

# HEALTH CARE CHARGE AND RESPONSE

## GENERAL MESSAGING:

**Charge:** House Leadership drafted a secret bill and refused to let anyone else see it. Now they are ramming the bill through without proper transparency.

**Response:** *That is ridiculous. Energy and Commerce Committee members and staff drafted and refined legislative language reflecting the concerns of our constituents and the mandate from voters to repeal and replace Obamacare. Working collaboratively with other committees, our counterparts in the Senate, and the White House, we just finalized a bill that is now public and available for every American to go and read.*

*Unlike Obamacare's 2000+ pages, our bill is under 100 pages. And unlike Obamacare, members will have a chance to read and understand what they are voting on. And unlike Democrats, we will be transparent throughout the legislative process.*

**Charge:** Republicans are going to markup their bill without a CBO score.

**Response:** *It's typical that CBO does not score a bill prior to committee markup. We expect CBO to produce a score prior to any final legislation's consideration on the House Floor as is common procedure. In fact, in 2009, Energy and Commerce Democrats did not have a CBO score when they marked up their health care bill.*

**If pressed:** *We have been working with CBO and other economists and experts to better understand all of the provisions members have discussed as part of this legislative process.*

**Charge:** The Republican health care repeal bill will make America sick again.

**Response:** *If anything, it is Obamacare that has made America sick. It was forced upon the American people and failed on its own promises. It is amazing that Democrats are in such denial about how much harm the law they enacted has caused and how many patients and families it has hurt. It's cost jobs and drives down wages while driving up premiums and deductibles. It's forced people to buy expensive insurance they cannot afford to use. We have heard the concerned and scared patients loud and clear over the past few elections, and we will do what they sent us here to do – clean up the mess that is Obamacare and rebuild our health care system into one that works for them, not one directed by bureaucrats in Washington.*

**Charge:** Repealing Obamacare will cause chaos in the health care markets.

**Response:** *Obamacare has been the definition of chaos from the very beginning. Hard-working American families have fewer choices than ever before, and costs continue to skyrocket as insurers flee the failing Obamacare marketplaces. Five entire states will have only one insurer – Alabama, Alaska, Oklahoma, South Carolina, and Wyoming. Even worse, one third of U.S. counties have only one insurer this year. Only five of the 23 CO-OPs remain in business, wasting billions in hard-earned taxpayer dollars. Obamacare has failed and the middle-class people are stuck paying higher costs. We are here to clean up the mess and rebuild our health care system a Better Way.*

**Charge:** Repealing Obamacare means 30 million Americans would lose their insurance.

**Response:** *Do not let these scare tactics from the Democrats fool you. The Washington Post's Fact Checker, hardly a conservative news source, recently wrote how this number is highly suspect. Further, much of Obamacare's new coverage came from the expansion of Medicaid, where many who 'gained' coverage were already eligible for the program. Others who had private insurance were forced onto the Obamacare exchanges.*

*And the majority of Obamacare's coverage expansion comes from a federal requirement that allows the IRS to fine Americans who do not buy government-approved health coverage. Even more, these deceptive Democrat claims wrongly assume Republicans will not rebuild our health care markets to better serve patients. We will not pull the rug out from anyone as we get rid of Obamacare and rebuild our health care system.*

**Charge:** The Republican plan will put big insurance companies back in charge of Americans' health care by repealing patient protections for every American who has insurance.

