

OPENING STATEMENT OF
RANKING MEMBER DANNY K. DAVIS,

Subcommittee on Health Care, District of Columbia, Census and the National Archives

“Obamacare: Why the Need For Waivers?”

March 15, 2011

Mr. Chairman, thank you for yielding. I must say – in your short time as Chairman, you’ve elected to have the Subcommittee’s first hearing on the issue of improving access to quality public education and now we convene for the Subcommittee’s second hearing, which discusses how best to ensure the public’s access to quality healthcare coverage. Given the significance of these two issues for the American people, I believe the Subcommittee is off to a great start, Mr. Chairman.

However, I do want to point out that our colleagues on the Energy and Commerce Committee conducted a similar hearing of this topic less than a month ago that pretty much already answered the question as to “why the waivers are needed” during the three year implementation period. So, it is my hope that today’s hearing will actually provide us a chance to conduct oversight of HHS’ mini-med waiver process, with the intent of discussing how the process could be improved, versus spending our time debating whether such a process should even exist.

With the one year anniversary of the enactment of the Patient Protection and Affordable Care Act just a little over a week away, today’s hearing entitled, “Obamacare: Why the Need for Waivers?,” basically helps to show why passing healthcare reform and ensuring quality, affordable coverage for all Americans was so important. The landmark legislation called for the end of low-cost “mini-med” health plans, which offer far too many hardworking Americans inadequate benefits and a false sense of protection. While the elimination of lifetime and annual limits on the amount of coverage to be paid by health insurance plans was a key aspect of healthcare reform, no one really expected this sweeping and monumental change to be fully implemented over night. This is why the Act envisioned a transition period between 2010 and 2014 to allow for the reasonable conversion of millions of people from poorly-designed limited benefit plans to plans that provide more comprehensive healthcare coverage.

I understand that in order to get us to the point of where all Americans have access to enhanced healthcare coverage, the Secretary of Health and Human Services (HHS) is gradual phasing out these substandard plans, in a manner that does not subject consumers to hefty premium increases or reduce overall access to coverage. Hence, the issuance of one-year waivers to businesses that have demonstrated their inability to meet new coverage limits this year.

Despite claims to the contrary, HHS' Section 1001 waiver process has been transparent, as evidenced by the multiple publication of regulations governing the process in the federal register and the wealth of information and guidance on the annual limit waiver application process available on HHS's website. In addition to transparency, the process has also been fair, as more than 94 percent of applicants who applied for waivers received them. And let the record show that most of the waivers issued went to non-union plans. In fact, the waiver process we are discussing this afternoon may actually serve as a best practice or good governance example for other agencies to follow when engaging the American public and business community.

So, Mr. Chairman, I'm glad that today's hearing provides us an opportunity to discuss some of the benefits of the Affordable Care Act, such as its ultimate impact on improving access to high-quality and affordable coverage for all Americans. I thank our witnesses for being here with us this afternoon and I look forward to hearing your testimony.

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