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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING IMPACT OF \$2.6 TRILLION HEALTH LAW ONE YEAR LATER

Health & Human Services Secretary Kathleen Sebelius Testifies

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement at a committee hearing with Health and Human Services (HHS) Secretary Kathleen Sebelius examining the impact of the \$2.6 trillion health overhaul one year after the President signed it into law:

Thank you Mr. Chairman for helping to schedule this important hearing. It comes on the anniversary of the Patient Protection and Affordable Care Act becoming law. Whether this is a welcome anniversary depends on one's perspective.

When I listen to the Utahns, and Americans from coast to coast, who were left footing the bill for this misguided health law, I get a very different assessment.

For struggling families, any marginal benefits from this law are far outweighed by the heavy-handed intervention in their healthcare by Washington bureaucrats.

For seniors, the cuts to a Medicare program that is already nearing bankruptcy, in order to fund another new entitlement and expand an existing one, are beyond irresponsible.

And for taxpayers, the decision to pay for this law with over \$813 billion in tax increases was the last thing our struggling economy needed.

The more that Americans get to know this law, the less they like it.

In the end, it might have been over 2,000 pages long, but Americans understood it both simply and soundly.

In short, at the President's urging, Democrats passed a \$2.6 trillion health care law, with massive new subsidies for coverage, and without addressing the long-term costs of care.

All of this was paid for with billions in new taxes and by taking from an already struggling entitlement.

This simple understanding is closer to the mark than that of the supposedly sophisticated who sold this massive spending bill as somehow saving money.

Citizens understood that the historic expansion of federal power and the creation of new bureaucracy would never increase efficiencies and make care more accessible.

So one year later, what do we know about this law?

What has it given us?

As it turns out, the American people were closer to the mark than all of the liberal editorialists that pushed for this law.

\$2,100 in higher premiums.

800,000 fewer jobs.

\$118 billion in new unfunded state mandates.

\$311 billion in higher health care costs.

\$529 billion in Medicare cuts to fund new entitlement spending.

\$813 billion in new taxes.

And \$2.6 trillion in new federal spending.

It would be hard to devise a more economically destructive piece of legislation. Just last week, the Congressional Budget Office concluded that “growth in health care costs will almost certainly push up federal spending significantly relative to GDP under current law.”

So much for *bending the cost curve*.

And let’s keep in mind that all of this damage comes before the Medicaid expansions and the new premium subsidies for the health law’s insurance exchanges.

It is reasonable to assume, given the history of federal spending programs, that the original cost estimates for these coverage expansions are substantially understated.

Yet Americans’ opposition to this law is not only owing to it being bad policy. In the eyes of citizens, its original sin was a lack of transparency. Americans understood that the true cost

of health law was being hidden from them.

According to the President's budget, a permanent fix to Medicare's physician payment formula will cost taxpayers nearly \$370 billion over the next ten years.

But instead of fixing this problem, the health law cut \$529 billion from Medicare and directed it toward new entitlement spending.

This was simply irresponsible.

But it was also misleading, as it double counted the savings from Medicare.

The Chief Medicare Actuary — the Administration's chief actuary — was crystal clear on this point. He said, “[i]n practice, the improved Part A financing cannot be simultaneously used to finance other Federal outlays (such as the coverage expansions under PPACA) and to extend the trust fund . . .”

This double counting and lack of transparency on costs that stained the health law in its origins continued as the Administration sought to implement the new law.

According to the Congressional Research Service, roughly 83 percent of the final rules implementing the health law circumvented public comment, which is generally required by federal law.

I guess this Administration's pledge on transparency simply became another slogan that was discarded when it became an inconvenience in implementing their agenda.

Just yesterday, my colleague, Senator Enzi, and I reminded the Administration of its troubling failures when it comes to briefing Congress on the health law's implementation. This includes a failure to respond to nearly 67 percent of Republican requests.

One year later, with its flaws only more evident, I suspect it is starting to dawn on more members of this body as well.

I thank the Chairman again, as well as our witnesses, for appearing here today. I look forward to today's testimony and what should be a lively question and answer session. Thank you.

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