Rep. Chris Collins Interview
Conducted by Howard Owens
The Batavian
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Edited lightly for readability and clarity.

Q: First, please just define for us your view of health care -- what the average American should expect from the health care system and from the insurance industry?

A: Sure. So probably the best place to start is the fundamental difference between a Republican philosophy on health care and the Democrat philosophy. And you're seeing it now come out with floor speeches and others.

The Democrats want universal health care. No if ands or buts. Hillary Clinton wanted that; Barack Obama wanted that; they never could get there and that's when we ended up with the abomination that I call Obamacare that was a little piece of universal and a whole bunch of it wasn't.

So that's where you almost have to start to debate. Right now the Republicans control the House, the Senate and the White House. Universal health care, Medicare for all, is a nonstarter. It's just not going to happen. And as we talk about universal health care, we, me, would point to the situation in Europe, certainly the situation in Canada where we have Canadians pouring over the border to get health care that's just not available within their universal health care system.

You look to Europe, the elderly are denied health care. The ROI (Return On Investment) is not there, whether it's a new hip for it or something else. How old are you? What's your life expectancy? Some of the life-saving cancer drugs are not available in Europe from a cost perspective because those nations budget health care. Something we don't do in the United States.

Hence, whether you call a death panel or denial of care or limited care, when the Canadians come over for CAT scans and MRIs and other routine medical procedures that are just not available in a timely fashion, that's where the Republicans say, universal health care, we hope you're healthy and we hope you're young.

So that's a nonstarter for us. So now, with that being said, where do we go, and where were we, where are we now, and what comes next? Certainly, health care costs continue to go up at of almost unsustainable level. We talked about this, and we talked about life-saving drugs and devices and procedures that, frankly, were in their infancy back when health care only cost 100 bucks and you contracted certain diseases and took an aspirin and went home.

Well now our quality of life, our longevity of life, is the best it's ever been. There's a cost that goes with that. How do we get those costs under control and don't go down the universal health care path. Therein lies the devil, in the details. You know one thing is there's so much misinformation out there. For instance if you surveyed the average American, they will tell you the biggest cost driver and the biggest problem we have are prescription drugs. And that's what they say. But that's not the reality.

As I understand that prescription drug coverage is 9 percent of health care costs. Ninety one percent is everything else. So if all these…--- and they are expensive drugs and as I just illustrated through my ill-venture down in Australia --- nine out of 10 drugs are going to try and fail, and there's a huge cost. It's got to be recovered one way or the other but you're simply not going to have new R&D and new drugs to cure the next disease currently and curable or untreatable (diseases like) Duchenne's muscular dystrophy, which at least now has a drug to treat at least a subset of those young men.

People are busy in their everyday lives. They think prescription drugs are the problem. They're not. Yes, there's new ones coming out and there's a cost piece, but 91 percent of the cost to health care is not there. It comes back to 'what are we going to do?'

We have Obamacare today. We're not going to have universal health care. The individual exchanges have failed. Plain and simple. Ninety-four out of 99 counties in Iowa aren't going to have a carrier next year. They're dropping like flies, the big insurance companies. They can't make money. The sickest of people are in the exchange; the young, the healthy are not. And so, we've got that problem.

Q: Do you think that anybody should be denied care -- should somebody be denied life-saving procedures because they can't pay for it? Should a parent with a child born with a birth defect, if they don't have health insurance, should (they) be denied care because they can't afford it?

A: They are not denied care and they should not be denied care. Depending on that individual and in the situation, Medicaid does step in in many cases, especially for newborns. And in many cases they will have lifetime coverage, depending on the amount of time they initially spent in intensive care. We as a nation don't deny that care today. If someone doesn't have insurance that is a cost that then comes into the health care system. It's something that society would always continue to make sure happens. We just don't deny care.

Q: What would you say to the middle-class person who's…, either because of high deductible or for whatever reason, they don't have insurance or have lost their insurance and now they get cancer? We see these stories in the media all the time -- people facing bankruptcy, and I did look up the stats, but there's a certain amount of bankruptcies attributable to medical care because people didn't have insurance.

Should there be a system that ensures that people don't have to go into bankruptcy because of health care?

