Hagedorn sold out to his drug and insurance industry donors – voting against bipartisan reforms to lower the cost of prescription drugs while voting to let insurance companies deny coverage for pre-existing conditions and kick 266,000 Minnesotans off their health care in the middle of a crisis. He’d even let insurance companies impose an “age tax” – charging older Americans more for the same insurance. Congressman Hagedorn is what’s wrong with Washington.

Hagedorn Had Received $37,775 From Pharma/Health Products, Including $7,750 From Pharmaceutical Manufacturers. [Center For Responsive Politics, Accessed 5/1/20; Center For Responsive Politics, 5/1/20]

Hagedorn Voted Against The Elijah E. Cummings Lower Drug Costs Now Act, Which Would Allow The Federal Government To Negotiate Lower Drug Prices. In December 2019, Hagedorn voted against: “Passage of the bill, as amended, that would allow the Health and Human Services Department to negotiate prices for certain drugs under Medicare programs and would make a number of modifications to Medicare programs related to drug costs and plan benefits. Specifically, the bill would establish a fair price negotiation program in which HHS would enter into agreements with drug manufacturers negotiate maximum fair prices for certain drugs.” The motion passed by a vote of 230-192. [HR 3, Vote #682, 12/12/19; CQ, 12/12/19]

The Bill Would Enable HHS To Negotiate The Prices Of As Many As 250 Drugs Annually And Would Penalize Drug Companies That Did Not Negotiate. “The final bill enables the HHS secretary to negotiate the prices of as many as 250 drugs annually, a much higher number than the 25-drug threshold the speaker’s office had outlined in one of the earlier versions of the plan. Additionally, it would penalize companies that do not negotiate with HHS with a fine that starts at 65 percent of a drug’s gross sales from the prior year. For every quarter that the company does not engage, the penalty goes up by 10 percentage points, until it hits 95 percent of a drug’s gross sales.” [Vox, 9/19/19]

The Bill Would Prioritize Price Negotiation Of The Most Costly Drugs That Did Not Have Competition From A Generic Or Biosimilar. “The drugs the HHS Secretary would prioritize under the plan are ones that are currently most costly to Medicare and the broader health care system, which do not have competition in the form of a generic or biosimilar. These drugs would be identified based on their price and volume of sales and at least 25 would be negotiated on each year.” [Vox, 9/19/19]

Under The Bill, The Price Negotiated By HHS Would Be Available To Those With Private Insurance, Not Just Those With Medicare. “Whatever price is negotiated by HHS will be available to individuals covered by private plans, not just those covered by Medicare. The prices of drugs in other developed countries will be used as a reference point to ensure that negotiations result in a price that’s no more than 1.2 times the average price in six other places.” [Vox, 9/19/19]

The Bill Would Require Drug Companies To Undo Certain Increases To Drugs Covered By Medicare Part B And D. “The proposal would also address pricing hikes that have been applied to different drugs covered by Medicare Part B and D, requiring companies to either undo any increases that surpass the rate of inflation or rebate the entirety of those hikes since 2016 to the Treasury. Additionally, the plan would cap out-of-pocket prescription drugs costs for those covered by the Medicare Part D to $2000 annually. Currently, there is no cap.” [Vox, 9/19/19]

Hagedorn Voted Against Condemning The Trump Administration’s Legal Campaign Against The Affordable Care Act. In April 2019, Hagedorn voted against: “Passage of the resolution that would express the sense of the House of Representatives that the Trump administration's stance on invalidating the 2010 health care law is ‘unacceptable’ and that the Justice Department should protect individuals with pre-existing conditions, individuals who pay high costs for prescription drugs, and individuals who ‘gained health insurance coverage since 2014.’ The resolution would recommend that the department reverse its position in the case of Texas v. United States.” The resolution passed 240 to 186. [H Res 271, Vote #146, 4/3/19; CQ, 4/3/19]
Hagedorn Voted Against Passage Protecting Americans With Preexisting Conditions Act, Prohibiting Federal Departments From Exempting State Health Care Plans From Federal Requirements Under The ACA. In May 2019, Hagedorn voted against: “Passage of the bill that would prohibit the Health and Human Services and Treasury departments from taking any action to implement or enforce their October 2018 guidance regarding criteria for evaluating Section 1332 state health care plan waivers under the 2010 health care overhaul, and would prohibit the departments from effectively reissuing the guidance. Section 1332 waivers exempt state health care plans from certain federal requirements under the Affordable Care Act, including requirements related to qualified health plans, tax credits, and individual and employer mandates. To be eligible for such waivers, proposed state plans are required to provide care to a ‘comparable number’ of residents that is ‘as comprehensive’ and ‘as affordable’ as would otherwise be provided under the ACA. The October 2018 guidance modifies guidelines for considering waiver applications, emphasizing that a proposed state health care plan should be evaluated based on the number of residents that would have ‘access’ to comparable coverage under the plan, as opposed to the number of residents that purchase such coverage.” The motion was agreed to by a vote of 230-183. [HR 986, Vote #196, 5/9/19; CQ, 5/9/19]

HEADLINE: “House Votes To Condemn Trump Administration’s Opposition To ACA.” [Jurist.org, 4/4/19]

The Bill Was Aimed At Shoring Up Protections For Those With Pre-Existing Health Conditions, Nullifying Guidance From The Trump Administration That Would Allow States To Ask For Waivers To Make Major Changes To Their ACA Markets. “The House passed a bill Thursday afternoon aimed at shoring up protections for those with pre-existing health conditions, part of Democrats’ plans for protecting the Affordable Care Act under the Trump administration. […] The bill would nullify a Trump administration guidance that would allow states to ask for waivers to make major changes to their Obamacare markets. [CNN, 5/9/19]

