

House Committee on Energy and Commerce
Proposals to Achieve Universal Healthcare Coverage
December 10, 2019
10:30 am, 2322 Rayburn House Office Building

Purpose

The purpose of this hearing was to discuss and consider nine pieces of legislation: [H.R. 1277](#), the "State Public Option Act"; [H.R. 1346](#), the "Medicare Buy-In and Health Care Stabilization Act of 2019"; [H.R. 1384](#), the "Medicare for All Act of 2019"; [H.R. 2000](#), the "Medicare-X Choice Act of 2019"; [H.R. 2452](#), the "Medicare for America Act of 2019"; [H.R. 2463](#), the "Choose Medicare Act"; and [H.R. 4527](#), the "Expanding Health Care Options for Early Retirees Act."

Members Present

Chairman Eshoo, Ranking Member Burgess, Representative Dingell, Pallone, Shimkus, Schakowsky, Walden, Burgess, Engel, Long, Matsui, Guthrie, Castor, Blunt-Rochester, Carter, Kennedy, Griffith, Cardenas, Bilirakis, Ruiz, Hudson, Barragan, Gianforte, Sarbanes, and Kelly

Witnesses

Panel I

Hon. Pramila Jayapal (D-WA), Member of Congress
Hon. Rosa L. DeLauro (D-CT), Member of Congress
Hon. Brian Higgins (D-NY), Member of Congress
Hon. Antonio Delgado (D-NY), Member of Congress
Hon. Tom Malinowski (D-NJ), Member of Congress

Panel II

Sara Rosenbaum, J.D., Harold and Jane Hirsh Professor of Health Law and Policy
George Washington University Milken Institute School of Public Health
Peter Morley, Patient Advocate
Jean Ross, RN., President, National Nurses United
Douglas Holtz-Eakin, Ph.D., President, American Action Forum
Scott W. Atlas, M.D., David and Joan Traitel Senior Fellow, Hoover Institution, Stanford University

Opening Statements

Chairman Eshoo said that the north star of the Democratic Party is universal healthcare. Every American should believe that when they get sick or injured, they will not go bankrupt seeking care. At the time of its implementation Medicare was deemed socialized medicine, however today it has evolved into one of the most popular programs in American history. It is crucial to approach this hearing with an open mind and an open heart. Universal healthcare is the great unfinished business of our society.

Ranking Member Burgess said that a one size fits all health care system is unwise. The proposals before this committee today would disintegrate our health care system by

eliminating private insurance, employer sponsored insurance, Medicaid and CHIP. There are also significant concerns surrounding current Medicare beneficiaries. The Medicare trust fund is set to run out in the near future and the proposals being considered today would expedite that process. Furthermore, nearly 70% of individuals who receive insurance through an employer are satisfied with their coverage. It is also important to remember that coverage does not equal care. It is also known that these universal healthcare coverage bills will all lead to less pharmaceutical innovation. Every bill today is a pathway to socialized medicine. The financial and human suffering that would be caused by these bills is far too great.

Rep. Dingell said that the bills being considered today would address the cost and access issues that prevent Americans from receiving the care they need every day. The current system rewards predatory practices by insurance companies and marginalizes consumers.

Rep. Pallone said that the ACA has made incredible gains in insurance coverage and awarded crucial protections to consumers. However, more Americans would be covered today if it were not for the efforts by Republicans on this committee to undermine the ACA for purely political reasons. Had it not been for actions taken by elected Republicans, our nation would be significantly closer to universal health coverage.

Rep. Schakowsky said that it is time for the United States to join the rest of the industrial world by saying that healthcare is right and not a privilege. The United States ranks far behind in several health outcomes while also spending far more than any other country. Although it is unknown what path this committee will go down, it is clear that Americans want a better health system that covers everyone.

Rep. Walden said that this committee has a long history of expanding health care coverage and working in a bipartisan manner. Medicare for All is not the right approach because it will take away insurance coverage from groups similar to unions who have collectively bargained for their benefits and undermine the Medicare Advantage program. A one size fits all system simply does not work. It is crucial to remember that 85% of Americans like the insurance plan they currently have. It is important to note that these plans are so vast and confusing that the nonpartisan CBO could not come up with an accurate score for the proposals. These bills would cut rates to providers and leave consumers with less access to care as these providers went out of business. This committee does not need to look farther than Canada to understand why a universal healthcare system does not work. Canada is currently rationing care and provider practices are closing rapidly leaving consumers to bear the burden.

