

**Rep. Joseph R. Pitts**  
**Opening Statement**  
**Energy and Commerce Subcommittee on Health Hearing:**  
**“Health Care Solutions: Increasing Patient Choice and Plan Innovation”**  
**Wednesday, May 11, 2016 (10:00 AM)**

The Subcommittee will come to order.

The Chairman will recognize himself for an opening statement.

Today’s hearing will take a closer look at health care solutions centered around patient choices and limiting, or even ending, government’s role as an insurance regulator to allow insurance plans to innovate.

Health care is the most personal of any political issue. When Congress gets involved in health policy, we are changing peoples’ lives. Decisions we make in Washington can have a tremendous effect on the well-being of families and their budgets.

A country in which 45 million people went without health insurance was certainly in need of health reform. However, the Affordable Care Act is not the health reform this country needed.

In fact, I believe it is a tremendous setback and makes true reform even harder to accomplish.

The first thing health reform should accomplish is to stabilize or reduce the costs of health care. The number one complaint people have about health care is the rising cost, and yet the ACA has done nothing to decrease health care spending. In fact, many Americans are paying more for health insurance and care as a result of the law.

We can do better. Government bureaucracy and rules can never hope to contain costs. We must make health care costs more transparent and give people the freedom to choose the insurance that they want.

I do not believe that more government bureaucracy, regulations, and spending will ever successfully control the price of health care. We have to put individuals and families in charge of their own health care. They need adequate information in order to make smart decisions and the freedom to choose what works best for them. Some of the free market solutions that I believe would truly help control costs and improve health care for all includes portability, more pooling options, consumer-driven arrangements, and innovation through vibrant plan competition.

For many, their health insurance is too closely tied to employment. People who are laid off, fired, or have to quit working can find themselves uninsured at a time when they can least afford it. Patients should be able to own their insurance plan, and take it with them, even if they enter into the individual market.

Before the president's health care law, I introduced the Small Business CHOICE Act, which would allow small businesses to form private health insurance cooperatives to buy insurance at lower rates while transferring catastrophic costs to a larger insurer. The bill helps small employers offer health insurance through a refundable tax credit of 65 percent. Self-employed people would save \$5,000 a year on health insurance, and other small firms would save more than 34 percent.

Similarly, association health plans (AHPs) could allow Rotary clubs, professional associations and other groups to band together across state lines and form their own health plans, increasing their purchasing power and lowering costs.

Also, lack of consumer control has the effect of reducing people's motivation to make their own responsible decisions. There is little incentive to make wise decisions about when to see a doctor or to make healthy lifestyle choices. Instead, insurance companies try to reduce costs by requiring doctor referrals and insurance pre-certification. A better way to help people make responsible decisions is to transfer the motivation to be frugal from the insurance company to the individual.

Health Savings Accounts (HSAs), created in 2003 by Republicans but still under-used, allow individuals to save money in an account they control, using the money to pay for everyday medical expenses. Only when major medical expenses are incurred does the insurance company step in, after a high deductible (paid out of the HSA) is met. HSAs encourage individuals to make smart spending decisions and cost them less over time than traditional insurance.

We should never forget that innovation comes almost exclusively from the private sector. New drugs, therapies, and cures will only be developed if the companies that develop them are able to commercialize them. We should not nationalize healthcare and we should not weigh down innovation and invention with unnecessary new taxes and regulations.

Our hearing today will examine options to reform insurance markets to better serve patients.