Hearing Transcript

Senate Health, Education, Labor and Pensions Committee Hearing on Nomination of Rep. Price to be Health and Human Services Secretary

January 18, 2017

LIST OF PANEL MEMBERS AND WITNESSES

ALEXANDER:

The hearing will come to order. The Committee on Health, Education, Labor and Pensions will come to order.

Today, we're reviewing the nomination of Dr. Tom Price to be the secretary of health and human services.

Dr. Price, we welcome you, and congratulations on your nomination. Welcome to you and your wife Betty, who is here today with you. I enjoyed having the opportunity to visit with you in my office and to learn from you about your plans.

ALEXANDER:

Dr. Price will be introduced today in a few minutes by Johnny Isakson, a member of this committee and Dr. Price's home- state senator.

Before Senator Isakson introduces the nominee, Senator Murray and I will each make a few introductory remarks. After the nominee makes his statement, we'll have the usual round of questions.

Now, let me say something about the round of questions. Last night, we had a hearing of three-and-one-half hours. I had tried as chairman to be fair by following the same precedent we had for President Obama's two education nominees, by having one round of five- minute questions, followed by Senator Murray and me asking questions and wrapping up.

I don't want to reargue that because we spent a lot of that three-and-a-half hours arguing about the three-and-a-half hours. I've listened carefully to what my colleagues have said. And I looked back at the precedent for the health and human services secretary when that person came before our committee.

Secretary Burwell had one round of questions; Sebelius, one round plus Coburn -- Dr. Coburn asked a question; Daschle, one round plus three senators asked a question; Leavitt, six members asked questions in the second round; Thompson, one round, but it was a round of seven minutes; Shalala, six members asked a second round.

So what I've decided to do is, in an effort to try to treat President-elect Trump's nominee approximately the same as the way we've treated other nominees, is to have single round of seven-minute questions today. That would be the precedent followed with Secretary -- with Secretary Thompson, and that seems to me to give every member of the Senate more time to ask questions of the secretary.

This is a courtesy hearing. Dr. Price will be before the Finance Committee on next Tuesday. A number of the members of this committee are also members of the Finance Committee. We don't vote on his nomination. They vote on his nomination and will be the ones that report it to the floor, if that's their decision. We have the hearing because we have some of the health care jurisdiction, some important parts of it, and we would like to talk to him about especially those issues.

He has all of his paperwork in place before the Finance Committee, including the letter of agreement with the Office of Government Ethics, which is on the website and available to members of this committee, as well as others. And so my hope would be that in our seven minutes of questions that we'd have time to focus on the responsibilities of the Department of Health and Human Services, rather than have a continuing discussion about the number -- the number of minutes.

There will be an opportunity following the hearing to ask written questions of Dr. Price as well.

Dr. Price, if you're confirmed to lead the Department of Health and Human Services, you'll be running an organization that spends $1.1 trillion a year. It has always troubled me, actually, that you'll be in charge of spending more than the Congress actually appropriates every year. By that, I mean the part of the budget that we appropriate, which is under pretty good control, which is the part that has national defense, the National Institutes of Health, the national parks, and national laboratories.

Over the last several years and for the next several years, that part is rising at about the rate of inflation. It's not adding to the budget. It's about a third of the total amount of federal government spending. But it's a little less than the amount that's in your department every year, most of which is entitlement spending, mandatory spending, and which is going up at a rate like that, while the rest of the budget is going like this.

ALEXANDER:

You'll be overseeing Medicare and Medicaid, mental and substance abuse programs. We just enacted in December of last year and the president signed the most important reforms of that -- of those programs in a decade. Senator Cassidy and Senator Murphy were the leaders on that in this committee, along with Senator Murray.

The Food and Drug Administration -- we made important changes in the Food and Drug Administration, giving them new authority, new responsibility; for example, new authority to hire and pay the experts they need to move products and devices through the FDA at a more rapid rate,

saving time and money and getting those devices into the medicine cabinets and the doctors offices. That was Dr. Kayla's (ph) number one priority. We passed that into law in December.

And then the implementation of Obamacare and the various proposals to repair the damage done by Obamacare and replace it with concrete practical alternatives for the American people to give them more choices of lower cost health insurance.

Dr. Price, I believe you're an excellent nominee for this job. You were practicing orthopedic surgeon for nearly two decades. You were a professor at Emery University School of Medicine. I read about the resident doctors in training who you taught. You served as Medical Director of the Orthopedic Clinic at Grady Memorial Hospital. In the House, you were chairman of the Budget Committee and you're been a leader in deliberations over the future of our health care system.

So you know the subject very, very well. One of the first responsibilities that you will have is to give us your advice, about how to repair the damage that the Affordable Care Act has caused to so many Americans and how to replace it or to replace parts of it with concrete practical alternatives that give Americans more choices of lower cost insurance.

Let me give my view about how we might proceed on that and then during the question and answer session I will ask you more about your view. Following the presidential election, President-elect Trump said on 60 Minutes that replacement and repeal of Obamacare would be done simultaneously -- his word.

To me, that means that at the same time. And then recently Speaker of the House Paul Ryan said that repeal and replacement of Obamacare would be done concurrently. And then Senator McConnell said last week, that we need to do this promptly, but in quote, "Manageable pieces." Trying to interpret what those words mean, to me, that means Obamacare should be finally repealed only when their concrete practical reforms in place to give Americans access to truly affordable health care.

The American people deserve health care reform that's done in the right way, for the right reasons and the right amount of time. It's not about developing a quick fix. It's about working toward long term solutions that work for everyone.

One way to think about what simultaneously and concurrently mean, is to think about Obamacare the same way you'd think about a collapsing bridge in your hometown, because that's just what's happening with Obamacare in my home state and many other states.

According to the Tennessee insurance commissioner, the Obamacare insurance market in our state is quote, "Very near collapse." And across the country, premiums and co-pays are up, employers have cut jobs in order to be able to afford the mandates of Obamacare. Medicare mandates are consuming state budgets. In one-third of America's counties, citizens with federal subsidies have only a single choice of company to buy insurance from on the Obamacare exchanges.

Without quick action next year, their may be zero -- zero choices on those exchanges. Their subsidies may be worth as much as a bus ticket in a town where no buses run. If your local bridge

in Georgia or in Tennessee were very near collapse, the first thing you'd do, I would think, is to send in a rescue crew to repair the bridge temporarily so no one else is hurt. Then you would build a better bridge, or more accurately, in the case of health care, many bridges to replace the old bridge.

And finally, when the new bridges are finished, you would close the old bridge. That's how I suggest we proceed. Rescue those trapped in a collapsing system. Replace that system with functional markets -- market or markets, as states develop their own plans for providing access for truly affordable health care, and then repeal Obamacare for good.

First, we should offer rescue plans so the 11 million Americans who buy individual insurance now in the exchange, can continue to do so while we build a better set of concrete practical alternatives. Second, we should build better systems, providing Americans with more choices of insurance that cost less.

ALEXANDER:

Note that I say "systems," not "one system." If anyone is expecting Senator McConnell to roll a wheelbarrow onto the Senate floor, with a 4,000-page comprehensive Republican health care plan, they're going to be waiting a long time because we don't believe in that.

We don't wanna replace a failed Washington, D.C., health care system with another failed Washington, D.C., health care system. So we'll build better systems, providing America with more choices of insurances that cost less. And we'll do this by moving more health care decisions out of Washington, D.C. and into the hands of states and patients and by reducing harmful taxes. And we'll do this carefully, step by step, so that it's effective.

Finally, we should then repeal what remains of the law that did the damage and created all this risk. I know that the president-elect has said that after a year of confirmed, which is I hope, is fairly early in February, that he will propose a plan to Congress.

I look forward to that plan. And I know you can't tell us what the plan is, today. But I do look forward to hearing from you, how you suggest we approach this. We wanna do this right. We wanna sequence the events carefully and adequately so that Americans have concrete, practical alternatives in place of what is there today.

And we want to make sure that the parts of Obamacare that are repealed are replaced, before the repeal becomes effective.

Senator Murray?

MURRAY:

Thank you very much, Chairman Alexander. Thanks to all of our colleagues that are joining us today.

Congressman Price, congratulations on your nominee -- nomination and thank you to your wife, Betty, who I know is here with you, as well (ph).

But before I speak about this nominee, I do wanna say that we remain deeply disappointed in last night, where Democrats were blocked from asking more than one round of questions on Betsy DeVos's nominee for secretary of Education. And are disappointed that we are rushing this hearing, as well.

Mr. Chairman, you said seven minutes but I will just say, I don't think any of us in prior nominees that you keep pointing to, ever thought, if I don't ever -- if I don't ask for another question, I have just set a precedent. I -- in fact, I think that there is no example of any senator asking to do a question before and being turned down.

So these nominees, in a new administration that many people have questions about, deserve to be asked questions, scrutinized in public, before we have a choice to make on the floor of the United States Senate, on both sides of the aisle, in terms of whether we vote yes or no.

That is why we think it's extremely important that we are allowed the opportunity to ask second rounds of questions after we have heard all of the questions. And today, we have three or four committee hearings going on at the same time as this.

So it is extremely challenging for our senators to be here, on a nomination they care deeply about, on a subject that we care deeply about. So I would just like to point out again, that several nominees that have come before, if we're gonna talk about president, Secretary Leavitt, President George Bush's second HHS secretary, five bipartisan senators participated in a second round.

Senator Daschle, the president nominee's -- Obama's first HHS secretary, three bipartisan senators participated. And again, it is unprecedented for a chairman to turn down a member who has a question to ask.

So for the record, I would just like to ask consent to put parts of the record of the nominees of Michael Leavitt, Andrew von Eschenbach and Tom Daschle into the record of this hearing.

ALEXANDER:

That'll be fine.

MURRAY:

And again, our members have questions because this nominee is going to have jurisdiction over the health care and lives of millions of Americans and we wanna know where he stands before we make a decision, yes or no, (inaudible) to him to be there. So that is why it is so important to members of our community.

Now, having said that, I wanna say this. The health of our families and communities could not the more important to our strength as a nation. When a young child goes to school healthy and ready to learn, she's better prepared to succeed.

When women are empowered to plan their families and pursue all of their dreams, our communities benefit. When workers have access to quality health care that they can afford, our economy grows. And when seniors are able to trust that the guarantee of programs they have paid into, Medicare and Social Security will be there when needed, we live up to some of our countries most vital responsibilities.

MURRAY:

The Department of Health and Human Services has a critical role to play in our ongoing work to meet each of these goals and many more. That is why in evaluating a nominee for secretary of health and human services I consider whether the nominee has a record of putting people first, not politics, not partisanship or those at the top; whether they will put science first, not ideology; and whether their vision for health care in our country would help more families get quality, affordable care or take us backwards.

Congressman Price, I have serious concerns about your qualifications and plans for the department you hope to lead. And I'm looking forward to hearing from you today on a number of topics. I'll start by laying out issues with what your record suggests about your approach to our nation's health care system.

Just last week, you voted to begin the process of ripping apart our health care system without any plan to replace it, despite independent studies showing that nearly 30 million people would lose health care coverage, even though more and more members of your own party are expressing serious doubts about its ability to unify around a plan and knowing that in a matter of weeks, you could be leading the department whose core responsibility is to enhance America's health and well being.

My constituents are coming up to me with tears in their eyes wondering what the future holds for their health care, given the chaos Republican efforts could cause. President-elect Trump and Republican leaders have promised the American people their plans to dismantle our health care system right away would somehow do no harm and would not cause anyone to lose coverage. In fact, just days ago, President- elect Trump promised, quote, "insurance for everybody."

But Congressman Price, your own proposals would cause millions of people to lose coverage; force many people to pay more for their care; and leave people with preexisting conditions vulnerable to insurance companies' rejecting them or charging them more.

So I will be very interested in hearing your explanation of how you have your plans to how we would keep the promises your party has made to the American people about their health care.

Medicare is another issue I will be interested in hearing about today. President-elect Trump campaigned on promises to protect Medicare and Medicaid. You have said you plan to overhaul Medicare in the first six to eight months of this administration in a way that would end the guarantee of full coverage, that so many seniors and people with disabilities rely on.

You have put forward policies that would shift a trillion dollars in Medicaid costs to our states, squeezing their budgets and taking coverage away from struggling children and workers and families. And while President-elect Trump has said that Medicare should be able to negotiate lower drug prices for seniors, you have repeatedly opposed efforts to do that. You even went so far as to call legislation on that issue a "solution in search of a problem."

I disagree. This is absolutely critical for families in my home state and I'm eager to hear how you would reduce the burden of prescription drug costs in our communities.

As a woman, as a mother and a grandmother, and a United States senator, I am deeply troubled by the ways in which your policies would impact women's access to health care and their reproductive rights. I have serious concerns about your understanding of women's needs for basic health care like birth control, given your expressed doubts on this topic, your proposals to make women pay extra out-of-pocket for birth control, and your repeated efforts to de-fund our nation's largest provider of women's health care, Planned Parenthood.

And I'm also very focused on the role of the Department of Health and Human Services in strengthening and protecting public health. So I will want to hear from you about whether and how you would uphold the gold standard of FDA approval and for example, how you would approach important programs and rules intended to keep tobacco companies from luring children into addiction.

Finally, as I discussed at our hearing yesterday, I believe firmly that especially as the president-elect tries to blur lines around conflicts of interest, it is critical we not only do everything in our power to hold him to high standards, but we do the same for Cabinet nominees. That's why I was so appalled that with four of the president-elect's nominees currently serving in the House of Representatives, House Republicans attempted right out of the gate to get rid of the independent Office of Congressional Ethics. Now, luckily they heard loud and clear from people across the country it wasn't acceptable, and they backed down.

Congressman Price, the Office of Congressional Ethics has now been asked not only by Democrats, but by consumer advocacy group Public Citizen to investigate serious concerns and questions about your medical stock trades during your time in the House. I and other Democrats have repeatedly called for hearings on your nomination to be delayed until such an investigation is complete. It is disappointing to us that instead, Republicans are moving forward with your nomination before we have all the facts. I hope you've come prepared to be fully transparent with us in your explanation.

So, I've outlined just a few of my questions and concerns about this nomination, and I know in light of Republican efforts to take our health care system in a vastly different and harmful direction, that our shared by millions of people across the country who can't be here today.

With that in mind, it's crucial that the voices of people who will be impacted every day by choices made under this administration are part of the process when it comes to the president-elect's Cabinet nominees. So I just want to say I'm very pleased that tomorrow Senators Warren and Stabenow will be hosting a forum with witnesses who can speak to the impact of health care providers like Planned Parenthood; the importance of the work done in the Affordable Care Act to expand access to mental health care and substance abuse treatment; and the ways in which the full guarantee of Medicare has helped keep them financially and physically secure.

There are stories across the country like this, of lives saved and strengthened because of the progress we've made to expand quality, affordable health care. I urge my Republican colleagues to attend and to prioritize what is best for these women and men and families, not what's best for politics as they consider each of the decisions in the coming weeks.

Congressman Price, as we begin this hearing, I would ask you to be as transparent and frank as possible about your views and your plans for the department, and urge you to commit to providing us with additional information and answers to any followup questions we have in a timely and thorough manner.

I'm looking forward to what I hope will be a rigorous and open discussion today, and I hope that we all arrive at the right decision for the families and the communities that we serve.

Thank you, Mr. Chairman.

ALEXANDER:

Thank you, Senator Murray.

Before I introduce Senator Isakson, I'd like to put in the record the information about the last six hearings that we've had here, without going into detail: the current secretary, one round of questions; Secretary Sebelius, one round with one member asking a second round; Daschle, one round, plus three; Leavitt, six members ask a second round; Thompson, one round of seven minutes each; Shalala, six members ask a second round.

So my decision is that rather than give six of 23 members a second round, that it would be better to let every senator have seven -- seven minutes.

Now, Senator Isakson.

ISAKSON:

Thank you, Mr. Chairman.

I'd like to ask unanimous consent that my remarks that were prepared for me to read this morning be submitted for the record.

ALEXANDER:

They will be.

ISAKSON:

Because I'm not going to read them.

I have the unique honor and privilege to introduce a friend of mine for 30 years, someone I know to be a great politician, a great practicing legislator, a great family man, a great community servant, and a great friend of mine. And it's an honor for me to do so.

I want to thank each of you for taking my call before this meeting today when I called you to ask you to listen what Tom had to say, because I think you'll be impressed with what you hear, no matter how tough the question might be.

You know, I approach this introduction as if I'm being asked what I would look for in somebody who I wanted to entrust with $1 trillion of my money; the quality of my health care; and the future of the American quality of health care.

I'd look for five things. First, does this man understand the American family? Not only does he understand it, but his wife Betty is here.

Betty, stand up.

(LAUGHTER)

She'll tell you he understands the family. And his son, Robert, is not here because he's in Nashville, Tennessee singing country music and writing country music songs, which I know the chairman would appreciate. And he's a fine young man, and I enjoy working with him.

Tom is a great family man, a member of Roswell United Methodist Church, active in his community, active in the state legislature, active in doing what's right for his community. He's a good man and understands the family and the value of the family and the value of health care to every family.

Secondly, I'd want to know: Is he capable of handling a trillion dollars? You know, a trillion dollars is a lot of money. It's actually $1.1 trillion, but when you get to 1.1, why worry about it? It's a lot of money. It's more than we appropriate, as the chairman said.

ISAKSON:

He's been chairman of the Budget Committee in the House of Representatives. He's served in the Georgia legislature leading appropriations for many, many years. He's run one of the largest medical practices in the state of Georgia. In fact, Tom Price is one of those people that put together

what's known as regions -- Resurgence Orthopedics, they happen to be my doctors. In fact, they saved my son's right leg 26 years ago in a terrible automobile accident.

I understand the value of Resurgence Orthopedics and what Tom has done. It's now the largest practice in our state, a well-run practice and a practice that's set up as an example of how to do medicine in the 21st century. I want to know that my nominee for Health and Human Services knew and understood the health care business. Who better to understand the health care business than a doctor? Even better than that, a doctor who's married to another doctor.

Tom and Betty met at Grady Memorial Hospital when they were doing their residencies. They fell in love there and they fell in love with the practice of medicine. And I've watched them over the last 30 years participate in activities in our state. Whether elected or not, they contributed to the betterment of health care in our state, the betterment of hospitals like Grady Memorial Hospital, which is the largest crisis hospital and trauma center we have in the state of Georgia, saving lives every single day that would have probably not been there today had it not been for people like Tom Price, who gave of his time and his effort to see to it we raised the money necessary to keep Grady open.

I'd want to know they had some experience with the legislature, because you know if you get a chairman of Health and Human Services to come in, you give them a $1.1 trillion budget and then you say go talk to this 435 people over there and convince them what we need to do to change the law, that's a pretty tall order. You'd want to find somebody who's served in public office. Tom's been in the state Senate of Georgia, was the first elected Republican leader of the Georgia State Senate in the history of our state. He served in the Congress of the United States.

In fact, he improved the 6th District remarkably when I left and he was elected to replace me. Intellectual level went way up when Tom came, I can promise you that. He's done an outstanding job being re- elected seven -- six times to the United States House of Representatives, serving as I said as Budget Chairman, as Study Committee Chairman and as a very active member of the Congress of the United States of America.

I'd want to also know if he was accountable person and believed in accountability. Tom Price believes in accountability. He's one of the rare one of us, in fact, he may be the only one of us, and I know this is true, that reads all the bills. Like, when I need to know something about a bill, rather than read it, I call Tom Price to give me advice because I know he's read it. Sometimes he's boring, but he's always knowledgeable.

(LAUGHTER)

And it's because he does his homework, he does it right, he believes in his responsibility.

Now, I'm going to mention a couple of things that have been said negative about Tom and I want to address them straight up because they're wrong. In fact, I did so on the floor of the Senate yesterday afternoon when Chuck Schumer took this case of Zimmer Biomet and tried to make it into a major case. Zimmer Biomet is a 26-year stock that Tom Price's broker who manages his

account bought for him at the time Tom was unaware of the purchase. It was two months after the House had acted on a -- on a -- on a medical device bill.

There's a term of art called desperate impact, where you take two facts that are unrelated and you put them together to indict somebody for a wrong, when in fact nothing wrong was done at all, and that's the case there. The Zimmer Biomet, a $2,674 stock purchase, took place without Tom's knowledge because his account is managed by someone else. His knowledge of that purchase took place one month later, after the disclosure was made. He didn't even know about it at the time that it was made.

So the allegations that were made yesterday on the floor of the Senate are patently wrong, by taking two correct things putting together to make an incorrect thing.

Now second, something else has been said that I have working knowledge of. Tom was accused of not being for saving Social Security for seniors. Now, I'm 72-years-old. I ain't going to stand up here and try to get you all to prove somebody's not going to protect Social Security, because I got some of it, but let me tell you a little story about Tom Price. He and I got a phone call six months ago, I guess now it's been eight months, ago from AARP, asking us if we were traveling to town hall forums for AARP on saving Social Security.

Now, why would somebody call Tom Price, a congressman, or Johnny Isakson, a senator, to be the organization that represents seniors, to go on the road and do town hall meetings about saving Social Security if they weren't for saving Social Security? It's just incongruent and it doesn't make any sense.