Testimony

Panel I:

Hon. DeLauro said that H.R. 2452 achieves universal healthcare coverage by creating a program based on Medicare and Medicaid. This plan will cover all Americans through auto enrollment starting at birth, while also maintaining employer sponsored insurance. Every

individual who currently gets their insurance through the state exchanges or Medicare will be transitioned on to the new program. Furthermore, Medicaid and CHIP beneficiaries will be transitioned to the new program over time as to not disrupt care. Additionally, this bill allows employers to contribute to Medicare for America and will help to reduce employer contributions to private insurance and provide additional consumer choice. Finally, this bill includes funding sources in the legislative text.

Hon. Jayapal said that the ACA allowed Americans to dream of a future where every American had health care coverage. It is important to note that this hearing would not have been possible if it were not for a tremendous grassroots movement that has pushed Medicare for all to the forefront of politics. The American healthcare system is the most expensive in the world and the costs are only rising. Unfortunately, this astronomical spending does not get the United States universal coverage or even better health outcomes. The root of the problem is a system that actively rewards for profit insurance companies for exploiting consumers and taking in more money through premiums that it pays out in claims. H.R. 1384 provides universal comprehensive coverage at an affordable cost to the entire nation. This bill contains many important cost containment measures and includes provisions to help rural providers thrive.

Hon. Higgins said that the passage of the ACA represented a start instead of a finish. By and large private insurance exploits consumers by driving up premiums and refusing to pay for as many services as possible. This year the United States Government paid \$1.3 trillion under Medicare, Medicaid and the VA., this does not even include the \$600 billion that the government spends on pharmaceutical drugs. It is time for the US to utilize the best public option that already exists, Medicare. Individuals above the age of 50 should be authorized to buy into Medicare. This plan is not only good substantively, but also politically.

Hon Delgado said that the United States is the richest country in the history of the world but lacks a universal healthcare system. The current system prices individuals out of the market or provides an insurance plan that is so prohibitive that it prevents access to care. H.R. 2000 will establish a public option that is available in the market place. The effect of a public competitor will undoubtedly bring down the cost of premiums and deductibles. This plan allows individuals to remain on their current insurance plan if they want to, but also provides an affordable alternative to anybody that wants it. This plan empowers consumers to choose the plan that works best for them.

Hon. Malinowski said that H.R. 4527 would allow retired first responders to buy into Medicare at the age of 50. Because of the nature of the work, many first responders retire early but are not eligible for Medicare. This results in a difficult time for the individual as they try to gain health care coverage and often drain their pension earlier than necessary. This bill would grant eligible beneficiaries the same benefits awarded under the current Medicare program. It is important to prioritize taking care of the nation's first responders.

Panel II:

Ms. Rosenbaum said that historically Congress has acted to expand public programs as the limits of private insurance became clear. The latest census data shows that the rate of individuals without insurance is increasing significantly. Furthermore, there are several factors that have been leading to rising total costs leaving consumers to carry the burden. Primarily, Congress should incentivize Medicaid expansion in states that have not already done so while also acting to stabilize the health insurance market. In the long term, Congress must tackle a number of issues such as whether or not to eliminate private insurance and whether expanding access to insurance coverage is enough to truly reduce health disparities.

Mr. Morley said that several years ago he was injured while he had a lapse in insurance coverage. After that his injury was considered a pre-existing condition and he was denied coverage from insurance providers meaning all of his costs were paid out of pocket. The ACA has changed his life but he still lives on the brink of financial turmoil. Individuals with preexisting conditions have the ability to live long and fulfilling lives, but only if they are protected from predatory practices of insurance companies. Consumers do not ask to be severely ill, it is simply a condition of life. It is crucial to realize that millions of Americans get hurt when this administration attacks and undermines the ACA. Congress must work together to make universal insurance coverage its passion.

