



July 30, 2021

The Honorable Ron Johnson  
United States Senate  
328 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Johnson:

**I write in support of the *Repeal Insurance Plans of the Multi-State Program Act (RIP MSP Act)*, legislation you have introduced to repeal Obamacare’s failed Multi-State Program. This “multi-state” program has failed miserably, yet still costs taxpayers millions of dollars each year. **All members of Congress should support and co-sponsor this important piece of legislation.****

ATR also applauds the existing cosponsors of this bill, Senators Wicker (R-Miss.), Hyde-Smith (R-Miss.), Toomey (R-Pa.), Lee (R-Utah), Lummis (R-Wyo.), Barrasso (R-Wyo.), Braun (R-Ind.), Cramer (R-N.D.), Lankford (R-Okla.), Inhofe (R-Okla.), Blackburn (R-Tenn.), and Paul (R-Ky.).

Section 1334 of the Affordable Care Act required the Office of Personnel Management to contract with at least two national health plans to offer coverage to Americans in all fifty states. At least one of these plans had to be a non-profit health plan. These plans were intended to compete directly with private insurance plans in each state.

Only one state, Arkansas, agreed to offer an MSP option in 2019. After spending \$54 million trying to implement this plan nationwide, 49 states and the District of Columbia declined to participate. One reason for was that insurers were concerned with meeting regulatory standards from the federal government and all 50 sets of state regulators.

The MSP had a flawed structure. Companies were not incentivized to participate and many were actively turned off by the idea of participating. At one point, OPM even attempted to entice more insurers to participate by relaxing requirements to sell statewide. Still, insurers were uninterested.

In many ways, this program is a step toward the creation of a “public option” health plan, which if fully implemented, will lead to massive tax hikes, healthcare shortages, and cause damage to healthcare providers.

This was not Obamacare’s only attempt at moving towards a public option. In 2013, the ACA had established 23 Consumer Operated and Oriented Plans (CO-OPs), nonprofit insurance plans designed to compete with health insurance companies. Today, only three of these co-ops remain. Evidently, both MSPs and co-ops are prime examples of how a “public option” might fare in the United States. Unfortunately, taxpayers had to lose billions of dollars to come to this seemingly obvious conclusion.

The MSP, specifically, was ill-advised and ill-planned. It was not subject to any congressional hearings, committee consideration, or debate. Democratic advisors at the time, like John McDonough, [described](#) the discussion around this policy as “definitely not a thoughtful, nuanced conversation.”

Still, taxpayers continue to pay for administrative costs to run this program.

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**I urge all Senators to support the RIP MSP Act to repeal the Obamacare Multi-State Program.** Not only will this important legislation repeal a failed provision of Obamacare that was a steppingstone toward the public option, but it will also save taxpayers millions of dollars.

Onward,



Grover G. Norquist  
President, Americans for Tax Reform