Lastly, one of the best votes I cast four years ago for Cabinet members was a vote for Sylvia Burwell. When she came before this committee in the House and the Senate Committee on Finance, I was on both committees as I am today. She's an articulate, intelligent lady. There was a lot of reason for me as a Republican in the minority to say I'll just do a throw away vote and I'll vote against her because -- because she's a Democratic nominee.

But I listened to her answers, I studied her history, I watched her actions and I proudly voted for her and today she's a professional friend of mine and we'll miss her in her office. But there's nobody better qualified to replace Sylvia Burwell than Tom Price. I voted for Sylvia Burwell with pride and I'm going to vote for Tom Price with pride because I know he's the right man, for the right job, at the right time for America. He's my friend and I commend him to you and I urge you to vote for him and his confirmation.

ALEXANDER:

Thank you, Senator Isakson. That's much better than whatever was written for you to say.

(LAUGHTER)

Dr. Price, welcome to the committee.

PRICE:

Thank you, Mr. Chairman.

Chairman Alexander, Ranking Member Murray and -- and all the members of the committee, I want to thank you all for the opportunity to speak with you today and engage in, as the ranking member said, in the discussion about the road ahead for our great nation.

I want to thank Senator Johnny Isakson for his generous introduction. As he said, we've known each other for 30 years and I'm so grateful for his friendship and his kindness and our state is blessed to have had his service and his leadership.

I wish also to especially thank my wife Betty of 33 years, who joins me here today. As Johnny mentioned, her support and encouragement and advice, which I would suggest to you is virtually always correct, and her love means more to me than I could ever say.

Over the past few weeks, I've met with many of you individually and have gained a real appreciation for the passion that you have for the Department of Health and Human Services. Please know that I share that passion. That's why I'm here today and why I'm honored to be the nominee for secretary of Health and Human Services.

We all come to public service in our own unique ways that inform who we are and why we serve. My first professional calling was to care for patients. That experience as a physician and later as a legislator has provided a holistic view of the complex interactions that take place every day across our communities. And today, I hope to share with you how my experience has helped shape me and my understanding and appreciation for the work of the Department of Health and Human Services.

From an early age, I had an interest in medicine. My earliest memories are of growing up on a farm in the state of Michigan. We'd lived on a farm in Michigan before we moved to suburban Detroit when I was five-years-old. I spent most of my formative years being raised by a single mom. Some of my fondest memories are spending time with my grandfather, who was a physician.

When I was young, we would go -- I would be able to go on -- spend some weekend with him and we'd go on rounds, which at that time, meant going on house calls. And so we'd drive up to houses and I was -- the memories that I have of individuals opening the door and giving him a hug and welcoming him graciously are cemented in my mind.

After graduating from medical school from the University of Michigan, I moved to Atlanta, which I've called home for nearly 40 years. That's where I met my wife, where we raised our son. I did my residency at Emory University and Grady Memorial Hospital, where I would later return in my career to serve as the medical director of the orthopedic clinic.

Throughout my professional career, I've treated patients in all walks of life, including so many children. And anyone who's ever treated a child knows the remarkable joy that you have when

you're able to go tell the mom and dad that -- that we have helped, we have helped save an -- save their child or help their child back to healthfulness. My memories of Grady are filled with the gracious comments of parents and of patients for the team of health care specialists with whom I had the privilege of working.

After 25 years of school and training, I started a solo orthopedic practice. Over the years, this practice grew, as Senator Isakson mentioned, and eventually it became one of the largest non-academic orthopedic groups in the country, for which I would eventually serve as chairman of the board.

During 20 years as a practicing physician, I've learned a good bit about not just treating patients, but about the broader health care system and where it intersects with government. A couple of vivid memories stand out. One, many of my patients were never more irritated or angry when they recognized that there was somebody else in the exam room, not physically but -- but figuratively, who was getting between the doctor and the patient in making decisions, whether it was the insurance company, or government.

And then, there was the day when I noticed in my office, it was in the mid '90s when I realized that there were more individuals behind the door where the clinical work was going on seeing patients than there were in front of the door, and those folks were filling out forms and making certain that we were checking all the -- the boxes and -- and either challenging or -- or arguing with insurance companies or government about what was in the best interest of the patient.

And it became clear to me that our health care system was losing focus on its number one priority, and that is the patient. As a result, I felt compelled to broaden my role in public service and help solve the issues harming the delivery of medicine. And so I ran for the Georgia state Senate.

I found the state Senate in Georgia to be often remarkably bipartisan and that collegial relationships were the norm. This is the environment in which I learned to legislate, reaching across the aisle to get work done.

PRICE:

In Congress, I've been fortunate as well to be part of collaborations that broke through party lines to solve problems. Just this past Congress, it was a bipartisan effort that succeeded in ridding Medicare of a broken physician payment system and which has now begun the creation of a new system, which if implemented properly, will help ensure that seniors have better access to higher quality care.

So if confirmed, my obligation will be to carry to the Department of Health and Human Services both an appreciation for bipartisan, team-driven policy-making, and what has been a lifetime commitment to improving the health and well being of the American people.

That commitment extends to what I call the six principles of health care: affordability, accessibility, quality, responsiveness, innovation and choices.

But Health and Human Services is more than health care. There are real heroes at this department doing incredible work to keep our food safe, to develop new drugs and treatment options driven by scientists conducting truly remarkable research. There are heroes among the talented, dedicated men and women working to provide critical social services, helping families and particularly children have a higher quality of living and the opportunity to rise up and achieve their American dream.

The role of Health and Human Services in improving lives means it must carry out its responsibilities with compassion. It also must be efficient and effective and accountable, as well as willing to work with those communities already doing incredible work on behalf of their citizens. Across the spectrum of issues and services that this department handles, there endures a promise that has been made to the American people. We must strengthen our resolve to keep the promises our society has made to our senior citizens and to those who are most in need of care and support.

That means saving and strengthening and securing Medicare for today's beneficiaries and future generations. It means ensuring that our nation's Medicaid population has access to the highest quality of care. It means maintaining and expanding America's leading role in medical innovation and the treatment and eradication of disease.

I share your passion for these issues, having spent my life in service to them. And yet there's no doubt that we don't all agree on -- or share the same point of view when it comes to addressing every one of these issues. Our approaches to policies may differ, but surely -- surely there exists a common commitment to public service and to compassion for those that we serve.

We all hope that we can help improve the lives of the American people to help heal individuals and whole communities. So with a healthy dose of humility and an appreciation for the scope of the challenges before us, with your assistance and with God's will, we can make it happen. And I look forward to working with you to do just that.

Mr. Chairman, I thank you for the opportunity to be with you today.

ALEXANDER:

Thank you, Dr. Price.

We will now begin a round of seven-minute questions. And I will start the questioning.

If I could just talk about the Affordable Care Act and the health care system. My belief is that the historic mistake in passage of the Affordable Care Act was it sought to expand a system that already cost too much -- a health care system. What is our goal here, of those who want to repair the damage of Obamacare and replace parts of it? Is it to lower the cost of insurance for Americans? Is it to give them more choices of that lower-cost insurance? And is it to put more decisions in the hands of states and into the hands of patients?

PRICE:

Thank you, Mr. Chairman.

I think certainly the issues that you raise with choices and access and cost are at the heart and the center of where we ought to be putting our attention. As I mentioned in the six principles that I have for health care, affordability is incredibly important. It doesn't do you any good if you can't afford health coverage. Accessibility is absolutely imperative. If you have -- today, many folks have coverage, but they don't have care because they don't have access to the physicians that they'd like to see. So choices are absolutely vital.

ALEXANDER:

Well, isn't one of the primary means for achieving those choices moving more health care decisions out of Washington, putting them back in the hands of states and patient consumers?

PRICE:

I think in many instances, the closer that you can have those decisions to the patient, keeping the focus on the patient, the better.

ALEXANDER:

And if the responsibilities are headed toward the states, or some responsibilities, would that not necessarily involve a fair amount of extensive consultation with governors and state insurance departments about how to do that and what the implementation schedule ought to be?

PRICE:

Absolutely. Folks at the state level, as you well know having served there, know their populations better than we can know them.

ALEXANDER:

Senator McConnell said last week that Obamacare would be replaced and repealed in manageable pieces. I want to suggest some pieces to you on a chart back here. It looks to me like there are four major areas where Americans get our health care insurance. One is Medicare -- 18 percent of Americans. One is employer insurance -- 61 percent of Americans get their insurance on the job. One is Medicaid, and one is -- which is 22 percent -- and one is the individual market -- only six percent. And the exchanges we hear so much about are just four percent of that six percent, but that's where so much of the turmoil is.

Let me ask you this. Is this the bill -- any effort to replace and repeal Obamacare -- is this the bill to reform Medicare?

PRICE:

Absolutely not.

ALEXANDER:

So we would be focused on employer, Medicaid, and individual insurance. Do you -- are those accurate categories? Or would you categorize them in a different way?

PRICE:

I think the challenges that we have to address immediately are those in the individual market and in the Medicaid market, as you identified.

ALEXANDER:

And is it possible to work on one of those areas at a time, rather than in a comprehensive -- or let me put it this way. I said don't expect Senator McConnell to wheel in a wheelbarrow with a big, comprehensive Republican health care plan. That's because in my opinion, we don't believe in that. We don't believe in replacing a failed Washington, D.C. health care plan with our own failed plan.

We want to work on it step by step, large piece by piece. Is that a -- how do you respond to that?

PRICE:

I think -- I think that's fair. I think that for individuals to -- the American people need to appreciate that the last thing we want to do is go from a Democrat health care system to a Republican health care system. Our goal would be to go from what we see as a Democrat health care system to an American health care system that recognizes the needs of all.

ALEXANDER:

Now, I know your plan won't be presented until after you're confirmed. But the president-elect has said "let's do repeal and replace simultaneously." To me, that must mean that -- that any repeal of parts of Obamacare wouldn't take effect until after some concrete, practical alternatives were in place for Americans to choose. Is that accurate? Or do you have a different idea of what "simultaneous" might mean or what the sequencing might be as we move through this process?

PRICE:

I think that -- I think that's fair. I think one of the important things that we need to convey to the American people is that nobody -- nobody's interested in pulling the rug out from under anybody. We believe that it's absolutely imperative that individuals that have health coverage be able to keep health coverage and move hopefully to greater choices and opportunities for them to gain the kind of coverage that they want for themselves and for their families.

So I think there's been a lot of talk about -- about individuals losing health coverage. That is not our goal nor is it our desire, nor is it our plan.

ALEXANDER:

Let me ask you about how long this might all take -- this repairing the damage, this working on these three big areas: individual market, Medicaid, and employer. My sense of it is that we've been working on this so long, although we have different opinions about it. We ought to be able to make most of our votes in the next few months about what to do. But that the implementation of whatever we decide, especially since it will be going, some of it, back to the states, to the department that you hope to lead, might take several years.

Is there a difference between the votes we might take and then a longer time for implementation of what we decide to do?

PRICE:

I think that's fair. I would point out that our health care system is continually evolving and should. We ought to be always looking at how it's working, whether it's working for patients, whether it's working for the individuals that are -- that are working to provide the -- the highest quality care for folks. And when it is, that's fine. When it isn't, then it's incumbent upon -- on policy makers to make certain that we do the kinds of things to adjust that policy so that it can work, especially for patients.

ALEXANDER:

My last question is about this individual market, the six percent. The Obamacare exchanges are about four percent of all of us who have insurance. Our insurance commissioner in Tennessee says the market is virtually collapsing. I am told by many people that we need to basically have a rescue plan, a reform for the individual market in place by March the first so that insurance companies who make their decisions about the year 2018 can make those plans so that people have insurance to buy in all of these states.

Do you agree that the market is collapsing, that we need a rescue plan and that March 1st is an important approximate date for a decision of action?

PRICE:

Well, we're clearly seeing changes in the individual and small group market that are adverse to the -- to the patient, whether it's decreasing access to -- to coverage, whether it's increasing premiums, whether it's higher deductibles, something is -- is going badly wrong out there and it's imperative, I believe, for us to recognize that and then to put in place the kinds of solutions that we believe to be most appropriate.

ALEXANDER:

And your plan that we're likely to see in February will include recommendations for how to do that?

PRICE:

We look forward to -- should I be given the honor of -- of leading the Health and Human Services, along with the president (sic), we look forward to working with Congress to come forward with that plan.

ALEXANDER:

Thank you, Dr. Price.

Senator Murray?

MURRAY:

Thank you, Mr. Chairman.

Before I start, I want to ask consent to put a letter to Chairman Alexander from all 11 Democrats on this committee on the importance of a second round of questions on this nominee and I ask unanimous consent to put in the record 25 letters signed by 193 organizations opposing Congressman Price's nomination to lead the Department of Health and Human Services and I also have a petition signed by 500,000 people from across the country opposing this nomination. I ask to put it in the record.

ALEXANDER:

It will be.

MURRAY:

Congressman Price, recent press reports about your investments in the Australian biotech company Innate Immunotherapeutics, a company working to develop new drugs, on four separate occasions between January 2015 and August 2016. You made the decision to purchase that stock, not a broker, yes or no?

PRICE:

That was a decision that I made, yes.

MURRAY:

You were offered an opportunity to purchase stock at a lower price than was available to the general public, yes or no?

PRICE:

The initial purchase in January of 2015 was at the market price. The secondary purchase in June through August, September of 2016 was at a price that was available to individuals who were participating in a private placement offering.

MURRAY:

It was lower than was available to the general public, correct?

PRICE:

I don't know that it was. It was -- it was the same price that everybody paid for the private placement offering.

MURRAY:

Well, Congressman Chris Collins who sits on President- elect Trump's transition team, is both an investor and a board member of the company. He was reportedly overheard just last week off the House floor bragging about how he had made people millionaires from a stock tip.

Congressman Price, in our meeting, you informed me that you made these purchases based on conversations with Representative Collins. Is that correct?

PRICE:

No. What I...

MURRAY:

That is what you said to me in my office.

PRICE:

What I believe I said to you was that I learned of the company from Congressman Collins.

MURRAY:

What I recall our conversation was that you had a conversation with Collins and then decided to purchase the stock.

PRICE:

No, that's not correct.

MURRAY:

Well, that is what I remember you hearing it -- saying in my office. In that conversation, did Representative Collins tell you anything that could be considered quote, "a stock tip", yes or no?

PRICE:

I don't believe so, no.

MURRAY:

Well if -- if you're telling me he gave you information about a company, you were offered shares in the company at prices not available to the public, you bought those shares. Is that not a stock tip?

PRICE:

That's not happened. What happened was that he mentioned, he -- he talked about the company and the work that they were doing in trying to solve the challenge of progressive secondary multiple sclerosis, which is a very debilitating disease and one that I...

MURRAY:

I'm well aware of that, but...

PRICE:

... had the opportunity to treat patients when I was in practice.

MURRAY:

I'm aware of...

PRICE:

I studied the company for a period of time and felt that it had some significant merit and promise and purchased the initial shares on the stock exchange itself.

MURRAY:

Congressman Price, I have very limited time. Let me go on.

Your purchases occurred while the 21st Century Cures Act, which had several provisions, could -- that could impact drug developers like Innate Immunotherapeutics was being negotiated, and again, just days before you were notified to prepare for a final vote on the bill. Congressman, do you believe it is appropriate for a senior member of Congress actively involved in policy making

in the health sector to repeatedly personally invest in a drug company that could benefit from those actions, yes or no?

PRICE:

Well, that's not what happened.

MURRAY:

Well, let me just say that I believe it's inappropriate and we need answers to this regarding whether you and Congressman Collins used your access to non-public information when you bought prices -- bought at prices that were unavailable to the public.

PRICE:

I had no access to non-public information.

MURRAY:

Well, we -- we will go on.

Congressman Price, just last week, you and Republicans in Congress voted to begin ripping apart our health care system, which would cause nearly 30 million people to lose their coverage and raise health care costs for families without telling the American people specifically what you plan to do instead. President-elect Trump and Republicans in Congress have promised to deliver a plan that prevents anyone from losing coverage and leaves no one worse off.

Just days ago, President-elect Trump said his plan would provide insurance for everybody. Do you share those goals?

PRICE:

I think it's absolutely imperative that we make -- have a system in place that has patients at the center and allows for every single American to have the opportunity to gain access to the kind of coverage...

MURRAY:

You share -- you share his goal of insurance for everybody?

PRICE:

That's been always my stated goal. It's what we've worked on throughout my entire public career.

MURRAY:

OK. If your repeal plan, the Empowering Patients First Act, was signed into law, would you consider these commitments to ensure all Americans and leave no and worse off be met?

PRICE:

The -- the goal of the bills that I've worked on here in Congress and understanding that the role if I'm given the privilege of leading at HHS...

MURRAY:

I'm asking about your...

(CROSSTALK)

PRICE:

But my -- but my role in -- in Congress was to always make certain that individuals have the opportunity to gain access to the kind of coverage that they -- that they desired and that they had the financial feasibility to do so.

MURRAY:

OK.

PRICE:

That's what's different about the plans that we put forward.

MURRAY:

All right. Well, I think it's really important that we have clear answers. So let me just say this, your bill only allows people with preexisting conditions to obtain health insurance if they maintained continuous insurance for 18 months prior. Millions of Americans with preexisting health conditions lack insurance for short periods of time.

Under your plan, insurance companies could deny those Americans coverage for preexisting conditions, yes or no, under your bill?

PRICE:

It's a broader question than that because we would put in place high risk pools and individual health pools that would allow every single person in the individual small group market who are the ones challenged with preexisting illness to be able to gain access, again, to the coverage that they want.

So we believe, through that plan, that every single person would have the opportunity and financial feasibly to gain the coverage that they want for themselves and for their families.

MURRAY:

Well, I think -- I think we -- we disagree on the consequences of that. Your bill would also -- your bill would repeal dependent coverage available to young adults up to age 26, that is correct, right?

PRICE:

The bill that I authored did not include coverage up to age 26. The insurance companies have said that they were working that, that they were including that in their -- in their plans going forward. And so we felt that was covered.

MURRAY:

OK. And -- and your bill takes away current benefits, which include prescription drugs, mental health and substance use disorder benefits and maternity coverage among others. That is correct, right?

PRICE:

Again, it's different in the legislative arena than it is in the administrative arena. But there are other factors that we would put in place that would make certain that individuals have the care and the kind of coverage that they needed for whatever diagnoses would befall them.

MURRAY:

Again, I disagree with the consequences, but your bill didn't cover that. Your bill also repeals the lifetime limits on coverage that helps a lot of people who are sick and have high medical expenses, like a person with cancer, yes or no?

PRICE:

Again, it's a larger question because what we would put is a different construct in place that would allow for every single person to gain access to the coverage that they want and have nobody fall through the cracks.

MURRAY:

Well, I -- I think just with these questions, I am very concerned that your vision for a health care system is very different than one that I think millions of Americans are counting on.

ALEXANDER:

Thank you, Senator Murray.

Senator Enzi?

ENZI:

Thank you, Mr. Chairman.

And thank you, Dr. Price, for being willing to serve and to go through this process. I call this gotcha (ph) management. Nothing is -- is barred and the idea is to get you to take questions on short notice in public that you wouldn't have done what you normally do.

I've -- I've worked with you for the last two years, meeting with you at least once a week every week that we've been in session. So I know how you operate and I appreciate how you operate and the care and the focus and the concern and how comprehensively you think about particularly the medical things.

One of my concerns is always the rural areas because Wyoming is the most rural state in -- in the nation. I hesitate to do that because last night at the Education hearing, I got to hear from Ms. DeVos, who remembered a conversation from a month before that I had on a rural problem, which dealt with grizzly bears by the Wapiti school in Wyoming. And that became a major topic around here. And -- and I'm glad everybody recognizes that -- that need and concern.

Now, part of the story was that's the grade school that former Senator Craig Thomas went to. And when he was there, they didn't need that fence because he was tough.

But there are different kinds of problems in different places in the health care area. I have a county that's the size of Delaware. It has one community that would like to say that it has 2,500 people. It does have a hospital. But when you have a rural community, a rural county that big with that small of a town, it's difficult to keep a doctor without at least a P.A. there, the hospital has to close. And if that hospital closes, emergency care is 80 miles away.

Not a likely story in most of the places and -- and we need to make sure that those things are covered. And I've appreciated getting to share those with you over -- over the period of time.

I -- I was always curious as to why you left a very successful practice and were willing to come back here and try to make a difference. And I -- I want to congratulate you on the different that you have made.

Now, one of the questions I'd ask you is why are you willing to leave a place with so much responsibility and background and capability to be willing to be the secretary of Health and Human Services?

PRICE:

Thank you, Senator.

I -- it's -- when I think about the -- the mission of the Department of Health and Human Services, which is to improve the health, safety and wellbeing of the American people, it's what I've literally spent my whole life trying to do. And so to have the opportunity to -- to participate, if confirmed, to -- to be -- serve as the secretary of Health and Human Services and try to guide that -- that organization in a direction that would further fulfill that mission, I can't think of anything more exciting or fulfilling.

ENZI:

Well -- and I think you have the background for doing that too, with the wide range of experience you had between the different practices and hospitals and then coming here and going through a number of different committee situations.

But what you're about to go through is rather intense, and then that's followed by probably the most productive part, if senators happen to read the answers. And that's when we get to do written questions as well, which we hope you'll provide a rapid response on. But those aren't nearly as much fun for the panelists because they aren't in public.

