

PROTECT OUR CARE

TO: Members of the Senate Finance Committee
FROM: Brad Woodhouse, Campaign Director, Protect our Care
Re: Questions for HHS Secretary Nominee Alex Azar
Date: Monday, January 8, 2018

Tomorrow, former Eli Lilly pharmaceutical executive Alex Azar will appear before your Committee to defend his nomination to lead the U.S. Department of Health and Human Services. As you know, last year, President Donald Trump, disgraced ex-HHS Secretary Tom Price, and their Republican allies in Congress waged a war on health care and tried to sabotage the Affordable Care Act at every turn. Now, these efforts are raising costs, weakening protections, and slashing coverage for millions of people across the country. Would Mr. Azar continue the President's war on health care or would he do his job and protect our care? Tomorrow, the American people deserve to hear Alex Azar answer these questions:

- 1. Almost nine million Americans have already signed up for 2018 coverage through the Affordable Care Act's Marketplaces. Doesn't this robust enrollment contradict your previous statements about the law's health, and show that the law is working for millions of Americans who have chosen to rely on it for affordable, quality coverage?**

Azar On The ACA: "Well, It's Certainly Circling The Drain." [Fox Business Network, [5/11/17](#)]

S&P Expects Premiums After 2019 Not To Have "Sticker Shock" If "No Major Regulatory Changes" Or Other Factors. "Our base-case expectation is that the individual market will stabilize at around 1%-3% underwriting margins, with insurers looking for consistency from this business line. We expect another round of premium price increases in 2019 that would include adjustments for the mandate repeal, updated regulations around short-term and association health plans, and continuous product tweaks based on the growing experience in this market. Beyond 2019, if insurers can get to a consistent, stable footing, and assuming no major regulatory changes, we expect annual premium rate increases to not cause sticker shock each year for the nonsubsidized ACA individual market enrollees. Although we expect premium rate increases to be less acute in the long term, we don't expect premiums to decline without any meaningful external support, a strong reinsurance framework, or a more fundamental change to the medical cost dynamics in the country. Premiums, after all, are a reflection of the underlying medical claims cost. Insurers will likely not lower rates if medical costs keep rising for their insured population." [S&P, [1/5/18](#)]

- 2. You have worked in business, where we often hear that the most damaging thing government can do is introduce unpredictability into business planning. Specifically, you've said that one of the laws of economics for insurance companies is the need to predict risk. Does this mean you oppose the Trump Administration's ending of cost-sharing reductions, which insurers say has led to massive uncertainty in the Marketplace and is driving up rates? How do you square your previous statements with the Administration's repeated actions that have introduced unpredictability into the marketplace? What would you say to issuers who are currently beginning to plan their 2019 footprint and offerings and are looking for signals of stability from this Administration?**

Azar: One Of The Laws Of Economics For Insurance Companies Is The Need To Predict Risk. [Fox Business Network, [5/11/17](#)]

Azar: Getting Rid Of Cost Sharing Reductions, The Individual Mandate Enforcement And Employer Mandate Enforcement Would “Hasten” The ACA’s Demise. [Fox Business, [7/31/17](#)]

Azar: Getting Rid Of Cost Sharing Reductions Would Increase Premiums By 20 Percent. “Yeah, the insurers would probably have to increase premiums by 20 percent to cover for those costs.” [Fox Business, [7/31/17](#)]

Kaiser: Insurers Factored In Uncertainty Over The Individual Mandate And Cost Sharing Reduction Payments In Their 2018 Filings. “Insurers in this market face [new uncertainty](#) in the current political environment and in some cases have factored this into their premium increases for the coming year. ...The vast majority of insurers included in this analysis cite uncertainty surrounding the individual mandate and/or cost sharing subsidies as a factor in their 2018 rates filings. Some insurers explicitly factor this uncertainty into their initial premium requests, while other companies say if they do not receive more clarity or if cost-sharing payments stop, they plan to either refile with higher premiums or withdraw from the market.” [Kaiser Family Foundation, [8/10/17](#)]

3. You said you didn’t believe the Trump Administration actively sabotaged Open Enrollment, despite the fact that every non-partisan health care expert believes that is exactly what the Administration did. The pharmaceutical industry spends hundreds of millions of dollar a year on advertising in order to educate the public and increase sales, yet you defended the Administration’s decision to cut spending by 90% and gut in-person assistance programs. Do you believe HHS has a responsibility to educate the public about HealthCare.Gov Open Enrollment, and will you commit to restoring funding in the future?

