Senator Franken Floor Speech on Republican Health Care Plan

(as prepared for delivery)

M. President, I rise today to talk about the health care bill that the House of Representatives has passed and is currently being considered behind closed doors by my Republican colleagues.

I travel around Greater Minnesota all the time. And when the Republican health care plan first came out, I traveled to rural Minnesota to meet with rural hospitals, nursing home providers, and constituents to hear how this bill would impact their lives and communities. They are upset and they are, frankly, scared.

In Perham, Minnesota, I heard from a woman who was in tears, not knowing where her mother would go if the Republican plan passed and she lost her nursing home coverage. This woman and her husband work full-time, but together they cannot afford the round-the-clock care that her mother needs. Later, at a nursing home in Moorhead, I also heard from a resident, Chrysann, who said this new plan wasn't about taking care of people, but about quote, "survival of the fittest," end quote. The hospitals and nursing home administrators I met with said the financial blow they'd receive would cause them to cut services and, in some cases, even close their doors.

What I heard—and the real panic that I saw—is a far cry from what President Trump promised this past January when he said, quote, "We're going to have insurance for everybody," end quote. And he went on to say it would be, quote, "much less expensive and much better," end quote.

Versions of these promises keep coming—from President Trump, from his Cabinet, and from his allies in Congress. Coverage for more people, at lower cost, with better quality.

Those things all sound great—things that might help people like Chrysann. But the fact is that the Republican bill does the exact opposite. It takes coverage away from people, it drives up costs, and it makes coverage worse.

In other words, the GOP is selling its health care bill on false pretenses.

Today, I'd like to explain how the Republican bill betrays each of these three fundamental promises. Let's take them one by one.

We can start with the number of people that will be covered. President Trump promised that everyone would have insurance. But an analysis of an earlier version of the House health care bill conducted by the non-partisan Congressional Budget Office found that, compared to current law, the House Republican plan would leave 24 million fewer people with health insurance by 2026. That means that by 2026, nearly 1 in 5 Americans under the age of 65 would be uninsured, compared to just over one in ten today.

One particular way that the Republican bill cuts coverage is by gutting Medicaid, a program that covers more than 60 percent of all nursing home residents nationwide, covers kids with disabilities, and benefits nearly 70 million Americans. The Republican bill ends the Medicaid expansion, fundamentally undermines the basic structure of the Medicaid program, and cuts the program's budget by as much as a quarter over ten years—a more than $800 billion cut.

On May 7, journalist Jake Tapper of CNN asked Health Human Services Secretary Tom Price whether the hundreds of billions in proposed cuts would result in millions of Americans not getting Medicaid.

Secretary Price responded, quote, "Absolutely not," end quote.

Well, that's absolutely false. And when I say that absolutely, I mean that literally. It doesn't take an expert to know that if you take funding away from this program, which provides health coverage for millions of Americans, that program suffers. And the human beings who rely on Medicaid will suffer as well.

Specifically, according to the CBO, 14 million of those 24 million people who will lose coverage under the Republican bill would lose their health insurance because of cuts to Medicaid.

It's bad enough to push a bill that would take care away from millions who need it. It's extra galling to be so fundamentally dishonest about it in the process.

Look, the Affordable Act is far from perfect, and we've got problems that need to be fixed. But let's step back and review how far we've come because of the ACA. Since it came into effect, about 20 million Americans have gained health insurance coverage, producing the lowest uninsured rate in the history of this country in 2016. In Minnesota, the number of uninsured dropped by nearly half, with people in rural areas seeing the largest gains in coverage. And, as a result, we have eliminated the gap in coverage between rural and urban Minnesotans. These coverage gains have increased access to vital health services, including access to treatment for mental illness and substance use disorders.

But the Republican health care plan throws all of these gains into jeopardy, which is particularly troubling given the country is still in the midst of battling a devastating opioid and heroin epidemic. Researchers estimate that 2.8 million Americans with substance use disorders would lose some or all of their insurance coverage under ACA repeal.

Let's be clear. People will lose coverage as a result of the proposed Medicaid cuts. People will lose coverage because of the proposed insurance reforms. And tens of millions of people would be uninsured and without care under the Republican plan than under current law.

Okay, let's move on to the second point: the assertion, repeated constantly by President Trump and many others, that their bill brings down costs.

In his Rose Garden celebration after the Republican health care bill passed the House, President Trump said, quote, "as far as I'm concerned, your premiums they are going to start to come down," end quote.