I'll move to some questions that are a little bit more related here because we begin the serious and challenging task of restoring these health insurance markets, which are teetering on the brink now. Some are collapsing. Some counties you can't get coverage. In Wyoming, there's only one -- one provider. And it's my understanding that the incoming administration may have the ability to make some key policy changes immediately.

Some of the most critical changes for short-term stabilization of the markets might include reducing the number of special enrollment periods and requiring up-front verification, or aligning grace periods for nonpayment of premiums with state law. My understanding from those in the insurance business is that some targeted actions by the Department of Health and Human Services may provide some meaningful changes that could impact premiums for the next year.

Are those some options that you might consider?

PRICE:

Absolutely. The insurers, as I think the chairman mentioned, are deciding right now, as they come forward in March and April, what the premium levels will be for 2018, calendar year 2018. What they need to hear from all of us, I believe, is a -- is a level of support and stability in the market, the kinds of things that make it so that they're able to provide product to -- to patients out there.

You mentioned that -- that there are counties in your state where there's only one provider. There are five states in this nation where there's only one insurance provider, there are -- one-third of the counties in this country only have one insurance provider.

We must, as a -- as policy makers and as folks administering these programs, we must ask ourselves, what's going on? Where are the problems out there? That -- that may work for -- for the insurers in certain instances, it may work for government but it doesn't work for patients. And so

when -- if we keep the patients at the center of all of this, we'll get to the right answer and that's what I hope to do with each and every one of you.

ENZI:

I appreciate that and I got to work for years with Senator Kennedy on biologics and biosimilars and having the requirements for their biosimilarity and their changeability as -- as needed, some additional information the FDA has issued guidance documents since the law passed. But they haven't set policy on interchangeability with the reference product.

I was concerned that in 2017, having gone through nearly two full presidential terms, that just yesterday, we finally got a draft of the FDA's interchangeability policy. I'll ask that question since my time is expired in -- in writing. Thank you.

PRICE:

Thank you very much, Senator.

ALEXANDER:

Thank you, Senator Enzi.

Senator Sanders?

SANDERS:

Thank you, Mr. Chairman.

And Congressman Price, thanks for being here and thanks for the conversation we had the other day.

PRICE:

Thank you.

SANDERS:

Congressman, on May 7th, 2015 -- let me begin by saying all of us know that we have come through a very unusual election process. President-elect Trump received almost 3 million votes less than Secretary Clinton, but he won the electoral college. He's going to be inaugurated this week. He won a number of states by rather slim margins.

During the course of his campaign, Mr. Trump said over and over again that he would not cut Social Security; not cut Medicare; not cut Medicaid. Let me read some quotes. On May 7th, 2015, Mr. Trump tweeted, "I was the first and only potential GOP candidate to state there will be no cuts

to Social Security, Medicare and Medicaid." On April 18th, 2015, he said, quote, "Every Republican wants to do a big number on Social Security. They want to do it on Medicare. They want to do it on Medicaid. And we can't do that and it's not fair to the people that have been paying in for years, and now all of a sudden they want to be cut," end of quote.

August 10th, 2015, Mr. Trump said, quote, "I will save Medicare, Medicaid and Social Security without cuts. We have to do it. People have been paying in for years and now many of these candidates want to cut it," end quote. March 29th, 2016, Trump said, "You know, Paul Ryan wants to knock out Social Security, knock it down, way down. He wants to knock Medicare way down. And frankly -- well, two things. Number one, you're going to lose the election if you're going to do that. I'm not going to cut it and I'm not going to raise ages. And I'm not going to do all of the things they want to do. But they want to really cut, and they want to cut it very substantially -- the Republicans -- and I'm not going to do that."

On and on and on. Point being, this is not something he said in passing. I think it is likely he won the election because millions of working-class people and senior citizens heard him say he was not going to cut Social Security, Medicare and Medicaid.

Congressman Price, a very simple question: Is the president- elect, Mr. Trump, going to keep his word to the American people and not cut Social Security, Medicare and Medicaid? Or did he lie to the American people?

PRICE:

I have -- I haven't had extensive discussions with him about the comments that he made, but I have no reasons to believe that he's changed his position.

SANDERS:

All right. So you are telling us that to the best of your knowledge, Mr. Trump will not cut Social Security, Medicare and Medicaid?

PRICE:

As I say, I have no reason to believe that that position has changed.

SANDERS:

Congressman Price, quoting Mr. Trump again, or at least paraphrasing him, just last week he said, roughly speaking, pharma is getting away with murder. Do you recall that tweet?

PRICE:

I do.

SANDERS:

OK. There are many of us on this side of the aisle who are working on legislation that would do at least two things. Number one, end the absurdity of the American people being ripped off by the pharmaceutical industry, who two years ago made -- the top five companies made $50 billion in profits, while one out of five Americans can't afford to fill the prescriptions their doctors write.

Will you and will the president-elect join us in legislation we are working on which, number one, will allow Medicare to negotiate prices with the drug companies and lower prices; and number two, allow the American people to bring in less expensive medicine from Canada and other countries? Is that something you will work with us on?

PRICE:

The issue of drug pricing and drug costs is one of great concern to all Americans. I think it's important to appreciate that in a couple of areas we've had significant success, whether it's in the generic area, where costs are significantly less than they have been, and in part...

SANDERS:

But you are aware, sir -- I don't mean to interrupt -- we don't have a lot of time. We are paying by far the highest prices in the world for prescription drugs. You don't disagree with that, do you?

PRICE:

And -- and...

SANDERS:

Do you disagree with that?

PRICE:

I think that's the case. I'd have to look at the statistics. I think there are a lot of reasons for that. And if we get to the root cause of what that is, then I think we can actually solve it with bipartisan...

(CROSSTALK)

SANDERS:

Well, one of the root causes is that every other major country on earth negotiates drug prices with the pharmaceutical industry. In our country, the drug companies can raise their prices. Today, they can double their prices. There is no law to prevent them from doing that.

Will you work with us so that Medicare negotiates prices with the pharmaceutical industry?

PRICE:

You have my commitment to work with you and others to make certain that the drug pricing is reasonable and that individuals across this land have access to the medications that they need.

SANDERS:

That wasn't quite the answer to the question that I asked.

Congressman Price, the United States of America is the only major country on earth that does not guarantee health care to all people as a right. Canada does it. Every major country in Europe does it. Do you believe that health care is a right of all Americans whether they're rich or they're poor? Should people because they are Americans be able to go to the doctor when they need to? Be able to go into a hospital because they're Americans?

PRICE:

Yes. We're a compassionate society.

SANDERS:

No, we are not a compassionate society. In terms of our relationship to poor and working people, our record is worse than virtually any other country on earth. We have the highest rate of childhood poverty of any other major country on earth. And half of our senior -- older workers have nothing set aside for retirement.

So I don't think compared to other countries, we are particularly compassionate. But my question is -- in Canada, in other countries, all people have the right to get health care. Do you believe we should move in that direction?

PRICE:

If you want to talk about other countries' health care systems, there are consequences to the decisions that they've made, just as there are consequences to the decisions that we've made. I believe and I look forward to working with you to make certain that every single American has access to the highest quality care and coverage that is possible.

SANDERS:

"Has access to" does not mean that they are guaranteed health care. I have access to buying a $10 million home. I don't have the money to do that.

PRICE:

And that's why we believe it's appropriate to put in place a system that gives every person the financial feasibility to be able to purchase the coverage that they want for themselves and for their family. Again, not what the government forces them to buy.

SANDERS:

Yeah, but if they don't have any -- well, it's a long (inaudible). Thank you very much.

PRICE:

Thank you.

ALEXANDER:

Thank you, Senator Sanders.

Senator Hatch?

HATCH:

Thank you, Mr. Chairman.

Welcome to the committee. We have -- having worked with you over the years, I've found you to be always very, very knowledgeable.

PRICE:

Thank you.

HATCH:

Very up front and very straightforward, very honest, and somebody who really understands the health care system of this country.

And you're just perfectly situated to be able to help turn it around and get it so it works. We hear a lot from our other side about how bad the system is and so forth. And I've got to tell you, I don't think it's very good myself. And we've got to work on it and get it done right.

But boy, I'd sure like to have you right there helping to get it done, because you're one of the really premier people in this whole Congress and in the world, as a matter of fact, understanding what needs to be done, and yet recognizing the problems of getting it done.

Now, Dr. Price, some of my colleagues have criticized you for your health-related stock holdings while serving in the House. Now, not only do House rules not prohibit members from trading stocks, but it is also not an uncommon practice for members of Congress. In fact, there are members on this committee who have, as I understand it, who have traded individual health stocks while serving on this committee.

This appears to be nothing more than a hypocritical attack on your good character. And I personally resent it because you have always disclosed. But let me -- let me just say this. Can you confirm that you have always followed the law relating to trading in stocks while serving as a member of Congress?

PRICE:

Thank you, Sir. Everything that we have done has been above-board, transparent, ethical and legal. And as you know and the members of this committee know, there's an organization that's called the Office of Government Ethics that looks at all of -- all of -- for every Cabinet nominee, looks at all of the possessions, all the holdings and the like, and makes a recommendation as to what that Cabinet member must do in order to make certain that there's no conflict of interest.

The Office of Government Ethics has looked at our holdings and given advice about what would need to be done in terms of divesting from certain stock holdings, to make certain that there's no conflict of interest. We have read those and agreed to those, signed those. That document is online for everybody to see so that everybody is absolutely certain that there will be no conflict of interest whatsoever.

HATCH:

Well, thank you. And you followed their advice.

PRICE:

Absolutely.

HATCH:

Well, Dr. Price, the collapse of Obamacare has exacerbated our nation's health care problems. Too frequently, my colleagues and I have seen European idealism strangle functional insurance design with cost-prohibitive measures. And despite these failed reforms, I don't think we can lose sight of the broader health system that is at risk.

For example, rare disease patients do not have access to life- saving treatments because policies that stem from Obamacare prevent investments in innovative therapies that can cure and save lives. This is an issue that I'm deeply passionate about.

Dr. Price, what steps do you believe will improve the pipeline for rare disease therapies, to bring treatments and cures to patients in desperate need of hope?

PRICE:

Well, the -- the Orphan Drug Act which passed, I think, 30 years ago or so, was -- was really...

HATCH:

It was my first bill, by the way.

PRICE:

And it really has revolutionized the ability to treat rare diseases and -- and what it did is make the United States the leader in -- in -- in coming forward with treatments for rare diseases.

And -- and I think that there are things that we can do in terms of patent protection, in terms of liability, in terms of incentivization, resources to be able to encourage the -- the discovery of cures for rare diseases.

HATCH:

We have a lot more drugs coming through and even some block buster drugs that came because of that little bill.

PRICE:

Yes.

HATCH:

We just put some incentives in -- in effect and all of a sudden, there's an explosion in orphan drugs for population groups of less than 200,000 people. It's a pretty important little bill.

PRICE:

One of the successful...

HATCH:

Takes (ph) an awful lot of money, but it was a Republican bill.

PRICE:

Yes. One of the success stories truly for -- for public policy in the country.

HATCH:

Right.

Now, Dr. Price, one of the -- one of the central duties of the HHS secretary is to be diligent and thoughtful when considering a federal regulation, if necessary, and accessing whether the

regulations impede research, development and innovation. Over the years, the regulatory infrastructure guiding dietary supplements has changed dramatically.

Do you recognize the importance of dietary supplements and helping Americans reach and maintain healthy lifestyles?

PRICE:

Absolutely.

HATCH:

And will you commit to me and -- and other members of the committee to work to insure appropriate regulation and implementation of the Dietary Supplement Health and Education Act, so that we can protect public health while assuring consumers continue to access -- access safe products?

PRICE:

This is one of those areas where it's incredibly important to gain the information that -- that you referred to, to gather the individuals that know the most about this area, whether it's consumers, whether it's those providing the -- the product to market, make certain that there aren't -- that there's protections for (inaudible) products. But it's absolutely vital that we get this right.

HATCH:

Well, I'll tell you this. I have to commend Donald Trump for picking you.

PRICE:

Thank you.

HATCH:

You're clearly one of the premier people in all of Congress who understands the problems of health care and you have the professional background that I -- I don't know any other member of Congress can match to help solve the problems that we have. We've got a real messy situation here and Obamacare has not really helped.

Do you think Obamacare has helped?

PRICE:

I think some of the things that have occurred with -- with the passage of the ACA have improved certain areas. The -- the coverage is -- is certainly improved, but the consequences of that, I mean, that many people as I mentioned before have coverage, but they don't have care. So there's so many

things about just the decision making process. Who decides about our health care? Should it be the federal government or should it be patients and families and doctors? And -- and we certainly believe the latter as opposed to the former.

HATCH:

I take it that you believe that getting health care closer to the people is a far better thing than everybody pontificating from Washington, D.C.?

PRICE:

I think the -- the -- the more involvement that patients and families and doctors can have in medical decisions, the higher quality care we'll have.

HATCH:

In my earlier life, I was -- one of the things I did was -- was a medical liability defense lawyer, defending doctors, hospitals, nurses, health care providers, et cetera. What do you think we should do about medical liability?

PRICE:

This is a -- a really difficult challenge because it's not just the malpractice rates that -- that doctors or hospitals pay, but it's the practice of defensive medicine which are the things that physicians do that don't hurt anybody, but their tests and procedures and examinations that aren't necessarily needed to either make a diagnosis or to -- to treat...

HATCH:

To show up in their history.

PRICE:

It -- but it shows up in their history, so if they're called into a court of law they can say to the judge and the jury, I don't know what you wanted me to do because I did everything, when in fact, everything is rarely necessary to either treat or diagnose the patient.

So if we look it in that light and try to focus on decreasing the practice of defensive medicine to the benefit of patients, then I think we can get to the right answer, and there's some exciting opportunities out there that have been bipartisan in the past.

HATCH:

Well, thank you sir. I think you're a great nomination.

PRICE:

Thank you.

ALEXANDER:

Thank you, Senator Hatch.

Senator Casey.

CASEY:

Thank you, Mr. Chairman.

Representative Price, we're grateful you're here and thanks for the visit to our office.

PRICE:

Thank you.

CASEY:

And I wanted to -- to highlight something we probably don't spend enough time highlighting or talking about, and that's the -- the full protections of the -- what was known as the original bill, the Patient Protection and Affordable Care Act. We've got a lot of shorthand terminology since then.

And I know you and I have a basic disagreement, I think it's important to be candid about that. But I think what a lot of people have forgotten about is that -- and the chairman had a chart earlier that outlined the categories of Americans that have health insurance by virtue of various programs or I think the number he had on the poster about the number of Americans in the employer sponsored coverage category, I think was 178 million people.

That's a lot of folks with coverage who had coverage before -- most of them I guess would have had coverage before the legislation and after, meaning they were paying their premiums and had coverage, but they didn't have protections that only came with the passage of the legislation. We know that -- that -- that somewhere between 11 and 12 million people have purchased health insurance through the individual market place.

And so, I wanted to ask you a couple of questions about those basic protections that are now law that were not law before. I think you'd agree with me, and you know from your practice, that you meet just remarkably inspiring people in your work, and once in a while, here in the Senate, we do as well, probably don't take enough time to have those opportunities.

But one of the people I met in the lead-up to the legislation passing was Stacy Ritter. She was from Manheim, Pennsylvania. She didn't have a personal challenge, it was the challenge faced by her two daughters. They were four years old, Madeline and Hannah and as she said, as Stacy said about her daughters, she said that they would be, at that time, before the passage of the bill,

punished and rejected because they had the misfortune of developing cancer as a child. And her basic problem was the caps on -- on treatment.

So the first question I'd ask you in terms of your work as secretary of Health and Human Services, should you be confirmed, would be will you commit to maintaining the protections that ensure that no child, no child is denied insurance coverage because of pre-existing conditions?

PRICE:

Well, I think that -- pediatric cancer is one of those things that is remarkably challenging. I remember when I was in my residency and did a rotation on the pediatric orthopedic ward and so many of those children had cancer. And I -- I -- before I began that rotation, I almost dreaded going to -- to that month because I was worried about just the -- the -- the severity of the challenges that I would meet.

I tell you, it was one of the most uplifting months I spent in medical school and that was because the children were so uplifting. And -- and so absolutely, we need to make certain that every single child has access to the kind of coverage that they need and the care that they need and there are a number of ways to do that. And I look forward to working with you to make that happen.

CASEY:

I heard the word yes there.

Secondly, and this is -- it's really hard to believe that we even have to ask a question about this next topic, which is victims of domestic violence. It was the state of the law prior to the passage of legislation that victims of domestic violence were considered Americans who had a pre-existing condition. It's still the law in some states that they are not protected. So question number two is, will you commit to maintaining the protections that ensure that victims of domestic violence will not be discriminated against when purchasing health insurance, yes or no?

PRICE:

Yeah, I think it's absolutely vital that victims of domestic violence and -- and others -- anybody -- we need a system in place that insures that individuals are either not priced out of the market because they get a bad diagnosis are not eligible or able to purchase coverage that works for them because of their diagnosis.

CASEY:

I have limited time, I want to interrupt. I don't want to get hung up on getting priced out of the market. What I'm asking for is an ironclad guarantee that that circumstance, that horrific circumstance will never be a bar to coverage, treatment or care?

PRICE:

Well, it certainly shouldn't be. And as you well know, as -- as if -- if I'm fortunate to be confirmed, that's an administrative role and it's a policy decision that -- that the legislators would...

CASEY:

Well, I think we can -- I think we can agree on that.

Number three, will you maintain to committing the protections that prohibits discrimination in health insurance on the basis of health status or disability, yes or no?

PRICE:

I -- I -- I -- again, I think it's absolutely imperative that we have a system in place that works for patients. And anybody not being able to gain access to the coverage that they want or -- or -- or need is -- is not a system that works for patients.

CASEY:

And -- and I'll follow up with -- with more questions. What I'm getting at here is that we've -- we had a state of the law before passage of the ACA where individuals like that, whether they happen to have a child had a preexisting condition, even if their parents are paying premiums for years, an insurance company could literally say sorry, you have a preexisting condition or your child, so you can't get coverage.

Women were discriminated against because they were women. Just a remarkable stain on America that we allowed that to happen. My concern, though, now is not just a -- a series of concerns about what you've proposed as a member of the House and -- and what you could do as secretary, but I just heard earlier that the -- the three areas that will be of focus in whatever replacement plan there is, and I'm anxious to see it, would be -- and I wrote them down. I think secretary -- or Chairman Alexander wanted to take off the table, and that's a good thing, Medicare.

But I heard that there -- there'll be three targets, that's my word, of course; the individual market, Medicaid and employer- sponsored coverage. So I hope if employer-sponsored coverage is a subject of change, that we'll ensure those -- all those protections that are in place right now. And that's why I'm asking those questions, I'll follow up more in -- in writing.

Or if we get another round, Mr. Chairman, put me on record as incorporating by reference everything Ranking Member Murray said about questions in an additional round. Thank you.

PRICE:

Thank you, Senator.

ALEXANDER:

Thank you, Senator Casey, dually noted and I -- I appreciate your using your seven minutes to ask questions.

(LAUGHTER)

Senator Isakson has deferred to Senator Paul.

PAUL:

As a fellow physician and as a fellow physician who did some of my training at Grady, congratulations, and I wish everybody on the committee could come to Grady and see working there, see what's it like to work in one of our nations biggest charity hospitals, often doing work that is just incredible. Gunshot wounds, compound fractures of the femur, you name it.

And I remember being there as a student and then as an intern some, and we used to always calculate how many hours and divide by our income and say boy, we wish we could get minimum wage. But I think it is important that we get somebody with that kind of clear reasoning and critical skills, you know, to be in charge of our government, both knowing about the medical aspect as well as, you know, the public policy aspect.

I think what I regret about this kind of hearing and sort of I think what a lot of people in America regret about it is sort of the -- the vitriol and the rancor and the partisanship that should go into something that we -- you know, we kind of all want the same things.

You know, and to question your motives ,I think, is insulting. To question whether you're honest is insulting. You know, the -- the whole question of you know -- and I guess this will be my first question to you. Did you go into public service to enrich yourself or for public service?

PRICE:

I have a passion for -- for public service and a passion for people, and that what -- that's what guided our decision that -- that some might think was a foolish decision for both of us to...

PAUL:

Did you take a pay cut to go into public service?

PRICE:

I didn't -- I didn't consider the remuneration for -- for public service.

PAUL:

Right. But I'm guessing it would've been a pay cut. The motives as to what we should do -- see I think we don't -- aren't separated that much on our motives. I think we all want the most amount

of insurance for people at the least amount of cost. We want, you know, people to get access to health care.

What are your motives? You know, what are your goals? What should we do with the health care system? Do you want more people to be ensured? Do you want more people to have health care? Or do you think we disagree just on how we do it and not necessarily the motives?

PRICE:

No, as I -- as I tried to lay out earlier and I know time is short for -- for everybody, but the -- the principles that I think are absolutely imperative for health care system is -- is one that's affordable for everybody, one that provides the access to health care and coverage for everybody, one is that -- that its of the highest quality, that is responsive to patients, system isn't any good if it's not responding to patients, one that incentivizes innovation because it's the innovation that -- that drives the high quality health care.

And then one that ensures choices are made and preserved by patients, so patients ought to be the ones choosing who's treating them, where, when and the like.

