

Opening Statement
Chairman Fred Upton
Subcommittee on Health
Markup of H.R. 1173, the “Fiscal Responsibility and Retirement Security Act
of 2011.”
Tuesday, November 15, 2011

(As Prepared for Delivery)

It has been two years since the CLASS Act was first debated as part of the president’s health care reform plan.

American taxpayers deserve to know about the concerns that went largely ignored by the Democrats’ leadership in both chambers in an attempt to rush through the president’s health care bill.

The truth is that outside analysts, such as the American Academy of Actuaries, raised concerns with the program as early as July of 2009 – five months before the President’s plan was even considered on the Senate floor. During the health care reform debate, members from both sides of the aisle also raised concerns about the program’s long-term sustainability.

Then, earlier this year, a bicameral investigation revealed that concerns from within HHS were rampant during the PPACA debate but never brought to light by the Democrats’ leadership or the administration itself.

Those concerns all came to a head on October 14, when Secretary Sebelius announced what honest accounting told us was inevitable: the Obama administration finally admitted there was no viable path forward and therefore, was halting further implementation of the CLASS program.

The failure of HHS to implement the CLASS program is not a surprise. However, it is a catastrophic consequence of what happens when Congress rushes to enact costly policies and dismisses warnings from independent experts.

Most troubling are the budget gimmicks used to sell the CLASS program, and indeed, the entire law. The Congressional Budget Office, using strict rules about how to project costs in a limited window of time, estimated the CLASS program would save money by collecting premiums from enrollees—premiums that will now never be collected in light of a failed implementation.

We knew the savings estimates for the president’s health care plan were wrong – it defied common sense that such a massive spending expansion would not have a cost. Now, more than a year later, the president will have to explain to the American people why the health care law will cost them \$80 billion more than they were told – \$80 billion on top of the trillions the president has added to the books since he took office.

Today, we will have an opportunity to start over on long-term care reform – an issue that is important to all of us as we hear from constituents regularly about the growing cost of long-term care services. We will begin that process, but first we must take CLASS off the books.

Thank you Mr. Chairman for holding this mark up today, and I urge my colleagues to support this bill to repeal a program that does not work and that we cannot afford.