



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

May 14, 2019
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 987 – Strengthening Health Care and Lowering Prescription Drug Costs Act

(Rep. Blunt Rochester, D-DE, and 25 cosponsors)

The Administration strongly opposes House passage of H.R. 987. This legislation includes positive steps called for by the President to lower drug prices. The legislation also contains proposals, however, that would restrict access to healthcare coverage for many Americans and impede efforts to reduce inefficient spending on healthcare programs.

The Administration believes that reducing drug prices, increasing competition among generic drugs, and bringing generic drugs to the market sooner will improve the lives of Americans. The Administration appreciates that H.R. 987 proposes to end anticompetitive reverse payment agreements, modifies drug exclusivity to help speed availability of generic drugs, and includes the “CREATES Act.” The Administration is eager to collaborate with the Congress on a bipartisan basis to enact these proposals into law.

To increase health insurance choices and coverage, the Administration has expanded access to short-term, limited-duration insurance (STLDI). It has restored access to STLDI plans for terms of nearly 12 months, and allowed Americans to renew them for up to 3 years. These actions reduce application costs, lower the risk of loss of coverage, and allow for more innovation in plan design.

STLDI plans are poised to deliver healthcare solutions to millions of Americans. According to research by the Urban Institute, more than 4 million people are expected to enroll in short-term plans, including 1.7 million who were previously uninsured. The Congressional Budget Office (CBO) expects the Administration’s actions to spur the creation of “a range of new short-term insurance products” that will soon “resemble a typical nongroup insurance plan offered before 2014.” Additionally, CBO expects premiums for the plans this Administration’s actions have made possible to be “as much as 60 percent lower than premiums for the lowest-cost bronze plan” for those who are eligible.

H.R. 987 would revert to the previous administration’s policy of restricting access to STLDI and prohibiting policies that last more than three months. By doing so, H.R. 987 would cause 1.5 million people to lose their preferred private plans and would increase the number of Americans without healthcare coverage by 500,000 by 2029, according to CBO. If H.R. 987 were to become law, people who suffer an illness while covered under an STLDI plan might not be

eligible for renewal, due to the legislation's prohibition on extending STLDI after 3 months—a prohibition the Administration strongly opposes.

Finally, several of the provisions in H.R. 987 run counter to the Administration's healthcare vision of expanding affordable coverage, improving care for people with pre-existing conditions, and enhancing competition.

The Administration looks forward to working with the Congress on real reforms that implement its healthcare vision, lower drug prices, and put American patients first.

If H.R. 987 were presented to the President in its current form, his advisors would recommend that he veto it.

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