PAUL:

You and us, by extension, Republicans by extension have been accused of having no replacement ideas, no ideas for how to fix the system.

Approximately how many bills do you have that would be -- could be regarded as replacement bills or ways to improve the -- the health insurance system and our health care?

PRICE:

We've had one large-term bill since March or early 2009 and then beyond that, tens of pieces of legislation to address the health care issue.

PAUL:

It's also been insinuated that America is this horrible, rotten place, you know, that we don't have compassion and I guess by extension, the physicians don't. Well, as you worked as an emergency room physician or as you worked as a physician, didn't you always agree as part of your engagement with the hospital to treat all comers regardless of whether they had an ability to pay?

PRICE:

It's one of the things we pride ourselves upon and that is that anybody that showed up in need of care was -- was provided that care. And that was true not only in our residency, but in our -- our private orthopedic practice as well.

PAUL:

And it's interesting that those who say we have no compassion, you know, extol the virtues of socialism. And you look at a country like Venezuela, with great resources and in utter disaster, where people can't eat, devolving into violence. And you know, I think it is important that we do have a debate ultimate (ph) our country between socialism and communism and America and capitalism.

One of the things that's extraordinary about our country is just two years ago, in 2014, we gave away $400 billion privately, not the government, individually to churches and to charities. We're in an incredibly compassionate society. And I think often, this was misplaced in sort of the wonky numbers of this number and that number within health care how much we do help each other.

Not only do we help each other within our country, most -- I'll bet you half the physicians in my community in (inaudible) have gone on international trips and done international charity work. And all that is lost in saying that we're this heartless, terrible country. And I would just argue the opposite. I think the greatness of our country and the greatness of the compassion of our country, we give away more than the gross domestic product of most of these socialized countries around the world.

So I think it is important. With regard to replacement, a couple of things. There are some big, broad ideas that I think would ensure more people. One is the idea of legalizing the sale of all types of insurance. Under Obamacare, we made it illegal to sell certain types of inexpensive insurance. Do you think we could insure more people (inaudible) some of the people actually don't get insurance under Obamacare, to get insurance if we would legalize the sale of more types of insurance?

PRICE:

I think choice, as I mentioned, is absolutely vital. And I know that -- that if we keep -- if we have as a principle and as a goal having patients have those choices, then I believe that patients will select that kind of coverage that they want. The choices that ought to be available to them are a full array of opportunities.

PAUL:

You think health savings accounts will help also some people that are not helped currently?

PRICE:

I think health savings accounts and high deductible catastrophic coverage are things that -- that make a whole lot of sense for many individuals and we ought not force anybody to do anything. It ought to be a voluntary choice. But they ought to have the choice to be able to select them.

PAUL:

And one of the things you've had different legislation on and I'm a big supporter of is allowing individuals to join together in groups to buy insurance. Do you think this has a possibility of what Senator Alexander talked, about the millions of people in individual market?

I have great sympathy for that, I was a small physician with four employees. And if one employee were to get sick, you know, it could be devastating to -- not only to them, but also to the economics of keeping them employed but letting us join together into pools, where instead of me buying insurance as one of four people, I could buy it in a big group, maybe 100,000 people, maybe a million people. And currently, the laws kind of prevent that.

But you had some bills for expanding that and I'm a big fan of that. Could you mention some of the association health plans and how that might help some people to get insurance who don't have insurance currently?

PRICE:

Yeah, thank you. Association health plans are one of those entities that -- that would allow individuals who are economically aligned in some way to be able to purchase coverage together, even though they don't necessarily work together or in the same group.

Individual health pools, which I think is one of the secrets to being able to solve the individual and small group market conundrum that we find ourselves in, would allow anybody to pool with anybody else solely for the purpose of purchasing health coverage. But it's -- it's not a new idea. The model for it is actually the Blue Shield plan that -- that existed decades ago that allowed people to pool their resources together for major medical coverage in -- for hospitalization.

It just makes a lot of sense. It's spread -- it allows insurance to work the way it's supposed to work, which is to spread the risk. And then anybody's adverse health status doesn't drive up the cost for them or anybody else because the pool is large enough.

ALEXANDER:

Thank you, Senator Paul.

Senator Franken?

FRANKEN:

I'll tell you how we could get a really big risk pool, be called Medicare for everyone. That would be the biggest risk pool.

Dr. Price, it was nice meeting you the other day.

PRICE:

Yeah, it was good.

FRANKEN:

Did you enjoy meeting me?

PRICE:

Thank you. I did, I did.

(LAUGHTER)

I enjoyed our discussion about our gray hair.

FRANKEN:

Yeah. Dr. Price, what is the leading cause of preventable death in the United States?

PRICE:

I'll defer to you. You've obviously got it on the page in front of you.

FRANKEN:

I actually knew this before I put it on the page, it's smoking.

PRICE:

That hits -- that hits home. I lost my dad too -- he was Lucky Strike smoker from World War II -- to emphysema, and he prided himself on the fact that he never smoked a cigarette with a filter for years and years, and it was -- it was incredible tragedy.

FRANKEN:

I lost my dad, too.

PRICE:

Yeah.

FRANKEN:

As a physician, you may know, I guess you didn't, that smoking kills approximately 480,000 Americans each year and totals $170 billion each year in health care costs. And yet, between 1993 and 2012, you were a shareholder of tobacco -- big tobacco companies, meaning that you

personally benefited from tobacco sales. Meanwhile, you voted against landmark legislation in 2009 that gave the FDA the authority to regulate tobacco.

Congressman Price, you're a physician, which means you took the Hippocratic oath, a pledge to do no harm. How do you square reaping personal financial gain from the sales of an addictive product that kills millions of Americans every decade with also voting against measures to reduce the death toll inflicted by tobacco?

PRICE:

Well, it's an interesting question, Senator, and it's a curious observation.

I have -- I have no idea what stocks I held in the '90s or the 2000's or even now. All of these decisions for all of us, I suspect, through mutual funds and through pension plans. I would bet -- and I don't want (inaudible). I would suspect that in your pension plan, that there are -- there are components of that that are held, that may have something to do in some time in your history with tobacco. So...

FRANKEN:

You know, I find it very hard to believe that you did not know that you had tobacco stocks. I find it a little hard to believe that in the questions about your stock portfolio, you said you didn't know things. Just over the last four years, you traded more than $300,000 in health-related stocks, while at the same time sponsoring and advocating legislation that could affect the performance of those stocks.

We talked a little bit about the Zimmer Biomet. Your broker, you say you didn't know this, bought it on March 17, 2016. You did introduce a bill later -- a week later on March 23, 2016. You say that you did not know then that you had this stock. It was a rule -- it was to delay a federal rule that would have reduce the profitability of the company's joint -- to delay a rule that would hurt the company.

What I don't understand is once you found out that your broker bought it, you kept the stock. You purchased this $50,000 to $100,000 worth of stock in a biomedical company called Innate Immuno, we've talked about a little bit. It's the (ph) single largest purchase in the past three years in a private deal that was not made available to the public. And I find it absolutely amazing that you responded that you did not know that you got a discounted price. That is absolutely amazing because we discussed this.

PRICE:

By definition, I believe that's the nature of a private placement offering. What I've said to you and what I've said to others is that I paid exactly the same price as everybody else. I disclosed it.

(CROSSTALK)

FRANKEN:

It was a private offering that only went to about 20 people, including Representative -- your colleague Chris Collins, his chief of staff and a prominent D.C. lobbyist. And you reported $50,000 to $100,000 in profits on this purchase. It really begs (inaudible), sir, when you say you did not know that you got a discount on this. This was a private offering to a very small number.

FRANKEN:

When you have the chairman of the Budget Committee, when you have a congressman, his chief of staff -- these sound like sweetheart deals, and I think our job in this body and in Congress and in government is to avoid the appearance of conflict. And boy, you have not done this.

I want to talk just about your latest plan, Empowering Patients First Act. Some of it is detailed in this article from the New England Journal of Medicine. It's called, "Care for the Vulnerable vs. Cash for the Powerful -- Trump's Pick for HHS."

I'll just read a random paragraph. "Price's record demonstrates less concern for the sick, the poor and the health of the public and much greater concern for the economic wellbeing of their physician caregivers." And I would commend this to every member of this committee before making a vote because what your plan does is -- one of the things, it gives a tax credit to Americans to buy health insurance. It's no different for someone who's poor, someone who makes $20,000, $30,000 and to Bill Gates.

It is an incredibly regressive system. You have talked about ending the -- you guys want to end the expansion of Medicaid. That has people in Minnesota scared out of their mind.

Look, I've heard a lot. Oh, Obamacare has been a disaster. First of all, you have to admit that has bent the cost curve, that the cost of health care in this country has grown less than it did in the previous 10 years. It's also covered 20 million more people, but forget them. You know, in 2008, I was going around the state of Minnesota. In every VFW hall, in every cafe, I would see a bulletin board where it would have a burger bash or spaghetti dinner for someone who had gone bankrupt because they had gone through their annual cap or their lifetime cap.

I am very frightened about what you are going to do and so are millions of Americans. And frankly, I -- I know that you do things that help the physician groups. You've put in provisions that would prevent these findings by efficiency and innovation boards that would have to be cleared by physician groups.

I see you as someone who was there for the doctor, and that this is a cover for -- this is not going to create access for all Americans, what you talked about, the Empowering Patients First Act. This is gonna unravel something that has given a lot of Americans peace of mind, knowing that their kids can stay on their health care until they're 26, knowing that they have -- if they have a pre-existing condition, that won't stop them from getting care.

That's what this hearing should be about. And I -- you're a smart man.

ALEXANDER:

Senator, we're a minute over.

FRANKEN:

OK. And my second round, I will be a minute short.

ALEXANDER:

Sure.

FRANKEN:

OK, thanks.

ALEXANDER:

You may be here by yourself.

(UNKNOWN)

I'll be here with him.

FRANKEN:

You know, the Benghazi hearing was 11 hours, that's all I'm saying.

ALEXANDER:

Thank you, Senator Franken.

Senator Isakson?

ISAKSON:

Congressman Price, since that question ended with him not having any time to give you a chance to respond to it, do you have any response to Senator Franken?

PRICE:

Yeah. I would just -- I would just say that this is one of the things that makes it difficult to reach a solution here in Washington.

The concerns that were expressed by the senator are valid concerns. The conclusions that he drew on the policies that I promoted and will continue to -- to promote are absolutely incorrect. We all share a concern for the American people and how we best make certain that they have access to the highest quality care that the world knows. And so I -- I hope and I understand why he's doing it, I mean, there's a political activity, I understand that.

But I hope we're able to work together, if I'm given the privilege of leading and -- and serving as the secretary of Health and Human Services, to truly solve these difficult challenges that we have in our nation.

ISAKSON:

Congressman Price, isn't it true that by the date of May 15th of every year since you've served in Congress, you've had to make full disclosure on everything you own, everything your wife owns, what it's worth, when it was acquired and what it was sold for?

PRICE:

Every single year, we do a yearly financial disclosure and the House requires a monthly periodic transaction form that updates that if there's any -- any significant change.

ISAKSON:

Isn't it true that every transaction that's been referred to and questions of you (ph) were available to the public to find on the records of the Senate Ethics Committee and the House Ethics Committee?

PRICE:

Absolutely and they -- and they remain so today.

ISAKSON:

These are not discovered things that were hidden, they're in fact facts that we require you to disclose every year?

PRICE:

No. In fact, there isn't a single bit of information that's out here that I didn't reveal to the public in the transparent process.

ISAKSON:

Isn't it true that transparency is the antiseptic that creates the environment where there is no corruption?

PRICE:

Sunshine cures disease, that's exactly right.

ISAKSON:

Is it -- is it correct that you have worked throughout your career in the Georgia Senate, United States Congress and I'm sure you will as the secretary of HHS, to make sure there's always transparency?

PRICE:

Absolutely, it's a hallmark and a key, especially in the area of health care and in the services that HHS provides.

ISAKSON:

Is it not true that you love you country, you love your job and if you have the opportunity to be secretary of Health and Human Services, you'll do everything you can to disclose everything possible so there's never an appearance of any conflict of interest whatsoever?

PRICE:

Without a doubt, and that's why I mentioned the Office of Government Ethics and the -- and the work, the diligence that they do to look at everybody's holdings and -- and assets who are -- who are scheduled to potentially serve as -- in the Cabinet.

And then, they make a recommendation, a very specific recommendation that's also available to be seen online. And -- and we have agreed to every single recommendation that they made to divest of whatever holdings we have that might even give the appearance of a possible conflict.

ISAKSON:

Mr. Chairman, I yield back the balance of my time.

ALEXANDER:

Thank you, Senator Isakson.

Senator Bennet?

BENNET:

Thank you, Mr. Chairman, and thank you for this seven minutes as well. And I should tell you that I have never shown a knee -- my knee to any nominee before Dr. Price came to my office, but he gave me some free medical advice and I'm grateful for that.

(LAUGHTER)

PRICE:

How you doing?

BENNET:

Free health care -- I'm terrible, it's terrible but I'll talk to you after it's over.

(LAUGHTER)

It's not because of you...

PRICE:

I can't -- I can't ask you, but I -- but I'm curious as to whether or not you've gotten the MRI?

BENNET:

Today, 10 o'clock.

PRICE:

Today? Good.

(CROSSTALK)

BENNET:

Congressman, I enjoyed our conversation and it's good to see you here. I know you've been chair of the House Budget Committee. I know you're a member of the Tea Party, been a strong advocate of balancing the budget, introducing a Balanced Budget for a Stronger America, it's called.

What I've noticed is that after gaining control of the House, the Senate and the White House, the first order of business for the Republican majority here has been to pass a budget resolution repealing the ACA. And this budget resolution specifically authorizes $9 trillion in additional debt over the next 10 years. It also rigs the bill, in secret, to block any point of order to the bill because that bill will increase the deficit.

And let me read -- my colleague, a smart guy who's here, Senator Paul, so astutely highlighted in his floor speech on January 4th. He said quote, "The more things change, the more they seem to stay the same. Republicans won the White House, Republicans control the Senate, Republicans control the House. And what will be the first order of business for the new Republican majority?

To pass a budget that never balances. To pass a budget that will add $9.7 trillion of new debt over 10 years."

This is a facsimile of his chart, "Is that really," he asked, "what we campaigned on? Is that really what we campaigned on?" The quote goes on, "Why would we vote on a budget that adds $9.7 trillion to the debt? Because we're in a hurry. We can't be bothered. It's just numbers. I was told again and again, swallow it, take it. They're just numbers. Don't worry, it's not really a budget. And yet, the legislation says it's a budget!"

Quote, "So this is what Republicans are for. This is the blueprint that the Republican Party says they're for. Ten trillion dollars worth of new debt. I'm not for it," said that honest man.

Rand Paul is right, the repeal law overrides two separate budget provisions already passed by the Senate that prevent increasing the deficit by more than $10 billion in a given year, increase the deficit more than $5 billion in years further down the road.

So I ask you, sir, are you aware that behind closed doors, Republican leadership wrote into this bill that any replacement to the Affordable Care Act would be exempt from Senate rules that prohibit large increases to the deficit?

PRICE:

As you may know, Senator, I stepped aside as chairman of the Budget Committee at the beginning of this year, so I wasn't involved in the writing of...

BENNET:

You have been the Budget Committee chairman during the rise of the Tea Party. You are a member of the Tea Party Caucus. You have said over and over again, as other people have, that the reason you've come to Washington is to reduce our deficit and reduce our debt. I assume you are very well aware of the vehicle that is being used to repeal the Affordable Care Act. This is not some small piece of legislation. This is the Republican budget.

PRICE:

Yes. I'm aware of the bill. Yes.

BENNET:

Do you support a budget that increases the debt by $10 trillion -- by $10 trillion dollars?

PRICE:

What I support is an opportunity to use the reconciliation to address the real challenges in the Affordable Care Act and to make certain that we put in place, at the same time, a -- a -- a provision that allows us to move the health care system in a much better direction.

BENNET:

Do you support the budget that was passed by the Senate Republicans...

PRICE:

I support...

BENNET:

... to repeal the Affordable Care Act that adds $10 trillion to the budget deficit?

PRICE:

Well, the Reconciliation Bill has yet to come. I support the process that allows for and provides for the fiscal year '17 Reconciliation Bill to come forward.

BENNET:

Will you commit today -- will you commit today that any replacement plan for the Affordable Care Act will not, in any way, contribute to our deficit or our debt?

PRICE:

I commit to working with you to make certain that that happens.

BENNET:

Will you commit, as a member of the Tea Party, that no replacement for this dreadful Obamacare that allegedly created this deficit and debt, will add to the deficit and debt? Will you commit to that? Can't you tell the Tea Party you're not going to increase the deficit by repealing the Affordable Care Act?

PRICE:

There are a lot of contributions to the debt and to the deficit as -- as you know, Senator.

BENNET:

Really? Well -- well -- that's true. And you and I talked about that briefly.

Are you going to allow the repeal of the health care bill to be one of those contributors to our deficit and to our debt? The CBO has said that repeal of the health care law could increase our deficit by up to $353 billion. That's what they've said. Rand Paul, Senator Paul, an honest man, has gone to the floor and said the first thing we're doing is passing a budget that increases it by $10 billion. What do you say to the Tea Party about that?

PRICE:

What I say to the...

BENNET:

But for more and more important, people who live in Colorado?

PRICE:

What I say to folks in Colorado and across this land, that the Congressional Budget Office and -- and the conclusions that they reached on that are in a silo. They're -- they're looking at it as if nothing else happened following the repeal of the Affordable Care Act.

And so, if you look at the whole constellation of things that will occur, I believe, in working with every member of Congress, should I be given the privilege of serving as the secretary, we -- we will make certain that it addresses the health care challenges that exist out there, that are very, very real. And we -- we -- we look forward to working with you and committing to work -- work with you on -- on being fiscally responsible as we can possibly be because the debt and the deficit is a real challenge.

BENNET:

I -- with respect, and I have a lot for you. With respect, that's what every politician says about the CBO. It says the numbers aren't true and then we just run up the debt and run up the debt and run up the debt.

And the -- the -- you know, almost the entire theory of the case here, I think, from the Republican Party on this subject has been that the health care law has increased cost, that the health care law has increased our deficit, increased our debt. And I would hope that you could take a pledge today that would say that nothing that you would advocate for would pass or -- or have the president sign into law -- the president-elect sign into law would add $1 to our deficit or our debt.

PRICE:

Well, I certainly hope that's the case and again look forward to working with you to insure that it is.

BENNET:

Thank you.

Mr. Chairman, I yield back my time.

ALEXANDER:

Thanks, Senator Bennet.

Senator Collins.

COLLINS:

Thank you, Mr. Chairman.

Dr. Price, welcome.

PRICE:

Thank you.

COLLINS:

I too very much enjoyed our discussion on a wide range of health care issues in -- in my office. Many of us have expressed concern about what would happen to the millions of Americans who are in the individual market of the ACA on the exchanges. But there has been remarkably little debate on what would happen if Congress took no action with regard to the individual market.

Could you give us your answer as far as what you would see happening to the individual market if we do nothing?

PRICE:

I -- I appreciate that and I appreciate the opportunity to come and visit you. We had a wonderful conversation about many, many different areas.

The American people know this. They appreciate that the individual small group market, where many of the millions, as the chairman pointed out, gain their coverage is -- is -- is breaking in many, many ways. We're in a downward spiral on being able to provide individuals the opportunity -- any opportunity at all. So one-third of the counties in this -- in this nation have -- have just one insurance provider. There are five states that have only one insurance provider. There are the -- the premiums are going up for folks, the deductibles.

I -- I -- I get calls almost weekly from my former fellow physicians who tell me that their patients are making decisions about not getting the kind of care that they need because they can't afford the deductible.

If you're a -- an individual out there making $30,00, $40,000, $50,000 a year and your deductible is now $6,000 or $12,000 for a family, which is not unusual on the exchange, you may have an insurance card, it may have a wonderful name of an insurance company on it, but you don't have any care because you can't afford the deductible. And so people are denying themselves the kind of care that they need and -- and those are the things that we ought to be addressing.

And again, I hope that in a bipartisan way we'll be able to do that.

COLLINS:

Thank you. I think that's a very important point to clarify, that in the individual market, we're seeing double digit increases in premiums, higher deductibles, larger co-pays and we're also seeing far fewer choices as more and more insurers give up and flee the market.

The co-ops have failed dramatically. All 23 of them are in financial trouble, only five are still operating. So for us to say that everything is going well with Obamacare is just not accurate. And that's why I feel that we do need to fix the flaws of what is a well intentioned but deeply problematic law.

I want to clarify another issue on the ACA. There's been much debate on whether we should repeal the law with no replacement. I think most people reject that idea. As you said, we don't want to pull the rug out from under people who are relying on the insurance that has been provided through the ACA.

Another group has advocated repeal with a two or three-year delay. I think that approach also doesn't work because it creates great anxiety for consumers and insurers would be unable to price their policies if they don't know what the rules are going to be. It's my understanding that your goal is to quickly pass a reform package that would provide access to affordable health insurance for all Americans with more choice than we have now. Is that accurate?

