



**Colloquy for Senator Collins and Leader McConnell
Bipartisan Health Care Stabilization Act of 2017 & Lower Premiums Through
Reinsurance Act of 2017
December 1, 2017**

Senator Collins: Mr. President, I rise today to join in a colloquy with the Majority Leader to address concerns that I have with the tax reform legislation that we are considering and to thank him for the many discussions that we have had over the past months about this bill.

I have made clear that I don't think that the repeal of the individual mandate should have been included in the tax bill. Rather, I would prefer to see the mandate issue, and the other flaws in the ACA, addressed through a series of discreet bills that can be thoughtfully targeted to correct specific problems. That said, I have long-supported the repeal of the so-called "Individual Mandate" because I do not believe that the federal government should force any American to buy health care coverage he or she either does not want or cannot afford. Eighty percent of the people who pay the penalty imposed by the mandate make less than \$50,000 a year.

Nevertheless, it appears very likely that the individual mandate repeal will be part of this legislation. Unless we take action, that repeal will almost certainly lead to further increases in the cost of health insurance premiums – premiums that are already too expensive under the ACA. Therefore, I believe that it is imperative that Congress take action to mitigate this likely premium increase.

There are two steps we can take to help remedy this situation. First, we need to pass the *Bipartisan Health Care Stabilization Act of 2017*, legislation authored by HELP Chairman Alexander and Ranking Member Murray. This legislation will not only give states critical flexibility to better manage their insurance markets, but will also provide funding in 2019 and 2020 for cost-sharing reductions received by low-income enrollees in the ACA exchanges.

Leader McConnell: From its inception, I have opposed the individual mandate because it is simply wrong for the federal government to require someone to purchase a particular product, particularly one they do not want and cannot afford. I agree that Alexander-Murray can help provide certainty and flexibility for state insurance markets in the absence of the mandate, and will support passage of the *Bipartisan Health Care Stabilization Act*, ideally prior to the adoption of any final tax reform conference agreement and certainly before the end of this year.

Senator Collins: I thank the Majority Leader for his response. Second, it is critical that we provide states with the support they need to create state-based high-risk pools for their individual health insurance markets. In September, I introduced the bipartisan *Lower Premiums Through Reinsurance Act of 2017*, a bill that would allow states to protect people with pre-existing conditions while lowering premiums through the use of these high-risk pools. That bill would create a menu of options states could use to design reinsurance programs, which in turn would be eligible for federal "seed money" grants that could leverage section 1332 "flow-through" funding to finance the programs. States may also add funds from other sources to the mix.

We know from the experience of Alaska and Maine just how effective such high-risk pools can be. Alaska's pool reduced a projected 40 percent rate increase to just seven percent this year, and is expected to contribute to a 20 percent decline in premiums next year. Maine saw similar results in its program: the Maine Guaranteed Access Reinsurance Association.

I believe that passage of legislation to create and provide \$5 billion in funding for high-risk pools annually over two years, together with the *Bipartisan Health Care Stabilization Act*, is critical for helping to offset the impact on individual market premiums in 2019 and 2020 due to repeal of the Individual Mandate.

Leader McConnell: I believe that state high risk pools are a much better alternative to federal mandates. I will also support passage of your bill and this funding to create high risk pools, ideally prior to the adoption of any final tax reform conference agreement and certainly before the end of this year.

Senator Collins: I thank the Majority Leader and I yield the floor.