

October 23, 2019

Dear Member of Congress,

We the undersigned organizations, representing millions of Americans from across the country, write in support of the Republican Study Committee's healthcare plan, *A Framework for Personalized, Affordable Care*. The plan demonstrates leadership on healthcare policy that has been severely lacking in Congress over the past few years.

The problems with the so-called "Affordable Care Act" (ACA), popularly known as ObamaCare, are well known. The ACA has limited the choices of health plans available on the individual market, caused health insurance premiums to increase, and reduced the quality of care, including the care of those who it was supposed to help.

Most prominent Democrats are now proposing variations on two basic approaches for health reform. The first is a "public option" that would put the federal government in direct competition with private health insurance companies. Ultimately, the federal government will be able to undercut private health insurance and further reduce health choices available to consumers. The other proposal is a one-size-fits-all single-payer healthcare system in which private health insurance is virtually eliminated, and the federal government controls all health care and coverage decisions.

The Republican Study Committee (RSC) has proposed another way, one that focuses on empowering patients with freedom of choice in their health coverage while giving states the ability to support to those need help in obtaining coverage. The result would be greater innovation, choice, and access to affordable quality care for all.

One of the most impactful provisions of *A Framework for Personalized, Affordable Care* is its major expansion in the size and role of Health Savings Accounts (HSAs). Expanding annual pre-tax contribution limits to \$9,000 for individuals and \$18,000 for a family gives individuals a greater ability to purchase health coverage at a level on par with employer-provided plans. Allowing money from HSAs to be used toward not only health insurance premiums but other services, such as direct primary care and health sharing ministries, will promote much-needed innovation and competition in the way that Americans obtain health care.

Another crucial benefit of HSAs is portability. HSA contributions and the coverage they are used to purchase are not attached to a given employer or job, which is an important feature in the modern gig economy. Similarly, the RSC's plan continues to protect the ability of those with pre-existing conditions to switch plans by expanding continuous coverage protections under the Health Insurance Portability and Accountability Act (HIPAA).

Although the ACA was sold as a means of providing coverage for people with pre-existing, high-cost health conditions, it actually succeeded in making it more difficult for people with these conditions to get the care they need. And because the ACA failed to provide for those with high health costs, it made all

insurance coverage less affordable across the board and discouraged healthier people from purchasing coverage at all (in spite of the individual mandate, while it was in effect). The RSC's plan addresses the needs of people with high-cost conditions by setting aside as much as \$17 billion per year of the ACA's subsidy funding for the states to build their own Guaranteed Coverage Pools.

The plan also eliminates many of the ACA's top-down regulations on what kind of plans states can approve and at what cost, allowing states to better hone their own insurance markets in concert with high-risk pools or reinsurance to cover high-cost individuals with the least amount of disruption to the rest of the insurance market. This builds on the concept we have seen states successfully employ under Section 1332 "state innovation waivers."

The RSC's plan to use grants to give states control over Medicaid funding can be another good step, as long as the grants give states the leeway so they can design coverage that better suits the needs of their citizens. Reforms like those in Florida and Indiana have demonstrated how states can greatly improve the quality of and access to care for Medicaid patients while lowering costs, if states are allowed the flexibility. Crucially, the plan also puts able-bodied individuals who have been covered under the ACA's Medicaid expansion on a separate path towards rejoining the individual market so that Medicaid can be returned to its focus on covering the most truly vulnerable.

Although forced to make some difficult compromises in the course of untangling the mostly government-created problems that both preceded and resulted from the Affordable Care Act, the RSC's proposal would certainly increase quality, affordability, and choice in health coverage for millions of Americans. We commend the RSC for presenting a plan that greatly furthers individual control over health coverage and promotes the principles of federalism.

Sincerely,

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