PRICE:

Absolutely. We -- we -- it is -- it is vital -- we often times don't talk also about the 20 million folks that still don't have coverage out there. There are a lot of people that don't and -- and if we're -- if we're responsible policy makers and administrators of policy, it's incumbent upon us to step back and say, why is that? What's going on that's making that happen for those 20 million who don't have coverage, in spite of all of these grand things that -- that were done?

I would suggest that it's because the structure of what was done actually makes it virtually impossible for many individuals to gain that kind of coverage. We, on the other hand, I believe it's important that we work together to put forward a system that actually allows, again, every single American to have the opportunity to purchase the kind of coverage that they think is best for themselves and for their families.

COLLINS:

So your goal is actually to have more people...

PRICE:

Yes.

COLLINS:

Thank you -- covered by insurance.

I have been baffled over the years by what CMS reimburses for and what it fails to reimburse for. Senator Jeanne Shaheen and I finally scored a victory of getting CMS to cover continuous glucose monitors for individuals with diabetes that have been covered by the vast majority of private insurers. But when those individuals aged into Medicare, they lost that coverage. Made no sense whatsoever.

COLLINS:

What I'm finding now is that CMS frequently does not pay for services that helps to keep people well. There is a large practice in my state that has a nurse or a medical assistant call individuals with diabetes once a week and check on their blood sugar levels, their adherence to their diets and exercise regimes, and it's had really positive results.

Well, the irony is that if diabetes gets out of control and those individuals end up having to have amputations or go blind, CMS Medicare will pay for that, but it won't pay for that phone call to check on the individual that's helping to control their diabetes and keep them well.

Will you pledge to take a look at those kinds of policies and reevaluate what we do pay for?

PRICE:

Absolutely. It's imperative that we're constantly looking and determining whether or not we're getting the outcomes that we want and the processes are either helping or obstructing those outcomes.

COLLINS:

And finally, I want to touch on biomedical research, which is a passion of mine. I founded both the Diabetes Caucus in 1997 and I also am the founder of the Alzheimer's Task Force in the Senate, which Senator Warner is the co-chair of.

Alzheimer's has become our nation's most expensive disease. It costs society $263 billion a year; $150 billion of that comes from Medicare and Medicaid. It's going to bankrupt those programs. It's devastating to families and the victims of the disease. Diabetes consumes one out of three Medicare dollars.

If we invest in biomedical research, we have the possibility of not only improving lives for Americans and curing or coming up with effective treatments for devastating diseases, but also actually lowering health care costs. Do you support the increases for NIH that we have had in the last year and are on track to pass this year as well?

PRICE:

Yes. NIH is a treasure for our country and the kinds of things that we should be doing to find cures for those diseases. One of the core avenues to be able to make that happen is through NIH and I supported the increase in dollars.

COLLINS:

Thank you. That goes along with your principle of innovation.

PRICE:

Absolutely.

COLLINS:

Thank you.

Thank you, Mr. Chairman.

ALEXANDER:

We've been at this for about two hours. I'm going to take a -- I'm going to suspend the operation for about five minutes and then we'll go to Senator Whitehouse, just so we can take a little break.

The committee is recessed for five minutes.

(RECESS)

ALEXANDER:

The committee will come to order.

Senator Whitehouse is next, followed by Senator Young.

Senator Whitehouse?

WHITEHOUSE:

Thank you, Chairman.

Let me ask first to put into the record a letter from our governor in Rhode Island, which says that in Rhode Island, we -- I'm quoting it here -- "We have actually seen exchange premiums decrease in two out of the last three years, and that this has saved consumers nearly $220 million since 2012."

So the story on the Affordable Care Act in Rhode Island is actually quite a good one.

ALEXANDER:

It will be put in the record.

WHITEHOUSE:

I'd also like to put this little graphic into the record, which, to explain it briefly, the red line along the top is the CBO estimate of where our health care costs were going to go back when they were making that estimate in 2010. And then at this time, 2016, after the ACA was in place, they took a look at the actual experience up that point and then they did a new projection going forward based on the Affordable Care Act.

And just in the following 10 years, this green period from 2016 to 2016, they're forecasting $2.9 trillion in federal health care savings that relate back to the Affordable Care Act. This is where that came in.

So we throw this thing out at our peril if you care about saving Medicare, the savings to which are a very significant part of this $2.9 trillion. And we throw it out right now, according to the Republican plan, with nothing to replace it. I've described that over the weekend at home as like being asked to jump out of an airplane with no parachute, but being told, "Trust you, we'll build the parachute before you hit the ground."

I'm the junior senator to Jack Reed, who was an Army Ranger, and actually did jump out of perfectly well operating aircraft. He insisted not on just one parachute, but two, a spare. And I think the American people are entitled to know what they're going to be offered as an alternative.

WHITEHOUSE:

There's been some conversation in this hearing about how there are Republican ideas floating around. I'm sure there are Republican ideas floating around, but there's no Republican bill. There is no Republican plan. There's no Republican proposal.

Our cards are up on the table. It's Obamacare. You want to improve it? Make suggestions. We've always been open to that. But on the other side of the table, there's nothing. And it's really hard to negotiate with nothing.

And I think the Republicans have a responsibility to put a plan together.

Now, we talked about that, Mr. Price, when you and I met in my office. And my recollection of our conversation is that you told me that you would want to keep letting people stay on their parents' policies until they're 26. Is that true?

PRICE:

I think that the insurance industry has -- has included individuals up to age 26 on their parents' polices virtually across the board and I don't see -- I don't see any reason that that would change.

WHITEHOUSE:

And you would want to keep, you told me, the donut- hole closed to protect seniors against those pharmaceutical costs. Is that also true?

PRICE:

I think the discussion we had was about pharmaceutical costs and making certain that we did all we could so that seniors were able to afford the kind of drugs that they need.

WHITEHOUSE:

My recollection is it was more specific than that; that you did not want to reopen the donut hole for seniors. Are you saying now that you're going to consider reopening the donut hole for seniors?

PRICE:

No, that's not what I'm saying at all. I think that it's important -- you know well that the reopening of the donut hole would be a legislative activity, not an administrative activity.

WHITEHOUSE:

But you'll be the secretary of health and human services. You will doing a lot of work to prepare this legislation and to do the technical work behind it for the administration. Are you going to be proposing in that role something that reopens the donut hole? I've got a lot of seniors that who want to hear about that if that's your plan.

PRICE:

I'm not aware of any discussions to do that.

WHITEHOUSE:

OK. And then finally, my recollection of that meeting, and my notes, are that you told me that you would not want to return to insurance company lifetime caps or insurance company denial of preexisting conditions or insurance companies going back and looking in the files for some little

tiny discrepancy and then throwing somebody off their coverage when they come in with a significant claim.

Is that true?

PRICE:

I think there are always ways that we can improve coverage, and those are the -- those are areas that are existent right now and I think they need to be -- the issues need to be continued.

WHITEHOUSE:

So when, as and if we ever get a Republican counter- proposal to Obamacare, you would expect to see those things in it?

PRICE:

I don't know whether they'd be in it or whether they would be silent on it. But again, that's a legislative question.

WHITEHOUSE:

They'd leave it in place.

PRICE:

But yes, it's a legislative question, not an administrative question.

WHITEHOUSE:

Now, in one of your budgets, you had a proposal that would allow states to throw what you called "able-bodied people" off of Medicaid unless they were working or looking for work or in job training. People with addiction, behavioral health, mental health issues, are they able-bodied, in your definition?

PRICE:

Well, we didn't -- we weren't as specific as what the definition was. The fact of the matter is...

WHITEHOUSE:

You used the words. I'm asking you now what's your -- what did you mean when you said "able-bodied" in this provision?

PRICE:

The fact is that there are many, many individuals who have worked in this space for a long, long time who believe that -- that providing for an opportunity for individuals who are able bodied without children, to seek or gain employment or to study to gain employment...

WHITEHOUSE:

And what do you mean by "able-bodied" is the question. You just used that term again.

PRICE:

And -- and that's what would be defined in the regulation itself. It's -- I don't know that...

WHITEHOUSE:

You use the term without an idea of how you would define it?

PRICE:

I think people have an understanding of what "able- bodied" is. And that's somebody who doesn't have the kinds of things that you -- that you described.

WHITEHOUSE:

OK. That was the simple answer to my question -- "able-bodied" does not include people who have addiction, mental health and behavioral health issues.

PRICE:

Again, it's the work that would be done to develop the regulation...

WHITEHOUSE:

As you use the word. I'm not asking about in some future universe -- as you use that term in your budget.

PRICE:

I think individuals that demonstrated that they were in fact having challenges that would preclude them from being able to seek work or employment or education or the like, that they ought to be attended to.

WHITEHOUSE:

Now, I'm a fan of and think they do good work of the American Academy of Pediatrics. I'm a fan of and think they good work of the American Lung Association. And I'm a fan of and think they do good work of the American Public Health Association.

All of those groups and many others have gone very clearly on record that climate change presents significant health issues. They signed a declaration on climate change and health, which stated that the science is clear that this is happening.

You, on the other hand, have said that the carbon pollution standards of the Obama administration, quote, "go against all common sense and that there are errors and obfuscation in the allegedly settled science of global warming." I'll pursue this with you through questions for the record because my time has expired.

But if you could give a brief answer, because it appears to every scientific organization in the country, all the legitimate major ones, and to really every American university that this actually is pretty darn settled science. And that the only people who disagree with it are people who have vast financial interests in preventing any work getting done.

And it looks to me like in making this statement, you have taken the side of those vast special interests against actually settled science. And if we can't trust you on science that is as settled as climate science, how can we trust you on public health science issues where there's a big special interest on the other side?

PRICE:

I don't agree with the premise or the insinuation. But I will say that the climate is obviously changing. It's continuously changing. The question from a scientific standpoint is what effect does human behavior and human activity have on that, and what we can do to mitigate that. And I believe that's a question that needs to be studied and evaluated and get the best minds available to make some (inaudible) right thing for public policy (inaudible).

(CROSSTALK)

WHITEHOUSE:

Start by finding the university that thinks the way you do. One.

ALEXANDER:

OK. We're running out of time.

Thank you, Senator Whitehouse.

Senator Young, I believe is next. I don't see him.

Senator Roberts?

ROBERTS:

Well, thank you, Mr. Chairman. Thank you for holding this anger-management hearing.

(LAUGHTER)

I truly hope my colleagues feel better, at least for one day, after purging themselves of their concern, their frustration and their anger. I would like to note that I asked the technician here that is running the sound system -- the audio system is working. I thought maybe Senator Bennet didn't know that. And he reminded me of my Marine D.I. back in the good days, where the D.I. would shout, "I can't hear you." I just thought I'd bring that up -- the audio system is working. Take care of yourselves.

Dr. Price, congratulations on your nomination. Thank you for being here today.

PRICE:

Thank you.

ROBERTS:

As many of our colleagues have already noted, you will play a most important role, if confirmed, in helping to stabilize the individual market, while Congress does repeal the law and repair the damage it has caused and enacts the reforms we believe -- I believe will put our health care system back on track.

Now, in my home state of Kansas, we have three insurance carriers left. We feel very fortunate we have three, with each individual only have access to two of those. And our premiums rose this past year over 30 percent. Down the road, it's going to be more difficult if we don't do something.

There's no doubt with regard to uncertainty and angst among consumers, I think it's important to make clear that even if Congress and the incoming administration were to do nothing, let it go, just like it's frozen -- let it go, and amending or repealing parts of the Affordable Health Care Act, that the law is not working. And we have to do something to meet that obligation. The prices are unaffordable; markets nearly nonexistent, with few or no options in several states and counties. We're not as rural as Wyoming, but we are rural in my state of Kansas.

I have a -- I have a concern. Back in the day when we sat on this committee and (inaudible) the first version of the Affordable Health Care Act. I don't know where the mark is today. It's sitting on a shelf somewhere. But we went day and night and day and night and day and night. And I was worried about something I called the rationers.

ROBERTS:

I'm talking about the Independent Payment Advisory Board, IPAB; the Centers for Medicare and Medicaid Innovation, CMMI. That's a wonderful acronym; and the new coverage authorities given

to the U.S. Preventive Services Task Force. And I would also mention the Patient-Centered Outcomes Research Institute, which is called PCORI.

Not many people are aware of these. I even (ph) went to the floor of this Senate and had (ph) four people riding a horse and called them the four horses of regulatory apocalypse.

But I am worried about it and the provisions, which could interrupt the doctor/patient relationship, allowing the government to dictate what coverage you can receive.

Can you share some of any concerns that you have with regards to these what I would call four rationers, with all due respect of what they're trying to do with good intent?

PRICE:

I appreciate that, Senator.

I think that it's imperative that as we -- as we move forward, that we recognize, again, that -- that the patient ought to be at the center of this, and anything that gets in the way of the patient and the -- and their families and physicians making the decisions about what kind of health care they desire, is a -- is a -- we ought not go down that road.

And so, for example, the CMMI, the Center for Medicare and Medicaid Innovation -- I'm a strong -- as I've mentioned, strong proponent and advocate for innovation. But I've seen in -- in certain instances what's coming out of CMMI is -- is a -- is a desire to require certain kinds of treatment for certain disease entities that may or may not be in the best interest of the patient.

And -- and because it carries the full force of the federal government and -- and the payment for those services, it means that -- that we're answering the question of who decides about what kind of care patients receive by saying that the answer to that ought to be Washington, D.C. And I simply reject that that's where those decisions ought to be made.

ROBERTS:

I appreciate that answer.

I have the privilege of being a member of this committee, the Finance Committee, and especially being chairman of the always powerful Senate Agriculture Committee. I am particularly interested in HHS, and more importantly, the FDA's work on food and nutrition policy.

During the previous administration, the FDA issued numerous regulations with limited or delayed guidance and unrealistic compliance dates. This was the case with the implementation of the Food Safety Modernization Act, called FSMA. And more recently, with the nutrition facts panel revision.

I know we all share the goal of the safe -- safe food supply and availability of accurate information for consumers. But I'm concerned the administration has not clearly or consistently communicated with the food and agriculture industry regarding new or changing requirements.

Will you commit to working with the secretary of agriculture and other relevant agencies, not to mention the committee I serve on and similar in the House, that your department is issuing science-based guidance and taking into -- taking into consideration other regulatory burdens when establishing compliance (inaudible) other regulatory actions?

PRICE:

Yes, I believe that's not only imperative, but the science that's relied upon ought to be transparent and available to the public so that people can see exactly what was the basis for the decisions that were being made.

ROBERTS:

Under the previous administration, we have seen increased activity and regulatory action on nutrition policies, such as issuing voluntary guidance. Yet the same administration continued to request additional resources from Congress to comply for the statutory requirements under the Food Safety Modernization Act.

I'm concerned that the administration did not prioritize FDA's mission to protect our nation's food supply, instead focusing on nutrition policies.

If confirmed, can you discuss how you will focus on the core FDA duties, such as implementing the law the Congress passed, rather than agenda-driven nutrition policy guidelines?

PRICE:

Yeah, this is really important, Senator. And if I'm given -- if I'm confirmed and given the privilege of leading, I would work specifically with the FDA commissioner to make certain that we are relying on science; that it's science that is guiding the decisions that we're making; and again, that the transparency is available for folks, so that they can see what kind of decisions are made and how they're being made.

In addition to working with -- with policymakers -- you know best what's going on in your state and how it's being affected by the rules and regulations that are coming down from Washington in so many areas, but certainly in the -- in the agriculture arena. And so we ought to be having a dialogue with -- with every single individual who has an interest, to make certain that we're addressing the needs appropriately.

ROBERTS:

I thank you for your response.

Thank you, Mr. Chairman.

ALEXANDER:

Thank you, Senator Roberts.

Senator Baldwin?

BALDWIN:

Thank you, Mr. Chairman.

Welcome.

PRICE:

Thank you.

BALDWIN:

Congressman, you've already been asked about your investments in medical device companies, pharmaceutical companies, as part of the prior questioning. But for the record, have you also received campaign contributions over the years from political action committees associated with many of these same companies?

PRICE:

I don't know, but I assume so, just as many of us do.

BALDWIN:

OK. So in terms of -- I mean what the American people want to know, of course, when you get reviewed for potential conflicts of interest and, you know, procedures with the Office of Government Ethics, is that -- that in your role, you're fighting for them and not biased towards the -- the powerful companies that you've invested in and that have invested in you.

And -- and you've taken some questions on -- on that. But just lemme follow-up a little bit, to ask, first, do you think drug price increases that we're seeing right now, for example, the six-fold increase in the cost of an EpiPen, is a problem right now for Americans?

PRICE:

Oh, as I've mentioned, I think there's -- there are certain areas where drug pricing increases seem to have little basis in -- in rational findings.

I do think, however, as I mentioned again, I think -- I think I did -- that -- that's it's important to appreciate that we've done some good things in the area of drug pricing, whether it's in the generic arena, where the prices have been held down significantly and the Part D area, where prices are...

BALDWIN:

Since my time is limited, let me continue down this -- this track.

You've been asked already, but Trump supports Medicare drug negotiation. Will you work to repeal the prohibition on Medicare negotiating for better drug prices on behalf of the American people, if confirmed for this position?

PRICE:

Well, I -- I understand that if I'm confirmed and if I have the privilege of -- of serving as secretary, that -- that the boss that I have is the -- will be the president of the United States, so.

BALDWIN:

So you -- will you work to repeal the prohibition on Medicare negotiating drug prices?

PRICE:

Following discussion and -- and being informed by the individuals within the department and working with the president and then carrying out his wishes.

BALDWIN:

Was that a yes, or was that a no?

PRICE:

Well, it -- it depends on that activity. I would hope that...

BALDWIN:

He stated his position, very recently in fact, that he supports price negotiation so that people on Medicare can have the benefit of -- of that. Is that something that you would press Congress to -- to do, in other words, repeal the prohibition on that negotiation?

PRICE:

I -- I think we need to find solutions to the challenges of folks gaining access to -- to...

BALDWIN:

I'm not...

PRICE:

... needed medication. And it may be that one of those is -- is changing the way that the negotiations -- as you know, the negotiations right now occur for seniors with the PBMs, with the pharmacy benefit managers.

BALDWIN:

Since I have limited time and you haven't said yes or no -- you just talked about transparency. Would you support drug price transparency, mandating that any drug company that wants to increase prices on their drugs, release public information on how they set their prices? Because so many of these appear to be without justification, as you just mentioned.

PRICE:

Yeah, I think there's a lot of merit in -- in transparency in every area and certainly in -- in this area. And I'd be -- look forward to exploring, if I'm confirmed, with you the ways to be able to make that work.

BALDWIN:

Thank you.

So, I wanted to go back to the -- the first round of questioning with the -- with the chairman, who -- who showed a chart. And it seemed like the what was implicit in the back and forth was that the act of repealing the Affordable Care Act would only impact, perhaps, a very small part of the health care industry. You talked about 6 percent being covered on -- on the individual market.

The protections, like coverage on your parents' health insurance til you're 26 and mandating that people be covered if -- even if they have a pre-existing health condition, things like eliminating caps that led so many into medical bankruptcy, those apply across the health care system. So repeal in no way limits us to a conversation just about a small percentage of our population. This is about serious impacts for all of America.

Would you agree?

PRICE:

I -- I think that the discussion about what our health policy for financing and delivery of health care to the American people is a very, very broad subject and we need to discuss...

BALDWIN:

And if you repeal the Affordable Care Act, the impact is not narrowly confined to Medicaid and the individual market. It has impact on every American, Medicare too. Think of accountable care organizations where we're driving so much of our innovation. That's not confined to the individual market, in fact, it -- it impacts Medicare very, very significantly.

So, let me give one example. We in our office, when you visited, and thank you for your visit, we talked about the opioid epidemic. One of the significant issues is access to treatment to overcome an addiction. If the Affordable Care Act is repealed, there will no longer be a mandate for substance abuse treatment being covered. Is that something you agree with?

PRICE:

Look, the opioid epidemic is -- is rampant and is harming families and communities all across this nation.

BALDWIN:

Would you assure that treatment would be -- substance abuse treatment would be covered under a replacement plan that you would propose to Congress?

PRICE:

I think it's absolutely vital that -- that substance abuse and other kinds of things would be able to be treated...

BALDWIN:

So you would keep that protection of the Affordable Care Act?

PRICE:

That's a legislative decision, but I look forward to working with you to make certain that we're insuring that individuals...

(CROSSTALK)

BALDWIN:

... coverage. I want to make sure I heard the exchange because it sounded to me like you're saying you think insurers are just going to continue to do it, so that there's no need for there to be an actual mandate saying they must.

And mind you, with 5.7 million young people between the ages of 18 and 26 on their parent's health insurance, that's 5.7 million people who aren't in the individual market because they're in their first job after high school that doesn't have health insurance or in school with out -- so is it

just a -- a wink and a promise or do you support having in law a mandate that 20 -- 18- through 25-year-olds be able to stay on their parent's health insurance?

PRICE:

What -- what I have -- as I say, I think it's -- it's been baked into the -- the insurance programs that are out there right now. What -- what I absolutely committed to...

BALDWIN:

But they could change their mind at any time.

PRICE:

What I'm absolutely committed to is making certain that every single American has access to the kind of coverage that they want and has the financial feasibility to be able to purchase that coverage.

ALEXANDER:

Thank you, Senator Baldwin.

Senator Young.

YOUNG:

Dr. Price, good to see you here today.

PRICE:

Thank you.

