

Opening Statement of Chairman Ron Johnson
“The State of Health Insurance Markets”
September 15, 2016

Good morning and welcome.

Today’s hearing highlights an issue that’s incredibly important to all of our constituents. I spent the summer traveling across Wisconsin speaking directly with Wisconsinites about issues that are important to them. One common concern my constituents raised was rising health care costs. That is because the Patient Protection and Affordable Care Act did not live up to its name or fulfill the promises made about it.

President Obama repeatedly told Americans that “If you like your health care plan, you’ll be able to keep your health care plan, period,” and “If you like your doctor, you will be able to keep your doctor, period.” He also promised that on average, a family would pay \$2,500 less per year under his reforms. Contrary to those repeated promises, millions of Americans lost insurance they liked and could afford. As networks have narrowed, Americans have also lost access to doctors they knew and trusted. And premiums have not been reduced, they have skyrocketed.

As states continue to finalize premium rates for 2017, consumers face a striking reality: Health care premiums are on the rise and marketplaces established under the Patient Protection and Affordable Care Act, or Obamacare, are spiraling out of control. Americans across the country are worried about how they will be able to afford basic health care, and health insurance providers are concerned about whether they will be able to remain in the highly unstable Obamacare marketplaces. Today’s hearing will examine the current state of health insurance markets by listening directly to state insurance commissioners who operate in some of these marketplaces every day.

Over the past few years, Wisconsinites have faced significant premium increases. Based on information from the Manhattan Institute, premiums have increased by a factor of 1.8 to 3.1 times, depending on demographics. For example, a 40-year old woman paying \$193 prior to Obamacare now faces a monthly premium of \$349, an 81 percent increase. A 27-year-old man paying \$92 prior to Obamacare is now looking at \$287, a 212 percent increase.

For 2017, health insurers requested an average 16% increase in premiums for individual plans in Wisconsin. Nationally, insurers are requesting premium increases for 2017, with one study estimating an increase of 24.3 percent for plans in the Obamacare individual market. That study projects a national premium increase of nearly 26 percent in the 17 states that have approved health care rates for 2017.

Insurers lately announced they would exit the Obamacare marketplaces due to the significant financial losses they have incurred during the implementation of the ACA. Thus, 2.3 million Obamacare enrollees—or 19% of all enrollees—could have a “choice” of a single insurer in 2017, according to the Kaiser Family Foundation. In 2016, only about 303,000 enrollees—or about 2% of all enrollees—had a single insurer option, Kaiser found. Next year in Wisconsin,

consumers living in Menominee, Polk, St. Croix and Pierce counties will have the “choice” of purchasing health care from only one insurance company, according to Kaiser.

I am proud to join Senator McCain and others to introduce a bill that would exempt enrollees from Obamacare's individual mandate penalty if they live in a county with fewer than two insurers offering ACA plans. Americans should not be penalized for failing to purchase a product when there is only one or zero companies selling the product where they live.

The American people have been sold a bill of goods. Obamacare marketplaces have been plagued by lower-than-expected enrollments that have driven premiums up even higher and left taxpayers on the hook for costly subsidies. I fear these markets are unsustainable. I thank the witnesses for their testimony and I look forward our discussion.