

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

Markup of 21 Bills, Subcommittee on Health

November 15, 2023

This Committee has a long history of expanding health care coverage for seniors and ensuring that the Medicare program delivers the highest quality care. I am pleased that we are considering a number of important bills today that address the critical needs of both Medicare patients and providers. Some of the bills will extend critical programs to provide payment stability for doctors and ensure patients can receive quality care, while also lowering health care costs for Medicare beneficiaries. These bills should be advanced to the full Committee today.

Unfortunately, however, there are a few bills that we haven't been able to come to agreement on. I cannot support H.R. 1691 because it puts billions of dollars into the pockets of industry while raising costs on seniors. Medicare beneficiaries are already struggling to make ends meet and face high annual out-of-pocket costs in Medicare. They often live on fixed incomes and face complex medical needs. According to a recent survey by the Commonwealth Fund, one-third of Medicare beneficiaries said it was difficult to afford health care costs, and more than one in five beneficiaries reported delaying or skipping needed health care because of the cost. That is unacceptable.

The Congressional Budget Office has informally estimated that the cost of H.R. 1691 would be anywhere from \$7 billion to \$12 billion. Enacting this proposal would likely result in significant cuts to the Medicare program in order to offset this spending. And Committee Republicans are putting forward this bill without any proposed bipartisan pay-fors.

I will continue to oppose any efforts to increase beneficiary contributions, cut Medicare benefits or enact spending cuts to the Medicare program. I also think that cutting Medicare provider payments in order to pay for this policy is unacceptable.

This legislation also ties the hands of the Centers for Medicare & Medicaid Services (CMS) from being able to protect the health of Medicare beneficiaries. Over the last few decades, we have seen an incredible acceleration in the number of scientific and medical breakthroughs. CMS is charged with the important task of determining if innovative treatments and interventions covered by Medicare meet the reasonable and necessary standard for Medicare beneficiaries. This is important because the Medicare population is different from the general population, with more comorbidities, and often underrepresented in clinical trials.

There are reasonable discussions to be had about ways to improve the transparency and predictability of CMS's pathways to coverage for new technologies. However, I am concerned that H.R. 1691 would undermine CMS's authority to maintain appropriate safeguards that protect Medicare beneficiaries. The bill would require automatic coverage of breakthrough devices, circumventing CMS's process for coverage and undermining the agency's regulatory pathways

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to coverage. It also hinders CMS's ability to collect follow-up data and real-world evidence to inform coverage determinations and ensure patient safety.

While Republicans have no problem considering a bill to give billions of dollars to the device industry, they refuse to include Representative Craig's legislation to extend important programs that expand access to care and reduce out-of-pocket costs for seniors. These programs have been extended 11 times on a bipartisan basis but expired on September 30th as my Republican colleagues continue to attack federal programs to placate the extreme elements of their party.

We are also considering a number of Part D policies intended to rein in the practices of pharmacy benefit managers (PBMs) and lower out-of-pocket costs for Medicare beneficiaries. I am pleased the Committee is working in a bipartisan way on many of these issues to increase PBM transparency, ensure better standardization of pharmacy performance metrics, and encourage greater utilization of biosimilars. I also strongly support H.R. 5386 that would eliminate cost-sharing for generic drugs for low-income beneficiaries in Part D. This will deliver important savings to our lowest income Medicare enrollees while also incentivizing generic usage.

While I will continue to work with Committee Republicans to move some of these bills forward to the full Committee, we still need additional agency feedback, as well as CBO scoring. Some of the bills will likely bear significant costs and will require bipartisan cooperation to offset. I also want to ensure policies like H.R. 4881 do not inadvertently increase Part D premiums and costs. It is also critical that policies reforming the Medicare physician fee schedule and Medicare coverage determination processes do not result in increased health care costs for seniors through increased premiums or additional out-of-pocket costs.

I look forward to continuing to work to advance the bills that will meaningfully lower costs for seniors and prioritize their health and well-being.

And I yield back the balance of my time.