



OUR VISION FOR A CONFIDENT AMERICA

A Better Way to Fix Health Care

Frequently Asked Questions

Q: How can this plan be explained in 30 seconds?

A: This is a step-by-step approach to give every American access to quality, affordable health care:

- **Lower costs.** Helps people get better health care at a lower cost by ending expensive mandates and getting rid of over \$1 trillion in taxes on health care.
- **More choices.** Provides patients with access to financial assistance to choose a plan that fits their needs, as well as more pooling mechanisms, coverage options, and access to wellness programs by getting Washington out of the way.
- **Peace of mind.** Protects those with pre-existing conditions and the most vulnerable, while ensuring every American has financial support to buy the coverage of their choice.
- **Reforms Essential Health Security Programs.** Strengthens and secures Medicare for current and future retirees, and provides Medicaid flexibility for the states.

Q: How will this plan lower health care costs?

A: This plan takes a step-by-step approach to lowering health care costs:

- Our plan delivers more patient-centered care, not more bureaucracy. More choices and competition will succeed where price controls have failed by lowering costs and increasing quality as insurers compete for business.
- Ending the open-ended tax break for job-based premiums will reduce the incentive for employers to divert compensation from wages to ever-larger benefit plans. Beyond increasing take-home pay, this shift will lower overuse of services and thereby reduce costs.
- This plan also fundamentally reforms our country's health security programs. Reforming Medicaid and Medicare's fundamentally flawed structures will reduce costs across the board and put those programs—and the federal budget—on a sustainable path.

Q: Is there legislative text? Are you going to vote on this plan?

A: President Obama isn't going to sign a law repealing and replacing Obamacare. So this is a blueprint, a vision for how to repeal Obamacare and reform our health care system. It's a starting point for future legislation. Now we are taking these ideas to the country, so the people have a clear choice between the status quo and a better way.

Q: How much will this plan cost? How much will it reduce the deficit?

A: If implemented, this set of solutions would lower costs and reduce the deficit, and it would be far better for Americans than the status quo. This blueprint is a starting point for the legislative process.

Q: But why isn't this one big bill that Congress will vote on?

A: This approach presents a bold alternative to the status quo and a foundation for multiple pieces of straightforward legislation, not a comprehensive, overly complex, and confusing 3,000-page bill. Successfully translating these ideas into action requires a step-by-step approach.

Q: Does this plan repeal Obamacare and when?

A: Yes. People have been hurt by Obamacare's disruption, so our plan also allows for a realistic, modest transition period to get our new system up and running. We can't take away people's coverage while they wait—so there is a transition period to give patients and markets stability, but it will be implemented as quickly as possible.

MORE CHOICES AND LOWER COSTS

Q: How is this tax credit to support making coverage portable any different from Obamacare's?

A: Our plan implements a flat, simple form of assistance that would grow the economy and ensure it always pays to work:

- Credits are not income-tested. As a result of Obamacare's poor design and incentives, many Americans have fallen into a coverage gap between their state's Medicaid eligibility criteria and those for the Obamacare subsidies. Likewise, many middle-class families find themselves with little or no assistance to purchase increasingly expensive health insurance. Our plan would provide assistance to them.
- Credits are available to be used on any state-approved plan, instead of being tied to the broken Obamacare exchanges.
- Credits are flat. Because they are not tied to premium costs, they will act as a check to insurers. Instead of a system that chases ever increasing health care costs with ever increasing subsidies, our plan provides a fixed amount that can be used in more places and on more choices.

Q: Are you destroying employer-based health insurance by putting a cap on the job-based exclusion?

A: No, just the opposite. Our policy is designed to protect the job-based market while still taking steps to make the tax code fairer and lower health care costs.

Q: How is this plan better than the Cadillac tax?

A: The Cadillac tax is a crude, complex, and flawed policy. And it—like the rest of the President's health care law—must be repealed and replaced. Our plan provides relief for lower-income workers relative to current law, takes into account regional variations, and exempts employees' HSA contributions from counting toward the cap.

Q: Don't changes to the exclusion disproportionately punish union workers with strong collectively bargained benefit packages?

A: The current exclusion holds down wages and tips the scale in favor of health care benefits instead of take-home pay. A more fair tax code would bring about increases in wages. This should be a welcome development for many workers, including those who are part of unions, after years of stagnant wage growth.

Q: Why does this plan impose federal caps on potential damages resulting from a medical liability case?

A: Our plan sets reasonable caps on compensation for patient injury, encouraging speedy resolution of claims, maximizing patient recovery and deferring to states' rights in the event states already have different limits on damages for such cases. Together, these reforms—which in no way deny injured patients the ability to obtain compensation for 100 percent of their economic losses—will directly and indirectly lower costs.

REAL PROTECTIONS AND PEACE OF MIND

Q: The pre-existing condition protections sound similar to Obamacare. Are you pushing price controls?

A: There are no Obamacare price controls in this plan. Our plan ensures that all Americans cannot be denied coverage on the basis of their medical conditions. If patients do the right thing and maintain coverage, they can't be charged more than standard rates—a reform that has been applied for years in the employer market. Our plan includes funding for high-risk pools and state innovation grants as another backstop to help those who are priced out of coverage.

A STRONGER MEDICARE

Q: Does this plan give back the more than \$800 billion that Obamacare raided from Medicare?

A: Our plan rescinds the most damaging changes Obamacare made to Medicare, including IPAB, the CMMI, and Medicare Advantage. It was designed with the looming insolvency of the program in mind. That's why our plan targets relief in the Medicare Advantage program.