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Hatch: Struggling Economy and Rising Healthcare Costs Damning for Americans

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In a speech on the Senate floor, Finance Committee Chairman Orrin Hatch (R-Utah) outlined how hard-working, middle-class families are bearing the brunt of the nation's slow economic growth and skyrocketing healthcare premiums and called on Congress to work together to find bipartisan solutions that will help move America forward.

“Along with a stagnant economy and declining household income, the cost of health care has gone up, almost exponentially. Health insurance premiums for families with employer-based coverage have gone up by an average of about five percent a year,” Hatch said. “That trend, according to both the Congressional Budget Office and the Joint Committee on Taxation, is expected to continue over the next decade.”

Hatch went on to reiterate his commitment to finding a solution for rising costs and called for colleagues on both sides of the aisle to work together to address this issue.

“To bring down these rising health care costs, we'll need significant buy-in from my friends on the other side of the aisle,” Hatch said. “I plan to do all I can to make the case to the American people about the need for change and to work with anyone who is willing to put in the effort to address these monumental problems.”

The complete speech as prepared for delivery is below:

Mr. President, I rise once again to discuss the state of our nation's health care system and what we can likely expect in 2017 under Obamacare.

However, before I delve into that discussion, I think it's important to provide a little context.

Roughly seven and a half years ago, President Obama was sworn into office, riding a wave of goodwill, optimism, and so many promises about what he was and was not going to do that it was difficult to keep track.

Seven and a half years may not be all that long in the grand scheme of things, but it is surely long enough to evaluate the economic successes and failures of a single administration. So, let's take a look at what we've witnessed in the years President Obama has been in office.

Since January 2009, our nation's gross domestic product has grown at an average annual rate of only 1.7 percent. And, the overall trajectory hasn't really been improving – in the last quarter, our economy grew at the slowest rate in two years.

At the same time we've experienced that slow GDP growth, wage growth has been sluggish. And, median household income in the U.S. has actually gone down under this President, declining at annual rate of almost one-half of one percent.

Slow economic growth.

Slow wage growth.

Declining household incomes.

And this past Friday, we learned that the economy added only 38,000 jobs in May, with job gains having averaged a sluggish 112,000 per month since President Obama took office.

That is what we've seen in the Obama economy.

Sadly, even that doesn't tell the whole sad story. Along with a stagnant economy and declining household income, the cost of health care has gone up, almost exponentially. Health insurance premiums for families with employer-based coverage – one of a handful of benchmarks for measuring the costs of health care in the U.S. – have gone up by an average of about five percent a year.

That trend, according to both the Congressional Budget Office and the Joint Committee on Taxation, is expected to continue over the next decade, with premiums in the individual health insurance market going up at an even faster rate.

Meanwhile, the Federal Reserve projects that growth in our economy will range between 1.8 percent and 2.3 percent, well below historic averages and far below the growth rate for average health insurance premiums.

Long story short, under this President, we've seen mostly lackluster economic growth and a decline in household income while the cost of health insurance has eaten up an increasingly larger share of American families' earnings and an ever-growing percentage of our nation's economy – and, according to most credible projections, it's only going to get worse.

This correlation of economic stagnation and exploding health care costs is particularly damning for this president because his signature domestic achievement – his top priority after being elected – was passage of the so-called Affordable Care Act, a law that was, among many other things, supposed to bring down health care costs.

The word AFFORDABLE is actually in the operative word in the name of the law, Mr. President. Yet, it is probably the least suitable word for describing what this statute has actually done to our health care system.

It has now been three years since the Affordable Care Act was fully implemented and in effect. And, in all three of those years, average health insurance premiums in the U.S. have gone up, by double-digits in many markets. Insurers are currently making rate decisions for Year Four of Obamacare, and, from what we've seen thus far, things are only getting worse. According to one analyst, the average weighted rate increases requested from 28 states and D.C. is approximately 20 percent.

Indeed, over the past few months, it seems like we've seen a new headline every day that highlights the failure of Obamacare to bring down premiums.

For example, we've recently learned that in New York, patients may see an average premium increase of 17 percent on the Obamacare insurance exchanges. In fact, one major New York carrier requested a rate hike of 45 percent over what they charged this year.

In the state of New Mexico, one major insurer requested a premium increase of more than 83 percent.

And those states aren't outliers, Mr. President.

Average premiums in Mississippi could increase by over \$1000 next year, according to recent reports.

Insurers have requested average hikes of nearly 14 percent in the state of Washington.

A major carrier in New Hampshire just requested an increase of more than 45 percent for 2017.

Another insurer has submitted a request to raise premiums by more than 36 percent in Tennessee.

People in other states, like Virginia, Florida, Maine, Oregon, and Iowa, are all facing potential double-digit increases in premiums, with some in the 30 to 40 percent range.

And, keep in mind, these are just the states we know about thus far. More numbers – and, almost certainly, more requested premium hikes – will be made public very shortly.

