

Rep. Joseph R. Pitts
Opening Statement
Energy and Commerce Subcommittee on Health Hearing:
“Examining the Financing and Delivery of Long-Term Care in the U.S.”
Tuesday, March 1, 2016 (10:15 AM)

The Subcommittee will come to order.

The Chairman will recognize himself for an opening statement.

Today, the Health Subcommittee will examine the financing and delivery of long-term care (LTC) in the U.S. While long-term care largely differs from health coverage or medical care, I know every member of this Committee wants to ensure that frail elderly seniors or disabled individuals across the country receive high-quality care.

We want to see each person treated with the dignity and respect that they deserve. And we want a long-term care system that empowers each person and respects individual preferences.

Unfortunately, as we will hear from our witnesses today, many experts warn that we are facing a coming crisis in the provision of long-term care. Most notably, we face a demographic headwind, with 10,000 Baby Boomers turning 65 each day. Additionally, as life-expectancy increases, so too does the need to provide care for aging individuals.

Yet, our private market is not as robust as needed, our public payers are strained, and many individual Americans face high out-of-pocket costs for providing long-term care for themselves or a loved one. Unfortunately, too few Americans are currently prepared to pay for even a modest amount of long-term care – whether through insurance or savings.

As we engage in today’s hearing, I think it’s important to remember our long-term care crisis affects all Americans. If the long-term care challenge is left unaddressed, it will impact the elderly who require services....the middle aged who are often responsible for caring for their aging parents...and the children who could be left responsible footing the bill for public programs.

As we embark on examining how we can confront the long-term care challenge, it's important we learn from failed ideas of the past. For example, in 2010, the ACA created a new federal entitlement program called the CLASS Act. The statute required that the CLASS Act be solvent over a 75-year period, and the program failed to meet tests of actuarial solvency. The CLASS Act was found to be fiscally unsound and was ultimately repealed in subsequent legislation.

This committee knows all too well what financially unsound programs look like. Medicaid and Medicare are both facing growing financial strains, as costs soar and demand increases. Medicaid is consuming increasing portions of state budgets, and Medicare's long-term unfunded obligations are estimated over \$35 trillion in today's dollars.

So it is understandable that many members of this Committee are wary of proposals that resemble a new entitlement. But caution against new entitlements does not equal close-mindedness to new approaches.

There are many ideas about ways to improve the outlook for financing and delivering long-term care in the country. For example, just in February, three bipartisan proposals have been offered.

So, today's hearing provides Members an opportunity to learn more about the state of long-term care in our country – and to examine the types of policy choices facing Congress if it wants to reform the current system to provide high quality care without bankrupting future generations.

Clearly, we need to find better ways to encourage private market solutions. We need to understand what the research tells us about what's working in the private and public sectors. We need to know barriers to efficient, high-quality care exist in our public programs. And we need to better understand how to encourage individuals and their families to plan for the future.

I appreciate our witnesses being here and we look forward to your testimony.

I yield the remainder of my time to _____.