



Healthcare Issue Will Drive the Outcome of Arizona's Elections

Wall Street Journal predicts "Arizona Suburbs show the Opportunities, risks of Health care as Political Issue"

By: Yavapai County Republican Party

July 31, 2019

Key Points:

- We believe healthcare is an individual responsibility, not a human right.
- We believe every citizen and legal resident deserves a simpler, more transparent, and stable healthcare system.
- We believe the healthcare system should provide safeguards for people with pre-existing conditions and/or are not able to care for themselves.
- Today virtually every America receives a government healthcare subsidy whether It be in Obama care subsidies, tax exempt employer provided health insurance, or government provided single payer government run health insurance.
- Today more than 115 million people, one third of the country's population are enrolled in socialistic single-payer programs.
- On the private insurance side, approximately 159 million Americans get their insurance through their employers.
- Several states have tried to implement single-payer systems and failed.
- Short-term insurance plans are available now as alternatives to ObamaCare.
- In Arizona, short-term plans are available for 185 days, renewable once for an additional 180 days.
- There are numerous bills pending to restructure or reform healthcare.
- The Wall street Journal sees healthcare as, possibly, the deciding issue in the 2020 election.
- Included (attached) to this paper is Congressman Paul Gosar's Issues Paper on healthcare

The Yavapai County Republican party believes health care is an individual responsibility, not a human right; we further believe that every citizen and legal resident deserves a simpler, more transparent, and stable health care system. We believe this system should:

- Be patient centered, patient empowering and results oriented;
- offer a wide variety of choice of health care providers/solutions and a simple, easy to understand payment system(s);
- Maintains safeguards for people with pre-existing conditions;
- Fulfills society's responsibility of caring for those citizens who cannot care for themselves.

To fix this mess we call health care one has to understand our current situation.

The federal government created this monster years ago by preserving WWII-era wage controls in the form of excluding employer-sponsored coverage from taxation. Then, in 1965, they created Medicare and Medicaid on top of this employer system. And, although ObamaCare is not the originator, or biggest, of our current health care house of cards, it enlarged the government participation and interference in both the health care delivery systems and payment/insurance systems.

Since the inception of Obamacare both the health care system and health insurance industries have been on a roller coaster. For most residents of the U.S., insurance costs (premium, co-pays, government subsidies) and medical procedures and drug costs have risen substantially, as choices of medical care and insurance coverage has dwindled and caused confusion; on the other side of the coin, government participation in the market has escalated, primarily due to Medicaid expansion under ObamaCare. **Today virtually every America receives a government healthcare subsidy whether it be in Obama care subsidies, tax exempt employer provided health insurance, or government provided single payer government run health insurance.**

Today more than 115 million people, one third of the country's population, are enrolled in socialistic single-payer programs including Medicare (38 million enrollees in its single payer form), Medicaid (62 million), the Children's Health Insurance Program or CHIP (7 million), Veterans Health Administration (9 million), and other programs. ObamaCare added 8 million through its Medicaid expansion and about 8 million people receive subsidies under ObamaCare itself (not a single payer system).

On the private insurance side, approximately 159 million Americans get their insurance through their employers. These plans are not single payer, but are tax exempt and offer little, if any, choice for consumers as the employers pick the available plan(s) that often serves the employer needs first and then consumers.

Fixing the current health care mess will be a long term, gradual solution.

On the left, only a government provided single payer system is the answer, even though every attempt at it has failed. Vermont has attempted to implement a single payer plan, but the Democratically controlled state gave up in 2014 when it was discovered the plan's cost would double the state budget and raise virtually every tax in the state. California's latest attempt was abandoned when cost estimates were \$400 billion annually, again double the state's entire budget. California is not done, however. The state is under investigation by the federal government for adding 400,000 people to Medicaid ("MediCal" in California) in 2017 that were not eligible for the program. And currently, the state includes illegal immigrants up to the age of 18 in their Medicaid program and the state assembly voted in May to add all illegal immigrants up to the age of 26.

