

January 21, 2014

The Honorable
Senator Marco Rubio
United States Senate
Washington, D.C. 20010

The Honorable
Representative Tim Griffin
House of Representatives
Washington, D.C. 20515

BY HAND

Dear Senator Rubio and Representative Griffin:

We, the undersigned, strongly support and endorse your efforts to eliminate the “risk corridor” payments in the Affordable Care Act that prevent participating insurance companies from sustaining Obamacare-inflicted financial losses.

Obamacare's risk corridor program is nothing more than a built-in, blank-check bailout of the health insurance companies. These annual, unlimited payments, intended to mitigate the law's effects on insurers and mask its true costs, will in fact only encourage private companies to gamble with taxpayers' money. This bailout has no policy justification except to put taxpayers on the hook for losses incurred by private corporations.

Free markets necessitate that private companies rightly keep the rewards of their own good choices, and equally they must bear the costs of their own poor choices. It is wrong for private health insurance companies to shift their financial losses onto the American taxpayer.

The Administration's enrollment reports suggest that the exchanges are attracting a disproportionate share of older people, while high premiums and out-of-pocket costs could well be deterring the healthy from signing up. If so, insurers can be expected to experience significant financial losses, perhaps running into tens of billions of dollars. While the exact budgetary cost won't be known until the exchanges have been operating for a year, we do know that it will come on top of a staggering \$1 trillion already slated under Obamacare to go to insurance companies over the coming decade.

Eliminating the risk-corridor payments would avert an additional massive wealth transfer from the American taxpayer to private insurers.

We hope you share this letter with colleagues and congressional leaders in order to build support for repealing Obamacare's built-in bailout of the insurance industry.

Sincerely,

Matt Kibbe
President
FreedomWorks

Dan Perrin
President
The HSA Coalition

Michael A. Needham
CEO
Heritage Action for America

Amy Kremer
Chairman
Tea Party Express

Jim Martin
Chairman
60 Plus Association

Heather Higgins
President and CEO
Independent Women's Voice

The Honorable Betsy McCaughey
Former Lieutenant Governor, State of New York
Author, *Beating Obamacare*

Grover Norquist
President
Americans for Tax Reform

Brandon Arnold
Vice President of Government Affairs
National Taxpayers Union

David Williams
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Taxpayers Protection Alliance

Peter Ferrara
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