

HEALTHCARE COSTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2019, the Chair recognizes the gentleman from Arizona (Mr. SCHWEIKERT) for 30 minutes.

Mr. SCHWEIKERT. Madam Speaker, my wife accuses me of not being able to speak without a chart, so now, when I am home, I walk around with a chart for my 4-year-old, trying to explain what being a good girl is. So far, it is not working.

We try to do this every week, but tonight, I am going to try to put some more details into last week's presentation.

The reason I have this first board up is, once again, to show the math on the single biggest threat, I believe, to our country and to our society and the absurdity that this body isn't dealing with it.

If you look at this chart, this is from the Manhattan Institute. It is now several months old. It is the 30-year window. I am going to try to make this all make sense.

If you remove Social Security and Medicare, we have \$23 trillion in the bank 30 years from now. If you pull Social Security and Medicare into the numbers, you see up on the top line, you are \$103 trillion in debt.

If you, then, normalize it for, I believe, inflation-adjusted dollars, constant dollars, it is like \$83 trillion in debt. You are a couple hundred percent of debt to GDP. You have blown up the society.

Why can't we just have an honest conversation that our debt driver is demographics? It is the healthcare portion of the demographics. How do we have a revolution here around the cost, the availability of healthcare, instead of the absurd conversation we have around this place all the time where it is about the financing?

Once again, let's be honest, the ACA, what many know as ObamaCare, was substantially a financing mechanism, who got subsidized, who had to pay. Our Republican alternative was a financing mechanism. It was about who had to pay and who got subsidized instead of what to pay. The what-to-pay discussion is so difficult because you really do challenge a lot of our vested interests, a lot of our friends, a lot of our preconceptions.

Just as a quick thought experiment to have this make sense, I think Republicans and Democrats both sort of like the idea of telemedicine. Okay, great. But most of us end up thinking of telemedicine as I am going to grab my phone and talk to a nurse or a doctor. You haven't thought it through that, the fact of the matter is, where the technology is at today, you should have one or two body sensors on, and you should be talking to an avatar that is reading your body sensors that is doing an algorithm that can give you incredibly accurate information. That would crash the price of that telemedicine.

But that is hard because that isn't the model that we all think of. We don't future-proof our thinking of understanding where the technology is today. If we don't do that, we don't hit the cost breakthroughs.

As you look at the math here, you will start to see about two-thirds—actually, in some ways, it becomes three-quarters if you work through some of the math—of the next 30 years is Medicare. It is the unfunded liabilities in Medicare of what we are going to spend and what it would cost to finance it.

Remember, the next 5 years, just the growth of Social Security, Medicare, healthcare entitlements equals the entire Defense Department. Every 10 years—that is two full Defense Departments—is just the growth.

The next 10 years, 91 percent of our spending growth will be Social Security, Medicare, and healthcare entitlements. Is that Republican or Democratic? It is just demographics.

It is one of my great heartbreaks: The Ways and Means Committee, about 3 weeks ago, moved a piece of legislation called H.R. 3—and I am going to try to tie this in on why the mechanism in that bill is so bad for the future disruption in healthcare to crash the price and make us all healthier.

The advertised headline is: H.R. 3 is about reference pricing U.S. pharmaceuticals to the five key European countries, and we will adopt their pricing mechanism.

Do understand the revolution we are on the cusp of. A few years ago, this body, with a Democratic President and a Republican Congress, passed something called the Cures Act. We created new channels and other ways to finance some speedier approvals for the drugs that are often referred to as biologics.

We have the cure for hemophilia here. We are going to talk about cystic fibrosis and other miracles that are here. Remember, 5 percent of our brothers and sisters, the chronic population—that 5 percent—is the majority of our healthcare spending. If you want to have a revolution in healthcare costs, do the two things I keep proposing over and over: adopt and legalize technology that allows us to be healthier. Legalize the data, the ability for the thing you blow into that tells you that you have the flu. Legalize it so it can order your antivirals.

The technology disruption is there to keep us healthy.

The other side is the revolution is here to cure our just horrible, debilitating diseases, but they are really expensive because we are dealing with very small populations and incredibly expensive research.

The miracles are here, and God forbid if H.R. 3 were to become the law, the model itself. As you dig in and dig in and dig in, you understand that many of the things that would help us crash the future price of healthcare get ripped away from us because those curative, revolutionary biologics, small

molecules, even some of the synthetic genome type pharmaceuticals, don't happen.

The logic is very simple, and we have seen this before in U.S. pharmaceutical manufacturing. If there is not the big reward for the really big risks, you remove the really big risks and just basically take today's pharmaceutical, make small improvements, small adjustments, and that is what you market. That is where we were 20 years ago, even 10 years ago.

The disruption really has happened just in the last few years because of what we did here in this body by getting the policy right and, also, technology.