The Trump administration is working to provide other answers.

In 2018 the Trump administration allowed "short term" insurance plan to enter the market in competition with ObamaCare; individual states can modify these plans to fit under conditions within their state. Short term plans, as defined by the Trump administration, provide less feature rich plans at lower costs than ObamaCare so that consumer can buy plans that fit their needs. Similar to "catastrophic plans" before ObamaCare, buyers can forgo benefits such as mental health coverage, maternity care, or routine doctor office visits and still purchase coverage. These plans can only be purchased for one-year, but under current rules can be renewed three times for 36 months of coverage.

In Arizona, short term plans are limited to 185 days, with renewals limited to no more than 180 days. There are eleven providers of short term plans in Arizona with some plans offered being shorter than 180 days (Blue Cross Blue Shield plans, for example, are limited to 90 days with one renewal of 90 days).

Avik Roy, one of the nation's top health care analysts and writers suggest the way to achieve the goals of more competition and choice for consumers and lower costs is through a quasi-single payer system run by private businesses. He suggests we allow employers to fund tax-advantaged Health Reimbursement Accounts that workers use to buy health coverage on the local market. The Trump administration is finalizing a rule enabling this change. Roy suggest we use this approach and expand it to newly incorporated businesses. In this way, he believes we can provide more choice for consumers, free consumer/employees from plans that reward employers more than employees, and lower the cost of health care.

He further suggest we a.) convert Medicare from its single payer form into one in which enrollees receive tax credits to buy private insurance and b.) strengthen Medicare Advantage, the market based form of Medicare with consumer-driven structure and broader benefits, lower out of pocket costs and better outcomes than Medicare for "93 cents on the dollar".

Roy reports that, in addition to the Trump Administration currently working to reform drug pricing and hospital monopolies created by government run programs, Republicans are offering a number of health care reform initiatives including:

The Hospital Competition Act of 2019, introduced by Republican Congressman Jim Banks of Indiana, would restore competition to the health care market by freezing hospital consolidation which accelerated under ObamaCare, provide grants to states to implement free market reforms to increase hospital competition, end the ban on the construction of physician owned hospitals, and remove incentives to form Accountable Care Organizations that contribute to consolidated care, and other reforms.

Congressman Bruce Westerman (R-ARK) has introduced **The Fair Care Act of 2019**, which is designed to increase the number of Americans with health insurance while lowering costs. The act includes Medicare and Medicaid reforms to increase access to insurance plans while promoting solvency, promotes transparency and competition among drug and device manufacturers, discourages monopolies among hospitals, lowers insurance premiums and creates High Risk Pools to cover preexisting conditions.

Congressman Mark Meadows of North Carolina recently **introduced HR 2038, the State-based Market-Oriented Prescription Drug Negotiation Act**, “drawing on Switzerland’s framework to create a safe harbor from antitrust liability for private health insurers and to allow them to jointly negotiate with drug manufacturers”. The bill also limits further consolidation of the health care market.

The Trump re-election campaign recently signaled, according to Reuters, that they view health care as a winning 2020 campaign weapon. To be viable, however, it is thought the Republicans must effectively deal with the issues of pre-existing conditions, abortion access, the cost of health care premiums, co-pays and prescription drugs, and assure millions of Americans they will not lose their current coverage. The belief is that Democrats are “overplaying” their hand with “Medicare-for-all” and, to win in 2020 Republicans will need a replacement plan for ObamaCare.

The Wall Street Journal recently opined that Arizona was a key player in the health care arena for the 2020 election (“Arizona Suburbs show the Opportunities, Risks of Health Care as Political issue”) as indicated by the election of Senator Kirsten Sinema in the midterm election. The Journal reports that the number of uninsured fell by 34% in Arizona between 2010 and 2015 and 400,000 people obtained insurance under the expansion of Medicaid. But, as the President has noted, the state’s health insurance premiums increased by 116% in 2017 and Republicans must answer the call for reform.