When Secretary Price was asked, again by Jake Tapper, if he stands by the President's statement, he responded quote, "Absolutely," end quote. On an earlier date, Secretary Price actually said, quote, "nobody will be worse off financially," end quote, under the Republican plan.

This is just blatantly wrong. Republicans are actively sabotaging the individual market, needlessly driving up premiums in the short-term; and in the long-term, what they're doing will result in exorbitant premium hikes for older, sicker people—so much so that CBO estimates that some will eventually drop out of the market all together. Let me explain.

For years, Republicans have taken deliberate steps to sabotage the individual market. First, Senator Rubio rammed through a last-minute change to the 2015 spending bill that undercut the risk corridor program. The risk corridor program, which was modeled after a similar program in the Medicare Part D program, was included as part of the ACA to offset high costs incurred by insurers as they took on new enrollees in the early years of the ACA.

Here's how it worked—the federal government would make payments to health plans that enrolled a group of people that were sicker than expected and had higher health care costs than the insurer predicted when it set its premiums. On the flip side, the federal government would receive payments from health plans that enrolled a group of people that were healthier than expected and needed less care. By limiting losses incurred by insurers, the risk corridor program was designed to help make premiums more affordable for individuals and families who bought coverage on the exchange.

But Senator Rubio's provision undercut all of this. It severely

curtailed the payments that could be made under the risk corridor

program, which meant that premiums soared and health insurers left the

market.

For example, Blue Cross and Blue Shield of Minnesota lost about

$220 million dollars between 2014 and 2016 under the weakened risk

corridor program—which the CEO told me in a meeting late last spring

was a huge setback for the company. I was dismayed—but not

surprised—when I heard shortly after our meeting that the company was

leaving the individual market, which affected coverage for more than

100,000 Minnesotans and contributed to average premium increases of

36 to 67 percent in Minnesota's individual market in 2017.

Insurers across the country faced similar, destabilizing losses. But

that's not all.

On top of that, for months, President Trump has been doing his part to sow uncertainty by repeatedly arguing that the individual market is in a death spiral. For example, on May 4th, in response to Aetna's exit from the individual market in Virginia in 2018, President Trump shouted on Twitter, quote, "death spiral!" This is similar to his post on March 13th in which he said, quote, "Obamacare is imploding. It's a disaster and 2017 will be the worst year yet, by far!" end quote.

But he's wrong—even the CBO noted in one of its scores that barring any significant changes, the individual market would probably be stable in most areas. This confirms what other research has found which is that, this year, markets were starting to stabilize, which lead Standard & Poor's to issue a report last December predicting that 2017 could see, quote "continued improvement, with more insurers getting close to breakeven or better," end quote.

But this didn't faze President Trump or any of the Republicans. Instead, they seem to have used these reports as a guidebook on what changes are necessary to <u>actually cause</u> the individual market to collapse.

For example, President Trump has been playing games with payments that are due to insurance companies that reduce out-of-pocket costs for working families. On numerous occasions, he's threatened to stop these payments altogether, but in practice, he's been holding these payments hostage on a month-to-month basis to push forward other insidious reforms. Just yesterday, his administration announced that it would seek another short-term delay in the House's lawsuit, which aims to stop these payments permanently. These games are driving up premiums for families and rattling health insurance markets.

And lastly, the administration has stopped enforcing the individual mandate. As a result, we are seeing enrollment in the individual market stall for the first time since 2010, and if this results in younger, healthier people dropping their coverage, we could see prices rise dramatically for those left behind.

That's right. President Trump and the Republicans are actively attacking the insurance markets, causing premiums to go up. So if these markets falter and consumers suffer, it is because of what Republicans are doing right now and have been doing for years to undermine the individual market.

Still, you will often hear Republicans talk about the need to reduce costs. They even claim that their proposed health care plan would lower premiums in the long-run. For millions of Americans, it's not true. But the reason why it's untrue is slightly complicated. It goes to the CBO report for the Republican health care plan.

The March 13th CBO score says that average premiums for single people in the individual market would be 15 to 20 percent higher than under current law in the first two years of implementation. But it does say that they would be roughly 10 percent lower in 2026 under the House bill than what they would be under current law.

At first blush, that sounds like prices coming down for people, right? That's certainly what Republican leadership wants you to think. That day, House Speaker Paul Ryan stated, quote, "This report confirms that the American Health Care Act will lower premiums and improve access to quality, affordable care," end quote.

