



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 2, 2011
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1213 – Repealing Mandatory Funding to States to Establish Health Benefit Exchanges (Rep. Upton, R-MI, and 2 cosponsors)

The Affordable Care Act made significant improvements to our Nation's health care system that are helping to improve individuals' health and give American families and small business owners more control of their own health care. These important changes include: ending the worst practices of insurance companies; giving uninsured individuals and small business owners the same kind of choice of private health insurance that Members of Congress have; and bringing down the cost of health care for families and businesses while also reducing Federal budget deficits.

As the President indicated in the State of the Union, the Administration is eager to work with the Congress to improve the Affordable Care Act by making care better or more affordable. Rather than making refinements to improve the law, H.R. 1213 simply proposes to eliminate funding. It would not advance the key objectives of the Affordable Care Act or offer alternative solutions for meeting these important objectives, and the bill may make it harder to achieve better and more affordable care. H.R. 1213 would eliminate funding for grants to States to establish State-based health insurance Exchanges in 2014.

Exchanges will allow Americans to compare prices and health insurance plans and decide which quality, affordable option is right for them. These grants are critical support to help States develop and begin operation of Exchanges that will be able to perform these functions. In fact, nearly all States have already received a Planning and Establishment Grant that is helping them determine how their Exchanges will be operated and governed. The Congressional Budget Office estimates that H.R. 1213 would deny \$1.9 billion in funding to States and that under H.R. 1213, about half a million Americans who will be insured in 2015 under current law would instead go without coverage.

The Administration will continue to work with the Congress to responsibly implement the Affordable Care Act. However, the Administration will strongly oppose legislation that attempts to erode the important provisions of the Affordable Care Act that are making health care more affordable and accessible for all Americans. If the President is presented with H.R. 1213, his senior advisors would recommend that he veto the bill.

* * * * *