This article written by Yavapai County Republican Party member Hal Bray. Mr. Bray moved to Prescott in April of this year. Mr. Bray was active in Republican Party and taxpayer organizations in California and is the founder of East County Voters for Equal Protection, a community activist group founded to adequately fund his local fire district without new taxes. Hal is also a former member of the NAACP. He is retired from AT&T where he was a Sales Director in the Government & Education Market.

- **CONGRESSMAN PAUL GOSAR, D.D.S.**
- **REPRESENTING ARIZONA'S 4TH DISTRICT**

HEALTHCARE



Before coming to Washington to be your member of Congress, I owned and operated a dental practice in Northern Arizona for more than 25 years. Serving the community as a health care provider, both by practicing and interacting with other doctors and physicians throughout Arizona, I learned the best health care is not only focused on *preventative* services, but based in the local *community*.

America needs health care reform to lower costs, increase access, and enhance patient choice, and as your Congressman, I am committed to reform that is both patient-centered and market-based. That is why I strongly oppose the [Patient Protection and Affordable Care Act](#) (ACA) also known as "Obamacare". Instead of responding to American's calls for greater choice and more affordable options in the health insurance, President Obama's colossal overhaul of the American health care system delivered a growing list of 20,000 pages of regulations that restrict choice, drive up insurance premiums and put more bureaucracy between you and your doctor.

The ACA is a maze of bureaucratic red tape, massive tax increases, handouts, and sweetheart deals for certain big corporations at the expense of others. It is the opposite of what America needs to fix its healthcare system. Since the Obama's bill was signed into law, the full implications of the Act are becoming more evident, and there is increasing bipartisan opposition to it.

The mandates and regulations included in this law have driven insurance companies out of the market and put millions of Americans at risk of losing their private individual health insurance. At least 4.7 million cancellations went out, despite repeated claims from President Obama that "If you like your healthcare, you can keep your healthcare. Period." I continue to hear from

countless constituents about how they are losing their healthcare plans, and are being forced onto the ACA exchanges with higher costs for them and their families.

I support a full repeal of the ACA and believe we must create a system which empowers patients to be in control of their health care, not one that empowers government bureaucrats. One of my first votes as a member of Congress in 2011 was in favor of H.R. 2, which sought to repeal the ACA in its entirety. Since then, I have voted 57 more times to fully repeal or defund various provisions of the law. Some may ask “Why this relentless effort against Obamacare?” It is because this law truly is a quagmire of bureaucracy that is poorly written, ill-conceived, and very costly to the average American.

As your Congressman, I will continue to work toward full-repeal of the ACA. In addition to full-repeal of Obamacare, our nation needs leaders who are working towards finding solutions to create a health care system that actually works for America. This is why I have championed several reform proposals to address our health care woes.

I will also continue to put forward thoughtful and innovative proposals to create a health care system that actually lowers the cost of services, increases competition in the market place and puts patients and their doctors first.

Competitive Healthcare Insurance Reform Act

In addition to my proposals for comprehensive reform, I have also pursued targeted action to increase competition and patient choice in health insurance. One example of this effort is bipartisan legislation that I have introduced entitled the Competitive Healthcare Insurance Reform Act. This bill would amend a section of the McCarran-Ferguson Act of 1945 which exempted the insurance industry from the Sherman Act and the Clayton Act—acts that have the purpose of ensuring fair competition. This broad exemption was intended to assist newly established insurance companies set sustainable premiums by permitting data sharing between insurance companies. However, after 70 years, it is apparent that this unbridled antitrust exemption has had an injurious impact on consumers in the form of artificially higher premiums, unfair insurance restrictions, and harmful policy exclusions. My bill is an important first step towards increasing competition in health insurance markets, and eventually will assist with ushering in broad healthcare reform. [CLICK HERE](#) to read more.

Dental Insurance Fairness Act

Too many Americans are still unable to get vital dental care ensuring good oral and overall health. As a practicing dentist for more than 25 years, and one of three dentists in Congress, I know firsthand that dental benefit plans are not serving the best interests of consumers. A rise in unfair practices which limit coordination of insurance benefits has resulted in dental beneficiaries not receiving the full coverage to which they are entitled.

