



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

September 27, 2016  
(House)

## **STATEMENT OF ADMINISTRATION POLICY**

### **H.R. 954 – CO-OP Consumer Protection Act of 2016**

(Rep. Smith, R-NE, and seven cosponsors)

The Administration strongly opposes House passage of H.R. 954. The Administration remains committed to providing Americans with accessible, quality, and affordable health coverage, including by addressing issues that arise when their health insurers stop offering coverage during the year. In such circumstances, the Administration has offered special enrollment periods, provided consumer outreach, and worked with state departments of insurance to ensure consumers have smooth transitions to other health plans. Individuals for whom coverage is unaffordable or who experience a hardship also may qualify for an exemption from the individual-responsibility provision of the law. These options are available to all consumers in these circumstances, not just those enrolled in coverage through CO-OPs.

H.R. 954 would exempt anyone whose CO-OP ends coverage during the year from the individual-responsibility provision. This is unnecessary given consumer protections already available. Moreover, it would create a bad precedent for using exemptions from the individual-responsibility provision to address unrelated concerns about the Affordable Care Act. The individual-responsibility provision is a necessary part of a system that prohibits discrimination against individuals with pre-existing conditions and requires guaranteed issuance. The provision helps prevent people from waiting until they get sick to buy health insurance or dropping health insurance when they believe they do not need it. Weakening the individual responsibility provision would increase health insurance premiums and decrease the number of Americans with coverage.

The Administration always is willing to work with the Congress on fiscally responsible ways to further improve health care affordability and the Affordable Care Act. The President's Budget offers a number of proposals to do so. However, H.R. 954 would be a step in the wrong direction, because it would create a precedent that undermines a key part of the law and would do nothing to help middle-class families obtain affordable health care.

If the President were presented with H.R. 954, he would veto the bill.

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