



For Immediate Release  
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**Floor Statement of Senator Max Baucus (D-Mont.)  
Regarding Grandfathered Health Care Plans**

Mr. President, a weather vane shows when the wind is blowing. And a resolution like this shows when it's election season.

This resolution is a political stunt. It's an election-season effort to take pot-shots at the new health care reform law.

Before the Senate now is a joint resolution of disapproval under the Congressional Review Act of 1996. Colleagues will recall that the Congressional Review Act was part of what some folks called "the Contract with America."

This particular resolution would nullify a regulation essential to implementing the new health reform law. This resolution is thus a transparent attempt to undermine the new law. I urge my Colleagues to oppose the resolution.

From the beginning, the new health care reform law has been about ending the worst insurance company abuses.

And that's why the new law requires insurance companies to end lifetime limits on coverage.

That's why the new law prevents insurance companies from cancelling coverage when you get sick.

That's why the new law requires insurance companies to allow parents to put their children up to age 26 on their insurance policy.

And that's why the new law prevents most insurance companies from discriminating against kids with preexisting conditions.

These important new protections took effect just last week.

And from the beginning, the new law has been about preserving as much as possible of what's good about American health care.

And that's why one of the central promises of health care reform has been: If you like what you have, you can keep it.

Now some on the other side of the aisle have tried to pick apart that promise. They have tried to find some rare example to the contrary.

But despite what some folks may say, we stuck to that promise. If you like your health care plan, you can pretty much keep it.

But then the question becomes: How can we be sure that what you have is still the same health care plan? What changes can the plan make and still remain the same plan?

That's what this new regulation spells out.

The Departments of Health and Human Services, Labor, and Treasury promulgated this regulation on June 17. The regulation defines what changes an existing health plan can and cannot make in order to retain what's called "grandfathered" status.

The new health reform law gives grandfathered plans special treatment. This treatment ensures that satisfied consumers can continue to get their current health plans. And this treatment ensures that dissatisfied consumers can get access to a fairer marketplace.

Plans with grandfathered status get more time to incorporate some of the consumer protections guaranteed in the new health reform law.

Grandfathered status is valuable to the health insurance plans. In some cases, it exempts plans from having to make particular changes until 2014.

Some fundamental consumer protections, however, are so important that all plans have to comply with them, right away. Many of those protections are the ones that became effective just last week.

The new regulation strikes a careful balance. It protects consumers from some of the insurance companies' most egregious abuses. And at the same time, it recognizes the realities of what insurers are able to do.

That balance is important to maximizing consumer choice. And that balance is important to minimizing insurance market disruption.

The new regulation spells out coverage changes that would cause insurance plans to lose their special grandfathered status.

For example, plans cannot significantly reduce benefits and still retain their grandfathered status. It makes perfect sense to require plans to maintain their benefits, as a condition of the preferred status.

After all, if a plan significantly reduces its benefits, it's not really the same plan anymore. If a plan significantly reduces its benefits, the plan is not really letting you keep what you have.

Another example under the new regulation is that plans cannot significantly increase cost-sharing and retain their grandfathered status. In other words, plans cannot significantly increase deductibles, co-pays, or co-insurance that are more than nominal.

Once again, the new regulation is only fair. Plans should not be increasing the financial burden on consumers and still qualify for this special status.

Once again, if a plan significantly increases the financial burden on consumers, it's not really the same plan. If a plan significantly increases the financial burden on consumers, the plan is not really letting you keep what you have.

A third example under the regulation is that plans cannot add new or more-restrictive annual limits on coverage and remain grandfathered.

This, too, makes perfect sense. Because imposing or lowering annual limits has the same effect as reducing benefits. And that's not something for which plans should be rewarded.

Once again, if a plan adds new or more-restrictive annual limits on coverage, it's not really the same plan. And the plan is not really letting you keep what you have.

These examples demonstrate how reasonable the new rules for grandfathered status are. Plans basically have to offer the same coverage. They have to offer the same cost-sharing and annual limits, as they do today.

The resolution before us would allow health insurance plans to leave the path to full compliance with the new common-sense consumer protections. The resolution would leave consumers relying on the kindness of the insurance industry. And we have seen how well that works.

The resolution would strike down disincentives for plans to cut benefits, increase consumers' out-of-pocket costs, or reduce how much health care a consumer may use in a year. The resolution would thus free the health insurance companies to cut benefits, to increase out-of-pocket costs, and to reduce annual limits.

The new health care reform law aims to eradicate these abusive practices. And the grandfathering regulation ensures a successful transition to a fully-reformed insurance market.

The new health reform law puts consumers and their doctors — not insurance companies — in charge of their health care.

This resolution would put consumers at risk. It would put consumers at risk of paying more and getting less. This resolution is the exact opposite of health care reform.

This resolution is a political stunt. It's about repealing health care reform.

This resolution is an attempt by the other side to dismantle the new health reform law, piece by piece.

This time, they are sending a message to their friends in the insurance industry. This resolution invites the insurance companies to continue to put profits before patients.

What's next?

The other side says that they want to repeal and replace the new health care law. But we saw what happened before health care reform.

Before health care reform, insurance companies could discriminate against kids with a pre-existing health condition.

Before health care reform, health insurance companies did not have to let adults under 26 stay part their parents' health insurance plan.

Before health care reform, health insurance companies could kick people off their rolls when they were sick and needed coverage the most.

That's what the law was, before the new health care reform law. Is that what the other side wants to go back to?

The bottom line is that this resolution would take away consumer protections that the new health care reform law guarantees.

And so, I urge my Colleagues to reject the proposition that insurance companies know best. I urge my Colleagues to maintain the common-sense consumer protections that have just come into effect. And I urge my Colleagues to reject this election-season resolution.

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