



June 2, 2017

The Honorable Tom Price, M.D.  
U.S. Department of Health and Human Services  
Washington, D.C. 20416

Dear Secretary Price,

During the debate over the American Health Care Act (AHCA) earlier this year, members of Congress and the Trump Administration indicated that the bill was just the first of three phases to repeal Obamacare and reform our health care system. We continue to call on lawmakers to pass these measures, but as the Senate considers legislation we encourage you to launch Phase II without any further delay.

In a news release on March 7, your department [stated](#) that the second of those phases would come in the form of “administrative actions that will create a healthier insurance market and alleviate the burden the current healthcare law imposed on Americans.” In a press conference that same day, you [explained](#) that if Obamacare’s multitude of rules and regulations “harm patients or increase costs, then obviously they need to be addressed.”

Obamacare’s harmful regulations are putting access to affordable health care out of reach for millions of people. As a recent [report](#) from your department showed, average individual market premiums have doubled in the last four years during which these regulations have taken effect. These skyrocketing costs represent a massive burden on ordinary Americans. President Trump is right; Obamacare is “[exploding](#).”

Undoing all the damage caused by this onslaught of rules and regulations will surely take time, and we commend your efforts to begin delivering relief through your market stabilization rule and by making it easier for states to apply for [innovation waivers](#) from certain Obamacare requirements. However, while the pace of Congress’ work to repeal Obamacare is slow, there are several other Phase II actions your office can take that do not depend on, and should not wait for, final passage of a bill.

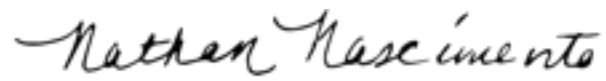
- **Loosening Obamacare’s Choice-Stifling Coverage Mandates:** These mandates, as defined in Section 1302(b)(1) of Obamacare, deprive patients of choice when it comes to the types of benefits they need and want. Loosening these mandates would drive down the cost of insurance and would give millions of Americans the freedom and flexibility to choose the type of coverage that truly meets their unique needs.

- **Offering States More Flexibility From Obamacare’s Regulations:** Building on HHS’ initial efforts to make it easier for states to apply for 1332 waivers from certain cost-increasing Obamacare requirements, the department should expand the list of regulations that states may choose to opt out of. This would create new and more affordable plan options for patients who are struggling with Obamacare’s higher costs and fewer choices.
- **Undoing Regulations That Limit Short-Term Insurance Plans to Three Months:** Short-term insurance plans are affordable solutions for those who are either in between coverage options, traveling out-of-network, or looking to fill gaps in their primary coverage. Undoing Obamacare’s restrictions on these plans would create more affordable options and provide Americans with more choices in the type of coverage they are able to select.
- **Relaxing Obamacare’s Minimum Actuarial Value Rule:** By forcing insurers to pay for a higher percentage of covered services, Obamacare’s Minimum Actuarial Value Requirement eliminates more affordable plans and drives up prices. A recent Heritage Foundation [report](#) estimated that this requirement “increased the cost of the least expensive plans by an average of 8 percent.” Relaxing this rule through previous rulemaking was a good improvement, and further action would provide relief to Americans in the form of more affordable options.
- **Easing Obamacare’s Medical Loss Ratio Rule:** Obamacare’s Medical Loss Ratio requirement tells insurers how they must spend the money they earn. This [drives up prices](#) and reduces the number of choices available to patients as insurers are forced to either hike premiums to meet the minimum threshold or exit the marketplace. Easing this rule would drive down costs, encourage existing carriers to remain in the market, and make it easier for startups and other carriers to enter the market, thereby increasing competition amongst insurers.

We share your [goal](#) of “[relieving] the burden that the current healthcare law has placed on millions of Americans,” and we believe that the actions outlined above can begin to ease the pain caused by Obamacare’s failing regulatory framework.

On behalf of the members of Freedom Partners Chamber of Commerce, Americans for Prosperity, and millions of Americans suffering under Obamacare, we urge you to move ahead on the aforementioned recommendations and we look forward to working with you as you act to lower costs, give patients more options, and create more access to quality care – especially for those who are most vulnerable.

Sincerely,

A handwritten signature in black ink, reading "Nathan Nascimento". The script is fluid and cursive, with the first name "Nathan" and last name "Nascimento" clearly legible.

Nathan Nascimento  
Vice President of Policy,  
Freedom Partners Chamber of Commerce

A handwritten signature in black ink, reading "Brent W. Gardner". The signature is written in a cursive style, with the first name "Brent" and last name "Gardner" being prominent.

Brent Gardner  
Chief Government Affairs Officer,  
Americans for Prosperity