



Coalition to Congress: No Obamacare Bailouts

March 12, 2018

Dear Members of Congress:



On behalf of our organizations and the millions of American taxpayers we represent, we write to express our strong opposition to taxpayer bailouts for private health insurance companies. We especially oppose including such bailouts in any upcoming spending bills.



Proposed “solutions” to Obamacare’s rising costs, such as providing new federal funding for risk mitigation programs (like “reinsurance” and “invisible high-risk pools”) or cost-sharing reduction subsidies are bad ideas. These proposals are costly, likely to become permanent, and unnecessary. Worst of all, bailout payments keep the failed Obamacare infrastructure in place and do nothing to address the real reasons premiums and deductibles are rising—the law’s regulations, mandates, and subsidy structure.



Lawmakers should not be fooled by ludicrous claims that spending new federal money on Obamacare bailouts will save the federal government money. Creating a new Obamacare corporate welfare program will increase government spending. Nor should lawmakers fall for the argument that bailouts are only temporary. The same insurers who are lobbying for bailout money this year will be back again when funding expires, threatening to withdraw from the exchanges or raise premiums if bailouts aren’t extended.



Bailouts are unnecessary. States can already establish risk mitigation programs by obtaining federal waivers. Alaska’s “reinsurance” waiver reduced premiums in its first year without requiring a single new dime in federal spending. Instead of creating new Obamacare spending, Congress should make it easier for states to obtain budget-neutral waivers.



Americans deserve relief from Obamacare’s damage and rising premiums through real reform, not ill-conceived policies like bailouts that simply paper over the underlying causes.



Lawmakers should fulfill their longstanding promise of repealing and replacing Obamacare, not setting the dangerous precedent of

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bailing it out. President Trump's budget endorsed a fresh approach to jumpstart this process. This proposal provides a path towards providing much-needed relief from many of Obamacare's cost-raising mandates and instituting consumer-friendly reforms.



We, the undersigned organizations, urge all members of Congress to repeal and replace Obamacare and to reject taxpayer bailouts for Obamacare and private health insurance companies, particularly in upcoming government spending bills.

Sincerely,

Michael A. Needham, CEO
Heritage Action for America

Adam Brandon, President
FreedomWorks



David McIntosh, President
Club for Growth

Brent Gardner, Vice President of Government Affairs
Americans for Prosperity

Nathan Nascimento, Executive Vice President
Freedom Partners Chamber of Commerce



David Williams, President
Taxpayers Protection Alliance

Heather R. Higgins, CEO
Independent Women's Voice



Iain Murray, Vice President for Strategy
Competitive Enterprise Institute



Allen Johnson, Director of Government Affairs
Council for Citizens Against Government Waste

Dan Caldwell, Executive Director
Concerned Veterans for America

Jonathan Bydlak, President
Coalition to Reduce Spending



David Barnes, Policy Director
Generation Opportunity

Daniel Garza, President
The LIBRE Initiative

Phil Kerpen, President
American Commitment



Norm Singleton, President
Campaign for Liberty