**Response:** *False. We will protect patients and families from insurance companies dropping coverage. Our solutions also provide new and innovative safeguards so that patients are not charged more than standard rates – even if they are dealing with a serious medical issue. Our plan will also return flexibility to states – closer to patients and the health care providers who help keep their communities healthy because health care is unique in every neighborhood across our country. Our legislation will eliminate Obamacare's individual mandate that was pushed by some insurance companies when Obamacare was debated back in 2009.*

**Charge:** Repealing Obamacare will increase out-of-pocket costs for American families.

**Response:** *Under Obamacare, patient out-of-pocket costs have continued to skyrocket - not only for those on the exchanges, but also for all patients. Obamacare failed to fulfill its own promises to cover every American and reduce health care spending by \$2,500 a family, and sick patients are the innocent victims of this lie. Our country was built on the idea of individual liberty and freedom. Being forced to buy a product with government-dictated benefits at a Washington-demanded cost conflicts with the very fabric of our country's values. This is why our health care solutions start with what is best for health care consumers. We put patients and their providers back in charge and will force insurance companies to compete for your business.*

**Charge:** Repealing Obamacare means people would lose access to preventive health care.

**Response:** *Republicans fully support innovation in health care and preventative services that help people maintain healthy lifestyles. This is why we believe that keeping health insurance is just as important as getting health insurance. Today, Obamacare penalizes patients for not having health insurance. But this penalty does not prevent patients from getting sick. Our plan incentivizes and rewards patients for keeping health insurance. To be sure – even if a patient is dealing with a serious medical issue, they will never be charged more than standard rates as long as they maintain coverage.*

**Charge:** Republican health care proposals would cause premiums to spike for Americans across the country.

**Response:** *Obamacare has caused premiums to skyrocket across the nation, up about 25 percent on average this year. Ask a middle-class American what's happened to their premiums and their deductibles. Enormous increases have left many families paying for insurance that they cannot afford to use. Even worse, the Obama administration has effectively locked in more expensive plans for both this year and next year, sneaking in the 2018 coverage mandates three days before President Trump took office. Working together with the Trump administration, our shared goal of helping patients and families will clean up the Obamacare mess, and put into place new and innovative ideas that aim to lower premiums.*

**Charge:** Republicans would have us return to the days where simply being a woman was considered a pre-existing condition, and would cut off coverage for vital women's services such as birth control and mammograms.

**Response:** *This is false. Our plan does not eliminate the standard that women and men are treated equally when it comes to cost. And we do not remove access to preventative and screening services, like mammograms, gestational diabetes, breastfeeding support and counseling, and well-woman visits, to name a few.*

**Charge:** Americans with a mental health condition will be turned away from treatment and lose the newly gained care and support they count on.

**Response:** *These kinds of scare tactics are why Democrats have lost the trust of patients and families across our country. We will protect the most vulnerable among us. Look no further than the Republican-led – and broadly bipartisan – 21<sup>st</sup> Century Cures Act. This new and innovative law includes a comprehensive mental health package that is the result of years of conversations with patients fighting mental health conditions, battling substance use disorders, and families supporting their loved ones who just need a little help to get through this difficult – and often very emotional – situation. We will not turn our back on these strong patients and families. And we will continue to fight for those with mental health and substance use disorders.*

**Charge:** Republicans want to kick millions of people off of Medicaid.

**Response:** *The Medicaid program today is a critical lifeline for some of our nation's most vulnerable patients. But the program now has three times as many people and costs three times as much as it did under former President Clinton. By expanding Medicaid, Obamacare prioritized able-bodied adults above those the Medicaid program was originally designed to help. We will not pull the rug out from anyone as we work to give states the flexibility they need to take care of those most in need.*

**Charge:** Your plan does not fully repeal Obamacare.

**Response:** *Democrats passed Obamacare through reconciliation and Republicans are going to repeal Obamacare through reconciliation. In 2015, Republicans united and passed a reconciliation bill repealing Obamacare and put it on President Obama's desk. He went on to veto the bill. This time, the GOP controls the White House and we are going bigger. We will pass the same bill from 2015 with additional "replace" elements that will lower health care costs and return power to patients and their local officials.*

**Charge:** Your plan adds people to Obamacare's rolls.

**Response:** *Our plan responsibly unwinds Obamacare's Medicaid expansion. We freeze enrollment and allow natural turnover in the Medicaid program to zero out the rolls as beneficiaries see their life circumstances change. This strategy is both fiscally responsible and fair, ensuring we don't pull the rug out on anyone while also ending the Obamacare expansion that unfairly prioritizes able-bodied working adults over the most vulnerable.*