Part of the thought experiment to understand what those who support H.R. 3—you have to understand what you are voting for or what you are pursuing.

Over the weekend, I was reading some of the mechanisms that are used in Great Britain. There is a formula. Let's say you had a new pharmaceutical. It is being presented to the folks who do the pricing in the National Health Service in Great Britain. How do they price it?

One of the key aspects of their formula is very simple. It says if this were to extend someone 1 year of healthy life, what is that worth? In Great Britain, it is \$38,000. If this pharmaceutical costs \$40,000 but were to give you 1 more year of healthy life, it doesn't get purchased.

We are going to import that formula? Look, we need to do something with pharmaceutical prices, but there are things we can do on the financing side, on the incentives of the capital that goes in, the healthcare bond that I have come over and over to this floor and talked about as the way to finance the really, really expensive disruptive pharmaceuticals.

When we are doing a reference pricing in this pharmaceutical, if it is in Great Britain, it can be sold only if it is under that \$38,000 for being healthy for a year. Is that really the reference pricing mechanism we are all ready to go for? It sounds great until you start to understand what is underneath it.

Let's walk through my incredible optimism of the technology cusp we are on the side of but, also, how this body is going to have to figure out how we make these cures available.

You all saw the news, and I just put up this board because it is something I care a lot about, cystic fibrosis—only about 30,000 Americans.

Some of the best efficacy drugs we have right now only take care of about 6, maybe up to 20 percent of the population. We have a breakthrough. We have a huge breakthrough, but it is going to be, at least the current model right now—and it is a combination of different drugs functionally built on decades of research. But it is going to be about \$311,000 a year.

If you suffer with this disease, does our society have a moral obligation to

you for you to have another healthy year where we have functionally found a discovery that helps basically stabilize a disease where you functionally drown in your own lungs? What is the moral obligation? Are you going to test that up against \$38,000 for 1 more year of good life? Because that is functionally what you are being asked to put into the formula.

Instead, shouldn't we be pushing for the next revolution of saying how we permanently cure these diseases so that 5 percent of our population, which is the majority of our healthcare spending, we start to cure our brothers and sisters?

One of the other very hopeful things from last year is a pharmaceutical combination that looks like it stabilizes ALS. The drug looks like it is going to be expensive. You may need one, two, or three shots a year, but it stabilizes you. The drug may be \$100,000 for that shot. It turns out that is dramatically less expensive than someone regressing with their ALS. I mean, if you have to put it on a calculator, it turns out this is a good investment. Do we intend to deny this drug?

How about the research that is going on in Arizona right now? Arizona State University, the biggest university in the country and my alma mater, has a major project going on right now. I will do my best to try to describe this the way a couple of the researchers and professors have described it to me.

We have all heard the CAR T therapy right now, where you can take a cancer you have and sort of see what titers—how your body is reacting to it. We figured out, with the CAR T process, let's give your body the immunotherapy. Let's grow those cells and go attack that cancer.

We figured out that we can cure lots of types of cancer. There was even a great article out a couple of weeks ago on heart scar tissue. It turns out it is more than cancer. We can do other things. This is wonderful.

But someone really smart a few years ago said, well, hold it. If we can build an immunotherapy—forgive me if I am mispronouncing it; I have had a lot of coffee today—that goes after a cancer, why wouldn't we figure out lots of different types of cancers, look at human body reaction, what the T cells say, and build a vaccine that says, hey, it turns out these 16, 17 immune responses to all of these different types of cancer, we could turn your body on, educate your body like a vaccine does, that if one of those cancer types popped up in your body, you already have your body's reaction ready to go and attack it.

It is brilliant because we know it is over here. We know we can do it on the individual cancers. Why not now turn it into a vaccine that covers dozens of different types?

They are working on it. This is incredibly expensive, incredibly high risk. The odds are it will not work. But if it does, what does it do to the health costs of this country?

Do we have a moral obligation to at least not rip this opportunity away? My fear is that bills like H.R. 3 do incredible violence to that future that is incredibly optimistic.

This slide is almost impossible to read, but this slide is about diabetes and the Medicare population. You remember how the first slide we were talking about that Medicare, in many ways, its cost—remember, when you pay your FICA tax, all we are collecting in that, all your government is collecting in that, is really the part A, the hospital portion. The other parts are general fund spending.

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Turns out that 30-year projection, we found some data that was saying 30 percent of that looks like it is going to be diabetes costs.

Could you imagine a cure for diabetes?

Now, you have 1 and 2. We need to deal with obesity. We also need to finish the research that would allow pancreatic cells to start producing insulin, some way to reactivate the human body to basically make its own insulin.

That revolution we actually think we have going in a lab right now. It is incredibly expensive research, and multiple, multiple, multiple lines of this research have failed. But that single cure of diabetes would have the single greatest fiscal impact on this country's future.

