February 22, 2018

Dear GOP Members of the Texas Congressional Delegation:

While Congress has made progress in repealing provisions of the Affordable Care Act (ACA), several particularly onerous provisions of the law continue to burden Texas's health care system by driving up costs and placing an unnecessary drag on innovation. In the absence of full repeal of the ACA, which I endorse, I urge you to act swiftly to repeal the health insurer fee, the medical device tax, the risk corridor program, and the prohibition against the expansion of physician-owned hospitals—key elements of the ACA—with repeal measures pending before Congress.

The Health Insurer Fee (HIF) is an excise tax, which drives up the costs of health insurance for all Americans. This fee distorts the market by exempting carriers with lower net premiums and certain nonprofit carriers. The fee is also a drain on state general revenue since it is assessed against many of the premiums paid to health insurers providing coverage to Medicaid and Children’s Health Insurance Program participants, and those premiums are funded in part by the state. The balance of those premiums is funded by the federal government, which creates the situation of the federal government taxing itself. Support the repeal of the HIF through H.R. 246 by Congresswoman Noem or a similar proposal.

Texas is a leader in the development of groundbreaking, lifesaving treatments and health care technology. Texas is also home to some of the largest medical device manufacturers and related research companies that revolutionize our ability to live longer and be healthier. Nearly 100,000 Texans are employed either directly in the industry or in fields related to medical device development and sales. The medical device tax diminishes investments in innovative research, forcing corporations to reduce expansion and job creation, as well as harming patients’ ability to access lifesaving technologies. Support the repeal of the medical device tax through S.108 by Senator Hatch and H.R. 184 by Congressman Paulsen.

The ACA’s risk corridor program provides taxpayer-funded bailouts for health insurers who participated in ACA health insurance marketplaces from 2014 to 2016 and who incurred larger than expected losses. Texans, like most Americans, are already burdened by increasing health insurance costs as a result of the ACA. They should not be forced to provide additional financial support to health insurers to compensate for the ACA’s crippling effect on the free market.
Support the repeal of the ACA provision that created the risk corridor program through S.147 by Senator Rubio. In addition, support any other proposals that affirm that the risk corridor program was revenue neutral and that prohibit making back payments under the program from taxpayer funds.

The ACA’s general prohibition against the expansion of existing physician-owned hospitals has prevented patients across the country from obtaining access to quality, affordable health care. In Texas, the effects of this prohibition have been acutely felt in the wake of Hurricane Harvey. In Houston, East Houston Regional Medical Center has permanently ceased operations as a result of damage sustained during the hurricane. Because of the prohibition against the expansion of physician-owned hospitals, nearby CHI St. Luke’s Health-Patients Medical Center cannot expand its number of beds and supporting services to accommodate the needs of the communities previously served by East Houston Regional Medical Center. Elsewhere in Texas, the prohibition against the expansion of Doctors Hospital at Renaissance and other physician-owned hospitals has contributed to the shortage of available quality health care in the Rio Grande Valley. Support the repeal of ACA’s restrictions on physician-owned hospitals through H.R. 1156 by Congressman Johnson and S.1133 by Senator Lankford.

While these steps will not fix the underlying problems with Obamacare, repeal of these provisions will help recede the federal government’s grip on our health care system, which is crucial to all Texans.

Sincerely,

Greg Abbott
Governor

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