Azar On Sabotage: “I Would Disagree That There Is Any Effort To Sabotage The Program.” So how does this sit with cuts in advertising for the open enrollment period? Would he enable or sabotage the current system? ‘I would disagree that there is any effort to sabotage the program,’ Azar stated.” [Med City News, [11/29/17](#)]

Azar: Cutting Open Enrollment Advertising Made Sense. “Cutting advertising made sense, he asserted, because the budget should be the same as that involved with Medicare signups. Azar said he believed that health insurers should advertise their products instead. ‘At some point, these insurance companies have to do their own doggone job,’ he said.” [Washington Examiner, [11/29/17](#)]

Vox: “The Trump Administration Slashed Advertising Funding For Obamacare By 90 Percent.” The Trump administration slashed advertising funding for Obamacare by 90 percent and cut spending on the navigator program, which funds enrollment assistance, by 40 percent. It also ended partnerships with state-level enrollment assistance programs and groups that targeted minorities like Hispanics. President Trump also ended federal payments to health insurers, known as cost-sharing reductions, driving up premiums in many states by 20 percent or more. In spite of all that, enrollment on Healthcare.gov slid by only 400,000 sign-ups.” [Vox, [12/21/17](#)]

Washington Post Editorial Board: “Trump Ramps Up The Obamacare Sabotage Campaign.” [Washington Post, [10/12/17](#)]

The Hill: “The Trump Administration [Took] A Hatchet to ObamaCare After Failing To Pass Legislation Through Congress Repealing President Obama’s Signature Law.” [The Hill, [10/07/17](#)]

Politico: The Trump Administration “Gutted Outreach And Marketing, Slashed Funding To Outside Enrollment Groups And Left State Officials In The Dark On Key Details.” [Politico, [10/06/17](#)]

4. Do you agree that providing Medicaid to people who might be between jobs or otherwise unemployed is “soft bigotry?” Medicaid expansion has brought health care to millions and studies have clearly shown Medicaid improves America’s health, so why do you believe Medicaid expansion is a failure? As Secretary, would you push measures designed to lower Medicaid enrollment, like work requirements, or would you seek to enroll more hard-working American families by helping states that have not yet expanded their programs to do so?

Azar On If Medicaid Expansion Has Been Successful: “I Don’t Believe So.” [Zetema Project, [2/23/17](#)]

Azar On Block Granting: “I Think There’s A Lot To Commend A Block Grant Approach.” [Zetema Project, [2/23/17](#)]

Azar On Block Granting: “I Support It As Concept To Look At.” [Washington Post, [11/29/17](#)]

CMS Administrator Seema Verma: Opposition To Medicaid Work Requirements Is “Soft Bigotry.” Seema Verma, who heads the Health and Human Services Department’s Centers for Medicare and Medicaid Services, did not spare criticisms of the Obama administration and called its opposition to work requirements ‘soft bigotry.’ ‘Believing that community engagement requirements do not support the objectives of Medicaid is a tragic example of the soft bigotry of low expectations consistently espoused by the prior administration,’ Verma said in a sweeping address to the National Association of Medicaid Directors. ‘Those days are over.’ [Washington Post, [11/7/17](#)]

5. The Trump Administration has aggressively gone after women’s health, attempting to remove protections for the “pre-existing condition” of being a woman; restrict access to the essential health benefits, which include maternity care; roll back the Affordable Care Act’s requirement that insurers cover birth control without a copay; defund Planned Parenthood; and gut Medicaid, which covers nearly half of all births in the United States. Will you protect women’s health, or continue down this road of destruction?

CNN: “How Trump’s Executive Order Can Hurt Those With Pre-Existing Conditions.” [CNN, [10/14/17](#)]

Newsweek: “Trump Falsely Claims Americans With Pre-Existing Conditions Are Guaranteed Coverage Under New Health Bill.” [Newsweek, [9/21/17](#)]

CBS News: “Trump Administration Proposes Rule To Give States Flexibility On ‘Essential’ Health Benefits.” [CBS News, [10/28/17](#)]

New York Times: Trump Administration “Moved To Expand The Rights Of Employers To Deny Women Insurance Coverage For Contraception.” [New York Times, [10/6/17](#)]

Washington Post: “Trump’s Budget Proposal Aims To Cut All Federal Funds To Planned Parenthood.” [Washington Post, [5/24/17](#)]

Congressional Budget Office: Medicaid Pays For Nearly 50 Percent Of All Births. “Because the Medicaid program pays the costs of about 45 percent of all births, CBO estimates that the additional births stemming from the reduced access under this legislation would add to federal spending for the program.” [CBO, [6/26/17](#)]