

**Congressman Brett Guthrie**  
**Opening Statement**  
**01.31.24 Health Hearing**  
*As Prepared for Delivery*

Welcome and thank you all for being here. Today marks our subcommittee's first hearing of 2024.

The Health subcommittee is tasked with one of the most important jobs in Congress – overseeing nearly one-fifth of the economy of the United States.

It's a huge task. And demands serious, bipartisan solutions to some of the most pressing challenges facing our nation. Challenges that have a large impact and are deeply personal for patients and families.

That is why today we are continuing the bipartisan work we did in 2023 to bring down the high costs of health care...

In 2023, we held numerous hearings focused on health care costs. We heard from witnesses representing almost every corner of the health care sector, including patient advocates, hospitals, administration witnesses, benefits administrators, life science executives, and academics just to name a few. Our work culminated in the Lower Costs, More Transparency Act, which passed the House in December with more than 300 bipartisan votes. This legislation includes policies that will bring much needed transparency to our health care system and finally put patients in the driver's seat of their health care decisions.

The legislation will empower patients, providers, and payers by advancing price transparency throughout the biggest components of the health care sector. If enacted, the legislation would codify and strengthen price transparency rules for hospitals and insurance companies. Further, it would expand price transparency for clinical labs, imaging services, and ambulatory surgical centers.

One study published last year found that price transparency would result in tens of billions in savings to patients, employers, and taxpayers... And it's something that Americans overwhelmingly support! The 2022 health care expenditure data from HHS gives us another important opportunity to identify drivers of high costs and continue looking for additional solutions. In 2022, health care spending reached \$4.5 trillion and is expected to grow faster than GDP over the next decade. This runaway growth is why we are here: Each year Americans, businesses, and governments are dedicating greater shares of their budgets on health care.

When we look under the hood, we can see how health care spending is allocated:

- Hospitals represented over 30% of total spending,
- physician services represented roughly 20% of total spending,
- and retail prescription drugs represented less than 10% of total health care spending.

These ratios have largely stayed constant over the last couple of decades. In other words, as health care spending has grown, it has grown proportionally across areas of spending.

This should tell us as policymakers that it's time to take a different approach than those we that have been employed over the last several decades. Much of the debate has been about subsidies to health insurance

companies. I think the verdict is in: well-intentioned policies to expand access to coverage are missing a key piece of the puzzle.

In Kentucky, the median household income is \$52,000. The average deductible in an ACA plan is [insert avg deductible]. This means a hardworking family will, on average, have to spend xx% of their annual income on health care before their coverage provides meaningful financial protection for them.

This is why we have to get costs down. Across the board.

I am not pointing blame at any specific parts of our health care system. We need to work across the aisle and work with industry stakeholders to better understand the relationship between federal policies and the costs of care as well as impacts on consumer behavior. I look forward to continuing discussing these issues today and over the course of the next several months.

I yield back.