



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

February 24, 2015

The Honorable Orrin G. Hatch  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

This is in response to your February 9 letter regarding the *King v. Burwell* case.

The evidence shows that the Affordable Care Act is working and that families, business, and taxpayers are better off as a result. Today, thanks to the Affordable Care Act, more middle class families have the security of quality, affordable health coverage. In the past year alone, about 10 million uninsured Americans finally gained affordable health insurance. In the private market, millions more now have access to expanded coverage for preventive health care services, such as a colonoscopy or flu shot. At the same time, as a nation, we are spending our health care dollars more wisely and receiving higher quality care.

Open enrollment for the federal exchange concluded on February 15. Any decision by the Supreme Court in *King v. Burwell* is months away. We are confident that we will prevail because the text and structure of the Affordable Care Act demonstrates that citizens in every state would be entitled to tax credits, regardless of whether they purchased their insurance on a federal or state marketplace.

While we are confident in our position, a decision against the Administration in the *King* case would cause massive damage: first, millions of people would lose their health insurance subsidies and therefore would no longer be able to afford health insurance; second, without tax subsidies healthy individuals would be far less likely to purchase health insurance, leaving a disproportionate number of sick individuals in the individual insurance market, which would raise the costs for everyone else; and, third, states that did not establish a state marketplace would return to a time when the recourse for those without insurance was to seek care in hospital emergency rooms, further driving up insurance costs for everyone.

We know of no administrative actions that could, and therefore we have no plans that would, undo the massive damage to our health care system that would be caused by an adverse decision.

We appreciate your interest in the Affordable Care Act and look forward to continuing to work with you.

Sincerely,

A handwritten signature in black ink that reads "Sylvia M. Burwell". The signature is written in a cursive, flowing style.

Sylvia M. Burwell