
EDUCATION & LABOR COMMITTEE

Congressman George Miller, Chairman

Tuesday, March 10, 2009
Press Office, 202-226-0853

Chairman Andrews Statement At Subcommittee Hearing On Strengthening Employer-Based Health Care

WASHINGTON, D.C. – *Below are the prepared remarks of U.S. Rep. Robert Andrews (D-NJ), chairman of the House Subcommittee on Health, Employment, Labor and Pensions for a subcommittee hearing on “Strengthening Employer-Based Health Care.”*

Good morning and welcome to Health, Employment, Labor, Pensions (HELP) Subcommittee’s first hearing of the 111th Congress on “Strengthening Employer-Sponsored Health Care.” The purpose today’s hearing is to initiate a series of hearings on health care reform. This morning, the Subcommittee will focus its attention on the problem many US employers offering health benefits to their employees are facing today; the cost shifting of covering health care for the uninsured. Furthermore, we will examine the reasons as to why this cost shifting is occurring and whether “shared responsibility” amongst all is employers is essential to reforming our health care system in the least disruptive way.

In the United States today, over 169 million working Americans receive their health insurance through their employer. Moreover, these same employers contribute \$386 billion to partially cover the cost of the \$2.4 trillion we spend as a nation on health care annually.

The success of employer-sponsored health care is due in large part to the purchasing pooling power of these noteworthy employers. However, as the cost of health care continues to precipitously increase, due in large part to the artificial inflation of pricing, many small to large employers have been forced to drop coverage to their employees. As the number of employers offering health coverage decreases, the number of uninsured increases, as well as the burden imposed onto insured employers and their employees to cover the cost of the uninsured. This cost shifting is reflected in their increased premium rates, co-pays, and deductibles and sometimes in the retraction of benefits.

Coverage continues to grow increasingly unaffordable to employers, which has contributed to the precipitous decline in employer-sponsored health coverage over the past decade. In particular, small employers with low to middle-income workers have struggled to meet these rising costs. Furthermore, while over five million Americans have lost coverage during the past decade, it is expected that in the next four years, premiums will rise by another 20 percent, which will result in an additional 3.5 million Americans unemployed and without benefits. In the absence of health care reform in the United States, experts estimate an additional 53 million Americans will be uninsured by 2011.

I believe that an all employer participation component is an essential element to health care reform. Such an approach is seen as the less disruptive method to reforming our health care system. Furthermore, it is estimated that an all employer participation component would increase the number of insured Americans by 83 percent, as well as drive down the overall cost of the system, prevent further erosion of health benefits for workers, as well as protect their right to choose their own doctor and maintain their existing level of benefits.

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