

Testimony – Rep. Lauren Underwood

House Committee on Ways and Means
Member Day Hearing

*June 4, 2019
10:00 a.m., 1102 Longworth*

Thank you, Mr. Chairman, for providing this opportunity for all Members to share their priorities with the Ways and Means Committee.

I am grateful to come before the Committee today to advocate for your consideration of legislation that will reduce health insurance costs for nearly 20 million Americans, including 9 million who are currently uninsured: the Health Care Affordability Act (H.R. 1868).

I introduced H.R. 1868 with Mr. Gomez, who serves on this Committee, and Mr. O’Halloran to address a growing crisis in our health care system: health insurance is unaffordable for tens of millions of people.

I come at this from a slightly different perspective than others. I’m a nurse. And I have a pre-existing condition. So, I understand firsthand the urgency of our work to lower health care costs in a way that preserves protections for pre-existing conditions.

While the Affordable Care Act extended coverage to over 20 million people, premiums remain unaffordable for many, especially for people with incomes that—while modest—are too high to qualify for tax credits, which are essential for helping Americans purchasing health insurance on their own.

To illustrate this challenge, I'd like to share with you the experience of one of my constituents.

A woman who works as a nurse in Antioch and her husband spend 35% of their income on health insurance premiums and required out of pocket costs. She and her husband together earn about \$100,000 per year, and their employers don't offer them insurance.

This is all too common, families like hers are paying full freight for their health insurance, and are also paying their premiums with after-tax dollars, forgoing an enormous financial advantage the tax code affords to people with employer-sponsored health insurance.

The solution to this problem is simple and builds on the the ACA: Congress should eliminate the current tax credit cliff and ensure nearly all consumers have coverage options that cost no more 8.5 percent of their incomes.

The Health Care Affordability Act does just this. The average tax credit amount that individual market consumers would gain would likely be similar to the average subsidy for people at the same income levels with employer coverage.¹

The Health Care Affordability Act also increases tax credits for people who currently qualify, with the goal of making coverage more affordable and extending coverage to groups with the highest uninsured rates: households with low and moderate incomes.

The bill would cut premiums for the millions of Americans who purchase private health plans through the Marketplace. 10 million people, including consumers who currently receive subsidies as well as middle-income consumers who don't currently qualify for tax credits, would see this benefit.²

It does this by:

- increasing the tax credits people get to make premiums more affordable, cutting premium costs by 47% for the average family;³

¹ https://www.cbpp.org/research/health/making-health-insurance-more-affordable-for-middle-income-individual-market#_ftn19

² CMS Effectuated Enrollment Data, September 15, 2018. <https://www.cms.gov/sites/drupal/files/2018-11/11-28-2018%20Effectuated%20Enrollment%20Table.pdf>

³ <https://familiesusa.org/product/house-legislation-would-lower-health-care-costs-millions-families-america>

- and by eliminating the “cliff” for qualifying for tax credits.

The legislation would also make lower-cost coverage available to at least 9 million uninsured, 7.6 million of whom currently qualify for subsidies but don't insurance affordable enough. In total, this bill would help nearly 20 million Americans afford quality health insurance.

Mr. Chairman, I speak to you today as one of over 60 new Democratic Members of the House. I believe that a key reason the American people chose to send me and many of my colleagues to Congress to last November was to protect coverage for pre-existing conditions and lower health care and prescription drug costs.

I am proud that the House has made considerable progress on these priorities, including passing my legislation to roll back junk insurance plans that aren't required to cover pre-existing conditions or essential health benefits.

Putting insurers back in the driver's seat to sell substandard plans that don't cover the care people need has been the Administration's approach.

My bill presents an alternative approach. One that preserves comprehensive coverage while making

premiums more affordable for lower income and middle-income Americans.

Mr. Chairman, lowering health care costs cannot wait. This is a dire issue for millions of American families, and we have a strong solution for it in the Health Care Affordability Act.

Thank you again for having me – I look forward to working with you, Mr. Gomez, and other Members of this Committee to lower health care costs For the People.