A: Well that's (a) way, way more complicated issue. I think we always need to begin with the fact that Medicaid has been, and continues to be, there for the poor. So, we're not talking about the poor. I forget the percentage of people, you know, who are covered and who are not. So, now you're into somebody, and I guess you would call it a preexisting condition -- they did not have insurance. And now they've been diagnosed with devastating cancer. We, Republicans, and everything we've said is, 'they don't have to go bankrupt.' That's was the old system. The old system said, because it was no safety net whatsoever, 'you have to go on Medicaid.' The only way to get on the Medicaid was to go bankrupt.

Well that's not where we are today. Where we are today -- we don't know where it's going to end, but certainly American health care, said very simply -- you can get insurance.

We've said because you were not insured, the insurance companies can charge you 30 percent more. Just 30 percent. I use the word just, but 30 percent more for 12 months. As the carrot and the stick -- a cost for the fact you did not carry insurance.

(Say for example) You are not poor enough to get on Medicaid. You are perhaps in that uncomfortable slice of working poor and your numbers didn't work and you did not have coverage through your employer and you made the decision to not carry that insurance. There were other things that took priority in your life. We're not going to now force you into bankruptcy, which was the old way.

What we said is, there would be a 30-percent added cost for 12 months, then you would go back into the community rate. Personally, I think that is a pretty fair compromise. For somebody who in the old way faced bankruptcy.

Who…who did make that choice not to carry insurance, and now has a devastating illness? I think that 12 months, 30 percent, depending on the cost of the policy, could cost two or three thousand dollars but they might have a million dollar's illness. So that's where we are today. I think that's actually a pretty fair proposal. So we're never deny coverage for preexisting conditions ever again.

Q: For somebody with a high deductible, you know, that's forced into a high deductible plan, a $6,000 -- or for a couple, $12,000 -- expense in one year can be a hardship. …

A: That's why we have to get rid of Obamacare. That's Obamacare. Obamacare, today in the individual exchanges, is pretty costly, depending on what kind of subsidies you're getting. The bronze plans have routinely $10,000 deductibles. There's formularies where…certain things aren't covered in certain doctors…and what you just illustrated is the abject failure of Obamacare in the individual exchanges to where people have said they've left in droves.

You talk about, supposedly 20 million Americans that would not be covered under the American Health Care Act. By and large those are healthy Americans. Who have said the policy is being offered an individual exchange, I might as well not have insurance. There's $10,000 and $12000 in deductibles. The costs are high. So, they have opted to not buy a defective product that is high cost, anymore than you or I would go to a store and buy a crappy product at a high cost.

Q: So right now we have Medicare, Medicaid, and in this case ACA (Affordable Care Act), or maybe a Republican plan down the road, so can that all be consolidated in some way? Wouldn't that save a lot of money?

A: And don't forget we've got the majority of people, a lot of people, getting it through their employer, so you've got to throw that in. I'm just looking at the

government programs. I mean, we're basically, we've got three different government programs going now. Right, and in the ACA individual exchanges have failed.

Medicaid was originally intended back in the '60s to be permanent health insurance for the disabled who would never work. That was the idea. It's morphed. Medicaid's morphed into this monstrosity. And now with the Medicaid expansion for working poor who are coming on and off the plan. It was never intended to be around for two months, that you're off for three months, then you're back on for six months. It's it was never intended for that. That's what it's become. But that is what it's become.

What I have been advocating for is a national Medicaid system like we have for Medicare. I don't want to, I don't want to combine them in together. Now you're talking about basically universal health care.

Medicare is what it is. It works, actually very well. We have Medicare Advantage, which I know Obama didn't like. We do. We're going to make sure that continues, so to get into the HMOs…and…Medicare is working. Medicaid is not. Medicaid is not the same in New York as it is in Mississippi. There's that menu of options. New York took all those options. With 8 percent of the -- whatever it is, was it 4 -- whatever our percentage of the population is. We have 20 million people out of 300. So it's 6 percent. We spend double that -- 12 percent on Medicaid, so our system in New York is crazy. We spend 60 billion dollars a year in New York taking the options.

