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December 19, 2019

Dear Colleague:

The bill we are considering today (H.R. 1865) repeals the Cadillac Tax and the Health Insurance Tax, which were the primary funding provisions for Obamacare. The repeal of these taxes is not coupled with fiscally responsible reforms to contain the explosive growth of health care spending, rather it is a straight repeal. According to the Joint Committee on Taxation, repeal of the Cadillac Tax and Health Insurance Tax will cost the American taxpayer \$348 billion (for reference, Congress spent just over \$7 billion last year to combat the opioid crisis). This is an astronomical figure in terms of scale and recklessness to our debt. The Committee for a Responsible Federal Budget estimates that by 2049 this bill will increase debt as a percent of GDP by 10%.

Now we will have Obamacare without the revenue to pay for it. What is worse is that we gave up these taxes without any reforms to help curb the growth of health expenditures. This is a gift to everyone who wants higher insurance premiums and more spending on health care. We keep asking how those in support of Medicare for All will pay for it. With passage of this bill, they can point to our votes and say simply, "we don't need to." We are concerned about drug prices—we could pay for every seniors' Part D prescription drugs for the next four years (\$88B in 2020). A few years ago, Congress passed the landmark 21st Century Cures legislation, which modernized the FDA and greatly increased the NIH budget. That cost \$106 billion. Instead of repealing these taxes we could do *three* additional Cures reforms. The point is for \$348 billion there are so many different policies and solutions we could enact for the innumerable problems our country faces, but instead we choose giveaways for industry and lobbyists. What we are going to do today will contribute to an overall rise in health care spending, which is the principle driver of our debt and deficit.

I hope we have time to discuss this further. There are reforms that we could institute that would allow us to repeal these taxes but nonetheless still control healthcare costs. However, with the repeal of these taxes, we have lost all leverage to ask for these reforms. **Fiscal conservatives should not vote for this bill.** We should certainly not vote for cloture, which ends debate. I urge everyone who cares about our health care system and our national debt to rethink what we are doing here - it is rushed and it is reckless.

Respectfully,



Bill Cassidy, M.D.

United States Senator

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