



June 15, 2020

The Honorable Mitch McConnell
Majority Leader, US Senate
S-230, the Capitol
Washington, DC 20510

The Honorable Chuck Grassley
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Leader McConnell & Chairman Grassley:

As you consider priorities for a forthcoming COVID-19 legislative package, I urge you to reject efforts by far-left politicians to allow a government takeover of healthcare.

Liberal politicians are exploiting the pandemic to push government-run healthcare, an outcome that would move us closer toward the Left's ultimate goal of socialist, single payer healthcare. If the Left is successful, Americans will face higher taxes, healthcare shortages, and a loss of their quality, private health insurance.

If lawmakers decide to pursue another Coronavirus package, they should instead consider a temporary, targeted proposal to help recently laid-off Americans retain their employer provided health insurance through a COBRA subsidy.

This would be a vastly superior alternative to expanding government healthcare programs like Obamacare or Medicaid. It would also be a way to help Americans that have lost their jobs instead of extending the \$600 supplemental pandemic unemployment program.

COVID-19 should not lead to an expansion of government healthcare. The Coronavirus pandemic has caused business closures and a rapid decline in commerce, resulting in millions of job losses. These out-of-work Americans have also lost their employer provided healthcare.

It is possible that this loss of health coverage leads to an expansion of government healthcare in one or several ways.

First, millions of newly uninsured Americans are [signing](#) up for Medicaid, which will put pressure on federal and state budgets and could lead to a permanent expansion of the program.

Second, lawmakers are calling for a special enrollment period so that Americans can sign up for Obamacare.

Third, and most concerning, far-left members of Congress have claimed that the mass-loss of health coverage means we should directly expand government healthcare and begin to replace our private healthcare system with Medicare for All. For instance:

- Writing in [Politico Magazine](#), Senator Bernie Sanders (I-Vt.) urged Congress to enact his "Health Care Emergency Act," legislation that would use the pandemic to put us on the pathway toward his "Medicare for All" socialized healthcare proposal.
- In a [recent interview](#), Representative Ilhan Omar (D-MN) said that Congress should use the next pandemic relief legislation to begin enacting socialized healthcare, "we want to make sure that we're not just expanding COBRA, but getting emergency Medicare for All."
- In a newsletter to constituents, Representative Alexandria Ocasio-Cortez (D-NY) [called](#) on Congress to expand Medicare rather than enact temporary, targeted COBRA subsidies.

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Each of these outcomes should be unacceptable for conservatives. They would all result in millions of Americans being added to a form of government run healthcare.

This is problematic for several reasons.

First, any effort to impose socialized healthcare will lead to significant tax increases on middle class Americans. Obamacare – the most recent effort by Democrats to expand government healthcare – imposed \$1 trillion in new or higher taxes on the American people, including direct taxes on middle class families and taxes on care that indirectly increased costs on Americans.

Significant tax increases are also a key part of any Medicare for All healthcare proposal. For instance, Bernie Sanders' Medicare for All proposal [includes](#) trillions of dollars in higher taxes on the middle class including a \$3.9 trillion, 4 percent payroll tax on workers. His proposal also raises [less than half](#) of the full \$32 to \$36 trillion cost of socialized healthcare, so additional taxes on American families will inevitably be needed.

In fact, according to the Committee for A Responsible Federal Budget, [“impossibly high taxes on high earners”](#) would raise just one third of the total cost of moving to a system of government healthcare. The rest will come from the middle class.

Putting us on the pathway toward government-run healthcare will also put us on the path toward trillions of dollars in tax increases.

Second, expanding government healthcare at the expense of employer provided care will harm doctors and hospitals, creating healthcare shortages. Medicare and Medicaid reimbursement [rates](#) for healthcare providers are about 40 percent less than employer-provided care. In other words, expanding government healthcare could lead to a 40 percent pay cut for doctors and hospitals.

Expanding government healthcare will also lead to shortages of care, as has occurred in countries that already have government-run healthcare.

For instance, in 2019, The United Kingdom had a shortage of 10,000 doctors and 43,000 nurses, with [9 in 10](#) managers in the National Health Service saying that too few doctors and nurses presented a danger to patients. At any one time, 4.5 million patients were waiting for hospitalization.

Similarly, in Canada, the typical patient had to wait [a record](#) 21.2 weeks – or five months – to receive treatment from a specialist after being referred by their general practitioner in 2017.

Third, private health insurance is popular with the American people. 180 million Americans currently [receive](#) healthcare through employer provided health insurance plans and the majority of Americans are happy with this care. According to a [survey](#) by the Employee Benefit Research Institute (EBRI) and Greenwald & Associates, 81 percent of Americans were satisfied with their employer provided care including 51 percent of Americans “very or extremely satisfied” and 30 percent “somewhat satisfied.”

Similarly, a poll [released](#) by America's Health Insurance Plans found that 71 percent of Americans were satisfied with their employer provided health plan.

The Medicare for All proposals put forward by Democrats in the House and Senate would take away this healthcare. Efforts to expand government healthcare because of COVID-19 would achieve the same outcome, only slower.

Moving forward, we should be looking to build upon the private healthcare system, not replace it with more government. Given this goal, a temporary COBRA subsidy is a preferable solution to permanent expansion of government healthcare.

To be clear, a COBRA subsidy is hardly the ideal solution as it would require significant outlays at a time that federal spending has skyrocketed. However, the pandemic has caused extensive economic damage.

A temporary COBRA subsidy should also be viewed as an alternative to expanding the Democrats pandemic unemployment assistance program. This program, which was enacted in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, is subsidizing welfare over work and should be allowed to expire, as it is currently scheduled to on July 31st.

This policy provides Americans with \$600 in weekly unemployment payments in addition to existing unemployment insurance. As a result, five out of every six Americans on UI are receiving more than they otherwise would in their job, [according](#) to the Congressional Budget Office.

Because of this disincentive, the CBO predicts that an extension of the \$600 supplemental pandemic benefit will reduce economic output and lower employment. While this proposal is set to expire at the end of July, House Democrats have proposed to extend the program through January 2021.

This is the wrong approach and would continue disincentivizing work as the economy begins to reopen. Enacting COBRA subsidies to assist those that have lost their jobs is a more targeted, more appropriate policy alternative to help jobless Americans.

Conclusion

As you consider healthcare reform options for a forthcoming COVID-19 package, I urge you to reject efforts to expand government healthcare, as many on the Left have proposed.

Government healthcare will lead to trillions of dollars in tax increases, take quality, popular healthcare away from millions of Americans, and harm doctors and providers, leading to a shortage of healthcare.

As an alternative to expanding government-run healthcare, Congress should consider preserving the private healthcare market by enacting temporary COBRA subsidies. Not only is this preferable to a permanent expansion of government healthcare, it is an alternative to expanding the \$600 pandemic unemployment compensation program.

Onward,



Grover Norquist
President, Americans for Tax Reform

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