I would say, Medicaid should be a national program not a state optional program, much like Medicare is the same in Mississippi as it is in New York. That's what I have looked at as a member of the health…(subcommittee)

Q: The bill you supported pushes much more cost down on the states, doesn't it?

A: No, I'm talking about something fundamentally different. I was on the Medicaid task force on the health subcommittee to rewrite Medicaid and where we were getting to was, at least discussing, a national Medicaid program without state option. Without state options. Medicare does not have state options. I don't believe Medicaid should have state options. At which point, costs will be more under control.

If you remember, a Family Health Plus, that was an optional state program. Our governor took full advantage of it and was willing to pay 50 percent of the cost because that's our FMAP (Federal Medical Assistance Percentage). He put all those people onto the Medicaid expansion. He took advantage of a loophole -- allowed him to get at least a 100-percent reimbursement and now 90 percent for all his Family Health Plus folks that he was more than willing to pay 50 percent for before Obamacare came along, and now he's screaming bloody murder that he can't afford to pay them any more.

You know, let's be honest here, Governor. So, when you're talking about the American Health Care Act, and Medicaid, the whole discussion is Medicaid expansion. That's what the discussion is. It's not any fundamental change to any of the based Medicaid program or the four silos that we've always had. The blind and disabled…guess what? They're reimbursed at 50 percent in New York, 73 percent in West Virginia; we have different income levels.

Q: The state gets reimbursed?

A: Right. So, you've got the blind and disabled and then you've got the moms and the kids. Then you have just the poor folks and then you've got the elderly. So those four silos, different costs within each of them, so our American Healthcare Act said -- which I thought was a very good compromise on cost because we're not yet to the universal Medicaid same in every state -- was a per-capita cap at current levels.

So, New York, which spends 44 percent more per Medicaid person than the national average would still be reimbursed at that same level.

Look at the folks within the blind and disabled category -- this is not a hard number but just for an example -- let's say it was $15,000 per year for everyone in that category, just pick up an arbitrary number. When you got to the moms and the kids maybe it was half that, $7,500. When you got to the elderly, I don't know, maybe it was $20,000. And then when you got to the working poor Maybe it was $5,000. We were not going to change those numbers.

New York would still get that high number. Mississippi, which is half our rates, would get half that number. The guys in Mississippi are saying how fair is that? We're going to get $7,500 in that category; you're getting $15,000 because that's what you spend. So, New York, much to my surprise, was going to be reimbursed at the same level we had in 2016. Which meant no cuts whatsoever and we'd get yearly increases for every person in that silo. Equal to the medical cost of living.

And if it's in that category plus one. So, let's say that that was 3 percent a year, plus one, they would get a 4-percent increase each year, moving up from that very high starting point and would get that money for everybody in that silo, even if the number of people in that silo went up, they would still get that extra amount with an inflationary increase. It's like, well, who could ever complain about that?

Here was the complaint. The cost might go up more than the cost of CPI (Consumer Price Index) for medical. This wasn't the CPI for food. What it could cost, we're going up 7 percent and not. That 3? We may some day, eight years from now, have to eat that difference. And our comment was 'but now you're going to have more control over the program you offer.' And if we're tying it to CPI medical, we don't agree that that necessarily would happen.

So this brouhaha over the per-capita caps, I don't think people understand it. That New York was being taken care of at the highest of high levels for 2016, so you couldn't cheat in '17 -- it was going to be however many people are there, so as your demographics change, you're not being disadvantaged at all, and you're going to have a lot more control.

So, what's the problem? There is no problem. Other than somebody crying wolf in the same way maybe five years from now the cost went up more than my CPI medical plus one in that category. I think that's nonsense.

So what's that come down to -- Medicaid expansion. That is the entire discussion here. It's Medicaid expansion, which 31 states took, 19 states did not. And of the 31 that took it, 14 of them have Republican governors. All 19 that didn't are Republicans, so there are 33 Republicans and 17 not Republicans. So, the Republican governors, they kind of like that extra money, too. It was a hundred now it's about 90 percent and that's where it stabilizes, 90-percent reimbursement.