**Charge:** Your bill cuts off funding to Planned Parenthood, who provide critical health care services to women.

**Response:** *Our plan imposes a one-year freeze on federal funding for organizations that provide abortion services. Instead our legislation increases funding for Federal Qualified Health Centers (FQHCs), which are community-based, patient-centered organizations that provide health services to medically underserved individuals. Unlike boutique clinics such as Planned Parenthoods that generally only provide reproductive health services and abortions, FQHCs provide comprehensive medical, dental, mental health and other primary care services. These services also include STD testing, cancer screening and family planning and contraceptive management.*

**Charge:** Why didn't you just take up the 2015 Reconciliation Bill again?

**Response:** *The 2015 Reconciliation Bill is the base text of our bill. We are repealing major portions of Obamacare. And after we passed the 2015 Reconciliation Bill last Congress our conference went to work on our Better Way agenda. This bill represents the culmination of that work and both we and the President have committed to not pulling the rug out from anyone as we transition from this failed law to a health care system that the American people have asked for, one that provides greater choice, lower cost, and the flexibility to choose the plan that best suits their needs.*

**Charge:** You're doing away with critical Essential Health Benefits, such as coverage for maternity care.

**Response:** Under our plan, the 10 Essential Health Benefit Categories would remain in place. But our plan allows for increased flexibility in how health insurance plans are designed. This will give consumers more choice in finding a health care plan that actually meets their specific needs and at a price they can afford.

**Charge:** Under the Republican's health care plan, mental health parity will go away.

**Response:** We do not change mental health parity, period.

## **POLICY:**

### **Coverage Numbers**

**Charge:** Your plan increases the number of uninsured.

**Response:** When CBO scored Obamacare, they projected that 21 million Americans would have coverage in 2016. Halfway through 2016, the number was half that number 10.4 million. Our plan provides every American with access to affordable coverage. Low-income individuals not on Medicaid will receive a refundable tax credit to purchase insurance (meaning they get assistance even if they do not pay income tax). States can also further help low-income Americans through a new Patient and State Stability Fund.

The majority of the coverage gains from Obamacare come from the law's individual mandate – a fine from the federal government for failing to buy government approved coverage. But evidence shows that the CBO greatly overestimated the effectiveness of the individual mandate and the numbers of Americans who would receive coverage through the exchange.

Further, the high premiums and vanishing plan options for consumers under the law show Obamacare is in a death spiral and on the verge of collapse. The status quo is simply not sustainable. We can and must do better to lower costs and provide more choices to Americans.

### **Pre-Existing Conditions**

**Charge:** Can sick Americans be charged higher premiums because of a pre-existing condition?

**Response:** Under our plan, no American can be denied coverage or charged more because of a pre-existing condition. Those protections will remain under the reconciliation bill.

**Charge:** Premiums will increase if we keep the pre-existing condition protections without an individual mandate. How does continuous coverage work?

**Response:** In order to prevent gaming of the system and help keep premiums lower for everyone, our plan would allow carriers to charge a flat surcharge on top of a premium if an individual has not maintained continuous coverage. This mechanism is similar to how Medicare Part B (physician coverage for seniors) and Medicare Part D (drug benefit for seniors) works. And employer provided health insurance, where the majority of Americans receive their coverage, already has similar continuous coverage protections.

The continuous coverage provision is important to ensure individuals cannot unfairly game the system and pay for coverage only when they have medical bills. Even under the reconciliation bill, individuals can go without coverage for sixty-three days and still maintain continuous coverage status.