As a result, I have introduced the bipartisan Dental Insurance Act. This patient-centered legislation will improve access to quality dental care and empower consumers to make their own choices regarding oral health based on what is best for themselves and their families. My bill

supports reforms that rightfully return the focus of health care to the patient, not their insurance company. [CLICK HERE](#) to read more.

Repealing the Medical Device Tax

One extremely controversial provision found in Obamacare is the medical device tax. As a result of this legislation, Section 4191 of the Internal Revenue Code now imposes an excise tax of 2.3% of the sale price of certain medical devices and defines a “taxable medical device” as “any device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) intended for humans.” The few exceptions to this broad definition are devices which are available to the general public at retail stores for individual use.

I am an original cosponsor of H.R.160, the Protect Medical Innovation Act of 2015, which would repeal the medical device tax. This bipartisan legislation passed the House on June 18, 2015, by a vote of 280-140. This tax is so unpopular that even 46 Democrats voted in favor of H.R.160. It is my hope that this bill will pass the Senate and be signed into law in a timely manner.

American Healthcare Reform Act

I am a coauthor and original cosponsor of H.R. 2653, the American Health Care Reform Act (AHCRA). This bill is a pragmatic, practical, and portable free-market alternative to the current health care system. This bill fully repeals the ACA and spurs competition to lower health care costs by allowing Americans to purchase health insurance across state lines and allows small businesses to pool together to negotiate for better rates. H.R. 2653 levels the playing field between people who receive their insurance through their employer and those who purchase it on the individual market by creating a standard tax deduction for health insurance. This plan expands Health Savings Accounts (HSA) and protects individuals with preexisting conditions.

Premium Reduction and Insurance Market Reform Act

The Premium Reduction and Insurance Market Reform Act (PRIMR Act) is another targeted bill I have introduced that will deliver real cost savings to consumers in states that chose not to set up a state exchange by addressing the three most burdensome Obamacare insurance regulations: age rating restrictions, benefit mandates and minimum actuarial value requirements. This bill will lower premiums for an estimated 21 million Americans. Only full repeal can solve all of Obamacare’s problems, but my legislation provides an attractive alternative for states and ensures that future repeal efforts and health care reforms will be built on a solid foundation.

The estimated savings this Act would bring to residents in the 34 states that chose not to set up a state exchange can be found using the info graphic [HERE](#). On average, this targeted legislation will save young people 44% on insurance premiums, while pre-retirees will still save 7%. In Arizona, these savings translate to more than \$1,000 for young-adults and over \$400 for those approaching Medicare eligibility. The PRIMR Act is endorsed by Heritage Action. [CLICK HERE](#) to read more.

House GOP Doctors Caucus

As a doctor with more than 25 years' experience in rural Arizona, I understand how the delivery of healthcare actually works in the real world. One of the primary reasons I first ran for Congress in 2010 was my frustration with the way Washington was damaging healthcare with the regulation-laden ACA. Doctors and healthcare providers have an indispensable perspective on how policies and regulation affect the delivery of health services to their patients. This is why I am a member of the House GOP Doctors Caucus. The caucus is comprised of 18 medical providers in Congress who utilize their medical expertise to develop patient-centered healthcare reforms focused on quality, access, affordability, portability and choice. We have used our combined expertise and influence to successfully remove red tape between Medicare patients and their doctors; protect seniors from dramatic rate increases as a result of the flawed Medicare "Sustainable Growth Rate" reimbursement policy; and develop numerous other pragmatic patient-centered policy proposals that have been utilized in multiple Obamacare-alternative legislative proposals. Inside the Beltway, there is a lot of lofty language about improving the healthcare system through policy and regulation, as team of practitioners with real-world experience, the Doctors Caucus is an effective source of practical policy solutions that are centered squarely on the patients we serve. Click [HERE](#) to learn more about the Doctors Caucus.