Think about it. If I come to you and say: Hey, take a look. Just Medicare and Social Security over the next 30 years, it is like \$103 trillion of debt, of borrowing and interest costs. If adjusted for current dollars, maybe it is around \$83 trillion. Three-quarters of that, two-thirds of that, is just Medicare. If you cure diabetes, you reduce that by a third.

That is an example of are we about to destroy our own future for great political theater today on a formula that can't work, and there are dozens of ways to cheat, which I won't even go into today because I did that once before on the floor, walked through all the different ways you can cheat on H.R. 3.

This isn't Republican; this isn't Democrat. It is just science. It is demographics. It is math.

Why can't we come together, as a body, and say we need the disruption of technology over here to keep us healthy, and the disruption of technology over here to cure—we need to work out financing mechanisms and incentives to keep this going. And over here, we need to change a lot of laws, because a lot of this technology over here is actually illegal.

One of the reasons I come to this floor every week is we are trying to convince our fellow Members and anyone who is willing to listen: There is a path that our country does not have to fall off the debt cliff. There is a path our country does not have to wake up one day and have a debt crisis.

We have offered pieces of legislation, everything from how to manage parts of the debt, everything from long-term bonds to something called trills, which is like an equity interest in debt as a way to provide some stability, some robustness in the capital markets, all the way to actually building a layered policy that has everything from tax, regulatory, immigration, trade policies that maximize economic growth to incentives for individuals to be in the labor force—we have done lots of presentations on the floor of those—incentives to change the rules around technology, and that is partially what we are talking about today, incentives for older workers to not instantly lose benefits or not have their benefits decline where there is a disincentive not to work.

We need our brothers and sisters in the labor force because this next chart is really, really important. Remember, this is only 1998 to 2028, and it is a little hard at this angle.

But understand, if you and I were here, 1998—it doesn't feel like it is that long ago. If you were to look at the youngest quartiles, let's say the 16 to 24s, it was 15.9 percent of our population. In 8 years, 9 years, it is only 11½ percent of our population.

Understand the demographic winds we are driving into. And this is why so many of the economists, before we did the tax reform, came to us and said: DAVID, we know we need to fix the corporate Tax Code. President Obama has talked about this his whole time here. But you can't grow that much. You can't produce healthy labor markets because you are getting too old as a society.

Well, it turns out that is wrong. It turns out we are breaking almost all the rules of all the economic textbooks I grew up with. But this chart is critical to understand.

So, if you take a look at the top quartile here, which is 55 years and older—1998, it is not that long ago. That was 12.4 percent of the population. In 8 years, it is 25.2 percent of the population.

Do you see a trend here? Because I swear to you, it feels like Congress didn't know there were baby boomers that were going to start turning 65.

I swear to you, if you think about this place and the crazy debates we have, the childish math that is brought here, where people just make stuff up—I am sorry. It is one of our running jokes in our family that I went to Congress, a place that doesn't own a calculator.

This drives all our policy. This is what drives the costs in Social Security, Medicare. This is what drives our debt.

There are things we can do to grow the economy and provide, if we intend to keep our promises, but my fear is the immediate satiation of rage and politics in this body blinds us to the thing that is most important for all of us.

So, once again, when we did tax reform, we were told the two fragilities that were going to keep it from actually working. One was capital stock. Well, it turns out all the economists got that wrong. Turns out capital stock, Americans saved a lot more of the tax reform dollars than we ever modeled for.

Turns out that the repatriation—you saw the report, and this is from, I think, a full quarter ago—\$140 billion more came in than we ever modeled. And also, because we have such a healthy economy, capital is coming in from all over the world.

It turns out the United States is awash in capital. We broke the formula on capital stocks, so there is investable capital to invest in people and their ideas and the growth.

But the other fragility we ran into that all the fancy economists were telling us is labor availability: DAVID, you can't get, really, over 61 percent labor force participation next year. As a matter of fact, our model predicts we are going to start to fall under 60.

You have got to understand, we are getting so old, and there are so many problems with millennials and millennial males. And let's face it, we have to deal with the realities of opioid and other types of addiction in our society.

And they were right, except they were wrong on the actual numbers. We now have blown through 63—what was it?—63.3 percent labor force participation in the last report.

I know this is geeky, but it is a big deal. It is a demonstration that, if we can grow, if we can encourage our brothers and sisters to be in the labor force—and it does mean this body needs to change many of the rules to make it easier and not a fiscal cliff on someone's benefits to go into the labor force. We are going to have to adopt the technology that scares and creates disruption.

And the simple thought experiment I will give you, Madam Speaker: Did you go to Blockbuster Video last weekend? Of course not. It is sort of silly, but it is the same thing.

Doesn't it feel like we all woke up one night and, instead of going and getting the little silver disk, we go home and hit a button and we watch Netflix or HBO Go, now Disney.