For that fifth silo called the higher-paid working poor, not the current levels. But it begs the question: If the others in New York are reimbursed at 50 percent, explain to me the logic of reimbursing the healthiest at 90 percent? That was Obama's hook to expand into what he wanted to be universal health care, not expecting the Supreme Court to strike it down and don't make the Medicaid expansion optional. And then they have 19 states opt out. That's when this whole thing kind of fell apart on Obama. There was -- never should have been -- a different grade than the standard rate. No one can justify that.

Q: So would you have supported it at 50 percent, the Medicaid expansion, expanding that fifth column?

A: I do support it right now. The hypothetical is where was I. Well, the fact is, under the American Health Care Act, the Medicaid expansion will continue on *ad infinitum* at the standard FMAP, starting in 2020, two years down the road.

Every state would have two years adjust, decide what they were gonna want to do, and I would remind our governor that, as I understand it, half the people that are in the New York Medicaid expansion were previously on Family Health Plus at 50 percent. So, that's half of the folks and our governor is screaming bloody murder like he can't afford to pay them out of his $160 million budget. That's nonsense.

That was the compromise we made. Our freedom caucus, furthest right of the right wanted it ended -- 2020, it's over. Well, let's look at the facts -- 31 states took it, 14 of them have Republican governors, there's a political component here, we all know it, the compromise was -- it continues but at the standard FMAP starting in 2020. And yes, I support that.

Q: I'm little conscious of the time, so to move on. One of the things is you supported Trump.

A: And still do.

Q: This morning I went back and watched the tapes again. He promised universal healthcare. So, why isn't he delivering on that promise?

A: I don't speak for the president. I would say on the campaign trail. He talked about a lot of different topics.

Q: Wouldn't the GOP Congress want to support him on one of the prime things that -- I mean he repeatedly said 'We're going to have the best health care. It's going to

cost you less. Everybody's going to be covered. Nobody has to worry." And that isn't what is happening.

A: The life I live is here now, and Republicans will never support universal health.

Q: Even if the president wanted to push it? I'm surprised he hasn't tried to push it. It seems like he could work out a compromise between Democrats and Republicans to get it through.

A: Well he supports our American Health Care Plan.

Q: The president says Obamacare is a disaster and you've been critical of it and you talk about a lot of the reasons for (that), you know, like. the cost of insurance going up, deductibles going up, high deductible plan, the costs, all the problems with individual exchanges.

But, since it was enacted there have been some key lawsuits, up to 100 lawsuits, mostly backed by Republicans against it. Marco Rubio famously bragged about getting rid of the risk corridors, which was a big blow to the insurance companies and their ability, that's one of the big reasons rates have to go up.

The constant threat of losing subsidies and funding is another reason rates are going up. The market place hasn't been implemented in all states. One reason we may not see many people getting covered is the CBO (Congressional Budget Office) projected is a lack of Medicaid expansion. So, while the Republicans and you continue to criticize Obamacare, a lot of its failings seem to be a result of partisan politics.

A: No, that's not the case. It was a house of cards from day one. For instance, the risk corridors. Obama steps up and says 'make your best guess as to what your

demographics will be, and at least for X number of years. If you're wrong we'll make up for your losses; and we'll have money to do that because some people are going to guess the other way, so we can take the monies that flow-in because somebody's demographics were better than expected, and then we can redistribute those monies to those of you who made your best estimate and now your losses.'

Q: Well, they knew coming in that a lot of people with preexisting conditions would flood into the marketplaces and it would take at least 10 years to weed them out. So the risk corridors we're intended to subsidize the insurance companies for taking on those preexisting conditions.

A: No, the risk corridors were put in, I believe, to artificially force low rates as some kind of pretty picture that was never real. They made the assumptions of healthy young families buying an expensive product they didn't need as opposed to paying a $90, whatever the penalty was, which, by the way, they waived. It was a house of cards that was never realistic. I called it out for what it was on day one. What I called out has come out...

The young and healthy did not sign up. They are not signing up. Therefore the people in these plans are sicker. Those are the ones who flocked into them. There was never any money on the surplus side to give to the companies who all, in a race for the most patients, I would say negligently priced their products, knowing their losses would be covered by the federal government for a period of time. That was the house of cards. Set to fail.

