



November 29, 2016

Support the HHS Slush Fund Elimination Act to Prevent Illegal ObamaCare Bailout

On behalf of FreedomWorks' activist community, I urge you to contact your senators and ask them to support the HHS Slush Fund Elimination Act, S. 3481. Introduced by Sens. Ben Sasse (R-Nebr.), Mike Lee (R-Utah), Marco Rubio (R-Fla.), and John Barrasso (R-Wyo.), the HHS Slush Fund Elimination Act would prevent the Obama administration from circumventing Congress to bail out health insurance companies that participated in ObamaCare.

Recently, the news outlets reported that the Department of Justice was considering tapping a little known Treasury Department account, the Judgment Fund, out of which the federal government pays legal claims, to settle with health insurance companies that are suing the Obama administration to recoup financial losses incurred from health plans offered on the ObamaCare exchanges.

Meant to be a budget-neutral, transitional part of the law set to expire at the end of 2016, health insurance plans that made money were supposed to contribute to ObamaCare's risk corridors program, which would, in turn, redistribute the funds to health insurance plans that lost money. Although the law originally didn't statutorily require that the risk corridors program be budget-neutral, the Department of Health and Human Services issued a bulletin in April 2014 in which it said that it would be budget-neutral.

Health insurance companies experienced substantially greater than expected losses on the ObamaCare exchanges, asking for more money from the risk corridors program than was available, creating a real possibility of a taxpayer-funded bail out for the industry. Language was inserted into FY 2015 (Sec. 227 of H.R. 83) and FY 2016 (Sec. 225 of H.R. 2029) spending bills that explicitly prohibited the transfer of funds from Medicare accounts or any accounts funded through the spending bills to bail out health insurance companies.

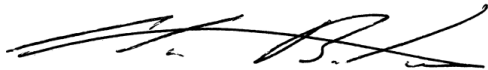
Some health insurance companies that participated in the ObamaCare exchanges and lost money are suing the Obama administration to recoup their losses. The Department of Justice's scheme to use the Treasury Department's Judgment Fund in any potential settlements with health insurance companies blatantly defies the spirit of the law. The Congressional Research Service has also issued an opinion that the Judgment Fund "would not appear to be available" for this purpose.

The HHS Slush Fund Elimination Act would prohibit the use of the Judgment Fund or any taxpayer funds to bail out health insurance companies that have incurred losses through their participation in ObamaCare.

The incoming Republican administration and the 115th Congress will bring an opportunity to repeal ObamaCare and replace it with a patient-centered alternative that will lower health insurance premiums and empower individuals to make choices that best suit their health care needs. Until then, the HHS Slush Fund Elimination Act provides protection for taxpayers and reinforces congressional authority over funding for the federal government, and thwarts yet another attempt at executive overreach by the Obama administration.

I hope that you will contact your senators and ask them to support the HHS Slush Fund Elimination Act to prevent an illegal ObamaCare bailout.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized, sweeping flourish at the end.

Adam Brandon
President and CEO
FreedomWorks