focus on children and family, this question was asked about
2633 graduate medical education, but I want to focus on children's
2634 hospital GME, because children's hospitals programs are so
2635 critical for training pediatricians, pediatric specialists,
2636 and pediatric researchers. It is less than one percent of
2637 hospitals. They train 51 percent of all pediatric
2638 specialists, and the children's hospital graduate medical
2639 education programs currently receive much less funding than
2640 other, you know, children don't lobby. We have to do this on
2641 their behalf. And would you explain the proposed changes to
2642 funding for children's hospital graduate medical education
2643 programs, and what steps are being taken to ensure that we
2644 are meeting the demand for pediatric care?

2645 Secretary {Burwell.} We want to meet that demand, and
2646 we want to meet that demand for both primary care, and the
2647 specialties where we don't necessarily have the number of
2648 practicing physicians that we need. And so the proposal that
2649 we have tries to respond to the criticisms that we received
2650 last year with our proposal, and that there is \$100 million
2651 that is dedicated firmly to the children's programs. In

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2652 addition to that, they are able to compete. Right now what
2653 we do is we cover the direct costs, but we don't continue to
2654 cover the indirect cost.

2655 Mrs. {Capps.} Thank you very much.

2656 Mr. {Pitts.} Chair thanks the gentlelady. Now
2657 recognize the gentleman from Texas, Dr. Burgess, 5 minutes
2658 for questions.

2659 Mr. {Burgess.} Thank you, Mr. Chairman. Again, Madam
2660 Secretary, my apologies for being out of the hearing, at
2661 another hearing. And I also apologize for not having the
2662 President's budget here with me this morning. But the
2663 President did outline a number of savings in the Medicare
2664 space in the Presidential budget, is that correct? Do I
2665 understand--

2666 Secretary {Burwell.} Yeah.

2667 Mr. {Burgess.} --that correctly?

2668 Secretary {Burwell.} That is correct.

2669 Mr. {Burgess.} And in general, as the head of HHS, are
2670 you supportive of those proposals by--in the President's
2671 budget?

2672 Secretary {Burwell.} Yes.

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2673 Mr. {Burgess.} Let me ask you a question, then. You
2674 know that one of the things--I mean, I have just been
2675 pounding my head against the wall for 12 years on the
2676 sustainable growth rate formula. We were very close last
2677 year. We almost cracked the nut, but we didn't quite get
2678 there. But I thought we had a good proposal, and we are very
2679 close to introducing the same policy language again in this
2680 Congress. Offsets have been difficult, as everyone would
2681 expect.

2682 So let me just ask you, those savings that the President
2683 identified, those Medicare savings that the President
2684 identified in the Presidential budget, do you think it would
2685 be a good idea to apply those savings toward the permanent
2686 repeal of the sustainable growth rate formula?

2687 Secretary {Burwell.} With regard to how we pay for it
2688 in the President's budget, we pay for it--it is within the
2689 baseline, and we include it that way. With regard to the
2690 specific question of just using our approach to the Medicare,
2691 those savings are part of a broader context. It is a budget,
2692 and we put the budget together in its entirety. We view that
2693 those savings need to be paired with other elements of the

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2694 budget.

2695 Mr. {Burgess.} But to the extent that those savers are
2696 identified, and those offsets are identified in the budget,
2697 it seems to me that is--would perhaps be a reasonable place
2698 to begin the discussion of what are the offsets that are used
2699 to put in place for the permanent, universal, complete,
2700 forever repeal of the sustainable growth rate formula.

2701 Secretary {Burwell.} First I want to agree with the
2702 concept that we are talking about. In my opening remarks, I
2703 specifically said that we support the bipartisan, bicameral
2704 concepts that were put forward, and so on that we agree.
2705 With regard to the question of offsets, why I started with
2706 how we do it, which is building it into the baseline, is
2707 because that is the way we believe it should be done, and
2708 that uses the balance of things that we use to pay for things
2709 in our entire budget.

2710 So, in terms of where we start, and what we believe, we
2711 believe that it needs to be a range of things, and not simply
2712 focused on those.

2713 Mr. {Burgess.} Yeah, but at the same time, as you know,
2714 the difficulty with the sustainable growth rate formula is

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2715 the budget baseline, and the fact that it was built in years
2716 ago, and it accumulates over time. It is never corrected,
2717 even though a number of patches have been passed by Congress.

2718 We basically paid for this damn thing at least 1.4 times--

2719 Secretary {Burwell.} I am--

2720 Mr. {Burgess.} --over the past 12 years. Again--

2721 Secretary {Burwell.} Yes.

2722 Mr. {Burgess.} --I just want you to know that. I like
2723 the fact that the President put forward cost savers in his
2724 budget. Fair warning to you that these are where I am going
2725 to go the lack of participation in people who are willing to
2726 come forward and talk seriously about offsets leads me to go
2727 the President's budget as the only place I can go for
2728 Democratic ideas for an offset. And that is one of the--the
2729 critical missing piece in getting this SGR settled.

2730 Secretary {Burwell.} I think your colleague, actually,
2731 though, mentioned--you colleague, Mr. Pallone, actually
2732 mentioned his specific idea for this when he spoke to this
2733 issue. It was--but--and you may disagree with that, but that
2734 was a--in terms of contributing to the debate.

2735 Mr. {Burgess.} And my door is always open to Mr.

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2736 Pallone, and I await his invitation, and I will be glad to
2737 come to his office.

2738 Let me ask you a question. I know you probably are
2739 tired of hearing about King vs. Burwell, but I will bring it
2740 up yet one more time. Since I haven't been here, it is not
2741 exhausting to me yet. And the whole concept around
2742 contingency plans, and the American Academy of Actuaries, is
2743 a concern because insurance companies are supposed to
2744 disclose the data upon which they are basing their rights in
2745 May, but there could be something that changes the equation
2746 in June. So, to the extent that the insurance companies are
2747 having to deal with unsettled future, I mean, they are going
2748 to have to deal with contingency plans, are they not? Why
2749 should the Department not have a contingency plan, as
2750 recommended by the American Academy of Actuaries?

