

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Chairman Frank Pallone, Jr.

Hearing on “Building on the ACA: Legislation to Expand Health Coverage and Lower Costs”

March 23, 2021

Today, on the 11th anniversary of President Obama signing the Affordable Care Act (ACA) into law, the Committee is considering a slate of bills that reflect Democrats’ continued commitment to make health care more affordable and accessible for all Americans.

Earlier this month, Democrats passed and President Biden signed into law the American Rescue Plan Act of 2021, which is the largest expansion of health care coverage since the passage of the ACA. The landmark legislation builds on the ACA so that health care is more affordable and more accessible for Americans at a time when they are struggling financially and when coverage is so essential.

The new law expands the ACA’s tax subsidies, including for the first time to Americans with income above 400 percent of the federal poverty line. Millions of Americans will gain health care coverage and see the cost of their monthly insurance premiums go down. Consider these examples. A family of four with an annual income of \$65,000 will save \$2,800 each year. A family of four with an annual income of \$100,000 will save \$7,000 annually – and this is a huge benefit considering this family did not qualify for premium subsidies before the American Rescue Plan.

The new law also provides a new incentive for states to expand Medicaid by increasing the federal medical assistance percentage, or FMAP, of new expansion states by five percentage points for two years. Finally, the American Rescue Plan takes steps to address disparities in coverage that have been laid bare by the COVID-19 pandemic by creating a new state option to provide continuous Medicaid eligibility for 12 months post-partum and provides billions in additional funding for home- and community-based services, or HCBS.

The American Rescue Plan only marks the beginning of our work to lower health care costs and further expand coverage. The 18 bills before us today build on the accomplishments of the ACA and the American Rescue Plan Act and will make a real difference in people’s lives. These bills also fix the four years of sabotage on our health care system from the previous Trump Administration.

We will be discussing Representative Castor’s bill that will require short-term plans to comply with the ACA’s consumer protections and offer comprehensive coverage. Last year, our Committee’s investigation found that millions of Americans are enrolled in these short-term or junk plans that offer bare bones coverage, discriminate against people with pre-existing conditions and leave patients saddled with thousands of dollars in medical debt. These junk plans

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have no place in our health care system as they are structured today and that's why we must ensure they are required to comply with ACA's consumer protections.

Other bills before us today would further expand coverage and reduce out-of-pocket costs for American families. Representative Craig's bill would provide \$10 billion annually to states to set up their own reinsurance programs to help lower premiums. States may also use this funding to provide direct financial assistance to their state residents to lower their out-of-pocket costs. Representative Kim's bill would provide states the opportunity to create State-based Exchanges and tailor the program to meet the needs of their state residents.

Representative Blunt-Rochester's bill restores consumer outreach and enrollment funding and another bill introduced by Representative Castor would restore funding to the navigator program. These bills are important considering the Trump Administration significantly scaled back this funding that helps make health care more accessible and affordable.

Finally, we will be considering a number of bills today that will strengthen Medicaid and the Children's Health Insurance Program or CHIP. During this severe economic downturn, these programs are vital safety nets for low-income families. As of September 2020, Medicaid enrollment had increased by six million people to cover over 77 million Americans.

Under Representative Dingell's bill, these individuals would be guaranteed continuity of coverage for 12 months, ensuring that they don't experience harmful disruptions in access to care. We will also discuss Representative Barragan's bill to permanently authorize funding for CHIP and provide states the option to increase Medicaid and CHIP eligibility levels for children, making it easier for lower-income families to access affordable health insurance. Representative Upton's bill would make permanent critical beneficiary protections for spouses of Medicaid HCBS recipients.

These are just some of the bills that we have before us today. Collectively, they expand access to care, make health care more affordable, and help reduce racial and ethnic health coverage disparities. I look forward to the discussion, and I yield back.