



# STATEMENT OF REPUBLICAN POLICY

March 21, 2010

**H.R. 3590, The Patient Protection and Affordable Care Act**  
**H.R. 4872, The Health Care and Education Reconciliation Act**

Families and small businesses deserve access to high-quality, affordable health coverage. Medical decisions should be made by patients and their doctors, rather than left in the hands of government bureaucrats. House Republicans have consistently offered common sense, step-by-step reforms that will lower the cost of health care in America. Unfortunately, the bill before us today achieves none of these objectives. Instead, H.R. 3590, The Patient Protection and Affordable Care Act and H.R. 4872, The Health Care and Education Reconciliation Act is a \$1.2 trillion government takeover of health care that contains special backroom deals, raises premiums, rations care, suffocates economic growth that will cost jobs, makes damaging cuts to Medicare in order to fund a new entitlement program and paves the way for federally funded abortions. House Republicans strongly oppose the bill for these reasons.

The American people have rejected this bill precisely because it taxes too much, spends too much and increases premiums too much. This legislation contains a host of new taxes totaling \$569.2 billion. Some of these include a new Medicare tax on wages, self-employment income and certain investment income, a new employer mandate tax that will crush small businesses, reduce wages and kill American jobs, and a new individual mandate tax, which forces Americans to purchase health care they don't want and can't afford or else pay this tax. Even worse, many of these new taxes will be used to enroll more Americans in the broken Medicaid system.

This legislation contains more than one half-trillion in cuts to Medicare, leaving seniors with reduced benefits and fewer choices. More than \$200 billion of these cuts are to the Medicare Advantage program. Currently, 11 million seniors have chosen Medicare Advantage plans as the best choice for their needs. Yet the Congressional Budget Office (CBO) has determined that almost 5 million seniors will be denied access to an affordable Medicare Advantage plan because of the legislation.

House Republicans agree with a majority of Americans who object to the federal funding of elective abortion. H.R. 3590 deviates from longstanding policy by directly funding elective abortion and directly subsidizing health plans that include elective abortion. Using accounting gimmicks, individuals who enroll in these subsidized plans will be required to pay a monthly abortion premium into a separate account that will be used to pay for them. Additionally, states that choose to opt-out of abortion coverage will subsidize abortions in states that choose not to opt-out. Under this bill, private insurance plans may also be required to include abortion coverage under the guise of "preventive care." Finally, H.R. 3590 fails to provide comprehensive conscience protections for health care providers who refuse to participate in abortion.

Under this bill, all higher education institutions will be forced to switch into the Federal Direct Loan (DL) program by June 30, 2010, subjecting students, parents and schools to a one-size-fits-all government option, eliminating competition and consumer choice. While the legislation includes language that would direct the Secretary of Education to offer job retention incentive payments to service DL loans, thousands of other private sector jobs are at-risk including jobs in loan origination, servicing, outreach and default prevention. Conservative estimates conclude that terminating the Federal Family Education Loan program (FFEL) will result in the loss of 30,000 jobs nationwide.

CBO estimates terminating FFEL will save \$61 billion from 2010 to 2019 years, but not all of the savings are directed toward deficit reduction or Pell Grants. Republicans have a proven track record in support of Pell Grant funding and remain supportive of increasing Pell Grant awards. The bill directs \$22.5 billion toward Pell Grant increases; however, the increase does not take effect until 2013 and suspends the increase in 2018.

Republicans have offered an alternative, common-sense solution focused on lowering health care premiums for families and small businesses. The Republican plan will lower health care premiums by up to 10 percent, increase access to affordable health insurance coverage, including for those with pre-existing conditions, and prevent insurance companies from dropping coverage simply because people get sick. The Republican plan achieves these objectives and decreases the deficit without intervening in the doctor-patient relationship, raising taxes on families and small businesses, cutting Medicare benefits for seniors in order to create a new entitlement program, or instituting a government takeover of health care.

*Provided by the Republican Leadership and the Committees on Ways and Means, Energy and Commerce, and Education and Labor Republicans.*

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