2751 Secretary {Burwell.} So, with regard to things that I
2752 have authority to plan for, I will plan for. In the budget--
2753 the current budget that you see in front of you, the
2754 unaccompanied children issue, one that I know is a difficult
2755 issue, and that there is controversy around, we have put in
2756 monies to plan up to 60, have asked for a contingency fund in

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2757 case. We don't believe it will, but in case the numbers--
2758 where there are places that I can plan, we will.

2759 With regard to this issue, that is why--while the letter
2760 was simple, it actually gets to the core and the fundamental.
2761 We do not believe we have administrative authorities--if the
2762 Court makes a decision, and as I want to always repeat, we
2763 don't believe the Court will decide this way, but if the
2764 Court makes a decision that says--and rules for Plaintiff,
2765 and says that those subsidies are not available, the question
2766 of--we don't believe we have an authority to undo the damage
2767 that would then occur, which is subsidies go away,
2768 individuals can no longer pay. They go off of their
2769 insurance, they become uninsured, it drives premiums up in
2770 that marketplace. They become uninsured, there is indigent
2771 care, it goes up.

2772 We don't believe that we have an authority. It is the
2773 Court, makes that decision at that level, that we have an
2774 authority to do it, and therefore that is why you are not
2775 hearing a plan. It is because we don't have an authority.

2776 Mr. {Burgess.} Well, I think you have to agree it will
2777 change the structure of the risk pools for the insurance

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2778 companies. And, Mr. Chair, for that reason, I would like to
2779 submit the letter from the American Academy of Actuaries for
2780 the record. And I will yield back.

2781 Mr. {Pitts.} Without objection--

2782 Secretary {Burwell.} I do think, though--

2783 Mr. {Pitts.} --so ordered.

2784 Secretary {Burwell.} --that is why one does see those
2785 companies filing their briefs that they had filed in the
2786 case, that articulate the point you are making.

2787 [The information follows:]

2788 ***** COMMITTEE INSERT *****

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|

2789 Mr. {Pitts.} Gentleman yields back. Chair recognizes
2790 the Maryland, Mr. Sarbanes, 5 minutes for questions.

2791 Mr. {Sarbanes.} Thank you, Mr. Chairman. Thank you,
2792 Madam Secretary. First, thank you for stepping into public
2793 service as you have done. Your tenure at OMB, and now at
2794 HHS, is, I think, a real service to the country.

2795 I wanted to talk about this concept of full repeal,
2796 which has been a drumbeat for years, it seems, now from the
2797 other side of the aisle, to understand the implications of a
2798 full repeal. And so I wanted to go through some of the
2799 things that were part of the ACA, and ask you--and it may not
2800 be that every one of them is jeopardized by a full repeal,
2801 but I think certainly some of them are, so--the ACA included
2802 a measure that would allow young people to stay on their
2803 parents' health care up to age 26, and I think upwards of
2804 three million younger adults have benefitted from that. If
2805 there was a full repeal of the ACA, would that benefit and
2806 provision be in jeopardy, do you know?

2807 Secretary {Burwell.} It was part of the original Act,
2808 so yes.

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2809 Mr. {Sarbanes.} Then there was an effort to begin
2810 closing the donut hole on prescription drugs under the Part D
2811 program, which has bedeviled many of our seniors, who kind of
2812 fall into that donut hole, often at a critical stage, in
2813 terms of needing to access prescription drugs. And the ACA
2814 reform included an effort that is begin, it is underway, to
2815 close that donut hole. Would that be in jeopardy if there
2816 was a full repeal?

2817 Secretary {Burwell.} It would, and the \$15 billion in
2818 savings that those seniors have received to date would stop.

2819 Mr. {Sarbanes.} Right. Then there was terrific
2820 provisions, in terms of reimbursement, that--benefits and
2821 reimbursement. So, on the benefits side, for Medicare
2822 beneficiaries, you had more preventive care being covered
2823 fully, eliminating co-payments for certain kinds of
2824 preventive care, screening for annual wellness visits, et
2825 cetera. That was part of the ACA. A full repeal, I imagine,
2826 would jeopardize that reform as well?

2827 Secretary {Burwell.} Yes, and we actually just were
2828 able to have the numbers, and we have seen an increase in the
2829 number of seniors that are using that preventative care. And

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2830 the percentage of seniors that are using at least one
2831 preventative service continues to go up.

2832 Mr. {Sarbanes.} Excellent. We put in some enhanced
2833 payment and reimbursement for primary care physicians,
2834 recognizing that we need to make sure we are incentivizing
2835 that part of the profession, in terms of getting into the
2836 pipeline, and also having the opportunity to spend more time
2837 with their patients, and have there be some economic rewards
2838 for that, which the patients themselves also want. I presume
2839 that that would be a peril with a full repeal as well?

2840 Secretary {Burwell.} A full repeal would imperil.

2841 Mr. {Sarbanes.} What about the provisions that have
2842 eliminated discrimination based on pre-existing conditions?
2843 Of course, we have started right out of the gate eliminating
2844 that discrimination in the case of children, now that is been
2845 expanded more broadly. But I imagine that also would be
2846 undermined by a full--

2847 Secretary {Burwell.} It--

2848 Mr. {Sarbanes.} --repeal?

2849 Secretary {Burwell.} It would, and, having had the
2850 chance to meet a young woman who had cancer when she was

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2851 seven--when she was 12 years old she first had colon cancer,
2852 and then had thyroid cancer later, and now is in her 20s, and
2853 was engaged, but not continuing her graduate education or
2854 getting married because her focus was paying for her health
2855 care. And now the opportunity to have affordable care is--
2856 because she had a pre-existing condition, obviously, is now
2857 allowing her to go on with her life. The issues of health
2858 security are very important, but for many individuals, the
2859 financial security is as well.

