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Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Progress Building Health Insurance Marketplaces
As prepared for delivery

In early 1964, just two months after the assassination of John F. Kennedy, President Lyndon Johnson delivered his first State of the Union address.

He called on Congress to move forward with the late President's bold agenda. He said we have, quote:

"A unique opportunity and obligation to prove the success of our system....

"If we fail, if we fritter and fumble away our opportunity in needless, senseless quarrels between Democrats and Republicans, or between the House and the Senate ... or between the Congress and the administration, then history will rightfully judge us harshly."

Last summer, the Supreme Court once and for all ruled the Affordable Care Act to be the law of the land, settling the issue. After nearly a century of Americans' fighting for real health reform, we finally passed the Affordable Care Act in 2010.

Health insurance exchanges, or marketplaces, are one of the most vital tools created by the law to provide nearly every American with health care. Now is the time for us to work together to ensure that the law and these marketplaces are implemented properly.

These marketplaces are a new frontier and create a real opportunity for more Americans to get health insurance.

For far too long, individuals and small businesses across the nation shopping for health insurance were left to fend for themselves.

A Commonwealth Fund study found that nearly three quarters of individuals looking for coverage on the individual market never bought a plan, with 61 percent of those citing premium costs as the primary reason.

In preparation of this hearing, I did a little exercise and shopped around for health insurance online. I started as most American families would and typed into Google "individual health insurance plans." In .26 seconds, 106 million results appeared: everything from AARP, United, Blue Cross, CareFirst, Kaiser Permanente and many others.

Needless to say it was already a bit overwhelming. I clicked on one insurance carrier's web site and found an application for their individual and family health plan. It was 97 pages long. A 24-page questionnaire followed by a 73-page disclosure form.

Now I went to law school, and this was Greek to me. With the marketplaces, there will be one simple web form application for consumers.

Before health reform, plans were too expensive with little protections. Insurers were able to terminate coverage when patients had cancer simply because these patients didn't disclose a teenage bout with acne or a bump on the chin as a child. Plans were described in legal jargon instead of plain English.

Large companies, on the other hand, could use the leverage that came with their size to negotiate better plans at more stable prices.

This inequality in the health care system created yet another case of the haves and the have-nots. But not anymore.

The marketplaces created in health reform will level the playing field.

For the first time, individuals and small businesses will be able to pool their purchasing power to get a better bang for the buck.

Consumers will have access to one-stop competitive shopping for affordable health care, just like they have Orbitz or Kayak for airfare and hotels. These marketplaces will provide clear comparisons of quality and price across plans.

We already shop in competitive marketplaces for groceries, airline tickets, and cars. There's no reason the health insurance market should be different.

These marketplaces are scheduled to be up and running across the country on October 1 for coverage effective January 1, 2014. Two other critical components of the health care law will be paired with the marketplaces.

First, consumers will no longer have to worry about being denied coverage due to a preexisting condition or when they get sick.

Second, tax credits will be available to help American families and businesses purchase insurance.

I know the Department of Health and Human Services has been hard at work for nearly three years in preparation. But there are challenges, and I want to make sure the Department is ready on day one.

It is important for Congress — and the Finance Committee in particular — to closely oversee implementation of these new programs, especially marketplaces. Senators need to be able to ask tough questions to ensure the programs are on track. That's why we are here today. I expect to hear about the significant progress the Centers for Medicare and Medicaid Services and states have made implementing marketplaces.

I have been pleased with the level of flexibility that CMS has provided to states in order to get marketplaces up and running. Instead of a one-size-fits-all solution, CMS has worked with states to craft customized marketplaces that fit the specific needs of their residents. Because as all of us in Montana can assure you, Montana is quite a bit different than New York.

CMS has told States they can run their own marketplace or share the responsibilities. If they prefer, states can let CMS facilitate their marketplaces. States are also free to make changes down the road. This flexibility is key to make sure that marketplaces work in each state across the country.

We will ask CMS today whether progress is on track, targets are being met, and what more can be done to realize the promise of the Affordable Care Act.

We will also hear from three states, each of which will provide a unique perspective on the opportunities and challenges in creating these new marketplaces.

So as President Johnson urged in his State of the Union, let us remember our obligation as we approach the marketplaces' launch this fall.

We have a real opportunity here to help Americans access affordable health care in a consumer-friendly way for the first time in a century. So let us not fritter and fumble away our opportunity in needless, senseless quarrels. Let us ensure these marketplaces live up to their promise and deliver unprecedented access to high-quality health care.

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