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Opening Statement

Ranking Member Elijah E. Cummings

Hearing on "Impact of Obamacare on Job Creators and Their Decision to Offer Health Insurance"

July 28, 2011

Chairman Gowdy and Ranking Member Davis, thank you for holding today's hearing.

An estimated 157 million Americans obtain health insurance through an employer sponsored plan. They and their employers have seen their costs for health insurance coverage skyrocket at an unsustainable pace. A 2010 survey by the Kaiser Family Foundation and the Health Research and Educational Trust found that since 2000, the average health insurance premium for employer sponsored coverage has increased by 114%, from about \$6,400 to more than \$13,700.

In addition, premium increases have far exceeded wage increases, and employees are being asked to bear more of the costs of their health care each year. The Kaiser survey found that since 2000, the average employee contribution has increased by 147%. Clearly, this trajectory is not sustainable for employers or employees.

Unfortunately, at today's hearing, we are not conducting oversight of the causes of unsustainable growth in health care costs. Instead, the hearing is designed to attack a solution to those high costs -- The Affordable Care Act. The majority calls it "Obamacare," but what they are referring to is legislation this Congress enacted to comprehensively reform our health care system by incentivizing high-quality care, appropriately pricing services, and fighting waste, fraud, and abuse. These things must be done both in the private sector and Medicare and Medicaid to reduce our nation's health care costs.

The Affordable Care Act also made tax credits available to small businesses that provide health insurance benefits, leading to even lower health insurance-related expenses for the immediate future.

In 2014, health insurance exchanges will be established so that individuals and small businesses can pool their risk with other individuals and small businesses, purchase coverage, and decrease their health insurance costs even further.

Repealing the Affordable Care Act, which is the stated goal of the majority on this Committee, will eliminate these common sense, cost containment measures. Although this may fatten the wallets of the health insurance industry, it will do nothing to address the increasing percentage of business revenues and personal budgets dedicated to health care costs.

Since the Republicans have not yet revealed the “replace” portion of their “repeal and replace” plan for the Affordable Care Act, I firmly believe that the Affordable Care Act is this country’s best opportunity to reduce health care costs for everyone, including small businesses and their employees.

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