

**Opening Statement of Chairman Frank Pallone, Jr.
House Committee on Energy and Commerce
Subcommittee on Health
Hearing on “Strengthening Our Health Care System: Legislation to
Reverse ACA Sabotage and Ensure Pre-Existing Conditions
Protections”**

February 13, 2019

Today this Committee begins to fulfill the promise we made to reverse the repeated sabotage of our nation’s health care system by the Trump Administration, to make health care more affordable, and to protect the more than 133 million Americans with pre-existing conditions.

We will be discussing four bills that will make a real difference in people’s lives. The first bill, introduced by Ms. Castor, would reverse the Trump Administration’s regulation to expand junk insurance plans known as short-term limited duration health insurance. The Trump Administration expanded

these junk plans from the current three-month term and made these plans available for up to three years.

These junk plans are exactly that – junk. They discriminate against people with pre-existing conditions. They set higher premiums for people based on age, gender, and health status. They deny access to basic benefits like prescription drugs, maternity care, and mental health and substance abuse treatment. And they set arbitrary dollar limits for health care services, leading to huge surprise bills for consumers. Expanding these junk plans also makes health insurance more expensive for people with pre-existing conditions, by undermining the market for comprehensive coverage.

The business model of the companies that sell these junk plans is to spend as little as possible on the health of their

enrollees. They accomplish this by denying coverage of pre-existing conditions, kicking people off their health insurance if they get sick or seek medical treatment, and pocketing their premium dollars as pure profit. This profiteering at the expense of peoples' health is unacceptable. It is why we passed the Affordable Care Act in the first place, to rein in exactly these types of abuses by health insurance companies. And yet the Trump Administration would give insurance companies the green light to once again discriminate against people with pre-existing conditions.

Ms. Castor's bill is an important step in strengthening the individual market and reversing the harm caused by the Trump Administration.

Ms. Eshoo's bill requires these short-term plans to bear a consumer warning. As we will hear from our witnesses today, junk plans are often deceptively marketed as comprehensive coverage, and consumers are not always aware of the fine print. This is about a consumer's right to know. The bill would require issuers of these plans to display a clear, prominent warning, advising consumers that the plan does not cover pre-existing conditions, is temporary and may not cover most health care costs, and that coverage can be terminated when someone gets sick or seeks medical treatment.

I believe this bill works in conjunction with Ms. Castor's bill. While consumer disclosure is important, we must also prevent all of the problems associated with expanding these plans to three years.

We will also be discussing Ms. Kuster's bill to rescind the Trump Administration's 1332 guidance. Section 1332 of the ACA was designed to give states the ability to examine system reforms that would improve the well-being of their residents. The key word there is improve. States are also required to maintain the affordability and the comprehensiveness of coverage, and keep the same number of people insured as under the ACA. The Trump Administration's 1332 guidance turns the statute on its head, giving states the green light to undermine protections for pre-existing conditions. The guidance also gives states the green light to provide taxpayer subsidies for junk plans, and reinvigorates ideas from the failed Republican repeal bill, such as flat tax credits that do not keep up with rising premiums and shifts costs onto working families. This guidance is bad for consumers, bad for individuals with pre-existing conditions, and bad for taxpayers. It exceeds the

Administration's authority and is contrary to congressional intent.

Finally, we will be discussing Ms. Blunt-Rochester's bill to restore consumer outreach and enrollment funding that is so important to making health care more accessible and affordable. The Trump Administration gutted funding for consumer outreach and marketing by 90 percent. The Administration's refusal to invest in outreach and enrollment is making it harder for Americans to get health care. This is leading to lower enrollment numbers. The Administration has overseen three consecutive years of decline in enrollment and new enrollment is down by 50 percent. The Administration's sabotage efforts have resulted in the highest uninsured rate in four years. Ms. Blunt-Rochester's bill would fund critical outreach and enrollment at \$100 million , which was the level before Trump's

sabotage. Her bill also prevents the Administration from using these funds to promote junk plans. Ms. Blunt-Rochester's bill is an important step in lowering health care costs and expanding coverage to more Americans.

All four bills we are considering today are important first steps in lowering health care costs and protecting consumers with pre-existing conditions. I commend all four members for their leadership, and look forward to continuing to work with my colleagues as we make health care more affordable for all Americans.

I yield back.