2860 Mr. {Sarbanes.} Thank you for those comments. The
2861 medical loss ratio requirement that now requires insurance
2862 plans to direct more of the insurance premium dollar to care,
2863 as opposed to overhead costs and so forth, that was part of
2864 the ACA, adhering to a particular standard. That would be
2865 eliminated, I would expect, in a full repeal?

2866 Secretary {Burwell.} In full repeal.

2867 Mr. {Sarbanes.} Subsidies and tax credits for small
2868 businesses who want to do the right thing and provide health
2869 care coverage for their employees was part of the ACA, so
2870 small businesses would be impacted by a full repeal, in terms
2871 of their ability to offer that kind of benefit to their

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2872 workers, isn't that correct?

2873 Secretary {Burwell.} It would take away the tax credit
2874 if it were a full repeal.

2875 Mr. {Sarbanes.} So even before we get to a discussion
2876 of the pros and cons of the health exchanges, which have now
2877 offered up coverage to millions of Americans, there are so
2878 many other reasons, in addition to that, that we wouldn't
2879 want to repeal the Affordable Care Act. Thank you very much
2880 for being here. I appreciate your testimony.

2881 Secretary {Burwell.} Thank you.

2882 Mr. {Pitts.} The Chair thanks the gentlemen. Now
2883 recognize the gentleman from Florida, Mr. Bilirakis, for
2884 questions.

2885 Mr. {Bilirakis.} Thank you, Mr. Chairman, very much.
2886 Thank you, Madam Secretary for your testimony. Thanks for
2887 your appearance, welcome. I want to talk about Medicare
2888 Advantage. According to 2012 data, there were about 145,000
2889 seniors in my district. About 40 percent of them are on
2890 Medicare Advantage, little higher than the national average.
2891 They love their plans, and they want to keep their plans.
2892 They love their benefits, and their choices. Unfortunately,

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2893 this Administration may not love Medicare Advantage as much
2894 as my seniors.

2895 This--the actuarial firm of Oliver Wyman did an analysis
2896 of the proposed 2016 Medicare Advantage rate notice. Reading
2897 the report, I am troubled to learn that it estimates that the
2898 combined impact of cuts from 2014 to 2016 will cost seniors
2899 on an average of 60 to \$160 a month, or as much as \$1,920 a
2900 year. Many of the seniors in my district live on a modest
2901 income, fixed income. Why is the Administration forcing many
2902 seniors to pay more than \$100 a month to keep the plan they
2903 like?

2904 Secretary {Burwell.} So, with regard to the issue of
2905 Medicare Advantage, first I want to say we think the program
2906 is a good program. During the period when changes have been
2907 enacted, we have seen the program expand by, I think, well
2908 over 40 percent. We have seen a number of Medicare Advantage
2909 plans that have the top two ratings go from 70--17 percent to
2910 67 percent. And we have seen that premiums have not been
2911 increasing, in terms of the changes that we have done to
2912 date.

2913 Why we are proposing these changes is they have been

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2914 recommended by MedPAC and others with regard to over-coding
2915 that is occurring, and as part of our efforts to make sure we
2916 are using the taxpayer dollar wisely. We want to promote the
2917 program, we want to keep the program healthy, but we also
2918 believe that there are opportunities for those who may be not
2919 using the system as well as they might. And that is what our
2920 changes are about, and that is what we are trying to do,
2921 preserve and build the system, but make sure we do it in the
2922 fiscally responsible way.

2923 Mr. {Bilirakis.} Thank you, Madam Secretary. Many
2924 serious who like the Medicare Advantage program they are
2925 going to lose it in the following years. In fact, a recent--
2926 report details a nearly four-fold increase in the number of
2927 U.S. counties that no longer have Medicare Advantage as an
2928 option, growing from 55 counties in 2012 to 211 counties in
2929 2015. Isn't it concerning to you that seniors are losing the
2930 ability to choose a Medicare plan that provides high quality
2931 and coordinated care? This is a very successful program,
2932 and, again, this is extremely important to my constituents.

2933 Secretary {Burwell.} Agreed that it is a very important
2934 program, and we want to make sure that it continues, want to

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2935 see the studies and the underpinning of that. The most
2936 recent numbers that I have seen are that 99 percent of
2937 beneficiaries have access, and so those numbers may not align
2938 with the--that most recent study, and I want to understand
2939 what the difference in that is.

2940 Mr. {Bilirakis.} Thank you, Madam Secretary. One more
2941 question. The impact of seniors to Medicare Advantage,
2942 according to Oliver Wyman, could result in seniors losing
2943 access to their current coverage, or facing higher premiums,
2944 reduced benefits, and changing--again, changes to the network
2945 as a result of the cuts--the proposed cuts. When I talked
2946 with seniors in my district about Medicare Advantage, again,
2947 they believe Medicare Advantage--the model offers high
2948 quality coordinated care. Yet further cuts will disrupt the
2949 benefits upon which millions of seniors rely.

2950 Your agency likes to tout the so-called affordable
2951 premiums and better consumer choices under the Affordable
2952 Care Act, but when it comes to Medicare Advantage, why is the
2953 Administration pursuing policies that would increase premiums
2954 and reduce choices for seniors? And, again, this is very
2955 concerning.

