

**Written Statement for the Record by
Ron Pollack, Executive Director, Families USA**

**For the U.S. House of Representatives
Oversight and Government Reform Committee
Health Care, District of Columbia, Census and National Archives Subcommittee**

**Examining the Impact of ObamaCare on Doctors and Patients
July 10, 2012**

Mr. Chairman and Members of the Committee:

Thank you for inviting Families USA to participate in today's hearing on the impact of the Affordable Care Act. Families USA is a non-profit organization that advocates on behalf of patients and consumers in health policy debates.

When fully implemented, the Affordable Care Act will provide significant help to patients and health care consumers, giving them more freedom and control in their health care choices. The law will end discrimination and unfair practices by insurance companies, make quality health insurance affordable for working families and give Americans peace of mind knowing they will not lose coverage just because they get sick.

We know from the experience in Massachusetts that health reform helps patients and we also know that the cost of doing nothing – the cost of not addressing our biggest health care challenges – is too high. The highest court in the land has upheld the Affordable Care Act and now we must move forward together, to make sure the law works for all Americans.

The Benefits of the Affordable Care Act for Patients

New Rules for Insurers: At its heart, the Affordable Care Act is about improving Americans' security. The Affordable Care Act puts in place rules that prohibit insurance companies from denying coverage to people with pre-existing conditions. Insurers are also prohibited from imposing lifetime or annual caps on coverage and cannot drop or cancel coverage when people get sick. Insurance companies will be required to spend the majority of the premium dollars they earn paying for health care for their customers, rather than CEO salaries and bonuses, overhead, and advertising.

Better Coverage for All Americans: When the law is fully implemented, no one will risk losing health insurance if they change jobs. Starting in 2014, low- and middle-income consumers who do not receive their health coverage through an employer will get tax credits to help them purchase insurance. A new marketplace with regulated insurance plans will help consumers shop and compare among plans so they can find coverage that best suits their needs.

The law is already providing small businesses with tax credits to help them cover their employees. Young adults are allowed to stay on their parents plan until age 26. Seniors with high prescription drug costs are already getting additional help paying for their medicines and just next month women will have access to free preventive care, including mammograms and contraception.

Creating Healthier Communities: The Affordable Care Act has a number of other benefits that are less well known. For example, the law provides funding to increase the number of primary care physicians, nurses, long-term care providers and community health centers. The law takes steps to build healthier communities by expanding school-based health centers, helping at-risk families with services like parenting classes, boosting anti-smoking programs, and expanding programs that fight childhood obesity. And the law provides the federal government with significantly more tools to combat fraud, such as better screening of providers and suppliers in Medicare and Medicaid and better coordination among federal agencies.

Expanding Medicaid: Millions of low-income Americans will have new access to coverage through Medicaid. We now know conclusively that patients on Medicaid have better outcomes than those who do not have insurance. A recent study of Oregon's Medicaid program by Harvard economics professor Katherine Baicker, a former advisor to President George W. Bush, provides irrefutable evidence that patients benefit from being on Medicaid. In 2008, Oregon had funding to expand its Medicaid program by 10,000 people, but nearly 90,000 people applied to enroll. The state used a lottery to decide who could enroll. This lottery system made it possible for researchers to build a randomized study of Oregonians who won the lottery and received Medicaid and those who did not. The results of the study were decisive, showing that those who got to enroll in Medicaid were more likely to have a regular doctor and were more likely to get preventive care like mammograms and cholesterol screenings than those who were not. Those who got to enroll in Medicaid were also less likely to report having financial troubles related to medical expenses and were more likely to say they were healthy.

Because of the expansion of Medicaid in the Affordable Care Act, millions of more low-income Americans will have the advantage of better health and greater financial security. Since the federal government will provide 100 percent funding to states from 2014 to 2016 for the expansion of Medicaid to 133 percent of poverty and no less than 90 percent in ensuing years, we expect states around the country to expand their programs. Indeed Medicaid funding by the federal government (averaging 56 percent) and the Children's Health Insurance Program (CHIP) funding are far less generous than the new funds available under the Affordable Care Act. Since all states continue to implement Medicaid and CHIP, even at these lower payment levels, it stands to reason that the states will fully take advantage of the Affordable Care Act's more generous support.

The Experience in Massachusetts

In 2006, under the leadership of Governor Mitt Romney, the Commonwealth of Massachusetts passed comprehensive health reform designed to provide universal health care for its citizens. The Massachusetts experiment worked, and it serves as a model for the Affordable Care Act. In the six years since Governor Romney signed the Massachusetts reform bill, the uninsured rate in the state has fallen

by almost half, to 6.3 percent, while the U.S. average has climbed from 17.1 percent to 18.4 percent, according to Current Population Survey data. According to the Kaiser Family Foundation, employer sponsored coverage remains the primary source of insurance for consumers in the state. Massachusetts residents report receiving more preventive services and are more likely to say they have a usual source of care than they were prior to reform. Unnecessary visits to hospital emergency rooms have dropped and more medical students are enrolled in primary care programs. And doctors in the state are solidly behind the reform. According to a poll published in the New England Journal of Medicine, 88 percent of Massachusetts physicians believe reform improved, or did not affect quality of care.