YOUNG:

I've enjoyed our service together over the last six years in the House of Representatives, particularly the four years we spent on the Ways and Means Committee. And I had an opportunity not just to get to know you personally there, but to observe your -- your quite impressive skill set, your depth of knowledge in the area of health care and health policy, your commitment, more importantly, to seeking alternative perspectives to trying to identify where bipartisan consensus could be realized, and ultimately, forging consensus around some viable solutions.

The one that I find most notable is your success on the sustainable growth rate, which is something the members of this committee are familiar with, but it's a blunt instrument that was in place to control health care costs. And without your leadership over on the House side, I don't think we could have moved towards a more value based purchasing model. So, these are skill sets that will serve you well over at Health and Human Services, no doubt.

One area of the Affordable Care Act, speaking of bipartisanship, that members of my party, of your party have periodically and -- and quite vocally indicated their desire to repeal from time to time has been the Center for Medicare and Medicaid Innovation. And that's perhaps on account on the one-size-fits-all prescriptive and mandatory demonstrations that occurred in recent years, and you've already indicated that you oppose the mandatory nature of demonstration projects.

But I strongly believe, for one, that there's great value in innovating and experimenting across all layers of health care. Further, I think CMMI is and can continue to be a helpful laboratory for health care experimentation with respect to delivery models, payment models and -- and so forth, for Medicare, for Medicaid, for the Children's Health Insurance Program, perhaps other areas. Save taxpayer money, provide greater value, we see what doesn't work, we scale up what does work. For me, it's common sense. This is the way sort of scientists operate is -- is -- is they start with experiments and then they evaluate and then they scale up.

So I'd like to know your intentions, if you have strong convictions in this area. Do you intend to keep this innovation center or perhaps develop a new one, a variant of CMMI? Speak to this, please.

PRICE:

Well, I appreciate that. And I -- I'm, as I mentioned, a strong advocate and supporter of innovation at every single level. It's only through innovation that we expand the possibilities for -- for -- especially in the area of health care, for increasing the quality of care.

I'm a strong proponent of innovation. CMMI entity, I believe has great possibility and great promise to be able to do things that will allow us to find ways in which we can -- we can change the -- the payment model, ways in which we're treating disease and -- and the like that will improve to the patient's benefit and I strongly support that. I have adamantly opposed the mandatory nature with which CMMI has approached some specific problems, and let me mention two in particular, if I may.

The first is -- is the -- is the Comprehensive Joint Replacement, the CJR program, which identified from -- from CMMI 67 or 68 geographic areas where if you were a patient and you received a lower extremity joint replacement for a variety of -- of problems, then it was dictated to your doctor what kind of prosthesis, what kind of surgical procedure your doctor could do for you, regardless of what's in your best interests.

Now, they may be aligned, but they may not be aligned, and if they're not aligned, then -- then -- then your physician is incumbent upon doing what the government says to do.

The other area that I think was even more egregious was covering 75 percent of the nation in the Medicare Part B drug demonstration model. In fact, not a demonstration model if it's 75 percent of -- of the -- of the country, and that -- that would stipulate what kind of medications your physicians could use in an inpatient setting in a mandatory way. The -- the -- the problem that I've got with that is that really is an experiment, it's a demonstration to see whether or not it works.

And in every single experiment, health care experiment or medical experiment or scientific experiment that deals with people, real people, we -- we demand, we require that there be informed consent for the patient to participate in that -- in that experiment. And so you say to the patient, we're -- we're trying this to see if it works better. You -- you -- we'd love to have you join us. We think it may inure to your benefit and the benefit of more individuals across this land. But if you -- if you don't want to do that, you don't have to.

The federal government doesn't do that. They -- they require individuals to participate, and often times, I suspect most often, the patient doesn't even know that it's an experiment that's going on. So if either of these models were put in a small area, a pilot project somewhere, and we saw that in fact they worked, then as you say, then you scale them up.

YOUNG:

I thank you for the fulsome response and the rationale behind how you've arrived at that position. I look forward to working with you to -- to advance the next model of CMMI, whatever exactly it might look like.

I'd be remiss in my remaining 90 seconds if I didn't mention Indiana's, what we call Healthy Indiana Plan 2.0. Our Vice President- elect Pence showed a lot of leadership here, worked with our incoming CMS Administrator Seema Verma to develop a model for Medicaid, which is unique to the state of Indiana. It encourages recipients of -- of Medicare dollars to get some ownership over their health. It uses private market insurance concepts to prepare Hoosiers for more self-sufficiency.

I -- I happen to believe that it -- it will be replicated in other states if -- if we can accommodate that as -- as we continue to work on -- on new health care legislation. But HIP 2.0 is an important proof of concept that Medicaid can be more efficient than a one-size-fits-all approach, and I just need some assurance from you that you will, your lode star will be state flexibility and innovation in the Medicaid space so we can continue to accommodate plans like HIP 2.0 as opposed to a one-size-fits-all approach.

PRICE:

I think you're absolutely right. The -- the Medicaid program is one where the -- where the states know best how to care for in the best way their -- their -- their Medicaid population, and the greatest amount of flexibility that we can give, I think, for states to enact those kinds of programs. What Indiana's done is really a -- a best practice, I think, for many other states to -- to -- to follow. And so I look forward to working with you.

YOUNG:

Likewise.

ALEXANDER:

Thank you, Senator Young.

Senator Murphy.

MURPHY:

Thank you, Mr. Chairman.

Good to see you again, Representative Price.

PRICE:

Thank you, Senator (ph).

MURPHY:

I hope you can understand our frustration around trying to divine the nature of this replacement plan. We hear you and President Trump praise all of these aspects of the Affordable Care Act, and lay out goals that sound eerily familiar to what we've been living with for the last six years.

You've said that you don't want there to be a gap between the repeal and the replacement; that at least as many people will have coverage with the goal of more people having coverage; sick people won't face discrimination; young adults will get to stay on their plans until age 26.

And yet we don't get any specifics as to how that's going to occur. It seems as if you and the president-elect want to do everything the Affordable Care Act does, but just do it in a totally different way.

And so I'm going to kind of give up on trying to get at the specifics of this secret replacement plan. And maybe ask you about metrics -- about how we will measure whether what you propose as a replacement is meeting your benchmarks. For instance, the number of people covered; the cost of health care to individuals; the amount of money out of pocket that people have to pay.

When you're at the end of your four years, how will you look back on this replacement plan to measure its success? And to the extent you can give me specifics as to how you're going to measure the success of this replacement, I'd appreciate it.

PRICE:

Well, I thank you. And you identify some very specific areas that I think we need to be looking from a metrics standpoint.

What -- what is the cost? Is the out-of-pocket cost for individuals higher or lower than it was? Right now, I would suggest that the cost is higher than it was when the program began for many

of those individuals in the individual and small group market. They were promised that the premiums would come down. In fact, the premiums have gone up.

They were promised that they'd have access to their doctor. In fact, many of them have not had access to their doctor.

MURPHY:

I'm talking about from where we are today.

PRICE:

So, from where we are today, if you look at the things that many of us believe have been harmed by the Affordable Care Act, I hope that we're able to turn that around and decrease the out-of-pocket costs for individuals; increase choices for individuals; increase access to the doctors and the providers that the patients wants, as opposed to what's happened over the past few years.

MURPHY:

Increase the number of people who have insurance.

PRICE:

Increase the -- absolutely. We've still -- as I mentioned over here, we still have 20 million individuals without coverage. I think as policy-makers, it's incumbent upon us to say what can we do to increase that coverage. But the goal is to make certain that every single American has that access to coverage that they want for themselves and for their families.

MURPHY:

I'll just note that those are two different things -- having coverage and having access to coverage. And I think we've gone around on that a number of times.

So, I want to come back to this question of some of the conflict of interest issues that have been raised. And I raise it because I think there's a great concern on behalf of the American people that this whole administration is starting to look like a bit of a get- rich-quick scheme; that we have a president who won't divest himself from his businesses and could potentially get rich off of them.

We had a secretary of education last night who has big investments in the education space; a secretary of labor who could gut work protections and make a lot of money for his industry.

And so I want to walk you through another set of facts, another timeline regarding some of your interactions with the health care industry, and get your reaction to it.

On March 8th, 2016, earlier last year, CMS announced a demonstration project to lower Medicare reimbursements for Part D drugs. That would have decreased incentives for physicians to prescribe

expensive brand-name medications, and drug companies that were affected by this immediately organized a resistance campaign.

Two days later, you announced your opposition to this demonstration project. One week later, you invested as much as $90,000 in a total of six pharmaceutical companies -- not five, not seven, six. All six, amazingly, made drugs that would have been impacted by this demonstration project. There are a lot of companies -- drug companies that wouldn't have been affected, but you didn't invest in any of those. You invested in six specific companies that would be harmed by the demonstration project.

You submitted financial disclosures indicating you knew that you owned these stocks. And then two weeks after that, you became the leader in the United States Congress in opposition to this demonstration project. You led a letter with 242 members of Congress opposing that demo. I've led those letters. I know that's not easy. That takes a lot of work to get 242 people to sign on.

PRICE:

That's good staff work, Senator.

MURPHY:

And then guess what? Within two weeks of you taking the lead on opposition to that demonstration project, the stock prices for four of those six companies went up. You didn't have to buy those stocks, knowing that you were going to take a leadership role in the effort to inflate their value.

And so as the American public takes a look at the sequence of events, tell me how it can possibly be OK that you were championing positions on health care issues that have the effect of increasing your own personal wealth? That's a damning timeline, Representative Price.

PRICE:

Well, my opposition to having the federal government dictate what drugs are available to patients is longstanding. It goes back years and years. The fact of the matter is I don't know whether you were here before, but the fact of the matter is that I didn't know any of those trades were being made. I have a directed account broker, directed account. All of those trades were made without my knowledge, as is set up. And individuals on this panel have the same kind of accounts.

The reason that you know about them is because I appropriately reported them in an above-board and ethical and appropriate manner as required by the House of Representatives.

MURPHY:

But you -- but do you direct your broker around ethical guidelines? Do you tell him, for instance, not to invest in companies that are directly connected to your advocacy? Because it seems like a great deal as a broker. He can just sit back, take a look at...

PRICE:

She.

MURPHY:

... the positions that you're taking.

PRICE:

She can sit back.

MURPHY:

She can sit back, in this case, look at the legislative positions you're taking, and invest in companies that she thinks are going to increase in value based on your legislative activities. And you can claim separation from that because you didn't have a conversation.

PRICE:

Well, that's a nefarious arrangement that I'm really astounded by. The fact of the matter is that I have had no conversations with my broker about any political activity at all, other than her -- other than her congratulating me on my election.

MURPHY:

But why wouldn't you at least tell her, "Hey, listen, stay clear of any companies that are directly affected by my legislative work"?

PRICE:

Because the agreement that we have is that she'd provide a diversified portfolio, which is exactly what virtually everyone of you have in your investment opportunities, and make certain that in order to protect one's assets, that there's a diversified arrangement for purchase of stocks. I knew nothing about those purchases.

MURPHY:

But you couldn't have a diversified portfolio while staying clear of the six companies that were directly affected by your work on this issue?

PRICE:

As I said, I didn't have any knowledge of those purchases.

MURPHY:

Thank you, Mr. Chairman.

ALEXANDER:

Thank you, Senator Murphy.

Senator Murkowski?

MURKOWSKI:

Thank you, Mr. Chairman.

There is added benefit to being one of the last in the chain here to ask questions, because it certainly gives me a clear idea of where you're coming from, Congressman, on some of these issues that are so important to us. We haven't had as much conversation about the rural aspects of health care which, of course, are very important to me.

We had a chance last night to hear from the nominee for education. And I pointed out to her, as I have pointed out to you, that Alaska is a little bit unique. Sometimes it's really unique, and the challenges that we face allow us to be somewhat innovative. But we need some flexibility in order to implement some of the innovations.

I had a chance to sit with a group of Alaskans on Saturday in Anchorage. They were from the -- everyone from the director of the Division of Insurance, to our commissioner of health and social services, a representative of the only provider on the individual market, representatives from small, rural hospitals, doctors. It was representatives from the tribal health organizations.

It was a good mix of individuals. Obviously, we got different views and opinions about where we go with this replacement of the ACA and what that would need to look like to help address the needs and issues in a very rural, very frontier, very high-cost -- the highest- cost insurance, the highest-cost health care costs. We're down to one provider on the individual market. So we've got all the demographics that would tell you that this is -- this is a difficult place to be operating right now.

MURKOWSKI:

We, as a state, moved forward with Medicaid expansion a couple of years ago. There's some 27,000 Alaskans that now have coverage that didn't see that before.

There was also good discussion about making sure that we're able to retain the protections for Alaska natives that we saw under the Indian Health Care Reorganization Act that came as part of the ACA, so recognizing that there are certain exemptions that were included as part of the ACA, exemptions for Medicaid cost-sharing provisions, 100 percent federal match for American Indians

and Alaskan Native Medicaid enrollees when they receive their care through -- through an IHS facility, including the tribally operating facilities.

Again, we have seen some -- some I think very extraordinary collaboration that has gone on between our -- our entities with -- with our tribes, our tribal health organizations that have allowed for increased efficiency, improved health access. And so a great deal of the discussion was focused on what will happen? What will happen to those who have gained access through Medicaid expansion? And what can we do to ensure that coverage options are provided for those in this -- in this new era of -- of health care reform?

And then a further question to that, is should a block grant approach be considered? What efforts, then, would be made to ensure that this -- this very unique trust responsibility for American Indians and Alaskan Natives are -- are continued to be fulfilled?

These were concerns that were raised in this meeting and -- and folks had hoped that I'd have an opportunity to ask you publicly.

PRICE:

Yeah, thanks so much, Senator, I appreciate it. And we had a wonderful discussion about Alaska and I learned -- learned much about -- about your state, your glorious state.

The Medicaid system is one that is absolutely imperative and vital for -- for members of our population who -- who receive their care through -- through the Medicaid program. And it's a federal state partnership, as you well know. And it's one that we absolutely must ensure that individuals don't fall through the cracks in whatever transition occurs.

So whether it's retaining the same level of -- of Medicaid participation or whether it's providing an option for something else that allows them coverage that suits their needs, we are -- we are committed and adamant that that coverage be able to be continued. So they have -- they have our assurance that that -- that we will work with you to make certain that that happens.

MURKOWSKI:

What about the concerns that were expressed by the tribal health organizations that perhaps, if there is a block grant approach that is utilized, that that could impact some of the -- the assurances and the benefits that the tribal health organizations have seen?

PRICE:

Yeah, and -- and this is -- this is in its early stage, obviously. And -- and it's a legislative decision that occurs, it's not a department decision that occurs, a legislative decision. But we would look forward to working with you to, again, ensure the individuals, especially in the Indian Health Service, which have had some real challenges.

And -- and we need to make certain that -- that the metrics, as was mentioned over here, the metrics that we're looking at are actually clinical correlative metrics, that we're looking at what actually makes a difference to the people receiving the care. And -- and it's a -- it's one of those promises that we have, to make certain that the Indian Health Service works. And -- and I think we can do a lot better at that.

MURKOWSKI:

Well, I look forward to more conversation on that.

Let me ask about some of the efforts that Alaska has made, I think relatively innovative as we have attempt to stabilize our individual health care market. The state moved forward with some reforms. They created a reinsurance program for high-cost, high-risk individuals. We've submitted a 1332 State Innovation Waiver. And again, all with the hope that we're going to be able to somehow provide for some level of stabilization.

What sort of considerations to federal support for high-risk pools or state-based reinsurance programs would you consider?

PRICE:

I think the whole array of -- of opportunities that are available to, again, make certain that nobody falls through the cracks. The 1332 waiver program is one that's just beginning, but it's one that I think holds significant promise in making certain that we're able to ensure that things like reinsurance, things like high- risk pools, make it so that individuals do not lose their opportunity to gain access to the highest quality care.

MURKOWSKI:

Good.

And then finally, on our -- our small rural hospitals, one of the concerns that I heard repeatedly was the level of regulatory burden that particularly our smaller rural hospitals are -- are just feeling stifled by.

In fact, some of the innovative things that one of our hospitals down on the -- on the Kenai Peninsula is looking at advancing. They kind of feel that they're -- that it's -- it's too risky right now to -- to move forward with any level of innovation that they had hoped to -- to take on because they're facing some of the regulatory burden, but also, the uncertainty that they are in right now.

MURKOWSKI:

You can do things administratively early on, should you be confirmed to this position. Have you looked to what regulatory issues could be addressed early on that could help reduce some of the regulatory burden, particularly to some of these small rural hospitals?

PRICE:

Not specifically, Senator, but I share with you the concern that you have about the -- the -- the burden of regulatory guidelines and regulatory schemes that come out of Washington, D.C., especially for the rural area.

And it's not just the hospital, it's the providers and the docs who are providing the care. They -- they -- most of the folks in the rural area tend not to have any margin at all to be able to cover the cost of this regulation. And I've heard from more than -- than -- than a few physicians and other providers who because of the regulatory schemes that have come forward, have said they just can't do it anymore. They're having to close their doors.

And -- and -- and Indian Health Services, one of them where -- where -- they're -- they're having a real challenges in terms of being able to provide the services. And so, when that happens, then those individuals have no care and -- and that's unacceptable to me.

MURKOWSKI:

Thank you. I look forward to working with you on that.

Thank you.

PRICE:

Thank you.

ALEXANDER:

Thank you, Senator Murkowski.

I have remaining Senator Warren, Hassan and Kaine on the Democratic side; Senator Scott, Cassidy, Burr and Senator Isakson has three minutes remaining.

Senator Warren.

WARREN:

Thank you, Mr. Chairman.

Congressman Price, more than 100 million Americans now receive their healthcare through Medicare and Medicaid programs. These are seniors, people with disabilities, middle-class families who have parents in nursing homes, countless numbers of young children and they all benefit from these programs. So I want to understand the changes to Medicare and Medicaid that you have already proposed.

The budget that you recently authored as chair of the House Budget Committee would have cut spending on Medicare by $449 billion over the next decade. Is that right?

PRICE:

I don't have the numbers right in front of me, but what we're trying...

WARREN:

I have the numbers.

PRICE:

Well, then I assume you're correct.

WARREN:

All right.

PRICE:

But we're...

WARREN:

So you said you'd cut it by 400 -- Medicare -- cut Medicare by $449 billion. Your FY '17 budget proposal also would have cut Medicaid funding that goes to the state governments by more than $1 trillion. Is that correct?

PRICE:

I think, Senator, the -- the -- the metrics that we use for the success of these programs...

(CROSSTALK)

WARREN:

... dollars from Medicaid?

PRICE:

What we believe is appropriate is to...

WARREN:

Do you want me to read you the number out of this?

PRICE:

No, I'm sure you're correct. What we believe is appropriate is to make certain that the individuals receiving the care are actually receiving care.

WARREN:

I understand why you think you're right to cut it. I'm just asking the question. Did you propose to cut more than $1 trillion out of Medicaid over the next 10 years?

PRICE:

You have the numbers before you.

WARREN:

Is that a yes?

PRICE:

You have the numbers before you.

WARREN:

I'll take it as a yes.

So, as I'm sure you're aware, during his campaign for president, President-elect Trump was very clear about his views on Medicare and Medicaid. As Senator Sanders has quoted extensively, "President-elect Trump said I am not going to cut Medicare or Medicaid." Now, when President-elect Trump said I am not going to cut Medicare or Medicaid, do you believe he was telling the truth?

PRICE:

I believe so, yes.

WARREN:

Yeah, OK.

Given your record of proposing massive cuts to these programs, along with several other members of this committee, I sent the president-elect a letter in December asking him to clarify his position and he hasn't responded yet. So I was hoping you could clear this up. Can you guarantee to this committee that you will safeguard President-elect Trump's promise and while you are HHS

secretary, you will not use your administrative authority to carry out a single dollar of cuts to Medicare or Medicaid eligibility or benefits?

PRICE:

What -- what the questions presumes is that -- that money is the metric. In my belief...

WARREN:

I am asking about the money.

PRICE:

... from a scientific standpoint, if patients aren't receiving care, even though we're providing the resources, then it doesn't work for patients.

WARREN:

Please, I'm sorry to interrupt, but we're very limited on time. The metric is money. And the quote from the president-elect of the United States was not a long discourse on this. He said he would not cut dollars from this program. So that's the question I'm asking you. Can you assure this committee that you will not cut one dollar from either Medicare or Medicaid, should you be confirmed to this position?

PRICE:

Senator, I believe that the metric ought to be the care that the patients are receiving...

WARREN:

So, I take that as a no?

PRICE:

I -- it's -- it's the wrong metric. We ought to be putting forth the resources...

WARREN:

I -- I'm not asking you whether or not you think if you have a better metric. I'm asking you a question about dollars. Yes or no?

PRICE:

What we ought to do is put forward the resources...

(CROSSTALK)

WARREN:

... really simple questions. And frankly, the millions of Americans who rely on Medicare and Medicaid today are not going to be very reassured by your notion that you have some metric other than the dollars that they need to provide these services.

You know, you might want to print out President-elect Trump's statement, "I am not going to cut Medicare or Medicaid," and post that above your desk in your new office because Americans will be watching to see if you follow through on that promise.