The vast majority of Americans who get health care from their employers already receive continuous coverage protections. Medicare Parts B and D also use a form of continuous coverage protections. We are extending a



*similar protection to the individual and small group markets in order to prevent gaming of the system and incentivize people to get - and stay - enrolled.*

*Unlike Obamacare, our plan does not allow the IRS to fine Americans for choosing not to buy government-approved care. The IRS should not be policing your health care.*

#### Continuous Coverage

**Charge:** Isn't continuous coverage just another form of the individual mandate?

**Response:** *The individual mandate requires every American to purchase health care or pay a tax. The IRS should not be policing your health care. No one is required to buy health care or pay a tax under continuous coverage. However, if they choose to go without coverage, they will pay a late enrollment surcharge similar to Medicare Parts B and D. We are extending a similar mechanism to the individual and small group markets in order to prevent gaming of the system and incentivize people to get - and stay - enrolled. This is the difference between a mandate and a market-based incentive.*

#### Patient and State Stability Funds

**Charge:** The Patient and State Stability Fund is a gimmick that won't help low-income individuals.

**Response:** *Because of Obamacare's damaging regulations, consumers are facing few options and high premiums plans with even higher deductibles. Our plan includes grants to states to help repair the damage caused by Obamacare. States can use these funds to stabilize their insurance markets and help reduce premiums and deductibles for low-income Americans. States may also use these resources to promote access to preventive services, like getting an annual checkup, as well as dental and vision care. If a state chooses not to use the funds for their own program, their allotment would be available to help stabilize markets.*

**Charge:** Republicans are just using high-risk pools as their solution to address pre-existing conditions.

**Response:** *Before Obamacare, many states used high-risk pools to help individuals with pre-existing conditions. While some state pools worked and were well-funded, other states did not focus resources on the program – leading to waiting lists, enrollment caps, and high premiums.*

*Our plan would maintain pre-existing condition protections – with or without state action to bring back their high-risk pools. States would also have access to a new Patient and State Stability Fund to help finance solutions designed by local officials, which could include high-risk pools, to meet the unique needs of diverse communities. In the spirit of federalism, this program would give states flexibility in program design.*

#### Insurance Regulation

**Charge:** Your plan repeals important protections, like allowing young Americans to stay on their parents plan and protecting me from facing a lifetime cap from an insurance company.

**Response:** *These reforms have long been supported by Republicans and are included in our health care plan. Our plan maintains these important protections.*

**Charge:** The Patient and State Stability Fund is just a slush fund for the federal government.

**Response:** *Our formula ensures fair allocation of federal dollars, basing state funding off total health care claims, the number of low-income individuals without coverage, and the number of insurers operating in each state.*

#### Medicaid Expansion

**Charge:** You are pulling the rug out from under low income Americans by ending the Medicaid expansion.

**Response:** To responsibly unwind expansion, our plan would freeze new enrollment in Obamacare's Medicaid expansion and grandfather existing enrollees. Under the expansion freeze, individuals currently enrolled in Obamacare's Medicaid expansion would remain enrolled in the program if they otherwise remain eligible, and expansion states would continue to receive the enhanced match under current law **ONLY for** existing beneficiaries. Over time, as the individuals see changes to their income or eligibility, they will naturally cycle off the program. To protect against padding the rolls, after a date certain, states could no longer enroll individuals onto Medicaid at the enhanced match. States could continue to enroll Americans on Medicaid at their lower, traditional match rate.

**Charge:** People will stay on Medicaid longer under this plan.

**Response:** This policy unwinds Obamacare's Medicaid expansion in its current form, but does it in a responsible manner that will not pull the rug out from under individuals on Medicaid. Initial estimates suggest that all able-bodied adults—including those added at the end of the grandfathering period—will cycle off of Medicaid coverage in a 3 to 5-year time frame, because of changes in eligibility due to their life circumstances. Some governors have said they expect as many as half of their enrollees will cycle off within a year for this same reason. This freeze policy would prevent disruption for Medicaid beneficiaries, but also transition individuals to purchasing private coverage in an improved commercial market outside of Medicaid.