The Cost of Doing Nothing

For the last two decades, American consumers have struggled with two enormous and related problems: the increasing number of people without health insurance and the skyrocketing cost of insurance. In 2010, Congress passed and the President signed the Affordable Care Act in an attempt to address these problems. Repealing the Affordable Care Act would undermine the significant gains for patients and would once again put consumers at the mercy of insurance companies.

The number of uninsured Americans reached an all-time high in 2010, as nearly 50 million Americans went without health insurance. Some of these uninsured people go without coverage because they cannot afford it and some are denied coverage by insurance companies because they have a pre-existing condition.

For many of those uninsured people, the consequences of going without coverage are dire. The uninsured frequently face medical debt or go without necessary care. Too many uninsured die prematurely. Families USA has estimated the number of Americans who are died due to the lack of health coverage, using a methodology developed by the Institute of Medicine. Across the nation, 26,100 people between the ages of 25 and 64 died prematurely due to a lack of health coverage in 2010. This works out to 72 people who die prematurely every day because they do not have insurance.

But the huge numbers of uninsured American also affects those who have insurance. Private health insurance premiums are higher, at least in part, because uninsured people who receive health care often cannot afford to pay the full amount themselves. The costs of this uncompensated care are shifted to those who have insurance, ultimately resulting in higher insurance premiums for businesses and families.

When the uninsured do obtain care, they struggle to pay as much as they can afford. Often, however, the uninsured cannot afford to pay the entire bill, and a portion of it goes uncompensated. To make up for these uncompensated care costs, doctors and hospitals charge insurers more for the services provided to patients who have health coverage. In turn, the costs that are shifted onto insurers are passed on in the form of higher premiums to consumers and businesses that purchase health coverage. This cost shift to health insurance premiums is a hidden health tax and Families USA estimates that the hidden health tax on annual premiums in 2008 was \$1,017 for family health care coverage, and \$368 for individuals.

The expansion of health coverage will certainly help the uninsured, but it will also help consumers who have insurance, and who are already bearing the extra costs of Congress's decades-long failure to address the problem of the uninsured. Repealing the law would mean walking away from these problems and would be a devastating abdication of responsibility.

Conclusion

The Affordable Care Act is the most significant step forward in ensuring Americans' economic security in generations. The Supreme Court has affirmed the constitutionality of the law and Congress should now turn its attention to implementing the law as effectively as possible. It is time to turn the promise of the Affordable Care Act into a reality.

RON POLLACK

Ron Pollack is the Founding Executive Director of Families USA, the national organization for health care consumers. Families USA's mission is to achieve high-quality, affordable health coverage for everyone in the U.S.

Families USA's numerous reports and analyses - on such matters as health coverage for the uninsured and underinsured, Medicaid, Medicare, prescription drug issues, long-term care, and others - are frequently cited at Congressional hearings, in state legislatures, by the media, and by consumer organizations that Families USA works with all across the country.

Mr. Pollack is a frequent guest on a variety of television and radio programs, such as *The NewsHour with Jim Lehrer*, NBC's *Today* show, ABC's *Good Morning America*, CNN's *Lou Dobbs Tonight*, all of the network nightly news programs, and NPR's *All Things Considered* and *Morning Edition*. He is often quoted in such leading newspapers as *The New York Times*, *The Washington Post*, *The Wall Street Journal*, and *The Los Angeles Times*.

Mr. Pollack's work has been recognized through various honors. *The Hill*, a publication serving members of Congress and their staffs, named Mr. Pollack one of the nine top nonprofit lobbyists. *Modern Healthcare* named Mr. Pollack one of the 100 Most Powerful People in Health Care. *National Journal* named him one of the top 25 players in Congress, the Administration, and the lobbying community on Medicare prescription drug benefits.

In 2007, at the 25th anniversary of Search for Common Ground, a nationally renowned conflict management organization, Mr. Pollack received the "Common Ground" co-award for his work with a group of ideologically diverse health organizations that reached an historic consensus proposal about expanded health coverage for the uninsured. Previous winners of the award included former President Jimmy Carter, Archbishop Desmond Tutu, and Muhammad Ali.

In 1997, Mr. Pollack was appointed by President Clinton as the sole consumer representative on the Presidential Advisory Commission on Consumer Protection and Quality in the Health Care Industry. In that capacity, Mr. Pollack helped prepare the patients' bill of rights that has been enacted by many state legislatures.

Prior to his current position at Families USA, Mr. Pollack was the Dean of the Antioch School of Law.

Mr. Pollack was also the Founding Executive Director of the Food Research and Action Center (FRAC), a leading national organization focused on eliminating hunger in the U.S. Two of his notable accomplishment at FRAC include: (1) arguing two successful cases *on the same day* in the U.S. Supreme Court to secure food aid for low-income Americans; and (2) the successful federal litigation that resulted in the creation of the WIC program for malnourished mothers and infants.

Mr. Pollack received his law degree from New York University where he was the Arthur Garfield Hays Civil Liberties Fellow.

Committee on Oversight and Government Reform
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)(5)

Name:

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

NONE

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

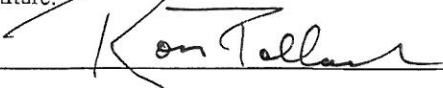
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3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2009, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

NONE

I certify that the above information is true and correct.

Signature:



Date:

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