



June 26, 2020

Key Vote NO on the Patient Protection and Affordable Care Enhancement Act, H.R. 1425

On behalf of FreedomWorks' activist community, I urge you to contact your representative and ask him or her to vote NO on the Patient Protection and Affordable Care Enhancement Act, H.R. 1425. This bill doubles down on ObamaCare by attempting to force more people into both the exchanges and Medicaid while also adding on socialist-style price controls on prescription drugs. Although Democrats have made clear that Medicare for All remains their policy end-goal, this latest proposal seems to show that they are content in the meantime to continue herding patients into the existing silos that ObamaCare narrowed health care payments into.

Title I of the bill deals with the health insurance exchanges, which have been plagued by rising premium costs, increasing out-of-pocket costs to consumers, and a lack of choice in available plans across much of the country. Democrats are attempting here to make up for their dramatic error of assuming that younger, healthier people would enroll in the exchanges and bear much of the cost of the mandatory coverage packages and premium caps for older and sicker patients. Even when the individual mandate penalty was still in place, millions of Americans chose to pay the fine rather than pay exorbitant premiums for ObamaCare's bloated, one-size-fits-all insurance plans.

H.R. 1425 tries to entice more people into the exchanges by enlarging the federal insurance premium subsidies and expanding eligibility, and by dangling grant money in front of states to get them to find innovative ways to get people to join. But the stick to that carrot is that the bill also eliminates alternative means of finding cheaper insurance outside of the exchanges, by shuttering the Trump Administration's expanded 1332 waivers and both the short-term limited-duration and association health plan rules. If you use those programs and like your insurance, you can't keep it.

Another particularly troubling provision of Title I is Section 115, which directs that in states which are operating under a federally-created exchange, "the Exchange shall require each

qualified health plan offered through such Exchange to meet such quantitative network adequacy standards as the Secretary may prescribe.” This gives future administrations tremendous power to dictate how insurers establish what providers are in and out of their chosen networks, yet another vital function by which insurers attempt to contain costs.

Title II of the bill is a second swing at forcing states to expand their Medicaid programs to take on residents who are low-income but who are not part of the vulnerable groups that the program was initially designed to accommodate. Whereas the initial attempt in ObamaCare to simply make the Medicaid expansion mandatory was struck down as an unreasonable federal overreach in the U.S. Supreme Court’s infamous *King v. Burwell* decision, H.R. 1425 merely imposes a penalty in a state’s Federal Medicaid Assistance Percentage (FMAP) if they don’t expand Medicaid. This is a lesser version of the same concept, while also imposing a new and onerous reporting requirement for non-expansion states.

Once again, shoving even more Americans into Medicaid, a program with poor health outcomes that under-reimburses so badly that [nearly a third](#) of doctors won’t accept Medicaid patients, will not improve our broken health care system. Further expansions of Medicaid will also continue to overwhelm state budgets that are in many cases at a breaking point already, with state shares of Medicaid already representing their largest single budget item. Title II also expands eligibility for and makes permanent the Children’s Health Insurance Program (CHIP).

Finally, Title III moves beyond ObamaCare and sets up socialist-style price controls for prescription drugs so that Medicare drug reimbursement prices are negotiated based upon an international price index. This is substantially the same as prior attempts -- sadly often supported by members from both parties -- to impose price restrictions that would come at the cost of U.S. global competitiveness in pharmaceuticals and the ability to find new medicines and cures.

This bill, like its predecessor a decade ago, will continue to massively increase federal spending on healthcare while worsening the systemic lack of competition, transparency, and innovation in America’s government-dominated healthcare system. H.R. 1425 would help finish the job ObamaCare started, funneling as many Americans as possible into an increasingly centralized system of healthcare payment options to smooth the transition to single-payer Medicare-for-All.

FreedomWorks will count the vote for H.R. 1425 on our 2020 Congressional Scorecard and reserves the right to score any amendments, motions, or other related votes. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

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

Adam Brandon
President, FreedomWorks