

**STATEMENT OF REP. CEDRIC L. RICHMOND ON H.R. 2463, THE CHOOSE
MEDICARE ACT**

SUBCOMMITTEE ON HEALTH

COMMITTEE ON ENERGY AND COMMERCE

DECEMBER 10, 2019

“PROPOSALS TO ACHIEVE UNIVERSAL COVERAGE”

Thank you Chairwoman Eshoo, Ranking Member Burgess, and Members of the Subcommittee for holding this important hearing, considering this legislation, and allowing me to submit this statement for the record.

Though Americans have significant disagreements on healthcare policy in the United States, a large majority of Americans agree on one thing: They support Medicare. That is why my approach to expanding healthcare coverage is to offer every American an opportunity to choose Medicare coverage.

The Choose Medicare Act would expand access, competition, and choice by creating a new public health plan – Medicare Part E. Medicare Part E would be available in the individual market, small group market, and large group market. Every American resident, except those already eligible for Medicaid, CHIP, or traditional Medicare. Under the Choose Medicare Act, every American will have access to a form of public health insurance.

The Choose Medicare Act would provide comprehensive coverage for Americans who choose to enroll. Medicare Part E plans would be offered at the gold-level tier, meaning that, on average, beneficiaries would pay 20% of the cost of their care, while the plans cover the remaining 80%. The plan would cover all services covered by Medicare, as well the Affordable Care Act’s (ACA’s) ten Essential Health Benefits, including maternity and newborn care, pediatric services, mental health and substance abuse treatment, and prescription drugs. Medicare Part E would also cover abortion services. The Choose Medicare Act, therefore, brings the best of the ACA to the Medicare program, which already works so well for 55 million Americans.

The Choose Medicare Act will improve affordability not only for Medicare Part E recipients, but for all Americans. The bill would authorize the Secretary of Health and Human Services to deny, modify, or require consumer rebates for excessive premium increases in states where state regulators do not correct these excessive rates. This will ensure a process to block excessive, unjustified, or unfair health insurance premium increases.

The Choose Medicare Act would take several additional steps to improve affordability. It would extend protections against surprise out-of-network billing to Medicare Part E. It would establish, for the first time, an annual out-of-pocket maximum of \$6,700 for traditional Medicare recipients, indexed to inflation to provide some desperately needed financial relief to seniors. It would direct the Secretary of Health and Human Services to negotiate the price of prescription

drugs to bring down the cost of medication. If, after one year, a negotiated price is not reached, Medicare Part D will purchase drugs at the same rate as the Department of Veterans Affairs.

Too many Americans continue to struggle to afford health insurance on the exchanges, even with the ACA's premium tax credits. That is why the Choose Medicare Act would extend and increase the premium tax credits to middle-income earners. Currently, families earning up to four times the federal poverty level are eligible for the credits. The Choose Medicare Act would make credits available to families with up to six times the federal poverty level. Currently, tax credits are benchmarked to the cost of the second-lowest available silver tier plan. The Choose Medicare Act would change the benchmark to the more generous gold-tier plan. Finally, the bill provides \$10 billion per year for a reinsurance program to help states stabilize and improve affordability in their markets.

Though the Affordable Care Act was a tremendously important and effective step towards universal coverage, too many Americans still find themselves unable to afford quality healthcare. I believe that the Choose Medicare Act will ensure that every American has access to quality, comprehensive care, improve affordability, and allow Americans to choose the care that works best for themselves and their families.