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2956 Secretary {Burwell.} I think the responses with regard
2957 to the issue that--what we have seen, with the changes we
2958 have done to date, have not had the premium pressure that is
2959 described. We want to continue to watch and monitor. And
2960 also that we have seen more people enter in, and the quality
2961 improved. And so that is what we have seen to date. We want
2962 to continue to work and monitor. We want the program to
2963 succeed. We want to support it, and we want to try and do it
2964 in the way that is the most fiscally responsible.

2965 Mr. {Bilirakis.} Well, thank you, Madam Secretary. I
2966 appreciate it. I yield back, Mr. Chairman.

2967 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
2968 the gentleman from California, Mr. Cardenas, 5 minutes for
2969 questions.

2970 Mr. {Cardenas.} Thank you very much, Mr. Chairman.
2971 Appreciate the opportunity to have this public dialogue for
2972 the benefit not only of the members, but for the public as
2973 well.

2974 Preserving access to prescription drugs that work for
2975 every senior is important, I think, to everybody on this
2976 dais, and I think every person who cares about a senior in

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2977 this country, which probably makes everybody. So my question
2978 has to do with what proposals in the President's budget would
2979 increase access for seniors?

2980 Secretary {Burwell.} With regard to the specific access
2981 for seniors, across the board on prescription drugs, I think,
2982 in terms of the programs, whether that is the way we use some
2983 of the programs we have just been discussing, but I also
2984 think one of the most important things that has happened is
2985 that seniors have access to preventative services that they
2986 historically may not have. And just announced on Tuesday
2987 that what we are seeing is, because the seniors have that
2988 access to those preventative services, they are increasing
2989 that--the use of that.

2990 I think throughout our budget one the things we are
2991 attempting to do is work very hard to do a system--delivery
2992 system reform, which means getting better quality at a better
2993 price for the Nation. And I recently announced, about 3
2994 weeks ago, that in the Medicare space, we are going to try
2995 and move to 30 percent of all Medicare payments will be in
2996 new payment models, payment models that are about improving
2997 that quality and reducing that cost. And so those are some

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2998 of the areas that I think the budget focuses on this.

2999 Mr. {Cardenas.} Now, that effort, is it likely to
3000 create an environment, individual by individual, that is
3001 likely to increase their quality of extended life versus--
3002 because when we are talking about access to preventative
3003 care, that means that if you catch something in its early
3004 stages--we all know what today's modern medicine, and
3005 opportunities--you can actually thwart it, or actually
3006 overcome it, versus finding something late in stages, it
3007 might even take your life, correct?

3008 Secretary {Burwell.} And across the department there
3009 are a number of investments that get to that, and whether
3010 that is the NIH investments in research, or in the Center for
3011 Innovation in Medicare and Medicaid, one of the things where
3012 we have out--a proposal that we are getting response to has
3013 to do with hospice and curative care, and how to combine
3014 those two in a way that will maximize for the quality of the
3015 patient. And so it is throughout the budget these issues of
3016 cost and quality are things that we focus on.

3017 Mr. {Cardenas.} Thank you. On that note, I would also
3018 like to add for the record, if you would allow me unanimous

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3019 consent, Mr. Chairman, to submit a letter for the record from
3020 my office that lays out the issues that we are discussing at
3021 the moment.

3022 Mr. {Pitts.} Without objection, so ordered.

3023 [The information follows:]

3024 ***** COMMITTEE INSERT *****

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3025 Secretary {Burwell.} Thank you.

3026 Mr. {Cardenas.} I keep hearing a lot from some of my
3027 colleagues about their constituents losing choices. But,
3028 then again, one of the things that--it is my understanding,
3029 please clarify, that when people are talking about losing
3030 choices, they may be describing policies that were, in fact
3031 more expensive on the front, and perhaps didn't have minimum
3032 benefits standards to the person paying. Is that, in many
3033 cases, what people are describing when people are losing
3034 choices?

3035 Secretary {Burwell.} It can be. I would want to
3036 understand the specific--

3037 Mr. {Cardenas.} And that is why I say the word maybe--

3038 Secretary {Burwell.} --in the marketplace.

3039 Mr. {Cardenas.} Maybe, yes.

3040 Secretary {Burwell.} Within the marketplace, there are
3041 25 percent more issuers, which means more choice. The
3042 essential health benefits do important things, I think, as
3043 you are reflecting, and they get to some of the issues that
3044 Mr. Murphy and Ms. Matsui--on mental health. And having

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3045 those benefits be clear and incorporated is extremely
3046 important. So, without understand the specific case, I think
3047 it is a little hard to know.

3048 Mr. {Cardenas.} But there are, in fact, in some areas
3049 where certain kinds of policies are not allowed, but that
3050 was--that is based on a new minimum standard, correct?

3051 Secretary {Burwell.} That is correct.

3052 Mr. {Cardenas.} And one of the things that I have
3053 discussed with some of my constituents, and my staff, and
3054 some of the providers, and experts that we pulled together,
3055 we registered at least over 1,000 families. And I personally
3056 tried to speak to as many of those individuals as possible.
3057 And what was sad is many of them were even scared to be
3058 there. They were thinking about this big Obamacare dragon
3059 that was going to obliterate either their finances or their
3060 health care.

3061 But what--almost to a person, every person that got up
3062 from--once they sat down and figured out what was available
3063 to them, or what have you, had a big smile on their face, and
3064 they were very pleased, and very relieved, and glad they
3065 came. And in one instance I was talking to a gentleman who

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3066 was paying \$60 a month. He was making \$9 an hour, single
3067 income family. He had a wife and a daughter, and I met all
3068 three of them. And when he was done, he had a big smile on
3069 his face. He almost got up and left when he met me. But
3070 when he was done, he actually realized that he now was able
3071 to provide for his family without having to spend \$60 a
3072 month, and now his entire family has coverage. So I think
3073 that is a perfect example of what this is--what is good in
3074 the Affordable Care Act.

