



HOUSE REPUBLICAN

HEALTHCARE WORKING GROUP

Providing Off-Ramps from Obamacare in the Wake of *King v. Burwell*

Courtesy of the House Republican Working Group

The Need to Act

In June, the Supreme Court will make its decision in *King v. Burwell*. At issue is whether the administration illegally extended premium subsidies to plans bought on the federal exchange. If the Court declares these subsidies illegal, millions of people's coverage will be at risk. Governors of the affected states will face two bad options: Either set up a state-based exchange and expose their citizens to a load of complex and costly regulations and taxes, including the reinstatement of the employer and individual mandates. Or, do nothing and let their citizens suffer the consequences of the administration's overreach.

We propose a better solution: Let states opt out of Obamacare, and give families financial assistance and market reforms to make health care more affordable and patient-centered.

Financial Assistance

Provides support for the purchase of health care coverage:

- Offers an advanceable refundable tax credit with which people can buy insurance approved by a state insurance commissioner.
- Allows families to apply the credit toward a wider range of plans, not be limited to those on the federal exchange.

Lowering the Cost of Health Care

Allow states to opt out of the current system and opt into our patient-centered one. In participating states, we make health coverage more affordable by repealing the costly insurance mandates and regulations imposed by the President's health care law and by strengthening provisions that protect individuals and their families. In participating states, our plan:

- Repeals the individual mandate
- Repeals the employer mandate and its related reporting requirements
- Prohibits insurers from imposing lifetime limits on benefits
- Guards against insurers unfairly cancelling coverage
- Protects Americans with pre-existing conditions
- Guarantees renewability for those who are continuously enrolled in a plan

- Extends dependent coverage to those 26 or younger, unless a state decides otherwise
- Enables workers to move from employer-sponsored insurance to individual plans without the fear of being priced out of coverage
- Empowers small businesses and other groups to band together to increase their bargaining power with insurance companies
- Expands access to consumer-focused health care financing mechanisms like health savings accounts
- Permits Americans in one state to buy health insurance approved by another state and for states to band together in compacts.

Providing State Flexibility

Our proposal will ensure that Americans have access to affordable, high-quality health care. While the President's health care law relies on expensive federal mandates and regulations that raise the cost of insurance, particularly at the expense of the young and healthy, our plan:

- Allows states to implement rules that make sense in their markets.
- Funds high-risk pools and other state-based initiatives aimed at expanding coverage and helping Americans with costly medical conditions.

Instead of the broken promises of Obamacare, these reforms will ensure that Americans have access to high-quality health care that is affordable. We look forward to building upon these ideas and working with our colleagues in the House and Senate, health care experts across the spectrum and, most importantly the American people to advance these reforms.