

21 Limited-Government Organizations Agree: House Should Repeal Dangerous IPAB

Enact H.R. 351, The Protecting Seniors' Access to Medicare Act

January 28, 2013

Dear Representative:

We, the undersigned organizations, representing millions of Americans who seek limited government and economic freedom, urge you to enact H.R. 351, the Protecting Seniors' Access to Medicare Act. This legislation would repeal provisions relating to the Independent Payment Advisory Board (IPAB) contained in the Patient Protection and Affordable Care Act (PPACA). While each of us advocates completely abolishing the fiscally disastrous 2010 law, H.R. 351 would remove a major obstacle to consumer-based, pro-taxpayer health care reform.

Aside from its economically devastating tax increases, oppressive individual mandates, and onerous dictates for businesses, PPACA dramatically expands government's role in the health services marketplace. One way the law achieves these undesirable ends is through IPAB. Last year, a coalition of organizations led by the Doctor Patient Medical Association offered many worthy arguments against this bureaucratic nightmare, including its unjustified grant of authority and its detrimental impact on retired Americans' access to services. There are, however, additional reasons why fiscal conservatives of both parties should support H.R. 351:

- IPAB's most expedient tools for holding down Medicare costs would closely resemble price controls, which have been a proven failure here and abroad for many areas of the economy. In IPAB's case they could mean cost-shifting to non-exempt providers inside Medicare and beneficiaries outside Medicare, as well as reduced investment in researching new medical treatments that could save lives and money. Such has been the case with blockbuster drug development, which until now has advantaged the U.S. because our nation serves as an island of pricing freedom. Ultimately, the real "winner" from price controls would be big government, not consumers.
- Because its mission is defined by PPACA's framework, IPAB will focus on cost-containment measures whose scoring windows are narrow. At best, IPAB would be an institutional distraction from reforms whose highest savings might occur beyond the next fiscal year or two, such as the premium support model. At worst, IPAB would serve as an institutional impediment to progress, by relegating much of the health policy process to debating marginal changes in reimbursements.
- IPAB's mechanics would work against fiscal discipline as well as transparency. In the past, expert panels such as the military Base Realignment and Closure Commission have helped to break political logjams for taxpayers' benefit. IPAB, on the other hand, reflects Congress's worst impulses to avoid accountability to taxpayers, much in the way the Commission on Legislative, Executive, and Judicial Salaries provided cover for lawmakers to obtain pay raises without voting for them. Clearly, the American people will still blame Congress for abdicating its constitutional role to IPAB over matters affecting the fundamental well-being of patients and taxpayers.

As many of us warned several years ago, PPACA has led to adverse consequences such as higher rather than lower insurance premiums, the imposition of nearly \$1 trillion in new taxes on individuals and businesses, and a rising gross cost spiral that assumes more businesses will be trapped by penalties. Elected officials must reassert responsibility over health policy and change direction away from PPACA's government-dominated approach. H.R. 351 is a key element in this course correction, and we urge its immediate passage.

Sincerely,

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Grover Norquist
President
Americans for Tax Reform

James Valvo
Director of Policy
Americans for Prosperity

Seton Motley
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