



May 3, 2017

FreedomWorks Withdraws Key Vote Against American Health Care Act, H.R. 1628

After the adoption of an amendment offered by Rep. Tom MacArthur (R-N.J.) and Rep. Mark Meadows (R-N.C.) that would move health insurance reform in a conservative direction, FreedomWorks has rescinded its key vote against the American Health Care Act, H.R. 1628. We will not, however, key vote in favor of the bill.

The amendment would allow states to submit a waiver application to the Secretary of the Department of Health and Human Services for the community rating and the essential health benefits provisions of ObamaCare.

The American Health Care Act proposes changing ObamaCare's age rating requirement from 3-to-1 to 5-to-1. The amendment would allow a state to seek a waiver to expand the 5-to-1 age-rating ratio. The waiver for age rating would apply for plan years beginning on or after January 1, 2018.

A state would be allowed to seek a waiver to allow insurance companies to take the health status of enrollees into account, which was prohibited under the Affordable Care Act, provided that a state meets either has an established high-risk pool or participate in the Federal Invisble Risk Sharing Program established by the American Health Care Act.

The waiver for health status would apply for plan years beginning on or after January 1, 2019, or, in the case of a special enrollment period, for plans in the 2018 plan year.

A state would be allowed to seek a waiver to define its own essential health benefits under the Affordable Care Act. The waiver would apply for plan years beginning on or after January 1, 2020.

The Secretary of Health and Human Services would have latitude to determine the time and manner in which the waiver application may be submitted. A state seeking a waiver would be required to justify it based off of one of five criteria:

- Reducing average premiums

- Increasing enrollment
- Stabilizing the insurance market
- Stabilizing premiums for individuals with preexisting conditions
- Increasing choices for health plans offered

The application must state the period for which the waiver will be in effect. If the state is seeking a waiver or waivers for age-rating and essential health benefits, the state must specify the higher ratio desired and/or its defined essential health benefits.

We remain concerned about the outlays associated with the tax subsidies and the real possibility that repeal of Medicaid expansion will not take place on January 1, 2020. However, we are encouraged by the expansion of health savings accounts and crucial Medicaid reforms that are brought by the American Health Care Act.

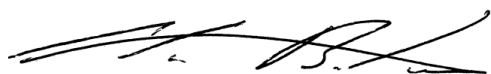
While we never expected the perfect bill, we had always hoped that any ObamaCare replacement would move away from ObamaCare's structure and toward a free market health care system. The deal struck to target these two cost drivers in Title I of the law advances this effort.

The past few weeks of drama could have been avoided if House Republican leadership had provided a more open process and sought feedback early on from House conservatives, including the members of the Freedom Caucus. With fundamental tax reform up next on the House's agenda, House Republican leadership should seek the input of conservatives to ensure that similar drama does not happen again.

We will continue to monitor the progress of the American Health Care Act over the next several days. We hope the Senate Majority Leader Mitch McConnell (R-Ky.) and Republican leadership will not make the same mistakes as their House counterparts and, instead, seek early and often input from conservatives in the upper chamber.

There are conservatives in the Senate – including Rand Paul (R-Ky.), Mike Lee (R-Utah), and Ted Cruz (R-Texas) – who we trust to ensure that the American Health Care Act reflects patient-centered, free market principles.

Sincerely,



Adam Brandon
President
FreedomWorks