

Opening Statement of the Honorable Joe Pitts
Subcommittee on Health
Hearing on “Unaffordable: Impact of Obamacare on Americans’ Health Insurance
Premiums”
March 15, 2013

(As Prepared for Delivery)

During 2008 and the run up to passage of the Affordable Care Act (ACA) in March 2010, President Obama repeatedly promised the American people that their health care premiums would go down by an average of \$2,500 before the end of his first term in office.

He broke that promise.

In fact, Americans’ premiums have already risen by more than \$3,000, and the expensive part of the ACA hasn’t even been implemented yet.

It is basic common sense that if you require individuals to buy a one-size fits all, government-mandated health plan that covers everything, rather than allowing individuals to pick the plan that best fits their needs, choice will be limited and premiums will rise.

When Obamacare adds mandatory benefits, regulations like guaranteed issue and community rating and new taxes and fees on insurance plans, premiums will only grow more unaffordable for Americans.

So unaffordable in fact that the authors of the law decided the only way to get people to buy health coverage was to force them to buy it or face a fine from the IRS.

Now, my friends on the other side of the aisle will point out that the ACA includes subsidies to help individuals buy these more expensive health plans. And they are correct. More than \$1 trillion in subsidies is available for this purpose.

However, households earning as little as \$46,000 will be ineligible for premium assistance. Even after receiving subsidies, Americans earning as little as \$25,000 will still pay more for their health insurance than they would if the ACA had not been enacted.

Making low-income and everyday Americans pay more for private health coverage is not health reform. It’s making their life harder at a time when our fellow citizens face sluggish economic growth, slow job creation, and little disposable income.

I recommend to all of you a report released last week by Energy and Commerce Majority Staff, entitled “The Price Of Obamacare’s Broken Promises: Young Adults and Middle Class Families Set to Endure Higher Premiums and Unaffordable Coverage.”

The report compiles data from over 30 studies and analyses that examine the effect of Obamacare provisions on health care premiums in the individual and small group market.

It also includes a state-by-state analysis of estimated increases in individual market premiums that can be directly attributed to Obamacare.

My home state of Pennsylvania can expect to see premiums in the individual market rise about 39 percent.

States such as Arizona, Arkansas, Georgia, Idaho, Indiana, Iowa, Kentucky, Missouri, Ohio, Oklahoma, Tennessee, Wisconsin, and Wyoming could see individual market premiums rise as much as 100 percent or higher, due to the Affordable Care Act.

The increases for young adults in the individual market are much higher.

One analysis estimates that 80 percent of young Americans earning over \$16,000 will pay more for their coverage once the law is fully implemented than they pay today.

And we don't have to rely merely on estimates of what is going to happen to premiums.

Many of the provisions of Obamacare, such as an individual mandate, guaranteed issue, and community rating have been tried before. Premiums skyrocketed, choice was limited, and these Obamacare style reforms made it harder to find affordable coverage

In today's economy, American families simply cannot afford to pay higher out-of-pocket health costs than they would if Obamacare had never been enacted.

Our young people, many of whom cannot find jobs, cannot afford triple digit increases in their health premiums.

A central promise of the Affordable Care Act is that health care would be more affordable under the law.

For many middle class families and young adults, that turns out to be a broken promise.

I look forward to hearing from our witnesses today. I'm interested in what their research shows will happen to premiums when Obamacare is fully implemented in 2014.

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