3075 Thank you, Mr. Chairman. I yield back my time.

3076 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
3077 the gentleman from Indiana, Dr. Buschon, 5 minutes for
3078 questions.

3079 Mr. {Buschon.} Thank you, Secretary Burwell, and thanks
3080 for coming. And, first of all, I want to thank you for
3081 working with Governor Mike Pence of Indiana on Health Indiana
3082 Plan 2.0, which will help to cover 350,000 low income
3083 Hoosiers in a state-based program that, I think, has been
3084 shown historically to not only save money, but is very
3085 popular with the enrollees, so thank you very much for that
3086 work.

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3087 Before I came to Congress, I was a cardiothoracic
3088 surgeon, and I treated most of my patients for many weeks
3089 after their surgery. And, as you probably know, that falls
3090 under a global payment, a 90 day global surgical payment by
3091 CMS. Now CMS wants to repeal that rule, and eliminate global
3092 payments for surgical services. Why?

3093 Secretary {Burwell.} With regard to our understanding
3094 of how the global payments are used, the reason that we want
3095 to do this is to make sure that, while we are promoting
3096 quality care, that we do it in a way that is most cost-
3097 effective for the taxpayer. Most of the changes that we do
3098 in the Medicare space are focused on those two things, and
3099 trying to balance those two.

3100 Mr. {Buschon.} Okay. And has HHS or CMS looked into
3101 the administrative costs the new systems will have on doctors
3102 and CMS? The reason I ask is, in my practice--I will give
3103 you some examples of how this actually will work--

3104 Secretary {Burwell.} Um-hum.

3105 Mr. {Buschon.} --or won't work if you do it. We would
3106 bill a global payment, and--for everything, including follow-
3107 up visits.

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3108 Secretary {Burwell.} Um-hum.

3109 Mr. {Buschon.} And now doctors will be billing for the
3110 surgery, every hospital round that they make, every follow-up
3111 appointment, all separately, let me finish. And not only
3112 would the medical practice have to pay employees to submit
3113 all these--what I consider excessive claims, but then CMS
3114 will have to process each claim. And how can that not cost
3115 CMS more money, not less? That is my first question.

3116 Secretary {Burwell.} With regard to the global payment
3117 issue, and one of the things--Dr. Patrick Conway--we try and
3118 have physicians who are practicing at the table as we have
3119 these conversations. Want to understand the point that you
3120 are making and how we believe--I want to look into this one,
3121 in terms of a specific answer to your--

3122 Mr. {Buschon.} It will be a dramatic increase. Let me
3123 tell you why. If I did an open heart surgery on a patient, I
3124 would see them in the ICU anywhere from 3 to 5 days every
3125 day, and then probably two to three follow-up appointments.
3126 That is all under a global.

3127 Secretary {Burwell.} Um-hum.

3128 Mr. {Buschon.} And so now that--those numbers will be

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3129 submitted as individual bills. From a surgeon's perspective,
3130 I see this as--and I think seniors should be paying attention
3131 to these comments. This is going to be a dramatic pay cut
3132 for surgeons across this country, and that is--in my view,
3133 that is where any potential savings will be coming from. So
3134 as you look at this, you better--you should really--I would
3135 encourage you to pay attention to that, because what will
3136 happen is you are going to have to re-evaluate--there is
3137 going to have to be re-evaluation of every code, re-
3138 evaluation of every follow-up appointment. You are going to
3139 have to discern whether there is duplicate billing. For
3140 example, if I see a patient post-op in the ICU, and a
3141 critical care physician is also seeing my patient that day,
3142 who gets paid, who doesn't get paid? There will be increased
3143 denials. My point is this. Global payments were put in
3144 place to save money--

3145 Secretary {Burwell.} Um-hum.

3146 Mr. {Buschon.} --administratively, and also simplify,
3147 and I think improve, quality of health care. And I think
3148 going backwards away from that is regressive--regressing
3149 backwards. Yes, it will save money. This will save money by

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3150 dramatically cutting provider reimbursement. And if that is
3151 the intent, that is unfortunate, because what will also
3152 result is access issues for seniors for health care services,
3153 and, I would argue, less quality health care.

3154 And so, you know, most of these bundles are re-examined
3155 every few years by--and so, you know, the argument that
3156 overbilling is occurring, if that were to be true, then, you
3157 know, these bundles are looked at every couple years and re-
3158 evaluated, so, on that subject, I would encourage you to take
3159 a really hard look at global payments. They save money, and
3160 they don't cost money. The savings will be at the--on the
3161 backs of seniors' access to health care, and quality, in my
3162 opinion.

3163 The other thing is the President's budget would seek to
3164 save 20.9 billion in savings over the next 10 years by
3165 strengthening the IPAD Board, a board of unelected members
3166 selected by the President to cut--in my view, to cut Medicare
3167 payments to providers. I understand the President has not
3168 yet nominated anyone to sit on the IPAD Board, so it would
3169 not--it could not recommend Medicare cuts this year. So in
3170 what year under the President's budget will IPAD begin to

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3171 make recommendations on Medicare costs?

3172 Secretary {Burwell.} In the current President's budget,
3173 IPAD would not kick in until 2019.

3174 Mr. {Buschon.} 2019?

3175 Secretary {Burwell.} That is right.

3176 Mr. {Buschon.} Okay. Thank you. Thank you, Mr.

3177 Chairman. I yield back.

3178 Mr. {Pitts.} Chair thanks the gentleman. Now recognize
3179 the gentleman from New York, Mr. Collins, 5 minutes for
3180 questions.

