

**Statement of Senator Ron Johnson**  
**Ranking Member of the Senate Subcommittee on Oversight of Government Management,**  
**the Federal Workforce, and the District of Columbia**

before the Committee on Energy and Commerce,  
Subcommittee on Oversight and Investigations  
U.S. House of Representatives

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**Introduction**

Good Morning Chairman Stearns, Ranking Member DeGette, Members of the Committee. Thank you for the opportunity to participate in today's hearing on the Patient Protection and Affordable Care Act (PPACA).

Unfortunately, this Orwellian named law will neither protect patients nor make healthcare more affordable.

It is my current mission to paint a picture of what America's health care system, our freedoms, and our federal budget will look like in the unfortunate event that PPACA is fully implemented. It will not be a pretty picture.

Nancy Pelosi famously stated that: "We have to pass this bill so you can find out what's in it." I am determined to make sure we don't have to fully implement it to see what it will cost.

Twenty-eight years ago, our infant daughter, like millions of other Americans, was saved by a health care system, and medical professionals that dedicate their lives to saving the lives of others. Today, our daughter is a nurse herself, helping to save infants in a neo-natal intensive care unit. These are the people that President Obama chose to demonize in his quest to take over one-sixth of the American economy.

The result of his efforts was an ill-conceived, 2,700 page bill, whose benefits were wildly overstated, and whose costs will prove to be dangerously understated.

**Effect on Federal Budget and Costs**

Let me start there...understated costs. To sell the fiction that PPACA would provide healthcare to 25 million uninsured Americans without adding one dime to the deficit, the original budget window included 10 years of revenue and fictional cost savings, totaling \$1.1 trillion, which pays for only six years of benefits, totaling \$938 billion.

Increased taxes, fees, and penalties account for roughly half of the \$1.1 trillion "pay for." The other half supposedly results primarily from reduced payments to Medicare providers and cuts in Medicare Advantage.

But Congress has not allowed enactment of the \$208 billion provider payment cuts required under the Sustainable Growth Rate formula because it understands those cuts would dramatically reduce seniors' access to care. For the same reason, how likely is it that PPACA's Medicare reductions will actually occur?

### **Effect on Private Insurance**

In addition, how likely is it that on net, only one million out of the 154 million Americans that have employer-sponsored health insurance will lose that coverage and be forced to obtain coverage through the exchanges? Not very, yet that was the Congressional Budget Office (CBO) estimate that helped produce PPACA's unrealistic deficit reduction score.

Instead of trying to interpret and comply with over 15,000 pages of rules and regulations, and instead of paying \$20,000 in 2016 for family coverage, why wouldn't business owners simply pay the \$2,000 penalty?

And by dropping coverage under PPACA, they wouldn't be exposing their employees to financial risk. They would be making them eligible for huge subsidies in the exchanges - \$10,000 if their household income is \$64,000.

A recent study by McKinsey & Company found that 30 percent to 50 percent of employers plan to do just that. CBO's March 2012 baseline estimates nine-year PPACA outlays will exceed \$1.7 trillion. Adding this many individuals to the exchanges could add trillions of dollars to those projections. Can America afford to take that risk?

Those trillions of dollars for PPACA will be taken from hardworking American taxpayers and the private sector then filtered through the federal government in order for Washington to dictate the terms of health care consumption and delivery to every American.

If that happens, we will be ceding a significant portion of our personal freedoms for the false promise of economic and healthcare security.

There are too many uncertainties, and the stakes are far too high to proceed with implementing PPACA. It is time to put the brakes on until we fully understand all its costs and consequences.

### **Conclusion**

In closing, let me ask some questions the Administration should answer before PPACA is fully implemented and it really is too late.

If Medicare cuts actually are enacted, how many doctors will stop taking Medicare patients? What services will be cut? How will quality suffer? Isn't this how rationing begins?

Because Medicaid reimbursement rates are often lower than provider costs, approximately 40 percent of providers do not accept Medicaid patients. How will the remaining 60 percent handle the 25 million new Medicaid beneficiaries?

Faith in the federal government is appropriately at an all-time low. How many Americans actually believe Washington can effectively and efficiently take over one-sixth of our economy?

Does anyone think government would have invented the I-phone or I-pad? What will happen to medical innovation under government control?

Will Americans like federal bureaucrats telling them they cannot get mammograms until they are 50, or the Independent Payment Advisory Board becoming Medicare's de facto rationing panel?

Defensive medicine and junk lawsuits cost Americans hundreds of billions of dollars each year. Why was malpractice reform rejected as part of health care reform?

Why would anyone think that increasing taxes on health insurance plans, medical devices, and drugs would help bend the cost curve down?

The actual result: instead of lowering the cost of a family insurance plan by \$2,500 per year as President Obama promised, family plans are now \$2,200 higher.

Does anyone really think that on net, only one million American will lose their employer sponsored care and be forced into the exchanges?

And finally, why have 1,722 waivers covering four million Americans been granted if implementing PPACA doesn't threaten current health insurance plans?

President Obama promised: "If you like your health care plan, you'll be able to keep your health care plan. Period. No one will take it away, no matter what." I'm not sure what you would call that statement, but whatever you call it, it was a doozy.

Thank you for the opportunity to testify before you today on what I believe is the most important issue facing our nation. I look forward to your questions.