Ms. Ross said that patients do not seek the care they need because of the prohibitive costs of copays and deductibles. Furthermore, many consumers do not receive the preventative care they need due to financial barriers. Putting off preventative treatments is detrimental to the healthcare system as a whole as it inflates costs and increases the burden on patients and family members. Healthcare should be a fundamental human right. When consumers get sick they should only have to worry about their health and not the costs associated with getting healthy. It is also worth noting that the United States pays far more than any other country for health care and receives far less in return. Single payer Medicare for All is the only way to move forward in order to cover every Americans and reduce overall spending. Medicare for All will leave provider choice intact and allow individuals to get healthcare independent of where they work.

Dr. Holtz-Eakin said that Medicare for all is unlike any single payer on the globe. Most single payer programs do not ban private insurance but instead use it to supplement their system, and most utilize copays. The trade off in this bill is between insurance access and the quality of care received by consumers. The data suggests that commercial payers increase the quality of hospitals and that the association between rates of reimbursement and quality is strong. In order to achieve the same or greater reimbursement rates as private payers, payroll taxes would need to increase exponentially. Furthermore, there is a small population of individuals that truly do not have an affordable coverage option at the moment. It would be better to expand programs to reach this population as opposed to overhauling the entire system.

Dr. Atlas said that the attractive nature of a single payer system is its simplicity. However this is flawed. The literature suggests that single payer systems impose long waiting times for treatments for the purpose of rationing care. Access to a waiting list, is not access to care. Long waits are the defining feature of single payer systems across the globe. That is not a problem that the United States currently has. Single payer systems also limit the influx of new drugs and reduce incentives for innovation. Furthermore, countries with a long history of a single payer system are now utilizing private insurance companies to supplement their system. Why should Americans want to move to a system that is slower, more expensive and more flawed than the current system?

Questions and Answers

Chairman Eshoo asked what proposal will best achieve universal healthcare. **Dr. Rosenbaum** said some combination of a strong public insurance option coupled with private insurance. **Mr. Morley** said all of them. **Ms. Ross** said Medicare for all is the only option. **Dr. Holtz-Eakin** said delivery system reforms are necessary. **Dr. Atlas** said that Congress should focus on bringing the cost of medical care down. This will reduce premiums and broaden access to care.

Ranking Member Burgess asked what would happen if cross subsidization from private insurance was no long possible. **Dr. Holtz-Eakin** said that it would reduce providers' revenue and potentially lead to providers going out of business, especially in rural areas.

Rep. Pallone asked how many states have expanded Medicaid. **Ms. Rosenbaum** said every state except for 14 states. **Rep. Pallone** asked how many more individuals would have insurance coverage if all states expanded Medicaid. **Ms. Rosenbaum** said about 2 million more individuals. **Rep. Pallone** asked why states have chosen not to expand Medicaid. **Dr. Rosenbaum** said it is most likely an ideological opposition. **Rep. Pallone** asked if undocumented citizens should be covered under a universal healthcare system. **Ms. Rosenbaum** said that a true universal health care system would cover everyone. **Rep. Pallone** asked if it is cost effective to expand insurance coverage to undocumented citizens. **Ms. Rosenbaum** said yes.

Rep. Shimkus asked what happens to the health insurance trust fund in 2026. **Dr. Holtz-Eakin** said it will be exhausted. This means it will be illegal to reimburse hospitals. **Rep. Shimkus** asked if Medicare for all would lead to insolvency sooner. **Dr. Holtz-Eakin** said yes. **Rep. Shimkus** asked if Medicare for all is financially unsustainable. **Dr. Atlas** said yes. **Rep. Shimkus** asked what happens when a new product comes to market under Medicare for all. **Dr. Atlas** said it is not clear.

Rep. Engel asked how Medicare for all will save money. **Ms. Ross** said that the biggest savings come from administrative costs. **Rep. Engel** asked how a public option would improve the insurance market. **Ms. Rosenbaum** said it would provide a product that private insurance companies need to compete with, thus driving down the price. **Rep. Engel** asked what would happen if protections for pre-existing conditions were eliminated.

Mr. Morley said it would affect millions of Americans beyond himself. It would also present a huge financial and medical burden.

