

Floor Statement by U.S. Senator Chuck Grassley
Ranking Member of the Committee on Finance
Government Takeover of Health Care
Monday, November 2, 2009

Mr. President, some on the other side of the aisle are saying that their bills do not represent a government takeover of the health care system.

I want to believe that. I really do. But the facts seem to tell a different story. If we look at the specifics of the bill reported by the HELP Committee or the House bill released last week, I don't see how you can call it anything but a government takeover.

Let's start with the HELP Committee bill. On September 17th, the HELP Committee finally released its 839 page health care bill, over two months after the Democrats on the HELP committee voted to report it. When I was back in Iowa for the August recess, I held 17 town meetings. Due to the controversial health care bill that the HELP Committee and the three House committees had just voted on, the attendance was the highest I've seen in the 2,871 town halls I've held during my 29 years of service in the Senate. Many of the people who attended were citing sections from the health reform bills. They had good questions. I heard repeatedly about the new powers being granted to the government in these bills.

So I decided that we should have a catalog of how many times these bills grant new powers to the Secretary of Health and Human Services. Well, I have the HELP Committee bill here with me today and there's a lot going on in the 839 pages of this bill. And we've gone through the 20,725 lines of legislative text just to see how many new government authorities it creates. And here's what we found--this bill creates a total of 87 new government programs. In addition to the 87 new government programs created in this bill, a substantial amount of new regulatory power is granted to the Secretary of HHS.

Now I know the other side doesn't like to hear that this bill calls for a government takeover of our health care system. But let's let the facts speak for themselves. If it isn't a government takeover of our health care system, why does the word "Secretary" appear 982 times in this bill? Maybe the other side needs a reminder that the Secretary of HHS is an agent of the federal government.

Iowans keep telling me that Congress needs to slow down, consider all ideas and actually read the bills. But the HELP Committee bill makes it clear that the Democratic leadership and the White House would rather push something through quickly and leave the important decisions to an unelected, unaccountable government official. The long list of new powers granted to the Secretary begins on page 11, line 23, where it says, "... The Secretary shall by regulation establish a minimum size for community rating areas... ." To clarify, this bill includes a number of controversial insurance rating reforms. One of those reforms would set a 2-to-1 age rating band. That means that premiums for the oldest person could be no more than twice the cost of the premiums for the youngest person.

Now that's going to reduce premiums substantially for older people and that is a fine goal. But the money has to come from somewhere. So, to pay for those lower premiums for older people means much higher premiums for younger people. It's a new hidden tax being imposed on young people. It will increase premiums for young healthy people by at least 50 percent. And this bill would give the Secretary the regulatory power to draw the map in each state for these rating areas. Keep in mind, under current law, this sort of policy is determined by state legislatures and insurance commissioners. But some in congress want to take this responsibility away from the States and turn it over to unelected bureaucrats in Washington, D.C.

I spoke on the floor earlier about how the Democratic proposals for health care will increase premiums and overall health care spending. To offset the increase in premiums, they say they will subsidize them using taxpayer dollars. But ... guess who is given the power to decide what benefits are eligible for these new subsidies? Let me read the answer to you straight from the bill. On page 90, line 11 it says, "The Secretary shall establish . . . the essential health care benefits eligible for credits"

My friends on the other side of the aisle claim that their proposals will increase choice and competition in the health insurance industry. But after reading this bill, it is clear that only one person will have a choice, and that is the Secretary of HHS. On page 74, line 17, the Secretary is given the power to regulate what type of health plan works best for you and your family. I will read from that page, "The Secretary shall, by regulation, establish criteria for certification of health plans as qualified health plans." And after the Secretary chooses what plan works best for you and your family, the Secretary can choose what conditions your doctor must meet in order to contract with the plan chosen for you. On page 80, line 14, it says that a qualified health plan may contract with, ". . . a health care provider if such provider implements such mechanisms to improve health care quality as the Secretary may by regulation require." That means that if you want to purchase coverage through the new exchange established by this bill, the Secretary of HHS will be deciding what health plan and what doctor is best for you and your family.

This bill also extends the Secretary's influence into classrooms where our future doctors are being trained. On page 685, line 10, it says, "The Secretary shall support development, evaluation, and dissemination of model curricula for . . . use in health professions schools . . . and for other purposes determined appropriate by the Secretary." Are all of these new requirements and regulations really going to help our health care system? Will they make American's healthier? The truth is we have no way of knowing since so much in this bill, including what I have highlighted, is left to the regulatory decisions of an unelected government bureaucrat.

