National Governors Association
Hall of States
444 N. Capitol St., Ste. 267
Washington D.C. 20001-1512

June 29, 2012

Dear Governors:

The Supreme Court has ruled significant parts of the Medicaid expansion of the President’s health care law unconstitutional as well as ruling that the individual mandate violated the Commerce Clause and will therefore be implemented as a punitive tax on the middle class. This presents us with a critical choice: Do we allow this reprehensible law to move forward or do we fully repeal it and start over with commonsense solutions? The American people have made it clear that they want us to throw this law out in its entirety.

As members of the U.S. Congress, we are dedicated to the full repeal of this government takeover of healthcare and we ask you to join us to oppose its implementation.

Most importantly, we encourage you to oppose any creation of a state health care exchange mandated under the President’s discredited health care law.

These expensive, complex, and intrusive exchanges impose a threat to the financial stability of our already-fragile state economies with no certainty of a limit to total enrollment numbers. Resisting the implementation of exchanges is good for hiring and investment. The law’s employer mandate assesses penalties - up to $3,000 per employee - only to businesses who don’t satisfy federally-approved health insurance standards and whose employees receive “premium assistance” through the exchanges. The clear language of the statute only permits federal premium assistance to citizens of states who create a state-based exchange. However, the IRS recently finalized a regulation that contradicts the law by allowing the federal government to provide premium assistance to citizens in those states that have not created exchanges. The IRS had no authority to finalize such a regulation. By refusing to create an exchange, you will assist us in Congress to repeal this violation which will help lower the costs of doing business in your state, relative to other states that keep these financially draining exchanges in place.

State-run exchanges are subject to all of the same coverage mandates and rules as the federally-run exchange. Clearing the hurdles of crafting an exchange that complies with the 600 plus pages of federal exchange regulations will only result in wasted state resources and higher premiums for your constituents.

Implementation of this law is not inevitable and considering more than half of the American people oppose the law, it is improbable. Join us in resisting a centralized government approach to health care reform and instead focus on solutions that make health care more affordable and accessible for every American. Let’s work to create a health care system of, for, and by the people, not government or special interests.

Sincerely,

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