

**Chairman Frank Pallone, Jr.**  
**Health Subcommittee Hearing**  
**Living Without Health Insurance: Why Every American Needs Coverage**

**Opening Statement**

**April 25, 2007**

This week is "Cover the Uninsured Week" and as part of our efforts to highlight the growing number of Americans who go without health coverage, we are holding a hearing today on "Living Without Health Insurance: Why Every American Needs Coverage".

The statistics are truly frightening. There are nearly forty seven million Americans who go without health coverage for an entire year. That is more than the populations of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont combined. Millions more experience periodic gaps in coverage over the course of a year, and even more are considered to be underinsured.

Who are these forty seven million people? They really are no different than you or I. They are hard working American families. They go to work every day, they pay their taxes, and they play by the rules. Yet, because of rapidly rising health care costs, insurance coverage is out of reach for many of them. As a parent and a husband, it is hard for me to imagine the uncertainty these families must face from day to day, hoping and praying that their health holds out. No American family should have to live this way.

What has led to this growing problem? First and foremost, increasing health care costs have weakened employer sponsored insurance, which has traditionally been a reliable source of health coverage for a majority of Americans. As a result, more and more employers have been forced to shift costs to their workers, who are in no better position to bear this great financial burden. Alternatively, employers have begun to offer policies with less adequate coverage, or stopped offering health insurance benefits altogether.

Since 2000, the total number of Americans with employer-sponsored coverage has fallen dramatically. According to the Kaiser Family Foundation, since 2000, the total number of Americans with employer sponsored coverage has declined from 66 percent in 2000 to 61 percent in 2004.

If it were not for our safety net system, consisting of Medicaid and SCHIP, the erosion of employer sponsored insurance would have had a much greater impact on the number of uninsured Americans. This is especially true for low-income children. But, thanks to these public health insurance programs, our nation's

children have largely been able to access the medical care they need to grow up healthy. In recent years, however, the number of uninsured children has begun to increase.

That is why, as a first step to addressing the problem of the uninsured, we must make every effort to strengthen our public programs which provide health coverage to those who would otherwise be unable to access care. Reauthorization of the Children's Health Insurance Program (CHIP) will be our first step on a path to provide every American with access to meaningful health care coverage, and it is my hope that today's hearing will reemphasize the need for a strong and comprehensive CHIP program.

I know however, that not everyone necessarily agrees with me. For instance, the President and many of my Republican friends in Congress have proposed to reduce payments to states that cover children above 200 percent of the federal poverty line. Similarly, there are proposals that would further cut Medicaid spending, which provides health care services to millions more low-income families. This would undoubtedly result in the loss of health care coverage for our most vulnerable citizens. It strikes me as both illogical and immoral for anyone to suggest that we move in a direction that would actually increase the number of Americans without health coverage.

Strengthening our public programs is only part of the solution. We must also look at private insurance markets and how to increase access, adequacy, and affordability. Unfortunately, I do not believe that the Administration's proposal to tax the health care benefits of hard working Americans would achieve any of these goals. Instead, the president's plan would take a bad situation and make it substantially worse by taxing Americans who have worked hard to secure good health insurance coverage in order to subsidize less generous policies in the volatile non-group market.

We can certainly look for more creative ideas. The states have been making strides and they have been experimenting with new policies on how to achieve universal health coverage. From Massachusetts, to California, to my home state of New Jersey, states have been taking it upon themselves to develop new ways to provide their citizens with the means to afford and access health coverage. While I am eager to learn more about what is going on in the states, their efforts do not mean that the federal government has been absolved of its duty to address this situation also.

In the end, I have not told you anything new. We have had a growing problem with the uninsured for quite some time now, in large part due to what I view as the failures of Republican policies designed to address this issue. But there is a new momentum building behind efforts to tackle this problem. Democrats are determined to do so. I am looking forward to hearing from our witnesses today and learn from them on how we might achieve this goal. I now recognize our ranking member, Mr. Deal, for five minutes for the purposes of making an opening statement.