3181 Mr. {Collins.} Thank you, Mr. Chairman, and thank you,
3182 Secretary, for being here today. I am from western New York,
3183 which is a very rural community. We have one of the highest
3184 enrollment of Medicare Advantage. I know prior to the
3185 Affordable Care Act I would say that without a doubt one of
3186 the bright spots in the delivery of health care in the United
3187 States was Medicare Advantage. Dealt with the donut hole.
3188 It was a lot of comfort for the seniors to be able to go in,
3189 much like we do with HMOs, and--a great program. And yet, as
3190 was brought out earlier, and I want to get into this, it
3191 seems as though the President, and the Administration, and

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3192 HHS views Medicare Advantage with some level of disdain, in
3193 that it is the piece that keeps getting cut.

3194 And as I look through some of the data, and I am kind of
3195 a data driven guy, the interesting thing I found about
3196 Medicare Advantage, there are over seven million enrollees,
3197 represents almost 30 percent of the Medicare population,
3198 which would indicate it works. Number two, when you look at
3199 who uses it, lower income beneficiaries have a higher
3200 enrollment in Medicare Advantage than do wealthier
3201 individuals, which means it is serving best some of the lower
3202 income populations. We have also seen that, when I look at
3203 the rural plans, again, in rural America, which I represent,
3204 a higher percentage of folks from rural America are using it.

3205 So I am just asking the question, as--and the
3206 interesting thing too, the--that information we got today was
3207 from AHIB. They said the current .9 percent, the .9 percent
3208 cut that is coming now in the subsidy to insurance companies
3209 for Medicare Advantage, is going to add another \$20 a month
3210 to beneficiaries, either in higher premiums, or reduced
3211 benefits. So could you speak to just the opinion of older
3212 Americans on Medicare, that they are being used as the

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3213 funding source for the expansion in Medicaid, and all of
3214 those increased costs on the back of our seniors, who have
3215 depended on this great program for all these years? A
3216 frustration level exists within that population.

3217 Secretary {Burwell.} Appreciate that, and as I
3218 responded to your colleague with regard to the issues of
3219 Medicare Advantage, I would say we support the program,
3220 believe the program is a good program, but also believe that
3221 our responsibility, where we think there are things that are
3222 happening, whether that is up-coding or other things, that we
3223 try and take care of that.

3224 The changes that we have done, we have tried to
3225 transition those changes. We have tried to do those changes
3226 slowly so that we watch and monitor. We have seen an
3227 increase in the number of people in Medicare Advantage. We
3228 have seen premiums hold steady. We have seen an increase in
3229 quality. So the negative impacts that were articulated at
3230 the beginning of those proposals, we have not seen. We want
3231 to continue to monitor and make sure that we don't see some
3232 of the negative impacts that you were talking about. We
3233 value the program. We think the changes--they have been

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3234 recommended by MedPAC and others.

3235 We understand the concerns, but trying to operate in a
3236 world--and with regard to the other issue that you mentioned,
3237 I would just say across the board--and whether it is the
3238 issue that your colleague just mentioned, with regard to--or
3239 the \$780 million we do in discretionary cuts, we try to
3240 spread these things across the entire parts of our budget.

3241 Mr. {Collins.} But are you aware that there now over
3242 200 counties in the United States that don't have a Medicare
3243 Advantage plan at all to offer their seniors as a direct
3244 result of the cuts you have made? So when you say it hasn't
3245 had this impact, there are seniors in 200--over 200 counties
3246 in the United States that can't even buy the coverage.

3247 Secretary {Burwell.} So 99 percent of the Nation has
3248 coverage, in terms of the beneficiaries' accessibility.

3249 Mr. {Collins.} But yet the number who don't has
3250 increased, from 55 counties before the ACA to over 200 today.
3251 So there is a direct impact. I mean, the numbers--the data
3252 is the data. You can't make it go away.

3253 Secretary {Burwell.} With regard to those numbers, as I
3254 said, I have the number of the current coverage, and would

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3255 want to understand the change over the--

3256 Mr. {Collins.} Yeah. What I am trying to point out is
3257 it has had--the reason you are looking for this funding is to
3258 pay for the expansion of Medicaid. I mean, whether it is the
3259 health insurance tax, or the individual mandate, or whatever,
3260 the big cost driver has been this huge expansion in Medicaid,
3261 would be my observation.

3262 Secretary {Burwell.} What I would observe is some of
3263 the comments that have been stated about the question of
3264 overall entitlements and the growth, we have a bulge of
3265 population. We have a large group of people who are elderly
3266 in Medicare. The Medicare costs, even though we have
3267 controlled per capita costs for Medicare over the period of
3268 what we are seeing, because more people from the baby boom
3269 are retiring and older, that is an issue that we, as a
3270 Nation, are going to have to look at and deal with. Medicare
3271 costs are going to continue to increase because of volume,
3272 even if we can control per capita cost.

3273 And so with regard to the questions of what will be
3274 costing the Nation money over periods of time, the issue of
3275 Medicare is one on a--because we are going to have the baby

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3276 boom, and the echo come through, we are going to continue to
3277 have to make good on the commitments we have made. And that
3278 will cost us, because even if you control it per capita,
3279 volume is greater.

3280 Mr. {Collins.} Well, thank you for the answer. My time
3281 has expired. Yield back.

3282 Mr. {Pitts.} Chair recognize the gentleman from New
3283 Mexico, Mr. Lujan, 5 minutes for questions.

3284 Mr. {Lujan.} Thank you very much, Mr. Chairman, and I
3285 would yield to our Ranking Member, Mr. Green, for a quick
3286 response as well.

3287 Mr. {Green.} Thank you, Mr. Chairman. I want to
3288 respond to my colleague from New York. I don't--I have not
3289 had any of my seniors question the expansion of Medicaid,
3290 based on what is happening with Medicare. The Affordable
3291 Care Act was totally paid for, and, in fact, Medicare was
3292 improved under the Affordable Care Act. And, Madam
3293 Secretary, if you just--this is the first I have heard that
3294 seniors are complaining that the Medicaid expansion is being
3295 paid out of Medicare. That is just not, in fact, that I hear
3296 about. Did you have any information on that?

