

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

Health Subcommittee Hearing on "Lowering Unaffordable Costs: Legislative Solutions to Increase Transparency and Competition in Health Care."

April 26, 2023

Today, Committee Republicans are holding a hearing on legislative efforts to lower health care costs at the same time their leadership prepares to bring Speaker McCarthy's irresponsible and extreme Default on America Act to the House floor. The Speaker's bill will raise costs for American families, kick millions of people off their health insurance, and cut \$100 billion from the Medicaid program so they can provide huge new giveaways to billionaires and big corporations.

Republicans are manufacturing a debt crisis to justify these cruel cuts. They are holding the American economy hostage. This brinkmanship will be catastrophic to our economy and make it harder for American families to make ends meet.

Republicans are also rushing the bill to the floor without holding any hearings or a markup. So much for regular order. Last Congress, when Democrats were in charge, we held several days of markups that included robust debates for both the American Rescue Plan and the Inflation Reduction Act. But now that they are in charge, Republicans are moving the Default on America Act without an open or transparent process, or any process at all. We haven't had the opportunity to hear from experts about the bill's implications, probably because Republicans know how deeply unpopular these ideas are.

If Republicans succeed in cutting \$100 billion from Medicaid, the consequences will be devastating and will be felt by every beneficiary, provider, and plan that relies on Medicaid. Republicans claim their bill would encourage Medicaid beneficiaries to work, but it's clear that this is just a pretext for them to cut Medicaid. As a reminder, the Congressional Budget Office found that Medicaid work requirements do not increase employment—they merely result in individuals losing coverage as a result of bureaucratic red tape.

Two-thirds of adults on Medicaid are already working and those who are not, generally have caregiver responsibilities, are dealing with physical or mental health issues that make work difficult, or are experiencing other barriers to employment like lack of education or training. If Republicans actually cared about increasing employment among Medicaid beneficiaries, they would have included policies to address those barriers.

Turning to the topic of today's hearing, I do believe we should be working together to bring greater transparency and competition to our health care system, but I have significant concerns about the process leading up to today's hearing.

My Republican colleagues shared a vast majority of the discussion drafts we will be discussing a week before the hearing was noticed. Given the broad array of topics and bills, I am disappointed that we did not have adequate time to fully vet some of these policies and provide the minority's input from the beginning. I hope my Republican colleagues will commit to work in a bipartisan manner as we consider these policies moving forward.

After all, we have been working together on H.R. 2691, the Transparent PRICE Act, which I introduced with Chair Rodgers. Patients deserve greater transparency in the prices they pay for health care. Today, consumers are not able to easily obtain price information on health care services. Sometimes, the price information that is provided is inaccurate and misleading, making it difficult to compare across providers or determine the true value of the care.

I am concerned by reports that many hospitals are either acting slowly or not yet complying with the Hospital Price Transparency final rule, making it even more difficult for consumers to access price information. H.R. 2691 codifies the existing requirements for both hospitals and insurers. It will also improve the accessibility and usability of the price information for consumers.

I am also pleased we are considering two bills that will increase transparency into pharmacy benefit manager practices by helping employers, consumers, and state Medicaid agencies better understand drug price information which can help lower health care costs.

We will also discuss legislation that I support to cancel the \$8 billion in cuts currently scheduled for federal payments to Medicaid disproportionate share hospitals, and a bill to require hospitals to disclose ownership data. Studies show that health consolidation is leading to higher care prices for consumers. I am particularly concerned about the role of private equity in hospital consolidation, and I look forward to hearing from the witnesses on how these trends may be impacting health care affordability and access to coverage.

I look forward to the witnesses' testimony, and I yield back