

Opening Statement of the Honorable Joe Pitts
Subcommittee on Health
Hearing on “Protecting America’s Sick and Chronically Ill”
April 3, 2013

(As Prepared for Delivery)

During the last several years, there have been few areas of agreement between Republicans and Democrats on how our health care system should be reformed to better serve patients.

From the beginning, however, one area that both sides have designated as a top priority is coverage for those with pre-existing conditions.

In the Republican alternative to Obamacare, we proposed \$25 billion over 10 years to aid Americans suffering from pre-existing conditions through new universal access programs that reformed and expanded state based high-risk pools and reinsurance programs.

Obamacare, unfortunately, provided only \$5 billion in its Pre-Existing Condition Insurance Plan (PCIP) for this purpose until January 1, 2014.

At the time of the health care law’s passage, Republicans argued that the funding level was too low and would not cover all of those it was meant to help.

The first real signs of trouble for the federally-administered high-risk pools came in August 2012, when CMS reduced payments to providers treating a high number of high-risk pool enrollees, hitting hospitals especially hard. Additionally, the agency cut the number of participating pharmacies that provided certain types of drugs to program enrollees.

Next, on January 1, 2013, CMS increased the maximum out-of-pocket costs for program enrollees by \$2,250 and mandated greater use of mail order pharmacy.

Finally, on February 15, 2013, CMS announced that it was suspending enrollment in PCIP altogether, due to financial constraints.

All of these actions were taken despite the fact that enrollment in the high-risk plans was less than 30 percent of what had been expected.

Original estimates were that 375,000 people would sign up for the federal high-risk pools. In fact, only 110,000 individuals have joined.

CMS is now trying to stretch what is left of the initial \$5 billion to cover those already enrolled in the program until January 1 of next year.

What will happen to those people who had pending applications for PCIP when CMS cut off new enrollment?

What about those, by some estimates 40,000 people, who would have enrolled during the remainder of this year?

They are left without options and without coverage.

On March 5, Speaker Boehner, Leader Cantor, Whip McCarthy, Conference Chair McMorris Rodgers, Chairman Upton, Dr. Burgess, and I sent a letter to the president asking that he re-direct funding from other Obamacare accounts to PCIP to allow the program to continue accepting new enrollees.

Although we still hope for a full repeal of the health care law, we have reached out to President Obama and asked him to work with us to help those most in need get coverage and care.

We are now waiting for his response.

###