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3297 Secretary {Burwell.} That is the first that I have
3298 heard that anyone felt that that was an issue, with regard to
3299 the Federal budget, because I assume that is what they are
3300 referring to.

3301 Mr. {Collins.} If the gentleman would yield one
3302 minute--

3303 Mr. {Lujan.} Thank you. Reclaiming my time, thank you,
3304 Madam Secretary, for your testimony today. I want to
3305 reiterate what many of my colleagues have said, that we must
3306 repeal the SGR, but not on the backs of seniors, and that a
3307 strong CHIP extension must be included with the SGR in March
3308 as well. Also that the Affordable Care Act is working,
3309 despite an attempt of over 50 Republican repeal attempts.
3310 The ACA has had a positive impact on New Mexico, in my home
3311 state. In my home district, 25,000 people now have quality,
3312 affordable health coverage because of the Affordable Care Act
3313 that didn't before, and overall the numbers of uninsured has
3314 declined by 17 percent.

3315 With the law now full in effect, Americans can never be
3316 discriminated against because of pre-existing conditions.
3317 Women can never be charged more for coverage because of their

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3318 gender, and Americans will never be sold health insurance
3319 policies that disappear when they need coverage most, when
3320 they hit those lifetime caps, and suddenly coverage goes
3321 away. I think that it is time that we come together and work
3322 to strengthen the law, and stop playing political games that
3323 will strip millions of Americans of the health coverage they
3324 depend on. As my father would say, enough is enough.

3325 Madam Secretary, in your opinion, has the Affordable
3326 Care Act had a positive impact on places around the country,
3327 including my home state of New Mexico?

3328 Secretary {Burwell.} Yes, and I think it has in three
3329 areas, affordability, access, and quality. With regard to
3330 the issues of quality, you touched upon a number of the areas
3331 where I believe there is been an improvement in quality, and
3332 those are the fact that people can have their children
3333 covered up to 26, the quality that you don't--if you have a
3334 pre-existing condition, you can't be kept out, or thrown off
3335 of your health care. The fact--if you take your child in for
3336 their wellness visit, there isn't co-insurance. You don't
3337 have to pay, in terms of that preventative care. So
3338 increases in quality. We have also seen increases in quality

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3339 through partnerships we are doing with physicians, and we
3340 have seen a 17 percent reduction in harms. Those are things
3341 like infections and falls in hospitals. That is also about
3342 saving lives, but it is also about money.

3343 With regard to the issue of affordability, and the
3344 progress that we have made on affordability, while we can all
3345 still continue to make more, we have in that space, and what
3346 we have seen is that, in the years 2011, '12, and '13, we
3347 have seen a record in terms of per capita health care cost
3348 growth. It is one of the lowest that we have seen on record,
3349 and we have seen that. That is in the broader marketplace.

3350 With regard to the individual market, what we have seen
3351 is that people--the vast majority, over 8 in 10 folks in the
3352 marketplace can find coverage using a subsidy that is \$100 or
3353 less in a month. That is affordability in that marketplace.
3354 With regard to affordability and the taxpayer, CBO estimates
3355 pre the Affordable Care Act would have estimated that
3356 spending in Medicare would have been \$116 billion greater.
3357 Affordability for the taxpayer.

3358 Lastly, access. The question of access, and the fact
3359 that 11.4 million people have come through the marketplace

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3360 this time, but let us even use last year's number, where we
3361 saw a 10 million person drop in the number of uninsured. So,
3362 against the three fundamental measures, that is how I would
3363 think about it.

3364 Mr. {Lujan.} I appreciate that, Madam Secretary. Thank
3365 you for your response there, and I do want to raise an issue
3366 that has great concern to my constituents and to myself back
3367 in New Mexico. It has now been over 18 months since the
3368 State of New Mexico claimed credible allegations of fraud, or
3369 their allegations of fraud, against 15 behavioral health
3370 providers, resulting in the eventual closure or replacement
3371 by five Arizona behavioral health providers. This transition
3372 and turmoil has raised significant concerns across access to
3373 care, especially in light of recent reports that the new
3374 providers are financially unstable. In fact, one provider is
3375 already pulling out of New Mexico.

3376 The recently elected New Mexico Attorney General has
3377 also released the audit that led to the suspension, and it
3378 shows a lack of underlying basis for many of the allegations
3379 of fraud. My staff has had several meetings with CMS, and I
3380 am very concerned that we are not making progress. When

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3381 payment suspensions are put into place, what CMS do to ensure
3382 states are acting in good faith, and what is CMS doing to
3383 stop the reoccurrence of this happening, both in New Mexico
3384 and other states, and can I have your commitment that we can
3385 work together on this particular issue and met with the
3386 delegation?

3387 Secretary {Burwell.} Do want to work with you on this
3388 issue. Know it is one of concern, in terms of making sure
3389 that people have access to those benefits.

3390 Mr. {Lujan.} I appreciate that. Thank you very much.
3391 I yield back the balance of my time.

3392 Mr. {Pitts.} Thank the gentleman. Now recognize the
3393 gentlelady from North Carolina, Ms. Ellmers, 5 minutes for--

3394 Mrs. {Ellmers.} Thank you. And thank you, Madam
3395 Secretary, for being with us today. I am sorry, do you--got
3396 some water there? We--get you some water. I do want to
3397 address--before I--as I have three different--very different
3398 questions to ask you about, but I do want to address the
3399 issue of Medicare, and our seniors who are concerned. It is
3400 my recollection, and, you know, there again, I am just going
3401 back to history, that over \$700 billion was taken out of

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3402 Medicare in order to pay for Obamacare. About 300 billion of
3403 that was Medicare Advantage. So to the question of whether
3404 or not our seniors are concerned about that, I would say yes,
3405 they are concerned about that, and they want to make sure
3406 that they will be able to continue to get the good care that
3407 they deserve.