Rep. Long asked how it is possible to trust the government to roll out a single payer system when they already struggled to roll out healthcare.gov. **Dr. Atlas** said there is not an answer to that question. It probably would not go well.

Rep. Matsui asked how the ACA subsidy cliff works. **Ms. Rosenbaum** said that the ACA subsidy completely ends at 400% of the federal poverty line. **Rep. Matsui** asked if enhanced subsidies would increase insurance rates. **Ms. Rosenbaum** said yes. **Rep. Matsui** asked what the effect would be if every state expanded Medicaid. **Ms. Rosenbaum** said that about 2 million more individuals would have access to health insurance.

Rep. Guthrie asked what would happen if all providers were payed Medicare or Medicaid rates. **Dr. Atlas** said that access would be restricted and innovation would be reduced.

Rep. Castor asked what stands out about the ACA. **Ms. Rosenbaum** said the enormous market reforms while providing a vision for universal healthcare. **Rep. Castor** asked if Congress should incentivize states to expand Medicaid. **Ms. Rosenbaum** said yes. **Rep. Castor** asked if Congress can mandate that expansion. **Ms. Rosenbaum** said the Supreme Court decided that is unconstitutional.

Rep. Carter asked if it is true that single payer systems have less treatments available than the United States does. **Dr. Atlas** said yes. **Rep. Carter** asked why there are less available treatments. **Dr. Atlas** said it is purely a cost containment tool.

Rep. Kennedy asked if it is true that 20% of individuals ration insulin. **Ms. Ross** said yes. **Rep. Kennedy** asked if it is true that 1/3 of donations to go fund me are to pay for medical procedures. **Ms. Ross** said yes. **Rep. Kennedy** asked if it is true that many counties have no mental health providers at all. **Ms. Ross** said yes.

Rep. Griffith asked if Medicare for All will result in rural hospital closures. **Dr. Atlas** said yes. **Rep. Griffith** asked how to keep rural hospitals in business and ensure access. **Dr. Atlas** said the cost of health care treatments must drop and that will open access to many individuals.

Rep. Cardenas asked if 100% of Americans have insurance coverage. **Dr. Atlas** said no. **Rep. Cardenas**

Rep. Bilirakis asked if Medicare for All repeals the ACA. **Dr. Holtz-Eakin** said yes. **Rep. Bilirakis** asked if it can be guaranteed that middle class taxes will not go up due to Medicare for All. **Dr. Holtz-Eakin** said the costs are substantial and it is implausible to assume taxes would not increase. **Rep. Bilirakis** asked if reimbursement would be cut. **Dr. Holtz-Eakin** said yes. **Rep. Bilirakis** asked if Medicare for All would ration care. **Dr. Atlas** said yes.

Rep. Ruiz asked if a public option would benefit our system. **Ms. Rosenbaum** said a strong public option gives access to individuals who do not currently have access and it will work to drive down prices on the market due to increased competition.

Rep. Hudson asked what role private insurance plays in other countries with single payer systems. **Dr. Atlas** said that rich people use private insurance to avoid using the single payer system and thus low income people are stuck with the single payer system. **Rep. Hudson** asked if that means that low income individuals have long waiting times while wealthy people get priority access. **Dr. Atlas** said yes.

Rep. Barragan asked how communities of color would benefit from Medicare for All. **Ms. Ross** said that the budget would prioritize staffing communities with high health disparities. **Rep. Barragan** asked why unions support Medicare for All. **Ms. Ross** said that unions have reached their negotiation limit and know that Medicare for All is the best deal. Furthermore, many union members want to change their job but feel suffocated by their union benefits.

Rep. Gianforte asked what will happen to rural providers under Medicare for all. **Dr. Atlas** said that the providers will go out of business. **Rep. Gianforte** asked if Medicare for All will force taxpayers to fund abortions. **Dr. Atlas** said he did not know.

Rep. Sarbanes asked how global budget payments would improve the health care system. **Ms. Ross** said the global budget would save Medicare money and improve health outcomes in patients.

Rep. Kelly asked how to address disparities in community health aside from coverage expansion. **Ms. Rosenbaum** said that public health initiatives should be expanded and social determinants of health need to be addressed as well. The public health trust fund is very important.