

**Opening Statement of Chairman Frank Pallone, Jr.  
House Committee on Energy and Commerce  
Subcommittee on Health  
Hearing on “Strengthening Our Health Care System: Legislation to  
Reverse Lower Consumer Costs and Expand Access”**

*March 6, 2019*

The bills we are considering today reflect Democrats’ continued commitment to delivering on our promise to make health care more affordable and accessible for all Americans, and to reverse the Trump Administration’s sabotage of our health care system. This legislative hearing comes several weeks after we held another legislative hearing on bills that were important first steps in lowering health care costs and protecting consumers with pre-existing conditions. Today, we will be discussing three more bills that will reduce consumers’ costs and improve access to care.

One way to ensure that people have access to health care is to provide them the support and information they need to make the right decision. We will be discussing a bill introduced by Ms. Castor that would reverse the Trump Administration's harmful cuts to the navigator program. The Trump Administration has gutted funding for the navigator program by over 80 percent, leaving huge swathes of the country without access to fair and unbiased enrollment help. We should restore this critical funding and ensure that navigators can provide fair and impartial information on people's enrollment and financial assistance options.

We should also look at providing states another round of funding to establish State-Based Marketplaces. The SAVE Act was introduced by Representatives Andy Kim and Brian Fitzpatrick. As you may recall, some state legislatures who

wanted to establish State-Based Marketplaces were unable to, due to the opposition of their Republican Governors. In my state of New Jersey, former Governor Chris Christie in 2012 vetoed a bill to establish a State-Based Marketplace for the residents of New Jersey.

While all states have been negatively affected by the Trump Administration's sabotage, State-Based Marketplaces have been better able to weather these storms. In 2018, premiums in these marketplaces were 17 percent lower than in the Federally-Facilitated Marketplace, and enrollment in these states has outpaced enrollment in the Federally-Facilitated Marketplace states.

The State-based exchange framework also gives states the opportunity to tailor the program to meet the needs of their state

residents. This bill provides us another opportunity to make health care more affordable.

Finally, we will consider a bill introduced by Ms. Craig and Mr. Peters to provide \$10 billion in reinsurance funding for states to set up their own reinsurance programs. States may also use this funding to provide financial assistance to help lower premiums and out-of-pocket costs for consumers, above and beyond the ACA's subsidies.

Reinsurance pays for the costs of people with serious medical conditions whose health care costs are significantly higher than the average person. This support helps reduce premiums throughout the individual market, making health care more affordable. Seven states have successfully implemented state-based reinsurance programs through the 1332 waiver

program, including the state of New Jersey. These programs have significantly lowered premiums and have had widespread bipartisan support.

The bill that we are considering today would build upon the success of these programs, but the funding would come from the federal government. I believe that this is the right approach. A sustained federal commitment is needed in order to lower costs for residents of all 50 states and the District of Columbia. Like with the Medicare Part D program, reinsurance should be a permanent part of the individual market, and it should be a federal financial responsibility.

The bill that Ms. Craig and Mr. Peters have introduced is modeled after the reinsurance program that all the Republicans on this Committee supported in the repeal bill of last year. We

all agree that Congress must take action to reduce costs for middle class consumers and we all agree that reinsurance is a good thing.

That's why I am disappointed that we were unable to get to bipartisan agreement on reinsurance. My colleagues on the other side of the aisle have made clear that they will not support any reinsurance bill without Hyde language.

There is no reason to drag Republican's anti-choice politics into this discussion. There is bipartisan consensus that reinsurance is effective in bringing down costs for middle class consumers. A number of states under Republican leadership, such as Maine, Maryland and Wisconsin happily took federal money for reinsurance without raising the issue of Hyde. We

should take this opportunity to allow states to make health care more affordable for their residents.

I look forward to the discussion today and I yield back.