

**Chairman Hal Rogers**  
**House Committee on Appropriations**  
**Subcommittee on Labor, Health and Human Services, Education and Related Agencies**  
**Department of Health and Human Services FY 2013 Budget Proposal**  
**March 6, 2012**  
**Chairman's Opening Statement**

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Mr. Chairman, thank you for yielding. Madame Secretary, thank you for being with us today. With so much at stake in this tough economic climate and the difficult budget decisions looming before this panel, I am pleased you are here to discuss your Department's FY13 budget request with us.

This is a truly historic time, and I don't have to tell you that our nation has found itself at a crossroads. The United States is borrowing over 40 cents on the dollar, and the American people have sent a clear signal that it is high time to get serious about reducing spending and put a dent in our record-setting deficit. I am proud to say that this Committee has been on the front lines of arresting the incredible expansion of spending that has taken place. I believe we have done our job in slowing the growth of discretionary spending. But out of all the spending done by the federal government, this committee only controls about a third of it. The rest is spent on programs, many run by your department, that are simply on automatic pilot. **In fact, fully 89% of your budget is mandatory spending.** This mandatory spending must be controlled as well, but in your budget I see no leadership on this critical issue.

The problems in mandatory spending and the solvency of the federal safety net programs have been known for years. And yet on top of this spending sits the President's controversial health care law. Regardless of whether you support or oppose the Affordable Care Act – and many Americans do not - the reality is: **ObamaCare is a budget buster.** The CBO has reported that this law will cost billions more than we were told when we voted two years ago, but I won't be surprised to see even these ominous estimates skyrocket once the rosy assumptions utilized by CBO do not materialize. What's potentially more egregious than the vast increases in mandatory spending created by this law are new slush funds created in the Treasury, outside the control of Congress and the staunch oversight we've made a capstone of this Committee. Meanwhile, the unprecedented layers of federal bureaucracy created by this law and the countless mandates on employers, insurance providers, doctors and patients have increased health insurance premiums that families pay at a time when long-term unemployment remains at historical highs and family budgets are squeezed by higher gas and electric prices.

Certainly you recognize the peril and unsustainability of this constant rise in mandatory spending, particularly where Medicare is concerned. We have been told that ObamaCare will help alleviate the looming shortfall in Medicare through various new programs, boards and payment schemes that will bring savings to the program. However, the CBO recently reported that demonstration projects aimed at achieving savings in the health care sphere have historically failed to do so, and that the payment reductions envisioned in this law likely will not be put in place. Yet even if savings are achieved through these various schemes, these funds have already been earmarked to pay for new entitlements created by ObamaCare, not to save Medicare. You cannot count that money twice.

Madame Secretary, these are not trivial issues. If mandatory spending is not brought under control, these programs will fold and the vital needs they address will go unmet. It is critical that we stop living in a fantasy land where the money never runs out. Thank you and I look forward to your testimony.

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