The fact of the matter is, in that world, we allowed the disruptive technologies to become part of our lives. We need to do that same thing. We need to change many of the incentives for older workers to be in the labor force. And then the Holy Grail, which will be very difficult, is: Do we need to change some of the incentives within the benefits themselves?

Remember, these are earned benefits. We have a societal contract with those who have become older.

Are there incentives and things we can design into that to actually help on the demographic actuarial curve? There are, and we have actually talked about those on this floor.

So this chart here is just a very simple one to talk about labor force participation, and you have got to understand there is a math miracle here.

Is it possible to have 164,000 people enter a labor market when you are already down to 3.6 percent unemployment? I will tell you, lots of the economists would have said no. At that point, you have hit full employment. There are not even that many available workers. What we are seeing is workers who are not looking, so they are not in that unemployment number, coming back into the labor force.

That actually tells you we have this thing called elasticity. It also means the growth curve is still ahead of us. If we can hit that curve and keep rising, we can do amazing things.

And so, to the tie-in slide, I am trying to make the point—I know this slide is getting a little beaten on. I am trying to make the point for anyone who will listen, there is a path, but it is not a path where you get to do one or two shiny objects. We have to do all the policies together because they interlink.

What we do in tax reform has things to do with labor participation. Labor participation will have effects on your immigration needs and moving to a talent-based immigration system.

Well, it turns out those will actually have effects on family formation. It all ties together.

And this body, we are now in our 11th month, and we have done nothing. We have functionally done nothing of value for this country. We should be ashamed.

I have a 4-year-old daughter. The reason I ran again, the reason I am going to run again is I am going to find some way that her future will be better than mine. I will find some way to have our brothers and sisters understand the basic math, that there is a path.

But doing crazy, doing rage, doing anger, doing just theater doesn't get us anywhere. There is a path, and it turns out this stuff isn't Republican or Democrat. It is just good policy.

So, Madam Speaker, thank you for tolerating me, and, Dear Lord, I hope we are starting to make some progress here.

I yield back the balance of my time.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2071. An act to repeal certain obsolete laws relating to Indians; to the Committee on Natural Resources.

ADJOURNMENT

Mr. SCHWEIKERT. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p.m.), under its previous order, the House adjourned until tomorrow,

Wednesday, November 20, 2019, at 10 a.m. for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

3006. A letter from the FPAC-BC, Commodity Credit Corporation, Department of Agriculture, transmitting the Department's interim rule — Conservation Stewardship Program (CSP) Interim Rule [Docket No.: NRCS-2019-0020] (RIN: 0578-AA67) received November 13, 2019, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Agriculture.

3007. A letter from the Secretary, Department of Agriculture, transmitting a report of a violation of the Antideficiency Act, pursuant to 31 U.S.C. 1351; Public Law 97-258; (96 Stat. 926); to the Committee on Appropriations.

3008. A letter from the General Counsel, Office of Information and Regulatory Affairs, Office of Federal Procurement Policy, Office of Management and Budget, transmitting two notifications of a designation of acting officer, a nomination, and an action on nomination, pursuant to 5 U.S.C. 3349(a); Public Law 105-277, 151(b); (112 Stat. 2681-614); to the Committee on Oversight and Reform.

3009. A letter from the Attorney-Advisor, Office of the Secretary, Department of Transportation, transmitting a notification of a designation of acting officer, pursuant to 5 U.S.C. 3349(a); Public Law 105-277, 151(b); (112 Stat. 2681-614); to the Committee on Oversight and Reform.

3010. A letter from the General Counsel, U.S. Merit Systems Protection Board, transmitting the Board's letter stating the findings of the audit of financial statements for fiscal years ending September 30, 2018, and September 30, 2017, pursuant to 5 U.S.C. app. 8G(h)(2); Public Law 95-452, Sec. 8G(h)(2) (as added by Public Law 100-504, Sec. 104(a)); (102 Stat. 2525); to the Committee on Oversight and Reform.

3011. A letter from the Alternate OSD FRLO, Office of the Secretary, Department of Defense, transmitting the Department's final rule — Federal Voting Assistance Program (FVAP) [Docket ID: DOD-2019-OS-0103] (RIN: 0790-AI27) received November 14, 2019, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on House Administration.

3012. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's temporary rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod in the Aleutian Islands Subarea of the Bering Sea and Aleutian Islands Management Area [Docket No.: 180713633-9174-02] (RIN: 0648-XY019) received November 14, 2019, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Natural Resources.

3013. A letter from the Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's temporary rule — Fisheries of the Exclusive Economic Zone Off Alaska; Reallocation of Pacific Cod in the Bering Sea and Aleutian Islands Management Area [Docket No.: 180713633-9174-02] (RIN: 0648-XY006) received November 14, 2019, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Natural Resources.

3014. A letter from the Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's temporary rule