3408 I do want to start off by talking about Medicare
3409 reimbursement in relation to the two percent sequester cuts
3410 that were put in place a number of years ago, dramatically
3411 affecting our chemotherapy drugs, and our other Part B drugs.
3412 As you know, this has affected our industry. Back in January
3413 14 of 2013, Office of Management and Budget put out a letter,
3414 basically asking Federal agencies to, ``use any available
3415 flexibility to reduce operational risks, and minimize impacts
3416 of the agency's core mission in service of the American
3417 people.'' And it goes on.

3418 Some of the adverse things that have happened as a
3419 result of the two percent cut over 16 months, after CMS
3420 started applying the two percent cut, we basically ended up
3421 with 25 community oncology clinics closing, one of which, a
3422 very large clinic in my own district, and 75 others merged

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3423 with hospitals. CMS's own numbers show that it costs \$6,500
3424 more per year per patient on oncology services if they become
3425 part of the hospital system, versus the clinic setting, or
3426 outpatient setting, at about \$650 more out of pocket.

3427 How can this, you know, why hasn't CMS taken the
3428 recommendation of OMB and addressed that situation?

3429 Secretary {Burwell.} Congresswomen, we agree with you
3430 about sequester, and in this budget, we fully get rid of
3431 sequester, both on the mandatory side, and on the
3432 discretionary side. We believe there are other choices that
3433 are better choices, and so agree with you, this is not an
3434 approach--when you use an approach like this--

3435 Mrs. {Ellmers.} Um-hum.

3436 Secretary {Burwell.} --you end up doing things like the
3437 types of things you are talking about. And so what we want
3438 to do is fully replace it, and that is what our budget does.
3439 We are willing to make other choices, in terms of how we get
3440 those savings.

3441 Mrs. {Ellmers.} Thank you. And I will just go on and
3442 just--there again, I will--a very important question, having
3443 to do, essentially, with our tobacco products. And I--my

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3444 question for you is do you agree with Mitch Zeller, Director
3445 of FDA Center for Tobacco Products, that if the smokers, and
3446 I am going to quote him, ``who are otherwise unable or
3447 unwilling to quit were to completely switch to smokeless
3448 tobacco products, it would be good for the public health.''
3449 Do you agree with this statement?

3450 Secretary {Burwell.} I would have to understand the
3451 context in which he made that statement. With regard to the
3452 question, I think, you know, we want to promote the public
3453 health. We want to--

3454 Mrs. {Ellmers.} Um-hum.

3455 Secretary {Burwell.} --make sure we are doing the right
3456 research to understand that, and put in place the right
3457 guidelines and regulations to do it.

3458 Mrs. {Ellmers.} Well, thank you for that. And I do
3459 want to add that there are no government websites that help
3460 promote or, you know, address, this issue, including CDC,
3461 FDA, NIH. It would be helpful, again, for the public to
3462 understand that there are the non-tobacco products available,
3463 and that this is an approach that we need to make. And I
3464 would welcome the ability to continue to work with you, and

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3465 your office, on any way that we can, you know, better help to
3466 get that information out, and address the needs from a
3467 scientific basis, and using the scientific research that is
3468 out that.

3469 I do want to switch gears a little bit to our vaccines,
3470 and to BARDA. Right now BARDA maintains a stockpile of
3471 roughly \$1.7 billion worth of pandemic influenza vaccine.
3472 The--this year's budget, I believe, was about \$20 million in
3473 order to take care of that stockpile and maintain it. Does
3474 the 2016 budget increase that amount, and, into the future,
3475 how does BARDA plan on dealing with those issues, especially
3476 when we know that we are in our situation where this is a
3477 very timely issue?

3478 Secretary {Burwell.} Across the board our budget has
3479 worked to do a couple of things with regard to the
3480 preparedness, making sure that that vaccine stockpile, and
3481 that the issues that BARDA handles--

3482 Mrs. {Elmers.} Um-hum.

3483 Secretary {Burwell.} --which are making sure that we
3484 have--what we have on hand in stockpile, and that we have the
3485 ability to work with manufacturers to bring new products

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3486 online, where that is appropriate--

3487 Mrs. {Elmers.} Um-hum.

3488 Secretary {Burwell.} --for different types of issues
3489 that we as a Nation may face, either man-made or otherwise.
3490 But we also have paired that with things in our budget which
3491 are about the preparedness in our communities--

3492 Mrs. {Elmers.} Um-hum.

3493 Secretary {Burwell.} --and we have seen that front and
3494 center, certainly, in our time period. We are implementing
3495 the dollars we appreciate from Congress as part of that, in
3496 terms of Ebola, but also broader preparedness--

3497 Mrs. {Elmers.} Um-hum.

3498 Secretary {Burwell.} --where we have been given that
3499 authority by the Congress.

3500 Mrs. {Elmers.} Thank you, Secretary Burwell, for being
3501 here today. I truly appreciate your input. Thank you.

3502 Secretary {Burwell.} Thank you.

3503 Mr. {Pitts.} Chair thanks the gentlelady. That
3504 concludes the questions of the members who are present. I am
3505 sure we will have lots of follow up and written questions
3506 from some of the members, so we will get those to you

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3507 promptly. We ask that you please respond to the questions
3508 promptly. I remind members that they have 10 business days
3509 to submit questions for the record, and that means they
3510 should submit their questions by the close of business on
3511 Thursday, March the 12th.

3512 Thank you very much, Madam Secretary, for your
3513 attendance today and your answers. Without objection,
3514 Subcommittee is adjourned.

3515 [Whereupon, at 12:55 p.m., the Subcommittee was
3516 adjourned.]