The Trump Administration Opened The Door For People To Use Subsidies To Buy Short Term Insurance Plans That Could Reject People With Pre-Existing Conditions Or Charge Them Higher Premiums. “The Centers for Medicare & Medicaid Services laid out in November four examples of what states could request -- opening the door for people to use subsidies to buy coverage outside the Obamacare exchanges. This would include short-term health insurance plans that can reject people with pre-existing conditions or charge them higher premiums. The Trump administration last year made these policies more attractive by extending their terms to just under a year, instead of three months.” [CNN, 5/9/19]

Hagedorn On House Passage Of AHCA: “I Support The House’s Action […] I Will Continue To Strongly Support The Efforts Of President Trump And The Congressional GOP Majority To Repeal And Replace Obamacare.” “U.S. House Republicans have taken the first step toward repealing and replacing Obamacare with free market reforms. While I would have preferred a straightforward repeal and more robust replacement provisions (see my full views here) I support the House’s action […] I will continue to strongly support the efforts of President Trump and the congressional GOP majority to repeal and replace Obamacare.” [Jim Hagedorn, 5/05/17]

AARP: “The AHCA Would Impose An Unfair And Unacceptable ‘Age Tax.’” “The AHCA would impose an unfair and unacceptable ‘age tax.’ It would allow insurance companies to charge people between the ages of 50 and 64 (those too young for Medicare) five times what they can charge younger consumers. (Insurers are currently allowed to charge older consumers three times as much.)” [AARP, 3/15/17]

The Affordable Care Act Prevented Insurers From Denying Coverage Or Charging More If An Individual Had A Pre-existing Condition. “In the old days, insurance companies had ways to avoid selling policies to people who were likely to cost more than insurers wanted to spend. They might deny them coverage outright, or exclude coverage for a known condition, or charge so much that insurance became unaffordable. The Affordable Care Act boxes out the old insurance practices with a package of legal moves. First, it says point-blank that carriers ‘may not impose any preexisting condition exclusion.’ It backs that up with another section that says they ‘may not establish
rules for eligibility’ based on health status, medical condition, claims experience or medical history.” [Politifact, 10/17/18]

**266,000 Minnesotans Would Lose Health Care Coverage If The Affordable Care Act Was Repealed.** According to the Center for American Progress, 266,000 Minnesotans would lose health care coverage if the Affordable Care Act was repealed. In the 2nd Congressional District, 35,000 would lose coverage. [Center for American Progress, 7/9/19]

**The Affordable Care Act Established A 3:1 Limit On Age Rating Of Health Insurance Premiums.** “The Affordable Care Act (ACA) established a 3:1 limit on age rating of health insurance premiums, meaning that insurance companies cannot charge older adults more than three times the amount younger adults are charged for the same coverage. This limit is a critical consumer protection that ensures older adults—specifically those ages 50 to 64 who are not yet eligible for Medicare—have access to affordable health insurance coverage.” [AARP, 1/2017]

If The Affordable Care Act Were Fully Repealed, The Health Care Market Would Return To “Insurance Companies Routinely Charged Older People Much Higher Amounts Than Younger People For The Same Coverage.” “Prior to enactment of the ACA, many older adults ages 50–64 who were not old enough to be eligible for Medicare but who did not have coverage through an employer had difficulty obtaining health insurance coverage on their own in the individual market. If coverage was available, older adults were often charged much higher premiums due to their age or a preexisting condition, making it unaffordable and out of reach. [...] Consequently, insurance companies routinely charged older people much higher amounts than younger people for the same coverage in the individual health insurance market.” [AARP, 1/2017]

**Brookings: ‘Nearly Every ACA Replacement Plan Involves Widening The Age Rating Bands… Proposals Suggest Changing The Current 3:1 Ratio To 5:1 Or 6:1 Or Eliminating It Altogether.’** “Loosen age rating restrictions in the individual market. Nearly every ACA replacement plan involves widening the age rating bands that currently restrict insurers from setting premiums for the oldest adults in the individual market (64 year olds) that are more than three times the premium they charge a 21-year old for the same coverage. Proposals suggest changing the current 3:1 ratio to 5:1 or 6:1 or eliminating it altogether.” [Brookings, 12/13/16]

**Senate’s Better Care Reconciliation Act Included A 5:1 Age Rating Limit.** “This summary describes key provisions of H.R. 1628, the Better Care Reconciliation Act of 2017, an amendment in the nature of a substitute proposed in the Senate on June 22, 2017 and revised most recently on July 20, 2017, as a plan to repeal and replace the Affordable Care Act (ACA) and make fundamental changes to Medicaid financing through the Fiscal Year 2017 budget reconciliation process. [...] Modify age rating limit to permit variation of 5:1, unless states adopt different ratios, effective 2019.” [KFF, 7/20/17]

**House-Passed American Health Care Act Included A 5:1 Age Rating Limit.** “This summary describes key provisions of H.R. 1628, the American Health Care Act, as approved by the House of Representatives on May 4, 2017, as a plan to repeal and replace the Affordable Care Act (ACA) through the Fiscal Year 2017 budget reconciliation process. [...] Modify age rating limit to permit variation of 5:1, unless states adopt different ratios, effective 2018.” [AARP, 5/2017]