And it has failed. It was not anything the Republicans did other than through lawsuits remind, through the courts, the Obama Administration, 'see what a mess that the restriction on the risk corridors was? To use surplus monies to reimburse the others?' It was never to add to the nation's deficit, or debt or require us to go to

China to borrow the money to prop up these insurance companies and the court agreed with us. That's all that was.

This was a fundamentally flawed plan trying to get universal health care only to have…the biggest issue was the Supreme Court struck down the exchanges being mandated across the country. That was the beginning of the end. That was not the Republicans. That was the Supreme Court ruling on an unconstitutional aspect of Obamacare. This thing was bound to fail.

Q: The AHCA, I'm going to summarize it the way I understand it. Tell me this is correct or not, but you're doing away with the direct subsidies to the insurance companies and providing a tax credit to each individual American.

A: Correct.

Q: My first response to that, when I saw it was…

A: On the exchanges. if you get insurance through the business, you don't get…

Q: So, it's only for people who sign up for the exchange (who) will get the tax credit?

A: And it's an advance-refundable credit, so you don't have to wait till the end of the year to get it. You can use it on a monthly basis to buy your insurance.

Q: So somebody could get paid up front for it?

A: So they could make their monthly payments.

Q: The money would be in pocket ?

A: You could make your monthly payments.

Q: It would go directly to the consumer instead of the insurance company?

A: I don't know that factually, and there are things that would have to be worked out. We would want to make sure it's going -- it has to go to the insurance. You can't go buy a pair of shoes with it. This is not just money for you to have to then do as you please. It may well go to the insurance company. I don't know that, but we would be making sure that that advance-refundable tax credit went to the insurance companies and was not at your discretion to go buy a new pair of shoes.

In all, the nuances kept changing as we went through different iterations. It changed even as it went to the Senate. It doesn't look like it's coming out of the Senate any -- so we're talking about the American Health Care Act as it went to the Senate. But what's coming back, if something comes back, is not likely to look like what went over.

With one of the biggest issues being the elderly, that they would be out-of-pocket more money. And the irony there is, not in New York State because we have a one-to-one age rating. The one off-nuance of New York was, the elderly getting too much money because we charge the same for 18 year old as we do 64 year old. It's not like that in other states where it is now three-to-one and would go to five-to-one. Now, the five-to-one is not going to increase the elderly. It would decrease the young folks.

People took it the other extreme. They said, five-to-one will raise the elderly, which was never the case. We would be able to just lower the rate for the young folks who are healthy to get them back in the plan. It's just been twisted and assumed otherwise.

But New York was not the case at all. So every once in a while people ask me about my constituents and they said, well first of all, everything we were doing within the American Health Care Act referred back to the state, the 10th Amendment, the states' rights and the commissioner of health for each state to define what's going on -- whether it's health-care benefits, essential health benefits, age ratings and so forth.

So nothing was going to change in New York. We are a party of one. We're one of one in the United States of America. Most of any potential changes in the American Health Care Act are going to impact other states, not New York, to begin with.

Q: One thing I found a little out of balance in the health care debate is Republicans talk a lot about Obamacare not being free market. We want a free-market system. But health care hasn't been a free market for most of the 20th century from the time that Congress started out offering tax credits to employers to offer health insurance, and then mandating coverage.

The A.M.A. (American Medical Association), throughout of the 20th century operated as a cartel to artificially control the number of hospitals and number of beds the number of doctors in this country, and you brought up pharmaceuticals already but that's still $100 billion R&D budget every year with 40 percent covered either by taxpayer money or nonprofit contributions.

And then there is patent law for medicines and that, as you know, is very -- it's very complicated, very convoluted -- and does a lot to protect the pharmaceutical companies from competition.

A: I don't know. Everything I take now is generics. Lipitor is no longer covered. Now you've got generic high-blood pressure (medicine).

Q: I listened to a podcast this morning. It was way too arcane for me to explain, to quote back accurately, but … there are … legal processes for generic companies to start making the drugs sooner and to try to avoid lawsuits. But then, if companies enter into agreements, pharmaceutical companies will pay their preferred generic company for a period of time to limit other generic companies from entering the marketplace.

A: None of us would ever suggest that anything's perfect.

