WASHINGTON, D.C. – January 27, 2011 - At this morning's hearing, Chairman Tom Harkin (D-IA) and other members of the Senate Committee on Health, Education, Labor and Pensions (HELP) heard testimony from Americans who are already experiencing benefits of the *Affordable Care Act*. One witness, a 21 year old named Emily Schlichting who suffers from a chronic auto-immune disease, told the Committee that her life has drastically changed for the better thanks to the new health reform law.

"I believe that allowing young people to stay on their parent's insurance gives us new freedom to work toward our goals without going uncovered. But even more important than that is the fact that the Patient's Bill of Rights makes it so that I can't be denied insurance simply because I have a disease I can't control," Schlichting said in her testimony.

"I'm one example of millions and millions of young Americans who have been helped by this bill, whether through the Dependent Care clause or the Patient's Bill of Rights or the combination of the two, like me…Health care is something that is easy not to care about when you're young and you're healthy…Young people are the future of this country and we are the most affected by reform— we're the generation that is the most uninsured. We need the *Affordable Care Act* because it is literally an investment in the future of this country."

Ms. Schlichting's testimony was featured today in the Omaha World-Herald and her full remarks, along with the testimony of the rest of the witnesses and an archived webcast of the hearing, can be found at http://help.senate.gov

This is the first in a series of hearings that Chairman Harkin will convene to examine the implementation of the *Affordable Care Act* and how it is benefitting Americans. In his opening remarks, Harkin said:

"We meet today for the first in a series of hearings this Committee will hold on the *Affordable Care Act* – hearings that will focus not on the politics of health care reform, nor on the rhetoric that surrounds it, but rather on the tangible, positive impact that reform is having on Americans' lives. I think we can all agree that what this debate needs is more light and less heat."

Harkin's full opening statement as prepared for delivery is below:

Statement by Senator Tom Harkin
Committee on Health, Education, Labor & Pensions
Hearing on The *Affordable Care Act*: The Impact of Health Insurance Reform on Health

Care Consumers
January 27, 2011

"Good morning everyone. We meet today for the first in a series of hearings this Committee will hold on the *Affordable Care Act* – hearings that will focus not on the politics of health care reform, nor on the rhetoric that surrounds it, but rather on the tangible, positive impact that reform is having on Americans' lives. I think we can all agree that what this debate needs is more light and less heat.

"To that end, today's hearing will focus on the benefits of health reform that Americans are experiencing right now – specifically the bundle of significant consumer protections that went into effect in late September of last year, known as the Patient's Bill of Rights.

"These protections are a historic, long-awaited improvement in the quality and scope of health coverage for all Americans. Every American who pays a health insurance premium is now protected against some of the most egregious and abusive practices of the insurance industry. Put another way, thanks to health reform, Americans now have protections that every Senator on this dais has had for years.

"Before the *Affordable Care Act*, nearly 102 million Americans were in health insurance policies with lifetime limits, and it was estimated that as many as 20,000 people annually could be denied coverage for care due to those limits. Unsurprisingly, people in danger of hitting a lifetime limit are seriously ill, and their benefits run out just when they need them most. The *Affordable Care Act*
permanently eliminates all lifetime limits, and phases out annual limits by 2014, providing economic and health security for those who need coverage most. One of those folks, Lisa Grasshoff, is here today and will talk a bit later about how the Act's ban on lifetime limits has helped her care for her son and strengthened her family's financial future.

"As I'm sure the Secretary will discuss in her testimony, last week the Department of Health and Human Services released an important report analyzing preexisting health conditions. The report's findings are striking – up to 129 million non-elderly Americans have a preexisting condition, and millions more are likely to develop such a condition over the next eight years. Before the *Affordable Care Act*, these Americans faced denial of coverage, restriction of health benefits, or higher premiums as a result of their preexisting condition. Their ability to take a new job, start their own business, or make other important life changes was limited – they were, in effect, locked in to their original insurance coverage.

"Because of health reform, insurance companies are now prohibited from restricting or denying coverage to children under 19 because of a preexisting condition. And in 2014, this protection will be extended to all Americans. Between now and 2014, the law establishes an insurance plan in every state tailored specifically to adults with preexisting conditions who are currently "uninsurable," offering coverage at standard market rates. Thousands of people have enrolled and received coverage of live-saving services like chemotherapy.

"Another element of the Patient's Bill of Rights is a requirement for every insurance plan to

cover evidence-based preventive services that will head off many illnesses, addressing them in the nurses' office rather than the emergency room. The cost of preventable disease consumes 75% of health care spending annually, dollars that could be used to build roads, improve schools and create jobs. The prevention investments in the law are down payments on the long-term project of transforming our current sick care system into a genuine health care system—and first-dollar coverage of preventive services like mammograms and immunizations are a vital part of that.

"Before the *Affordable Care Act*, millions of young adults went without health insurance because their jobs didn't offer it, or because they were ineligible for coverage on their parents' policy. These young people -- starting a new job or a new business, folks who don't have a lot of money – had to largely fend for themselves in a chaotic, unregulated market for individual coverage that charges high premiums for only modest benefits. Now, health reform allows these young people – more than 2 million of them -- to stay on their parents' policy until age 26. This reform relieves young people of the burden of high health insurance costs – and for those who can't afford coverage, the fear of financial ruin. This reform is particularly important for young people with chronic illnesses, as we will learn from one of our witnesses today, Emily Schlichting, a University of Nebraska student.

"Finally, the *Affordable Care Act* puts an end to one of the most outrageous insurance company abuses – cancelling insurance coverage right when someone gets sick, based on a technical paperwork error. These stories turn my stomach:

•a California insurer using computer programs and a dedicated department to cancel policies of pregnant women and the chronically ill, only because they submitted expensive claims;

•another insurance company which started a fraud investigation into anyone who submitted a claim reaching a certain cost level, looking for any reason to cancel the policy;

•insurance companies paying bonuses to employees based on how many policies they cancelled (and therefore how much money they saved).

"Health reform puts an end to that sorry state of affairs.

"Today, we will hear from public officials at both the state and federal levels who are charged with implementing and overseeing the *Affordable Care Act*, as well as private citizens who will talk about how the Act's consumer protections have affected them.

"On our first panel, we welcome Secretary of Health and Human Services Kathleen Sebelius to her first hearing of this new Congress. In addition to expertly implementing the private insurance market reforms we'll focus on today, I want to applaud the Secretary for her relentless and effective work in eliminating waste, fraud and abuse in Medicare and Medicaid. This week, the Department reported that it had recovered more than $4 billion from perpetrators of fraud last year – the highest annual recovery ever. And the Department released new rules, authorized by the *Affordable Care Act*, giving it even more effective tools to detect and combat fraud.

"Our second panel is comprised of Rhode Island Insurance Commissioner Chris Koller, and three non-government witnesses, Lisa Grasshoff, Joe Olivo, and Emily Schlichting.

"As always, I am very pleased to be joined by our committee's Ranking Member, Senator Mike Enzi."