Now, I also would like to follow up on Senator Franken's question. I think there was something there that didn't quite get answered. As you know, Congressman, one -- the one goal of the Affordable Care Act was to push the healthcare industry to provide higher quality care at lower cost. And under the ACA, Medicare was recently allowed to change the way that it pays hospitals for hip and knee replacements to something called a bundle. And that means Medicare pays a set price for the care associated with hip and knee replacement and then the hospitals, not Congress, will decide the most effective implants, reduce second surgeries, better fight infections, how to spend their money to deliver better service at higher cost.

Now, I supported this change because the research shows that it really means you get better care at lower prices. But I know the policy is controversial because it affects how hospitals are paid, which in turn affects how much money the manufacturers of these hip and knee replacements can make. And one of the companies is the company raised by Mr. Franken -- Senator Franken, and that is Zimmer Biomet. They're one of the world's leading manufacturers of hips and knees and they make money if they can charge higher prices and sell more of their products.

The company knows this and so do the stock analysts. So on March 17, 2016, you purchased stock in Zimmer Biomet. Exactly six days after you bought the stock, on March 23, 2016, you introduced a bill in the House called the Hip Act that would require HHS secretary to suspend regulations affecting the payment for hip and knee replacements. Is that correct?

PRICE:

I think the BPCI program to which I think you've referred I'm a strong supporter of because it keeps the decision making...

WARREN:

I'm not asking you about why you support it. I'm just asking. Did you buy the stock and then did you introduce a bill that would be helpful to the company you just bought stock in?

PRICE:

The -- the stock was bought by a direct -- by a broker who was making those decisions. I wasn't making those decisions.

WARREN:

OK. So you said you weren't making those decisions. Let me just make sure that I understand. These are your stock trades, though. They are listed under your name. Right?

PRICE:

They are made on my behalf, yes.

WARREN:

OK. Was the stock purchased through an index fund?

PRICE:

I don't believe so.

WARREN:

Through a passively managed mutual fund?

PRICE:

No, it's a broker...

WARREN:

To an actively managed mutual fund?

PRICE:

It's a brokered directed account.

WARREN:

Through a blind trust? So let's just be clear. This is not just a stock broker, someone you pay to handle the paperwork. This is someone who buys stock at your direction. This is someone who buys and sells the stock you want them to buy and sell.

PRICE:

Not true.

WARREN:

So when you found out...

PRICE:

That's not true, Senator.

WARREN:

Well, because you decide not to tell them, wink, wink, nod, nod, and we're all just supposed to believe that?

PRICE:

It -- it -- it's what members of this committee, it's the manner in which members of this committee...

(CROSSTALK)

PRICE:

But it's -- it's important to appreciate that that's the case.

WARREN:

Then, I want to understand. When you found out that your broker had made this trade without your knowledge, did you reprimand her?

PRICE:

What I did was comply...

WARREN:

(inaudible) that she made it.

PRICE:

What I did was comply...

WARREN:

Did you fire her? Did you sell the stock?

PRICE:

What I did was comply with the rules of the House in an ethical and legal and above board manner and in a transparent way.

(CROSSTALK)

WARREN:

All right, let's just stipulate...

ALEXANDER:

Time has expired, Senator Warren.

WARREN:

I believe Senator Murkowski went over by two minutes. Did I misread the clock here?

ALEXANDER:

By two minutes?

WARREN:

I think that's what it was. And I just burned another 15 seconds.

ALEXANDER:

Well, keep burning them and you'll be up to two minutes.

WARREN:

OK. So your periodic transaction report notes that you were notified of this trade on April 4, 2016. Did you take additional actions after that date to advance your plan to help the company that you now own stock in?

PRICE:

I'm offended by the insinuation, Senator.

WARREN:

Well, lemme just read what you did. You may be offended, but here's what you did. Congressional records show that after you were personally notified of this trade, which you said you didn't know about in advance, that you added 23 out of your bills, 24 cosponsors.

That also, after you were notified of this stock transaction, you sent a letter to CNS calling on them to cease all current and future plan mandatory initiatives under the Center for Medicare &

Medicaid Innovation. And just so there was no misunderstanding about who you were trying to help, you specifically mentioned...

ALEXANDER:

Your two minutes are up, Senator Warren.

(CROSSTALK)

WARREN:

...replacement.

ALEXANDER:

Thank you. Senator Warren.

Who's next?

Senator Isakson, has three minutes.

ISAKSON:

I wanted to reclaim my remaining three minutes by just making a point. I respect everybody on this committee tremendously. I respect the nominee.

But its very important for us to all (ph) understand under the disclosure rules that we have and the way it operates, any of us could make the mistakes that are being alleged.

I'm sure Senator Franken had no idea that he owned part of Philip Morris when he made the statement he made about tobacco companies. But he has a WisdomTree Equity Income Fund Investment, as disclosed in his disclosure which owns Philip Morris.

So it's entirely possible for any of us, to have somebody make an investment on our behalf and us not know where that money is invested because the very way it works. I don't say that to in any way, embarrass Mr. Franken.

But to make a point, that any one of us who had mutual funds or investment managers or people who do that, it's entirely possible for us not to know. And to try and imply that somebody's being obfuscating (ph) something or in other words, denying something that's a fact, is just not the fair thing to do and I just wanted to make that point.

PRICE (?):

This is different than mutual funds.

ISAKSON:

Its -- its in investment in Philip Morris.

PRICE (?):

Right.

WARREN:

And my question was about what do you...

ALEXANDER:

Senator Warren, your time -- your -- your time has been generously.

Senator Kaine?

No, I'm sorry, Senator Hassan?

HASSAN:

I'm -- I'm happy to lead but I think Senator Cassidy was next. And he just came back in.

ALEXANDER:

He did, but I was going back and forth. I'll be -- I'll be glad to -- do you...

HASSAN:

Well, thank you...

(CROSSTALK)

ALEXANDER:

...that's generous of you, but.

HASSAN:

All right, well then thank you.

And Congressman Price, thank you for being here this morning.

Mr. Chairman and Ranking Member Murray, thank you for the opportunity to participate.

As you and I discussed, Congressman, we share a concern for patients. My husband and I have two kids and our adult son, at times, has had up to 10 doctors and a couple of dozen medications.

So the Hassan family knows the strengths and the weaknesses of our healthcare system very, very well. And as governor, I was pleased to work with members of both parties to build on the example that Senator Young talked about in Indiana, to have a bipartisan New Hampshire specific Medicaid Expansion plan that's providing coverage now to over 50,000 hard working granted stators (ph).

And so I've seen the advantages of the Affordable Care Act and the flexibility that the Affordable Care Act gives states, right up close and work with the Republican legislature to -- to pass it. So its that context that I bring this series of questions.

First of all, as we talked about, opioid overdose deaths have been on the rise for several years and have hit New Hampshire particularly hard. We have about the second highest rate of drug overdose deaths in the country.

Under the Medicaid Expansion program that I just talked about, made possible only by the Affordable Care Act, thousands of New Hampshire citizens are getting the opportunity to get treatment for substance use disorder.

And I talked with one of them last week, a woman named Ashley (ph) who had had an addiction for almost a decade. Medicaid Expansion gets passed under the Affordable Care Act, she got treatment and she is now in recovery.

And after a year on Medicaid, which by the way we've done it in a particular way so that it's actually strengthened our insurance market in New Hampshire because more insurers came in as a result of the way we did Medicaid Expansion.

Anyway, she's not working and she's just switched over to private insurance because she's got employee -- employer provided insurance. So you have proposed repealing Medicaid Expansion in the budget that you proposed.

So yes or no, can you guarantee that you will make sure that Americans with substance use disorders who've gotten insurance through Medicaid Expansion, just like Ashley (ph) did, will not lose their health insurance?

PRICE:

I think that, joined our conversations well and the -- and then subjects that we delved into, I think that it's absolutely imperative that we, as a nation, make certain that every single individual have access to the kind of mental health and the kind of substance abuse challenges that they have.

HASSAN:

Well, so is that a guarantee that you -- that you will find funds to actually provide the treatment?

PRICE:

It's a guarantee that I'm committed to making certain that we address that need which is so vital and important across this land.

HASSAN:

So I'm just concerned that you're not going to be able to back up that guarantee if the Affordable Care Act is repealed, and I'm concerned about the impact that will have on states and people like Ashley who need the coverage.

I also just want to talk about whether you agree that people with health insurance should have some very basic essential coverage like check-ups at the doctor's office, do you think health insurance coverage should provide for that?

PRICE:

I think that, as we mentioned, with choices for patients to be able to select the kind of coverage they want instead of someone else decides for them. It's so very important that we remember that at the center of all of these discussions is a patient and the patient knows best what he or she needs.

And that's the imperative that I would bring to you that I'm committed to making sure that patients have the choices available. And if they chose to select that kind of coverage then they ought - that ought to be available for them.

HASSAN:

But if insurance companies don't offer it at all, like substance use disorders - so an essential benefit under the Affordable Care Act now requires private insurers to cover substance use -misuse treatment, they didn't use to do that.

They also have stopped covering a lot of things until the law requires them to. So yes or no the Empowering Patients First Act repeal - would repeal the requirements that insurance companies cover substance use disorders?

So do you think that's still a good thing?

PRICE:

I think that what's a good thing, again, is to keep the patient at the center of all of this and make certain that we're providing the kinds of options and choices for patients so that they can address their clinical and medical needs.

HASSAN:

But here's the thing, if insurance companies never offer it, they don't have the option. They can pay good premium dollars but it's just not offered. And the Affordable Care Act said to the insurance industry, here's some basic things you got to offer so that, when a patient needs care, the coverage is there and they can get the care.

And your answer and the Empower Patient Act would take that insurance away, it's not an option if insurance doesn't cover it.

PRICE:

The good news for you is that as an administrator, if I'm privileged to serve in the capacity, that I follow the policies that are adopted by the congress of the United States and signed by the president.

And so we look forward to working with you to make certain that those kinds of things are covered and those patients receive the care that they (inaudible).

HASSAN:

And with respect, there's been lots of opportunity to make certain that those things happen and until the Affordable Care Act was passed it never happened and people didn't the care they needed. And because of that, a lot of people, like the Ashley's of the world, weren't getting better, weren't getting treatment.

Providers don't exist to treat people if they can't figure out how they're going to get reimbursed. The most important thing that our treatment community said in New Hampshire was Medicaid expansion of the Affordable Care Act made it possible for them to stand up a higher volume of treatment.

So I look forward to working with you too but I'm concerned about your unwillingness to commit to making sure that insurance companies cover these essential benefits. I am almost out of time and we haven't even touched on the issue of women's health which is obviously of great concern.

So let me just ask a couple of questions. Yes or no, do you think an employer should be able to fire a woman because she uses birth control?

PRICE:

I don't believe so.

HASSAN:

Well you voted in support of a resolution to disapprove the District of Columbia's non-discrimination law, the Reproductive Health Non-Discrimination Act, which protects women here in D.C. from being fired or penalized because of their reproductive health decisions.

So you're vote would have had the effect of allowing employers to fire a woman for using birth control or for other decisions she makes about her own body and reproductive health.

So how is that vote consistent with the answer you just gave me?

PRICE:

Well, again, I think that it's - I think the question was about who's paying for that product. It's not --

HASSAN:

No the question is whether an employer who let's say in a self-insured employer provided plan finds out that a female employee, who earned the benefit with her hard work, is using the benefit to provide birth control - to buy birth control, which the benefit provides, and then fires her because the employer disapproves of the use of birth control.

PRICE:

I don't think that's the case.

HASSAN:

You don't think that - would you like us to provide examples for you?

Price: Yes, I'd be happy to.

HASSAN:

So you would be willing to say that employers may not - you would support a law, a rule that employers may not discriminate against women for their reproductive health decisions.

PRICE:

I don't think that employers ought to -- that employers have the opportunity right now to be able to let somebody go based upon their health status or the medications that they use.

HASSAN:

So then why did you vote against the D.C. provision...

(CROSSTALK)

PRICE:

I don't think that's what it did.

HASSAN:

You don't think that that was your vote.

PRICE:

I don't think that's what the bill did.

HASSAN:

Thank you. We'll follow up on that. And again, I wish I had more time because I have about eight more questions. I'll submit them in writing.

PRICE:

Thank you.

ALEXANDER:

Thank you, Senator Hassan.

Senator Cassidy?

CASSIDY:

Thank you, Mr. Chair.

You all all seem worn out, but I've been galivanting with high school students. So I'm pretty energized.

ALEXANDER:

Well, good.

CASSIDY:

Let me say for the record that when John King (ph) came for an interview, I wanted to ask a second round and you wouldn't let me. I confirmed with staff. So I just -- I've been wanting to say that for two days now and I just want to say it. I was going to -- I've got another set of questions. You said, "shut up."

(LAUGHTER)

So anyway. Next...

ALEXANDER:

It's nothing personal.

CASSIDY:

Nothing personal.

For Price, how would HIPAA laws regard now a grandfather taking his grandson on house calls? You know what I'm saying? (inaudible) your grandfather would have busted, but that's another issue.

PRICE:

Yeah, probably.

CASSIDY:

Probably.

I love what you're saying about the patient-physician relationship. You and I have both worked in hospitals for the uninsured. I as a gastroenterologist liver doctor. And we've talked a lot about Obamacare and the wonderful things it's done.

But I keep on thinking of my patients at the hospital for the uninsured, with the $6,000 deductible.

PRICE:

That's right.

CASSIDY:

I mean, the patients you saw (inaudible), not those on Medicaid, but those who were working. They don't have $400 in their account.

PRICE:

That's right.

CASSIDY:

And they got a $6K deductible before they can be otherwise cared for. And just for the record, people don't believe me -- I put it on my Facebook page. A friend of mine from home, his renewal for his individual policy for he and his wife -- 60, 61 years old, no kids -- no health (inaudible) -- was $39,000 for a year, with a $6,000 deductible.

I put it on my Facebook page. No one believes this is like what a family pay for a mortgage and then some, and that was their yearly premium.

So I applaud you for looking for some alternative that's affordable. It may be working for New Hampshire, California, Massachusetts. God bless you. But for states like mine and yours and Arizona, people cannot afford $39,000 premiums.

(inaudible) more. Did the Empowering Patient Act repeal -- explicitly repeal the mental health parity laws?

PRICE:

I don't believe so.

CASSIDY:

I don't think so either. But just to Senator Hassan, mental health parity would still apply. And that does cover (inaudible). So there is those provisions -- that law still remains in effect.

Secondly, we've been talking about does it have to be a covered benefit. You're a big believer in health savings accounts. I gather a health savings account can be used to pay for doctor's visits?

PRICE:

Absolutely.

CASSIDY:

And for essential medical services and even colonoscopys if necessary?

PRICE:

Absolutely.

CASSIDY:

Yes. As a gastroenterologist, that comes to mind.

So to just also point that out. And when you speak about giving the patient power over her healthcare to allow her to choose, when we choose for her, we have a $39,000 premium. But when we allow her to choose, she has something which is affordable and she becomes a more activated informed consumer.

And there's a lot of academic literature to look at that. I applaud...

PRICE:

Absolutely.

CASSIDY:

We don't agree -- we don't agree with each other entirely, but substantially. And I applaud you for that.

Now, Franken always calls me a Luddite. Different issue. Because I am skeptical about -- he calls me many things, but a Luddite among them -- because I am skeptical about electronic health records and their negative impact on productivity. And again, he thinks I'm just some guy that didn't -- that calls a mouse a little furry thing, when most people (inaudible) a little (inaudible).

Now, I see that MD Anderson just laid off five percent of their staff. They're blaming it on financial losses related to decreased productivity, again directly attributable to the implementation of their (inaudible). Your department's going to be involved with meaningful use and such like that.

And I often find an orthopedic surgeon asking somebody about their smoking history is not really a good use of the orthopedic surgeon's time. Not that it isn't important, but nonetheless he's not the person who will implement the cessation program. It shall be their internist or -- you know what I'm saying.

PRICE:

Mm-hmm.

CASSIDY:

So what thoughts do you have? What can we do about this time and productivity (inaudible) that has become the electronic medical record and meaningful use, keeping that which is positive, but hopefully doing something better for the patient and for the physician?

PRICE:

Yes, thanks, Senator. The electronic medical record and electronic health records are so important because they, from an innovative standpoint, allow the patient the opportunity to have their health history with them at all times and be able to allow whatever physician or other provider access to that.

We in the federal government I think have a role in that, but that role ought to be interoperability, to make certain that different systems can talk to each other so that it inures to the benefit of the patient. I've had more than one physician tell me that the final regulations and rules related to meaningful use were the final straw for them.

CASSIDY:

And they quit. They retired.

PRICE:

And they quit. And they quit. And they've got no more gray hair than you or I have. And when that happens, we lose incredible intellectual capital in our society that can care for people.

CASSIDY:

Now, what can we do about that? What practical things can we do?

PRICE:

I think the thing that's absolutely imperative is to find our what things ought to be determined and checked -- the metrics that are used, that they actually correlate with the quality of care that's being provided, as opposed to so many things that are required right now of the physician or the provider that make it so that they're wasting their time documenting these things so that it fits into some matrix somewhere, but it doesn't result in higher quality of care or outcomes for that patient.

So if we truly worked with those providing the care to say: What is it that we could ask you to measure that would really correlate with the outcome and the quality of care being provided? I suspect there's some very specific things that we could use.

CASSIDY:

You know, it's interesting because you're emphasizing the patient-physician relationship. My wife is a retired breast cancer surgeon, and she used to say that really she counseled the husband as much as the wife, because the husband would be the one who was crying. But she would be the one telling them, looking them in the eye, "There's hope. This is not a death sentence. There is hope."

And I only imagine, if she were now in practice, typing up, "There is hope." It's a little bit of a different feel for the patient and her spouse.

PRICE:

Yes, we've turned many physicians and other providers into data entry clerks. And it -- and it detracts, as you said, from their productivity, but it detracts greatly from their ability to provide quality care.

CASSIDY:

Let me ask as well, one of our big challenges is how do we come up with expensive medicines that are only used by very few? How do we socialize that cost? Think of antibiotics. We just had some guerrilla -- some germ out there, bacteria that's apparently resistant to everything, but we can come up with gene therapy for a very few, very expensive to develop.

How do we pay for that? I just want your thoughts. I don't know if you have an answer, but I care deeply about those and so do you, with these rare diseases, but devastating, how do we care for them and socialize that cost?

PRICE:

I talked earlier with Senator Hatch when -- during his time -- about rare diseases and about the Orphan Drug Act and the like that revolutionize the ability or the incentives for bringing to market drugs that address rare diseases. It's so incredibly important. And incentivization, from an FDA standpoint, is important -- incentivization to make certain that if individuals, companies are able to come up with things that cure diseases, that they are appropriately compensated for that.

CASSIDY:

Now, in the area -- in the era of personalized medicine, where it might be (inaudible) of one or (inaudible) of a thousand. It's still very small, but the cure could be a million.

Anything specific about that?

PRICE:

It's a -- we're entering a brave new world that is so exciting from a scientific standpoint to be able to provide this kind of personalized healthcare services to folks that will be able to cure things that we've never dreamed about curing. And the challenges of how we afford to make that available to our society are real. And I think we need to get the best minds together to figure out how to make that happen, and I look forward to working with you to do so.

CASSIDY:

I will close by saying this, and I have a perspective my colleagues cannot, because I know orthopedic surgeons are the ones that are called at three in the morning when there's a car wreck and someone's so busted up there's no one else to fix them. But if they don't fix them, they die.

And so they kiss their wife goodbye. They climb out of bed. They drive to the hospital. They're up all night, and then they see their clinic schedule the next day. They make rounds in the evening. They get home at midnight and kiss their wife goodnight before they go to bed.

Price, you're the exact kind of person to have this job.

Thank you, and I yield back.

PRICE:

Thank you, Senator.

ALEXANDER:

Thank you, Senator Cassidy.

Senator Kaine?

KAINE:

Thank you to the committee leadership.

And thank you, Congressman Price...

PRICE:

Thank you.

KAINE:

... for the visit the other day in the office.

An observation and a few questions. And forgive me. I was at another hearing, so I might be a little repetitive, but I'll try to move quickly.

My worry as a Virginian is your position about a whole range of programs that are basically about access and coverage, sort of the safety net that provides coverage to millions of people.

You've proposed turning Medicaid into a block grant program. That's exciting a lot of controversy in Virginia right now in our legislature with Democrats and Republicans. And you have repeatedly voted against the CHIP program for kids. At one point, calling it" socialized medicine." That's a combined Medicaid and CHIP about 800,000 Virginians.

You proposed a restructuring of Medicare that CBO found would increase out-of-pocket cost for seniors, that's about 1.3 million Virginians. You support to repeal of the affordable care act, there's about half million Virginians on the exchanges and hundreds of thousands of others that are otherwise benefited. You want to defund Planned Parenthood, tens of thousands of Virginians use Planned Parenthood as their primary healthcare provider.

These are the basic programs that provide health care coverage. For millions of Virginians, there's some overlap there, but it would be millions of our 8 million, and tens of millions of Americans, and many of them have very limited means. And so you're - there's a sort of consistency to your position in some ways across all these programs that I view as critical to the health safety net. I know that Senators Franken and Murray used the Hippocratic maxim (ph) first, do no harm and comments before I came, and I think - and I would hope you would agree that as we approach the discussion of the health care system access coverage cost quality, the president and congress should strive to do no harm. Would you agree with me?

