

For Immediate Release

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## **Alexander, Thune, Hatch, 22 GOP Colleagues Call on Administration to Immediately Rescind Rule Giving Unions a Carveout from Obamacare**

*Senators say they will consider options such as the Congressional Review Act to prevent the rule from taking effect*

WASHINGTON, March 13 – Senators Lamar Alexander (R-Tenn.), Orrin Hatch (R-Utah), John Thune (R-S.D.) and 22 of their Republican colleagues today called on the Obama administration to immediately rescind its rule creating an unwarranted special carveout for some unions from Obamacare fees.

In a letter to Office of Management and Budget Director Sylvia Burwell, the senators write: “We write to express deep disappointment that your agency has approved a final rule creating an unwarranted special carveout benefitting certain unions over other Americans. We demand that the rule be immediately rescinded or we will consider using options such as the *Congressional Review Act* (“CRA”) to stop the rule from going into effect.”

The administration released a rule on March 5 exempting some self-insured health plans, such as those commonly run by unions, from Obamacare’s reinsurance fee in 2015 and 2016. The three-year, \$25 billion reinsurance fee is meant to stabilize the individual market if too many sick customers sign up for insurance between 2014 and 2016. Prior to last week’s final rule, the fee applied equally to everyone with a private health insurance plan or a health plan administered by a private insurer. Those who did not receive a special carveout will now likely have to pay a bigger share of the fee.

The senators led 18 of their colleagues in sending letters on September 18 and on November 13 asking that the administration not authorize the release of any regulation that would create a special exemption from Obamacare for labor unions.

In today’s letter, they write: “Those letters not only went unanswered, they were blatantly ignored. The American people deserve answers when their own government proposes to undermine their right to equal treatment under law. Carving out some unions from a multi-billion dollar reinsurance fee, the cost of which will ultimately be borne by every other American with private health insurance, is unacceptable.”

“Obamacare is not working. This regulation is the most recent in a long line of confusing delays, exemptions, and politically motivated crony rewards. Obamacare should be repealed and replaced with step-by-step, patient-centered reforms that drive down costs and that Americans actually want. We reiterate what we communicated to you in September: We stand willing to work with anyone who will help enact common-sense laws that could actually lower premiums and insure more people.”

The letter was signed by Alexander, Thune, Hatch, Senate Republican Leader Mitch McConnell and Senators John Barrasso (R-Wyo.), John Boozman (R-Ark.), Richard Burr (R-N.C.), Saxby Chambliss (R-Ga.), Tom Coburn (R-Okla.), Thad Cochran (R-Miss.), John Cornyn (R-Texas), Mike Enzi (R-Wyo.), Jeff Flake (R-Ariz.), Lindsey Graham (R-S.C.), Charles Grassley (R-Iowa), James Inhofe (R-Okla.), Johnny Isakson (R-Ga.), Mike Johanns (R-Neb.), Ron Johnson (R-Wis.), Mike Lee (R-Utah), Pat Roberts (R-Kan.), Marco Rubio (R-Fla.), Tim Scott (R-S.C.), David Vitter (R-La.), and Roger Wicker (R-Miss.).

**The full text of the letter is below:**

March 13, 2014

Mrs. Sylvia Mathews Burwell  
Director  
Office of Management and Budget  
301 G Street, Southwest  
Washington, DC 20024

**RE: Final Rule No. RIN 0938-AR89**

Dear Director Burwell:

We write to express deep disappointment that your agency has approved a final rule creating an unwarranted special carveout benefitting certain unions over other Americans. We demand that the rule be immediately rescinded or we will consider using options such as the *Congressional Review Act* (“CRA”) to stop the rule from going into effect. The CRA is an important backstop against executive branch excess and overreach. It is regulations such as this one that demonstrate why a Republican-led Congress enacted this law in 1996.

On September 18 and November 13, 2013, 21 U.S. Senators wrote to ask that you not authorize the release of any regulation that would create any special exemptions from Obamacare for labor unions who are now unhappy with a law they once supported. Those letters not only went unanswered, they were blatantly ignored. The American people deserve answers when their own government proposes to undermine their right to equal treatment under law. Carving out some unions from a multi-billion dollar reinsurance fee, the cost of which will ultimately be borne by every other American with private health insurance, is unacceptable.

Obamacare is not working. This regulation is the most recent in a long line of confusing delays, exemptions, and politically motivated crony rewards. Obamacare should be repealed and replaced with step-by-step, patient-centered reforms that drive down costs and that Americans actually want. We reiterate what we communicated to you in September: We stand willing to work with anyone who will help enact common-sense laws that could actually lower premiums and insure more people.

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