We're still waiting to see specifically what will happen for the people of my state of Utah. Still, we already know that many Utahns are facing difficulties. I hear from my constituents all the time on these issues.

For example, Susan from Roosevelt, Utah, recently wrote me to say this about her experience with Obamacare.

"I can't afford the monthly premiums, and as long as I have to pay extraordinary deductibles, I may as well just continue paying for the visits as I go and not have to worry about the extra money I would have to spend in premiums, which are outrageous...I realize I will have to pay a penalty when I do my taxes, but it will be way less than the premiums I would have had to pay had I signed up for this healthcare debacle."

Another constituent, named Richelle, from Santa Clara, Utah, said this in a recent letter:

"As I am looking into purchasing the health care coverage we need; I'm finding that it is totally ridiculous. The catastrophic health care we were planning for a few years ago no longer exists because of the health care laws. In order to get LEGAL health care for me, my spouse, and my 3 eligible children, I'm being required to pay close to \$1300 per month! These policies still require huge deductibles and will quickly eat up the money we've put away for such things."

These stories, unfortunately, are not isolated incidents. People throughout the country are growing more and more concerned about the cost of health care under the President's health law.

Even without the skyrocketing cost of health care, millions of American families would still be struggling to make it under the Obama economy. Yet for these people, all of whom have had to suffer through a period of stagnant economic growth and declining incomes, these rising health care costs are, at best, a slap in the face, and, at worst, a nail in the financial coffin.

I've spent a lot of time here on the Senate floor over the last six years describing what has gone wrong with the Affordable Care Act. I won't detail the substantive and structural problems with the law here today.

Instead, I'll just repeat what should be clear to everyone here: This law isn't working.

This law has imposed even greater burdens on virtually all the participants in our health care system.

And, this law is failing middle class and lower income families throughout the country.

We can and must do better. But, in order to do so, we will have to turn our focus to the biggest problem patients face as they navigate our health care system: Cost.

We must bring costs down. Any future attempts at health care reform that are not cost-focused are, in my view, and I'd suspect the view of most Americans, a waste of time and effort.

As for me, my position is pretty clear: I support the repeal of Obamacare.

I have worked with colleagues to come up with a replacement proposal designed specifically to contain costs for patients and consumers. And, a number of health care experts have concluded that our proposal – which we've called the Patient CARE Act – would do just that.

There are, of course, other proposals out there. For example, I know that the House Majority is working on a proposal and I am anxious to see what they come up with.

And, as Chairman of the Finance Committee, which has jurisdiction over many major aspects of our health care system, I have begun reaching out to stakeholders to discuss in more detail the current premium crisis and what needs to be done to address it.

But, let's be clear: to bring down these rising health care costs, we'll need significant buy-in from my friends on the other side of the aisle. And, quite frankly, I don't know how any of them can read the recent news reports about premium hikes and hear the stories from their constituents about skyrocketing health care costs and think that Obamacare is working just the way it was supposed to.

So, as I've said before, my hope is that, at some point, my colleagues on the Democratic side will begin to acknowledge the failures of Obamacare. At the very least they should acknowledge that it has failed to bring costs down for patients and consumers and is, in fact,

driving costs up.

Until that acknowledgement comes, I plan to do all I can to make the case to the American people about the need for change and to work with anyone who is willing to put in the effort to address these monumental problems. I look forward to speaking more about these issues in the coming weeks and months.

With all the economic struggles the American people – particularly those in the middle class and with lower incomes – have had to deal with under the Obama administration, the last thing families in the U.S. need is a continuation of the skyrocketing health premiums we've seen as a result of Obamacare.

I plan to do all I can to reverse this trend.

With that, I yield the floor.

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Richelle from Santa Clara, UT is getting a bad deal.

But it's not because of the Affordable Care (ACA) Act, aka Obamacare.

It's because she's getting bad information, and Sen Hatch isn't bothering to check his math before he makes a speech on the Senate floor.

Thanks to the ACA, a family of five living in Santa Clara, UT earning \$60,000 a year (above the Utah median family income) could purchase a Silver-level health insurance plan from Select Health for \$373 a month and a \$2,300 deductible. They will receive a premium subsidy of \$1,104 per month to make their insurance more affordable. The co-pay for a primary care doctor visit is \$35, and generic drugs are \$10.

So instead of paying \$1,300 a month for insurance, the ACA helps Richelle's family pay almost \$1,000 less... increasing their savings for college, a new car, or investing in their home.

We invite Richelle to contact Take Care Utah (www.takecareutah.org or call 2-1-1)... the free, state-wide in-person assister network funded by the ACA

network funded by the ACA.

A Take Care Utah (TCU) navigator based in St. George, UT could help her sign up her family for health insurance at no charge.

They could help her access the premium subsidies and make sure that her family's doctor and hospitals are within the insurance plan's network.

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