Q: Well, we're -- I'm getting to this, when you look at our costs, much higher than other industrialized nations on a per capita and a total percent of GDP basis. To me when you see that kind of anomaly, it means that you don't have a perfect marketplace. It's not equilibrium.

A: As I said nothing is ever perfect, but I would suggest if you've got a devastating cancer or other issue you're dealing with, you don't want to be England. And you don't want to be in Canada. You want to be in the United States.

Q: With these kind of cost structures though, what's the government's role in protecting, giving citizens some sort of assurance that they'll be protected from all these anomalies in the marketplace that drive up costs?

A: Well, it begins with things that we've done that I help with, the FDA (Food and Drug Administration) and the 21st Century Cures Act to get drugs to the market quicker. I sat down with the administrator of the FDA and asked her about her personnel needs and the skill set she needs to get drugs to market quicker, to save lives, to treat illnesses, to treat debilitating diseases; because the quicker they get to market, the cheaper they'll be. There's a cost. Whatever it does and it takes you eight years to get it to market and get it down to five years, we can save -- the net

cost, I believe, will be substantially reduced. So, that was 21st Century Cures Act just passed last year.

That was part and parcel of what we have worked on the health subcommittee to actually expedite and do what we can to get generic drugs to market quicker through legislation in 'biosimilars.' In the whole biologics area, you can't have a generic because it's not a pill. It's not a compound. It's not that thing that can be 99-point-99 percent the same and go to the lab and prove it. A biosimilar, a biologic is something where you will never have the pure generic. It's got to be similar. Similar is not exact.

There's only been as I understand it two three or four biosimilars even approved by the FDA. Because it's not an exact copy of a compound. We have worked through the health subcommittee, which I'm a member, in in trying to find ways to get biosimilars to market through some legislation directing the FDA to work a little faster.

So everything is what it is and we're doing our best to move it along in health care in an aging world and an aging population as we're curing diseases and coming up with devices and other pharmaceuticals drugs to treat things that were previously untreatable. It's all a good thing and, yes, there's a cost to it and we're cognizant of it. The president's cognizant of it. Nothing's perfect.

Q: It seems like all the health care debate is focused on insurance, which has been wrestling with traditionally an 8-, 9-percent annual increase in health care cost, and it's already an expensive system and there doesn't seem to be much debate in Washington: 'What do we do about the system?'

All the issues I just brought up, the way the AMA operates, the way the patent law operates, the way insurance itself operates -- employer mandate, creates what

economists call the 'principle-agent problem' and asymmetry of information, so it's not the real consumers making the purchasing decisions. I feel like health-care insurance is kind of the outer skin of the onion and we're not really looking deeper as to what the real issues are with health care in this country.

A: Well there's one big issue and it's lifestyle. Two-thirds of our country is obese. Through that all kinds of things happen, whether it's diabetes, whether it's joints, whether it's heart, or whether it's cardiovascular. If you want to look up and down in health in the U.S. it's: we got a weight problem. So what can we do?

We got to talk about it. We've got to remind people of it. Health-insurance companies now have fitness plans. Government plays a role and then people play a role. I'm just a firm believer in personal accountability. We make decisions good and bad. Certainly our health decisions are more under our control. Not to say that bad things genetically don't happen, but there's an awful lot of the health-care world that we do control individually.

We're not doing a very good job. What are we going to do about that? Talk about it. You see it on TV, eat healthy, exercise. Just walk the street. That is a very significant contributing factor. The other thing Howard is, we're in longer. That's a good thing. It's not a bad thing. We're living into our 90s. Hundreds of people used to, you know, it was rare to see somebody in their 80s, let alone their 90s, so there's a lot of good things happening.

But all of those things also contribute to the cost piece. Getting older, having a quality of life. We talked about this, we're…just maybe a little bit, but devices and new drugs to treat what were previously untreatable and incurable diseases. My buddy just had two grandchildren that were born twins two and a half pounds each. They finally just came home and (now weigh) six pounds. In days gone by and that the outlook for those kids would not have been good.

The advances are tremendous in this country. I think we stand alone in this country with many of those and there's a cost that goes with it. We can get better everywhere. We have to go step by step but we've got to get rid of Obamacare. That's imploded.