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## Q&A: Congressman Richard Neal

By Kat Lucero – 12/22/16 5:50 AM ET



Greg Nash

**Rep. Richard Neal** (D-Mass.) doesn't understand how Republicans can overhaul ObamaCare by eliminating the insurance mandates.

"They have an obsession with repealing ObamaCare," the incoming ranking member of the House Ways and Means Committee, which has jurisdiction over tax and healthcare policy, told The Hill Extra.

Republicans said their biggest problem with the law is its mandate for individuals to buy insurance, Neal said, but he points out the idea of the mandate came from the conservative think-tank Heritage Foundation.

"The mandate is the glue that puts the rest of the plan together," Neal said.

Neal also said House Republicans haven't approached him to talk about potential areas of compromise — and he warned Republicans not to toy with Medicare — a battle Democrats will fight to the end to save.

Early in December, the lawmaker became the Ways and Means Committee's top Democrat. He replaces Rep. **Sander Levin** (D-Mich.) who announced late November that he won't be running for the post but will remain a senior member. Neal had vied for the position last year, but House Democrats elected Levin to be their point person for the committee.

During a recent interview, Neal shares how Democrats hope to save — and perhaps improve — ObamaCare and Medicare.

This transcript has been edited for length and clarity.

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**Q: What's the plan for House Democrats to push back against the Republican effort to overhaul the ACA?**

**Neal:** The most important thing is to acknowledge its effectiveness, which we intend to do. There are many aspects of it, including the end to pre-existing conditions, keeping 26-year-olds on their parents' health insurance, doing away with a cap on out-of-pocket expenses, ... and the preventive measures, including breast cancer screening, which I think plays a greater emphasis on early intervention. The compelling fact is that if we intervene early, then there's less need later on in life for healthcare expenditures.

What the Republicans have done so far is emphasize repeal. We have very little knowledge of what they mean by 'replace' because they never put anything out there.

They are going to see that hospitals are going to push back on this because clearly not only are hospitals very stable employers, they tend to be the biggest employers now across the country. The idea of that there are 10 million more people who are insured privately plus 10 million more Medicaid insurees, all of that portends greater stability in our healthcare system.

And in fact, it's contributed to the expansion of the whole notion of Medicare. It's giving greater stability to the Medicare program as well. I'm more than familiar with it. And I can't emphasize enough the role the mandate plays. I don't understand why you have to have automobile insurance, but you don't have to have healthcare insurance.

**Q: You mention Medicaid and Medicare. How will you try to stop Brady and the GOP from cutting those programs?**

**Neal:** I think that once the public is getting acquainted with the idea that they [Republicans] want to provide a voucher system for Medicare, what they really mean is less healthcare. I think that Medicare has given years and years to lives. It's the closest America has ever come to universal healthcare. You turn 65 and you join this great club. I think it's been one of [the Republicans'] secret missions to destroy the guarantee of Medicare.

**Q: Let's say Republicans are successful in passing a law that repeals the ACA using the budget reconciliation ...**

**Neal:** Let me offer this interesting contrast. When **George W. Bush** put in place or offered Medicare Part D, the prescription drug benefit, one of the reasons we objected to that proposal was because it included what we call the donut hole — you had spend x-number of dollars before the full benefit kicked in. So we won the next round of congressional elections. One of the first things we did was to repeal the donut hole. And then we moved on.

Theirs has been an obsession with repealing ObamaCare. And the problem they have with the ACA is they alleged it to be the mandate. The mandate is the glue that puts the rest of the plan together, and a reminder the mandate comes from the Heritage Foundation.

**Q: What taxes do you want to maintain in the healthcare plan if they are successful in the repeal of ACA?**

**Neal:** I think that's speculation at this point because they haven't told us, number one, what their plan will be, and number two, how they're going to pay for it. We've done all of that in the ACA. We're essentially trying to wrap our hands around jello because we have no idea what they're proposing or planning.

**Q: What if GOP leadership comes to you and the rest of the Democratic leadership to say, "Hey, what can we do to craft something together?"**

**Neal:** The first thing we say is to leave Medicare alone. It's doing fine. So there's no reason for us to back away from Medicare. Medicare works fine.

I think on the ACA, if they have a plan where they would say to us 'we want to work with you to improve it', as **Bill Clinton** has noted, then we would make it approachable. If they're coming to us to

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repeal and replace with something that offers less coverage and is more expensive, then I think that's a non-starter.

**Q: What about the "Cadillac tax" and medical device tax? There was bipartisan opposition to those provisions. Have there been any talks in your caucus about what could be a replacement for those pay-fors?**

**Neal:** That has not come up yet. But, if you recall, I was the one who negotiated the medical device tax. And the original proposal on it was 5 percent. I was able — through negotiation — to whittle that down to 2.4 percent. And recall in the medical device arena, one of the biggest purchasers of medical devices happens to be Medicare. Listen, if they want to explore something that improves the ACA and comes up a better mechanism for financing it, let's talk about it. But I don't think based on what they've heard or seen so far, that that's their intent.

**Q: Have the Republicans reached out to you or the Democratic leadership?**

**Neal:** Oh no, no, I haven't talked to them at all. You know, one of the problems with healthcare financing is the conventional economics tend not to work. People get sick when they don't anticipate it. They get sick and the sickness lasts longer.

One of the imminent dangers here is that what Republicans have said ... of their plan: "If you don't require, through the mandate, people to purchase insurance, what that means is people want to purchase it when they get sick. That undoes the whole actuarial reality that the idea of health insurance is to spread risk.

**Q: The ACA has some Republican origins, but the GOP rhetoric to the public has been "repeal and replace the ACA." What if the Republicans are saying this to their constituents that the Affordable Care Act is not working, but there are some bipartisan elements behind the scenes that Republicans want to work on with you. What do you think of that?**

**Neal:** I think they will often say, even though much of the rhetoric is vacuous, "We'll want to keep the pre-existing condition ban, and we want to keep 26-year-olds on, and we want to address out of the pocket expenses." The difficulty is that without the mandate to purchase insurance, I don't understand how you finance it. We knew from the time we passed the ACA that we would need to continue to review and to improve it. That is not unusual. But there's has been an obsession because they think the politics of it work for them rather than the policy.

I hope that we can use this intervening period to have a healthy and vigorous debate about whether the most important aspects of the ACA work fine. I think we're going to have a lot of allies across the country. The idea that they would willfully undo insurance for 20 million people would be outstanding.

The other part that is conveniently left out of the discussion. When they say this was a government takeover, they conveniently leave out the argument that the private sector was kept alive for the purpose of offering discipline to price. I think we attempted to use the best parts of the marketplace and simultaneously to expand health insurance. On both accounts, I think we've been successful understanding that we acknowledged from day one that we would continue to improve the ACA.

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