And House Majority Leader Kevin McCarthy got more specific: he said, quote, "After ten years, premiums will be 10% lower than under Obamacare," end quote.

But Speaker Ryan and Majority Leader McCarthy are being deliberately misleading. One of the reasons that average costs go down is that the price for some people would go up so much that they couldn't afford any insurance at all. If the people facing the most expensive insurance simply drop out of the market, sure, *average* costs go down.

Here's how this works. Under the Republican plan, insurers would be able to charge older enrollees five times more than younger ones, which would dramatically increase premiums for people ages 50 to 64 years old while decreasing premiums for younger people. Meanwhile, the tax credits that help older Americans afford their premiums would be drastically slashed. The result is that, especially for older people of modest means, coverage would become unaffordable. So they'd disappear from the market. If only younger, healthier people can buy insurance, average premiums go down, but you've actually made the system much worse and more expensive for people who really need it.

But that's not all. The Republican plan would also allow states to waive crucial protections for patients with pre-existing conditions, which means that, in those states, we could go back to something like the old days when insurance companies could charge people with pre-existing conditions more—potentially as much as $25,000 more for their coverage, as estimated by AARP.

Republicans are quick to point out that their bill maintains the requirement that insurance companies have to *offer* plans to everyone. But it abandons the principle that the plans must be affordable. And an unaffordable plan does you about as much good as no plan at all.

If you're young, if you have no pre-existing condition, it might be true that your premiums would go down under the Republican plan. For millions of Americans, though, if the Republican bill passes, insurance costs are going to go up. For many people, they'll go up so high that they're out of reach.

That brings us to the third claim the Republicans are peddling: that their plan will result in higher quality coverage. In fact, Republicans want to open the door to junk insurance.

In defending the House Republican plan, Secretary Price recently stated that the plan allows, quote, "for every single person to get the access to the kind of coverage that they want," end quote.

We've heard this before. This is code for allowing insurers to offer garbage insurance plans that offer skimpy benefit packages and impose much higher deductibles and cost-sharing on consumers.

Under the Affordable Care Act, you can't sell junk plans on the insurance exchanges. Plans have to cover the essential health benefits: ten key categories of benefits like prescription drugs, maternity care, and mental health services. And on top of that, the law prohibits insurers from imposing annual or life-time limits on these essential health benefits.

The goal is to make sure that when people get sick or if they have a pre-existing condition, they don't go broke getting the care they need because of fine print in their health insurance plan.

The Republican bill would allow states to eliminate these essential health benefits. Consumers would be left with plans that leave them up a creek if they actually get sick. Nobody would call that "better care." Which is why Republicans aren't being straight about it. What they call flexibility is actually just the removal of consumer protections.

So, to review, the Republican plan covers fewer people, costs too many people more, and provides worse coverage. And it's being sold by misleading people on each of those points.

Now, it's not as though there aren't ways to cover more people, reduce costs, and provide better coverage. You could do a public option, for example. You could reduce prescription drug costs—an issue on which I recently introduced a comprehensive bill. You could improve coverage by increasing the number of health care providers in rural areas, as I proposed last year in my rural health bill.

But the Republican plan does none of these things.

Which raises the question: what *does* it do? Why would anyone take the time to propose such a terrible bill?

And the answer is, it gives a giant tax cut to the wealthy. That's the real point of this bill. It's not a health care bill. It's a take-health-care-away-from-people-who-need-it and use-the-money-to-give-a-tax-break-to-the-rich bill. As Chrysann said, it's about "survival of the fittest."

The average tax savings for the 400 richest Americans under the Republican plan? Seven million dollars each. Seven million each!

For households earning a million dollars or more a year, it's more than $50,000 apiece each year.

And for households *earning* $50,000 a year, which is about the median household income in the United States? The tax cut is next to nothing, or you could even face a tax increase.

There are tax cuts specifically for insurance company CEOs. There are tax cuts specifically for drug companies. There's nothing comparable for the middle class.

And all of those tax cuts are paid for by cutting health care programs <u>that keep people alive</u>. By cutting off funding that lets seniors age with dignity. By cutting services for kids with disabilities.

This bill would take us back in time and roll back our progress. It is up to us, here in the Senate, to stop that from happening. This bill is literally sickening. It is vicious, it is cruel, and it should never be passed into law.

I urge my Republican colleagues to walk away from this cruel

effort. And work with us to actually improve healthcare for Americans.

And I urge everyone considering this bill to be straight with the

American people about exactly what this bill would do to them.

Thank you, M. President.