The proponents of this bill say it isn't a government takeover of health care. But after reading only a fraction of this bill out loud, as I have done, it is hard to argue the fact that the Secretary of HHS is granted a lot of power over our health care system. The Secretary will determine the size of new rating areas. The Secretary will decide what benefits health plans have to cover.

The Secretary will decide what health plan works best for you and your family. The Secretary will decide what conditions your doctor must meet to be included in your plan. The Secretary will decide what curriculum should be taught in our medical schools.

Now you may be tired of hearing me say “Secretary”, because I sure am tired of saying it, but I have only said it 25 times in this speech. This bill uses the word another 957 times, which is an indication that the HELP Committee bill is moving control of our health care system in the wrong direction. That brings me to the House bill that was released last week. The House bill seems to be heading in the wrong direction also. In fact, a spokesman for the small business industry said to The Hill newspaper, quote, “[The House bill] is a ‘how to’ on how not to do healthcare reform.” That’s pretty disappointing since the bill costs about \$2.2 million per word. You’d think we’d be getting something for that kind of investment.

And the Wall Street Journal today calls the House bill, "The Worst Bill Ever." "Epic new spending and taxes, pricier insurance, rationed care, dishonest accounting: the Pelosi bill has it all" according to the Wall Street Journal today. Let’s start with what’s in the 2000 pages and \$1 trillion dollars in spending in this new bill. The bill includes a government-run insurance provision. All the caveats aside, it’s still a government insurance company, plain and simple. And interestingly, after all the promises about lower costs, the Congressional Budget Office has said that premiums in the government-run plan would be more expensive than premiums in the private market.

The bill also locks every American with an income below 150 percent into Medicaid. Today, a family of four with an income of \$33,000 is at 150 percent of the poverty level. Under this new House bill, that family would not get any assistance to get private health coverage. Let me point out that Medicaid is already financially unsustainable in its current form today. And this is the biggest expansion of Medicaid in its history. And with this Medicaid expansion, the new House bill continues to leave states liable for a significant share of that new spending—a share that states cannot afford. Ultimately, that will force states to raise taxes to pay for their share of this expansion. It's a hidden tax.

The bill also proposes a host of new federal insurance market reforms that will actually raise costs for most Americans. With the creation of a new unelected federal bureaucrat called the “Health Choices Commissioner,” the federal government will now be in charge of deciding what insurance you have to buy. If this isn’t a government takeover of health care, I don’t know what is. And if you don’t like what the new “Health Choices Commissioner” comes up with or you can’t afford it, you’ll be hit with a new individual mandate tax penalty enforced by the Internal Revenue Service.

And despite all the promises about being able to keep what you have, the bill cuts more than \$150 billion from Medicare Advantage plans, endangering the existing coverage for millions of seniors. Don’t take my word for it. The Office of the Actuary at the Department of Health and Human Services said that with this level of cuts, “enrollment in [Medicare Advantage] plans would decrease by about 64 percent.”

And the Congressional Budget Office has taken a look at some of the changes to the Medicare Part D drug benefit and concluded that the changes will actually raise premiums. So, whether you're in Medicare Advantage, Medicare Part D, or private insurance, this new House bill means higher costs, more government interference and fewer choices.

I don't think that's what people in my own state of Iowa have in mind when they ask us to fix the health care system. The House bill also includes the CLASS act to create a new long-term care entitlement. I am supportive of taking steps to improve long-term care for Americans, but the CLASS Act is fiscally irresponsible. A prominent Senate Democrat has been quoted as calling the CLASS Act a ponzi scheme that Bernie Madoff would have been proud of. And finally, I hope everyone out there pays special attention to what the House Democrats call "shared responsibility." If you make money in America, the House Democrats expect you to do some extra sharing. Lots. The bill includes a massive tax increase to pay for it.

Now let's talk about what's not in the bill. Even though President Obama continues to support medical liability reform, the House still refuses to consider it. And in the devil's in the details category, I find it particularly worrisome that the House bill failed to include a prohibition on rationing that was in their original discussion draft. The discussion draft of H.R.3200 stated that the Committee should, "ensure that essential benefits coverage does not lead to rationing of health care." But unfortunately, that prohibition on rationing got dropped in the final bill.

Mr. President, that is what this latest House bill proposes: more taxes, more spending, higher premiums, fewer choices, a government-run health plan, the biggest Medicaid expansion in history, unsustainable new entitlement programs, 2000 pages. Mr. President, despite all the promises, the facts don't lie. The House bill and the HELP Committee bill represent an unprecedented government takeover of our nation's health care system. A takeover this country can't afford, and a takeover the American people don't want.