

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
COMMERCE, SCIENCE, AND
TRANSPORTATION
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SMALL BUSINESS AND
ENTREPRENEURSHIP

November 19, 2013

Douglas W. Elmendorf
Director
Congressional Budget Office
U.S. Congress
Washington, DC 20515

Dear Director Elmendorf:

Over 4 million Americans have received cancellation notices from their current health care provider, alerting them that – in fact – they will not be able to keep their health plans in 2014. Understanding his promise to the American people fell short, on Thursday, November 14, 2013, President Obama announced health insurers may extend current health plans that would have otherwise been cancelled in 2014 under the Affordable Care Act (ACA). This so-called “fix” will have economic effects that warrant new analysis of Obamacare by the Congressional Budget Office (CBO).

Already, widespread reports indicate Americans struggle to even access the enrollment option on the American Health Benefit Exchange websites. Recent data released by the U.S. Department of Health and Human Services indicated that only 106,185 Americans signed up for health coverage during the first month, far short of the rate needed to reach CBO’s projected 2014 enrollment of 7 million individuals. Abysmal enrollment numbers are a warning sign that this law will cost the American people more than they ever imagined.

Insurers and actuaries are warning Americans that health insurance prices may increase because the number of sick and healthy people enrolling in Obamacare will be disrupted, resulting in an even deeper decrease in the number of Americans that sign up for health coverage through the exchanges. In a November 14, 2013 letter to Members of Congress, the American Academy of Actuaries wrote, “costs to the federal government could increase as higher-than-expected average medical claims are more likely to trigger risk corridor payments.”

The disturbing failures of the Obamacare rollout are further eroding the budgetary integrity of the health care law. It is clear now that the risk corridors’ only purpose over the next 3 years will be to serve exclusively as a taxpayer bailout mechanism for health insurance companies. Given the President’s announcement, previous methodologies the Congressional Budget Office has used when analyzing the ACA appear to be outdated and in need of revision and updating. I understand the CBO never calculated the potential costs of the risk corridor provision as part of its original Obamacare cost estimate.

Today, I introduced legislation to completely eliminate the possibility of a bailout of insurance companies by repealing section 1342 of the Affordable Care Act. I request the Congressional Budget Office update its methodology associated with estimating the budgetary effects of the Affordable

Care Act to reflect the President's actions and provide Members of Congress with a cost estimate of my legislation at the earliest possible time. Thank you for your attention to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marco Rubio', with a long horizontal line extending to the right.

Marco Rubio
United States Senator