

Congressman Brian Higgins
Energy and Commerce Committee
Health Subcommittee
“Proposals to Achieve Universal Health Care Coverage”
Tuesday, December 10, 2019

Chairwoman Eshoo, Ranking Member Burgess, thank you for holding this important hearing on ways to achieve universal health care coverage in America.

This coming March will mark ten years since President Obama signed the Affordable Care Act into law. The accomplishments of the ACA are many, and the law’s impact over the last decade is indisputable. Twenty million Americans have gained health insurance. The uninsured rate has been cut almost in half. Required essential health benefits ensure that insurance plans actually cover the care that individuals and families need. Preventive care is covered with no cost-sharing. And, of course, protections for people with pre-existing conditions mean that no one with ailments like cancer, or diabetes, or HIV can be denied coverage.

I was proud to vote for the ACA, but I have always viewed the bill as a start, not a finish. We must continue to push toward the end goal of a universal health care system where health care truly is a right for all, not a privilege for only those who can afford it.

As evidenced by the bills being discussed today, there are a number of ideas about how we might move forward to achieve this goal. While I am a proud cosponsor of several of these bills, I am here today to testify about a bill I have introduced, the Medicare Buy-In and Health Care Stabilization Act.

Put simply, this bill would allow those Americans aged 50-64 to buy into the existing Medicare program. Medicare would be listed alongside existing private plans on the ACA’s insurance marketplace, and if an individual’s income qualified them for subsidies to help buy a marketplace plan, they could apply those subsidies towards the buy-in plan as well. The existing Medicare program would remain the same, and the buy-in would be funded by premiums placed into a separate buy-in trust fund, leaving the Medicare Hospital Trust Fund unaffected.

Why does a Medicare buy-in make sense as an immediate next step to expand health care coverage? Americans aged 50-64 face particularly high premiums on the individual market, especially if they do not qualify for subsidies. According to the Kaiser Family Foundation, a 60-year-old making \$50,000 a year can expect to pay \$8500 in annual premiums for the cheapest individual market plan in 2019. That’s about 17% of their income. Allowing folks in this age group the option of buying into Medicare would give them a better, more affordable option for health care coverage and can be implemented comparatively quickly, providing relief to an age cohort that could truly use it.

A study released last month by the highly respected, nonprofit RAND Corporation analyzed the potential impact of several versions of a Medicare buy-in scenario, outlining a number of benefits it would bring to those who enrolled. In their base buy-in scenario for those aged 50-64,

which closely mirrors my bill, RAND estimated that six million people would enroll in the buy-in. The buy-in would be significantly cheaper than comparable individual market gold plans. In the first year the buy-in would be offered, the annual buy-in premiums for a 50-year-old would be \$2500 less than a gold plan. For a 60-year-old, the annual buy-in premium would be \$8300 less than a gold plan.

The study also found that overall out-of-pocket spending for those choosing the buy-in would go down 28 percent. And the buy-in would save the federal government money as well, reducing federal spending by \$4 billion.

Furthermore, allowing those 50-64 to buy into Medicare is incredibly popular with the American people. In a poll released earlier this year, the Kaiser Family Foundation found that 77 percent of Americans support a Medicare buy-in. That includes 85 percent of Democrats, 75 percent of Independents, and even 69 percent of Republicans. Of all the health care coverage expansion options included in the poll, none was more popular than the Medicare buy-in.

Medicare has been a reliable, popular, and often life-saving health care program for millions of Americans for more than 50 years. Despite the successes of the Affordable Care Act, too many people, especially those 50-64, are still paying too much for their health care. The Medicare Buy-In and Health Care Stabilization Act would provide the access to high-quality care offered by Medicare to a new segment of the population, saving both consumers and the government money in the process. We must not relent in our efforts to ultimately achieve a universal health care system, and I firmly believe that a Medicare buy-in is the prudent, logical, and necessary next step toward that goal.