#### Per Capita Allotments

**Charge:** Per Capita Allotments are draconian cuts that shift costs back to states.

**Response:** Under this plan, the federal government would continue to provide matching funds for State Medicaid programs to cover each person enrolled in a State's Medicaid program. However, this policy would set limits on the federal government's spending on Medicaid, calculated by accounting for the number of enrollees overall and the capped per capita amount per eligibility category. The allowable per capita amount per eligibility category would be determined using each State's actual historical experience of the average cost of an enrollee in each eligibility group. There would be federal matching maximums per State (though a State could spend more), in each of the five main Medicaid eligibility groups: the elderly, people with disabilities, children, nondisabled, nonelderly adults, and Medicaid expansion enrollee groups. Each State's total allowable federal funding would be calculated as the product of the number of enrollees and the per-enrollee spending cap.

It is important to note that a per capita allotment is not an arbitrary limitation on the amount of money that can be spent on a specific individual in need, but creates a fair formula for determining the aggregate amount of funding the federal government will provide to a state.

**Charge:** A per capita allotment advantages expansion states.

**Response:** False. The policy would treat the expansion population as a separate group. This approach provides no advantage or disadvantage to expansion or non-expansion States. A separate eligibility category for the expansion population better tracks the costs of this population. If this population was grouped into the traditional adult population, it would increase complexity and could lead to an increase in improper payments. By creating a fifth category, it will be much more difficult for States to game the system by mislabeling traditional adults as expansion adults. This provides a level of certainty and transparency to payments for expansion enrollees. Additionally, the proposal includes a policy requiring more frequent eligibility determinations for the expansion enrollees and boosting the legal penalties against anyone caught defrauding the system by intentionally mischaracterizing enrollees in the expansion category.

*As Obamacare expansion enrollees leave the Medicaid program, the federal contribution to states would decrease. Therefore, expansion states will receive no extra advantage.*

**Charge:** The reduction in federal Medicaid spending won't really happen.

**Response:** *Many of the reforms and improvements in this bill take place in the near term and will reduce spending immediately. The per capita allotments are designed to be phased in, in a manner that is realistic for states in the short term so it is sustainable over the long run. Taken together, when enacted, the Medicaid policies represent the single largest set of reforms to the Medicaid program since its creation.*

*Most importantly, these reforms will refocus the Medicaid program on those it was designed to help, the most vulnerable.*

#### Additional Medicaid Reforms

**Charge:** Why isn't there a block grant option?

**Response:** *Based the blueprint outlined in A Better Way, this policy would apply a per capita allotment reform to every State's Medicaid program. States would still have the ability to receive a block grant for the non-disabled, non-elderly adult population through a global waiver.*

**Charge:** This package does not offer states enough flexibility.

**Response:** *Flexibility is important for States, and several policies in the proposal help permanently reduce States' Medicaid costs, create flexibility, and improve State control. Additional flexibilities may be added throughout the legislative process. However, while it is not possible to get all the flexibility States may desire through the expedited process of budget reconciliation, the Committee will work with HHS Secretary Price to ensure States get additional flexibility through an 1115 waiver and new CMMI models. In addition, the Committee is committed to increasing State flexibility through other legislative opportunities that will occur throughout the year.*

**Charge:** Non-expansion states are disadvantaged during the unwinding process.

**Response:** *To help during a period of transition, the policy provides supplemental resources to Medicaid programs **ONLY for** non-expansion States, based on a calculation of the State's population under poverty and population within the State. Similar to DSH funds, these supplemental resources can be used help provide resources to safety net providers who help provider care for Medicaid patients and the uninsured. These resources are fully-federally funded so States have stability over a multi-year period to help care for Medicaid patients and the uninsured.*

**Charge:** Low-income individuals who move off the Medicaid expansion won't be able to re-enroll at the expansion percentage of poverty if their income decreases.

**Response:** *Responsibly unwinding the Medicaid expansion means that lower-income individuals in the expansion population who move off the program will continue to be eligible for tax credits if their income decreases, but not further eligibility in the Medicaid expansion. This process is vital to assisting able-bodied working adults in purchasing private insurance while refocusing Medicaid resources towards our most vulnerable populations.*