PRICE:

Absolutely.

KAINE:

And we shouldn't harm people by reducing the number of people who have health coverage or reducing the quality of the insurance coverage they do have. That's what we should strive for, right?

PRICE:

I think it's important to appreciate that there are challenges in these programs currently. One out of every three physicians who ought to be able to see Medicaid patients across this country, doesn't see Medicaid patients. If we're honest and sincere about addressing these problems, we ought to step back and say "why is that, what are we doing wrong?" one out of every eight physicians who is eligible to see seniors no longer sees Medicare patients. If you are a new Medicare patient trying to find a new physician that sees new Medicare patients, it is almost impossible anywhere in this country.

KAINE:

I am all with you unfixing challenges and going forward, more coverage, more affordable.

PRICE:

And that's what we're trying to do. That's what my proposals have tried to do.

KAINE:

That is important. We shouldn't harm people by doing things that would increase their cost, correct?

PRICE:

I think we need to drive down the cost for everybody.

KAINE:

We shouldn't harm people by creating an anxiety for people about the most important thing in their lives, their health care and the healthcare of their families. We shouldn't be doing that in Congress, should we?

PRICE:

One of my goals in this entire debate, and I appreciate you bringing this up, is to lower the about what we're about, because this - this -- this is real stuff for folks. These are their lives.

KAINE:

Can we lower the temperature in Russia at the same time?

PRICE:

I think we can move apace but lower the temperature and provide stability to folks out there. They need to -- people need to know that no rug is going to be pulled out from under them.

KAINE:

I'll join you stability and I'll join on lower temperature. I don't think lowering the temperature inconsistent with rushing. In fact, my experience in going around Virginia is huge amounts of fear. And we shouldn't harm the American economy. Its - healthcare is the biggest sector in the American economy, 1/6 of it, by injecting uncertainty. We should -again, try to fix the problems that you've identified or those that I might identify and do them in a way that provides some stability and certainty. Shouldn't that be our goal?

PRICE:

Certainty is incredibly important. I'm reminded of the fact that the congressional budget office has told us the ACA has actually decreased the workforce by the equivalent of 2 million FTE's. So there are challenges that we have throughout, and I hope that what we're able to do, is to work together to solve those challenges.

KAINE:

Do you agree with the president-elect that the replacement for the affordable care act must ensure there is insurance for everybody?

PRICE:

I have stated here and always that it's incredibly important that we have a system that allows for every single American have access to the kind of coverage that they desire.

KAINE:

And he stated in this same interview a couple days ago that we should negotiate with pharmaceutical companies under Medicare part D to bring down prescription drug cost. Do you support that position of the president-elect?

PRICE:

I think the cost of drugs is - is - is in many instances, a real challenge for folks and we need to do all that we can to make certain that we bring the cost down.

KAINE:

Here's kind of an offbeat question, it's just a coincidence based on today. I was at a hearing with Nikki Haley - Governor Haley who was nominated to be U.N. ambassador, right before I came. She played a really significant role in moving her state away from use of the confederate battle flag in any official capacity.

When you remember the Georgia legislature, you fought hard to keep the confederate battle flag as part of the Georgia state flag and any sponsored resolutions to make April confederate history heritage month in Georgia and "urging schools to commemorate the time of southern independence," and I'd like to introduce that resolution for the record, Mr. Chair. I read the resolution with interest because of the phrase "commemorating the time of southern independence." And I pulled it up, and I note the resolution that commemorated the time of southern independence mentions nothing about slavery. Why did you support that resolution and do you still support it today?

PRICE:

I haven't thought about that in a long time Senator, but I'm happy to look at that and go back and try to refresh my memory about that.

KAINE:

Set the resolution aside, what's - what's laudatory about the time of southern independence?

PRICE:

I think every -- every heritage has things that are good about it. Every heritage has things that are harmful about it. And so I'm happy to answer a specific question -- I think slavery was an abomination.

KAINE:

Do you think a history resolution about confederate history that completely omits any reference to slavery is - kind of meets the basic standards of fair, balanced...

PRICE:

I don't know that it presumed to be comprehensive. What I do know is that the work that I did as the first Republican majority leader in the history of the state of Georgia, was to make certain that we came forward with a flag that did not have the confederate battle flag on it, that addressed all the concerns of the state and was adopted and supported by the state. We did so in a bipartisan way

and I was privileged to work with, now Atlanta Mayor Kasim Reed, when he was in the United States - when he was in the Georgia Senate at that time to make certain that we were able to-do so.

KAINE:

You are aware there's an office of minority health at HHS that was created in the affordable care act, reauthorized in the affordable care act.

PRICE:

Yes.

KAINE:

And if the ACA is repealed, unless it's separately reauthorized, that office would also expire?

PRICE:

Again, that's a legislative question. If I am privileged to serve and be confirmed and be secretary of the health and human services, I look forward to -- to making certain that we use the resources available to us and the agencies available to us within the department, to make certain that every single American has the highest quality healthcare available.

KAINE:

And - and why did you use the phrase "socialized medicine" to explain your vote against the CHIP program?

PRICE:

I don't recall that conversation or that - that quote, but I'm happy to go back and look at it.

KAINE:

OK, thank you. Thank you, Mr. Chair.

ALEXANDER:

Thank you, Senator Kaine. Senator Scott.

SCOTT:

Thank you, Mr. Chairman, Dr. Price. Good to see you here today.

PRICE:

Likewise.

SCOTT:

Hoping for much success for you. Did I hear that you were at Emory University.

PRICE:

I was.

SCOTT:

Medical School?

PRICE:

No, I did my residency at Emory.

SCOTT:

My nephew just is in his first year of medical school at Emory. I - I - I hope that he gets a quality education.

PRICE:

He will, and he's got an exciting road ahead.

SCOTT:

Excellent, excellent. Well, I did have the privilege of serving you - serving with you in the House and enjoyed our relationship, our friendship and I look forward to seeing your success as the secretary of HHS. I have a couple of questions that are state specific to South Carolina. We have over 20 centers in South Carolina, with about 165 service sites, serving 350,000 patients in almost every county in the state.

Every county in South Carolina is either partially or completely designated as medically underserved by HERSA. As rural hospitals continue to close, these centers have addressed the need for many communities in my state. They work together with partners in the community to address impacts on health like food deserts and lack of transportation to preventative health services, which can save costs in the long run. A diabetic who does not take care - take their medication because they cannot afford it or has no way of picking up what will inevitably be a long run to the emergency room. What role do you think community health centers can play, particularly in rural and medically underserved areas?

PRICE:

Thank you, Senator. Community health centers are a vital part of the health care delivery system right now. They - they - they fill a void in so many areas, as you mentioned, across your state and across mine, and literally across the county. I think there were 13,000 that are -- are the entry point and oftentimes times the area of health care for so many individuals.

And we need to do all that we can to strengthen them, to make certain that the providers and doctors and other providers that were within community health centers are of the highest quality, that they're providing highest quality care. And that they're able to -to access resources -- intellectual resources and clinical resources, to allow them to provide that care.

SCOTT:

Less than a decade ago in South Carolina, emergency rooms were full of people waiting for psychiatric exams so they could either be admitted or discharged. After implementation of statewide telepsychiatry (ph) network, wait times have been cut from four days down to about 10 hours. The costs have been cut by almost two-thirds. What do you see as the future of telemedicine, particularly, to address access issues? What barriers can we anticipate, as well?

PRICE:

Telemedicine is one of those exciting innovations that -- that will, I believe, allow for individuals, especially in rural and underserved areas, access to that intellectual capital and -- and resources from a clinical standpoint that make decisions on patients that are before them without being able to save resources and -- and save patients in so many ways.

We, in the state of Georgia, have a -- have a stroke program that's kind of a spoken wheel (ph) program where at the Medical College of Georgia, there's a neurologist that -- that works with -- with telemedicine and has a network of -- of clinics and hospitals around the state where somebody comes in with symptoms of a stroke, that physician is able to literally see that patient in real time and determine one, whether or not they need medication, whether or not they're having a stroke.

Whether they can be treated in the community or whether they have to be transferred to the academic center. In the past, it was a call on the ground, no ability to be able to talk with somebody who might have greater resources or knowledge and all of those patients trying to get to the academic center.

Huge waste of money and not having patients at the center of that decision. So telemedicine is absolutely vital. And I think we need to accentuate the ability to use telemedicine.

As you well know right now, oftentimes, telemedicine, telehealth (ph), is -- is not paid for, it's not compensated. So people eat those, the clinicians eat those costs, they assume those costs that -- that help the patient, yes. But make it so its much more difficult for them to be able to provide the quality care necessary.

SCOTT:

Thank you. Another interesting topic that you should be, I think, fairly familiar with, from a minority perspective, South Carolina like Georgia, has a high percentage of African Americans.

As you probably know, breast cancer deaths are approximately 1.5 times higher in African American women. Prostate cancer deaths are approximately 2.5 times higher in African American men. And new diagnosis are approximately twice as high.

I would love to hear your perspective on addressing some of the health disparities in communities of color, specifically.

PRICE:

You know, this is really an important area, Senator. I appreciate you bringing it up. Because I think so often, what we do in -- in this and other areas is to say OK, we're gonna set up this -- this facility here or this -- this agency, here. And -- and we've taken care of the problem.

What I don't think we do is look at the -- the what's happening on the ground, the metrics as well as we -- as we could or should. We oughtta be defining specifically, whether or not we're actually improving the lives and health for individuals in -- in challenged communities.

And if we're not, then we need to step back honestly and sincerely and say what can we do to make certain that it works? I learned a couple months ago, I had the privilege of -- of being at a clinic in -- in Atlanta.

And I learned that there's a zip code in Atlanta within this metropolitan area of Atlanta that has -- has incredible disparities, in terms of their health outcomes and their health status. A higher mortality, higher rates of diabetes, higher rates of stroke, higher rates of myocardial infarctions.

And it -- it -- and they're surrounded by -- by incredible healthcare facilities. And -- and when we see those kinds of things, we need to drill down into those areas and say what's going on? Why is that happening?

And address the real challenge on the ground, as opposed to saying OK, we've -- we've taken care of it because now we have an agency that's addressed to take care of that. I think we need to do better metrics and better accountability for what's going on.

SCOTT:

I'm sure that you guys have talked some, at some length, about rare diseases.

PRICE:

We have.

SCOTT:

Sickle cell, being one of the more important ones in the African American population. I would love to, perhaps, submit some questions for the record to get your insight and your perspective on how we tackle so many of those diseases moving forward.

PRICE:

Look forward to that, Senator, thank you.

SCOTT:

Yep, thank you.

ALEXANDER:

Thank you, Senator Scott.

Senator Murray?

MURRAY:

Thank you, Mr. Chairman.

Congressman Price, I did wanna clarify your response to one of my previous questions. You admitted to me, in our meeting, that you in your own words talked with Congressman Collins about Innate Immuno.

This inspired you to -- in your own words, study the company and then purchase its stock. And you did so without a broker, yes or no?

PRICE:

No.

MURRAY:

Without a broker?

PRICE:

I did not.

MURRAY:

You -- you told me that you did this one on your own without the broker, yes?

PRICE:

No I did it through a broker. I directed the broker to purchase the stock, but I did it through a broker.

MURRAY:

You directed the broker to purchase, particularly, that stock.

PRICE:

That's correct.

MURRAY:

Yeah.

Well, Mr. Chairman, those answers really commit me to underscore the need for a full independent investigation and I would like to ask consent to enter the record an article from Kaiser Health News that notes that Congressman Price was offered a lower stock price for sophisticated investors, I think that's an important part of the record.

ALEXANDER:

Will be included.

MURRAY:

Representative Price, if you are confirmed as secretary of Health and Human Services, you will be in charge of our nation's family planning programs and policies. You have said that you don't think cost is an issue for women in buying birth control and stated, and I quote, "Bring me one woman who has been left behind. Bring me one. There is not one."

You did say that, correct?

PRICE:

I think what -- what I said and -- and what I meant, was that when I had patients in my office who were unable to afford medication, we did everything we could to make certain that they got that medication.

And what I meant to -- to capture in that conversation, was that if there are individuals who are unable to afford that medication or any medication, that there are avenues within the healthcare system that physicians and others take, to make certain that individuals receive the medication that they need.

MURRAY:

Well, lemme tell you about my constituent Shannon (ph). Shannon (ph) has endometriosis. It's a common health condition impacting women.

And she said, and I quote, "No copay birth control is an essential tool, helping women like me, with endometriosis who otherwise would have to live with chronic pain."

So no copay birth control was extremely important to her. She just wants -- you know, women are really deeply concerned about the impact this election could have on their access to healthcare that they need. I have heard from many of them.

And according to Planned Parenthood demand for IUDs, which is a form of long lasting contraception, is up 900 percent since the election. So I wanna ask you, will you commit to ensuring all 18, FDA-approved methods of contraception continue to be covered so that women do not have to go back to paying extra costs for birth control?

PRICE:

What I will commit to and assure, is that women and -- and all Americans need to know, that -- that we believe strongly that every single American oughtta have access to the kind of coverage and care that they desire and want. And that's our commitment and that -- that runs across the board.

MURRAY:

Well, lemme be clear, birth control is an essential part of women's healthcare and if you are confirmed, I will be holding you accountable for that.

I also wanted to ask you, I'm deeply concerned about the impact of your policies would have on women, obviously. And in particular, women who've often faced barriers to accessing the healthcare they need.

According to HHS data, since the ACA became law, the percentage of Black women who report not having a regular doctor dropped by nearly 30 percent, while that measure for Latinas fell by almost 25 percent.

Your healthcare repeal bill and your budget proposal to cut a trillion dollars from Medicaid, would disproportionally hurt women of color for their compounding disparities and access to healthcare and undoing progress that was made in the Affordable Healthcare Act.

Are you committed to ensuring that women of color maintain access to quality affordable Medicare?

PRICE:

Senator, I appreciate it, I don't agree with the premise. The program that I support and that I believe the president supports, is to make certain that every individual has access to the kind of coverage that they want.

Nobody wants individuals to -- to not have the opportunity to see the doctors that they want, to get the kind of care that they want, at a price that's affordable and that's of the highest quality. That's what we believe in and I hope that -- that we'll be able to work together to achieve that goal.

MURRAY:

Well, the Office of Minority Health was reauthorized as part of the ACA. So will you commit to maintaining and supporting this office and its work?

PRICE:

I will commit to -- to be certain that minorities in this country are treated in a way that makes certain, makes absolutely certain, that they have access to the highest quality care.

MURRAY:

So -- so you will not commit to the Office of Minority Health being maintained?

PRICE:

I think it's important that we -- that we think about the patient at the center of all of this. Our commitment, my commitment to you, is to make certain that minority patients and all patients in this country have access to the highest quality care...

MURRAY:

But in particular, so you won't commit to the Office of Minority Health...

PRICE:

We -- look, there are different ways to handle things. I can't commit to you to -- to do something in a department that one, I'm not in, I haven't gotten...

(CROSSTALK)

MURRAY:

But you will be.

PRICE:

And -- and -- what (ph)?

MURRAY:

You will be and...

PRICE:

Lemme -- lemme put forward a -- a possible position that I might find myself in. The individuals within the department come to me and they say, we've got a great idea for being able to find greater efficiencies within the department itself. And it results in merging this agency and that agency and we'll call it something else. And we will address the issues of minority help in a big --

(CROSSTALK)

MURRAY:

Let me ask you just as you one final question. As you are aware that black -- are you aware that black, Latino, American Indian, Alaska Natives are almost twice as likely as white people to be covered under Medicaid? Do you think it's responsible to propose cutting trillions of dollars in funding without a credible alternative to replace it for those -- ?

PRICE:

Again I disagree with the premise, the solution that we have would insure that every single American, regardless of their health status and regardless of their economic status have the ability, financial feasibility to purchase the kind of coverage that they want.

MURRAY:

Well I -- I have a few seconds left Mr. Chairman, as you can see we have members here who also have additional questions. I am deeply troubled by a number of responses. We have a lot of families who are very, very, very concerned since this election what will happen to them personally. We've outlined some of those and I hope that Congressman Price as we will have a significant number of questions from our colleagues that you will fully submit them for the record.

PRICE:

Thank you.

ALEXANDER:

Thank you Senator Murray. Dr. Price, I want to thank you for being here. I only have a few comments. I don't have additional questions. I was reflected back on Sylvia Burwell's appearance before this committee, and how impressed I was with her appearance. I think you have done as well. I -- I've also been impressed with her performance in the job, because while I disagree with a number of the policies she's taken. She's gone out of her way to adopt the same tone that I've

heard from you today, which is to try to accept and work with people with different points of view and see if we can come to a consensus. So I thank you for that and I'm impressed with your beginning and I appreciate your being here today. Based upon the figures I have, you've just endured the most extensive questioning of any Secretary of Health and Human Services since 1993.

Because of the round of questioning, Secretary Burwell was in the hearing for two hours and 10 minutes, Sebelius for two hours and 28 minutes, Daschle for two hours and 10 minutes, Leavitt less than two hours. I don't have it for others, you've been here nearly four. And next Tuesday, you'll go before the Finance Committee which will vote on whether you go forward to -- to the President. I'm very hopeful that your tone will -- will help us come to a conclusion and a consensus in this very important area of providing concrete practical alternatives to give Americans access to healthcare they can afford. I was reflecting last night on the hearing and today, they've been pretty testy. We often have strong opinions here because we have differences of opinions. But I think that's the reflection of one, the election over the past year, which became very uncivil, more so than I liked, and Republicans can take our share of the blame for that.

But also, this issue, which for six years we've been going at it like the Hatfields and McCoys in West Virginia until almost we've forgotten who killed who in the first place and we don't know, you know, we're not absolutely clear what we're fighting about. So it -- it would -- it would take a bedside manner such as you have to lower the temperature as Senator Kaine suggested. He had 12 Democrats, he was among 12 Democrats who wrote a letter suggesting they were willing to -- to work with Republicans as we go forward. I think it will take a little while to lower that temperature, just because we spent six years as the Hatfields and McCoys, but I'm committed to trying. That's the way we used to work in the committee on very contentious issues and I'd like to get away from the testiness of last night and today and back toward -- back toward the way we've -- we've learned to work.

A couple of other things, I hope those watching are reassured by what they heard from you. What I heard from you, I believe I'm correct about this, is that we intend to repair the damage of Obamacare and that would eventually mean repealing parts of it, major parts of it. That, that won't become effective until there are practical concrete alternatives in place to give Americans access to healthcare.

In other words, we don't want to pull the rug out from anybody, and I'm sure that's a shared -- a shared view. You've talked some about the importance of March the 1st. One thing we have to work together on is what do we do about the individual market? And the fact that 1/3 of the counties, there's already just one insurer for people with Obamacare subsidies and we don't want to get into a situation later this year or in 2018 where there's, you know, as I said, it's like having a bus ticket in a town with no buses. So we may have to do some things on both sides of the aisle we wouldn't normally do during this transition period, to make sure that -- that insurers are willing to sell into the market so these 11 million people continue to buy insurance hopefully for more than one person.

I think it's also become clear that the timing that we've talked about has yet to be resolved really, and sequencing is as important almost as the policy. I mean, how do we get from where we are to

where we eventually hope to go. And the way I think about it, is that we go to work immediately on what I call a collapsing bridge, repair it. That's the individual market, make sure that people aren't hurt by it and then work together to build new bridges and then close the old bridge only when we have new bridges up. I think we can make most of the decisions about the quote, "replacement" or replacements or the new systems, new bridges in a relatively short period of time. We've been working on this for years. We have our opinions. We ought to be able to sit in a room and come to a conclusion. In my opinion then, it will take several years to actually implement those decisions, because in many cases we'll be transferring responsibility to states and consumers will want to do that after talking with governors and insurance commissioners

Do it on a schedule where states can accept their legislatures sometimes only meet every two years. So making decisions promptly, making them together, if we possibly can, and then implementing it -- implementing it step by step and carefully so that people are able to have access to lower cost insurance is what I hope I've heard today. And one other thing, Senator Cassidy, Senator Whitehouse, several members of this committee, maybe all of us, worked very hard, I know Senator Murray did as well on trying to deal with the Electronic Healthcare Records and meaningful use. At Vanderbilt, which was an early adopter of the Electronic Healthcare Records said stage one was very helpful. Stage two they could deal with and stage three was terrifying. And -- and I had hoped that we could delay stage three and I thought that maybe could be as simple as saying to the physicians and providers of the world, look if you're a doc and you're spending 50 percent of your time filling out forms, than either you're doing something wrong or we're doing something wrong. And let's work together for the next couple of works to -- to see if we can get that down to a manageable level and create an environment where physicians and providers can spend their time talking instead of typing.

So you've got a bi-partisan consensus here to work on that, at least we did last year when we passed the Cures Bill, which had a number of provisions in it. We had six hearings on the subject and I invite you to work with us, if you're confirmed, to -- to -- to complete that. Senators wished to ask additional questions of our nominee. Questions for the record are due by the close of business on Friday, January 20th. For all other matters, the hearing record will remain for 10 days. Members may submit additional information for the record within that time. The next meeting of our committee will be an executive session on January 24th at 10 a.m., which has already been noticed. Thank you for being here today. The committee will stand adjourned.

PRICE:

Thank you Mr. Chairman.