

HSGAC Hearing Statement by Senator McCain
The State of Health Insurance Markets
September 15, 2016

Mr. Chairman:

There are times when one takes no pleasure in saying, “I told you so”. Or, pride in one’s prescience. Such is the case with Obamacare.

Over seven years ago, when the President and Congressional Democrats traversed the country touting the benefits of what would become the so-called “Affordable Care Act”, my Republican colleagues and I were quick to highlight that their proposals, however well-intentioned they might have been, would result in making things worse. It doesn’t take a policy expert or a Ph.D. to recognize that injecting unprecedented levels of government control into what amounts to nearly one-fifth of the nation’s economy would have devastating consequences.

Regardless of those warnings and a relentless effort by Democrats to demonize those that opposed the law as alarmists and fear-mongers, President Obama continued to promise to the American people that “If you like your doctor, you will be able to keep your doctor, period. If you like your health care plan, you’ll be able to keep your health care plan, period.” The President doubled down on this promise saying “No one will take it away, no matter what.” This of course turned out to be a lie. Ever since, Americans have been hit by broken promise after broken promise, and met with higher costs, less choices, greater uncertainty, and poorer quality of care.

Let me be clear. A choice between a single insurance plan or being financially penalized by the federal government for not buying a plan, is not a true choice. And, it is certainly not the choice and competition that the president sold to the citizens of my state.

Unfortunately for the citizens of my state, our warnings are being realized now—in real time.

Over the last two years, here’s what “keeping your doctor” and “keeping your health care plan” has looked like in Arizona. The first Obamacare casualty came to fruition when Arizona’s Obamacare-established CO-OP, Meritus Mutual Health Partners, closed its doors after the HHS Inspector General found that it was one of the lowest achieving CO-OPs in the county. As a result, 60,000 Arizonans were left scrambling to find a new health care plan. At that point, 11 of the original 23 co-ops nationwide closed despite having received \$2.4 billion in low-interest federal loans—paid by you and me.

Not long after Meritus closed its doors, UnitedHealth announced that it was leaving the Arizona marketplace—after accumulating over \$1 billion in losses in two years as a result of nationwide exchange participation. This left another 45,000 Arizonans not “keeping their plans”. Worse still, another 60,000 Arizonans saw their plan terminated as a result of Blue Cross Blue Shield of Arizona and HealthNet’s announcement they were restricting their Arizona offerings in 2017. Why? Because they too accumulated massive financial losses to the tune of millions of dollars as

a result of Obamacare. Phoenix Health Plans and Aetna also decided to exit Arizona's exchanges, leaving another 32,154 and 13,162 behind, respectively.

Altogether, Arizonans have seen over 210,000 cancellation notices mailed out in less than one year's time. Those notices should have been sent to the White House and every Member of Congress that voted in support of this failed health care law, and because of that support has left hundreds of thousands of Arizonans and millions across the country with fewer choices and higher costs when it comes to health care options.

After Blue Cross Blue Shield of Arizona decided to step in to be sole insurer in Pinal County—previously the only county in America without a single health insurance provider offering plans in 2017—14 of Arizona's 15 counties will only have a single health insurer to “shop” for coverage when open enrollment begins on November 1st. That includes Maricopa County—Arizona's most populous county—impacting more than 120,000 people. This is down from the eight health insurance options that Maricopa County residents had in 2016. As Christian Corieri, Senior Health Care Policy Advisor to Arizona Governor Doug Ducey, stated in testimony submitted for today's hearing, “While Blue Cross Blue Shield has recently decided to offer a plan there at a 50% premium increase, it is only a matter of time until another county faces the prospect of being without an insurer on the exchange.” Indeed, with Cigna serving as the only insurer in Maricopa County and Obamacare coming apart at the seams, I continue to be concerned about uncertainty and instability in the marketplace there.

With this mind, I guess it should come as no surprise that the President had to assemble the CEOs of the major health insurance companies at the White House to convince them that the walls surrounding Obamacare are in fact not falling in.

While many insurers have been forced to exit the marketplace altogether, for the insurers who continue to participate in the exchanges, their only option is to raise premium rates astronomically high in order to cover their losses.

Last year, Arizonans saw the key benchmark plan premium increase to more than double the national average, and unfortunately there is no end in sight. This year, individuals in 13 of Arizona's 15 counties will see premiums increase on average by 51 percent. For some families, this could mean hundreds of dollars more per month out of their paychecks.

As a result, I'm hearing daily from Arizonans throughout the state who are choosing to pay the Obamacare penalty because the cost of health insurance has gotten so out of hand. And what truly breaks my heart, is that Arizonans are now asking the question, “why enroll in Obamacare if you can't afford it or worse still, can't get access to care?” This is what “health care” means for millions of Americans in the world of Obamacare, despite the fact that this is a far cry from what President Obama promised before and after signing his signature health care reform bill into law.

The collapse of Obamacare in Arizona and across the country confirms what Republicans have warned all along: Government-mandated health care is unsustainable. I'm not sure a bill has failed to live up to its name so profoundly as the so-called “Affordable Care Act.” What's clear

is that Obamacare is crumbling, and it is unacceptable to sit on the sidelines and watch it continue to happen, because in the meantime, Arizonans and folks across the country are being left to pick up the pieces. It is imperative that Obamacare be replaced with commonsense solutions that empower patients and doctors – not the government – to take back control of their health care.

I ask that the written testimony of Christina Corieri, Senior Policy Advisor to Arizona Governor Doug Ducey, be included in today's record. Thank you, Chairman Johnson for holding this very important hearing.