January 26, 2011

Honorable Paul Ryan, Chairman
Honorable Chris Van Hollen, Ranking Member
U.S. House of Representatives
Committee on the Budget
Washington, DC 20515

Dear Chairman Ryan and Representative Van Hollen:

Congress this week is holding hearings on the economic impact of health care reform. We write to convey our strong conclusion that leaving in place the Patient Protection and Affordable Care Act of 2010 will significantly strengthen our nation’s economy over the long haul and promote more rapid economic recovery in the immediate years ahead. Repealing the Affordable Care Act would cause needless economic harm and would set back efforts to create a more disciplined and more effective health care system.

Our conclusion is based on two economic principles. First, high medical spending harms our nation’s workers, new job creation, and overall economic growth. Many studies demonstrate that employers respond to rising health insurance costs by reducing wages, hiring fewer workers, or some combination of the two. Lack of universal coverage impairs job mobility as well because many workers pass up opportunities for self-employment or positions working for small firms because they fear losing their health insurance or facing higher premiums.

Second, the Affordable Care Act contains essentially every cost-containment provision policy analysts have considered effective in reducing the rate of medical spending. These provisions include:

- **Payment innovations** such as greater reimbursement for patient-centered primary care; bundled payments for hospital care, physician care, and other medical services provided for a single episode of care; shared savings approaches or capitation payments that reward accountable provider groups that assume responsibility for the continuum of a patient’s care; and pay-for-performance incentives for Medicare providers.

- **An Independent Payment Advisory Board** with authority to make recommendations to reduce cost growth and improve quality within both Medicare and the health system as a whole

- **A new Innovation Center within the Centers for Medicare and Medicaid Services** charged with streamlining the testing of demonstration and pilot projects in Medicare and rapidly expanding successful models across the program

- **Measures to inform patients and payers about the quality of medical care providers**, which provide relatively low-quality, high-cost providers financial incentives to improve their care

- **Increased funding for comparative effectiveness research**
Increased emphasis on wellness and prevention

Taken together, these provisions are likely to reduce employer spending on health insurance. Estimates suggest spending reductions ranging from tens of billions of dollars to hundreds of billions of dollars. Because repealing our nation’s new health reform law would eliminate the above provisions, it would increase business spending on health insurance, and hence reduce employment.

One study concludes that repealing the Affordable Care Act would produce job reductions of 250,000 to 400,000 annually over the next decade. Worker mobility would be impaired as well, as people remain locked into less productive jobs just to get health insurance.

The budgetary impact of repeal also would be severe. The Congressional Budget Office concludes that repealing the Affordable Care Act would increase the cumulative federal deficit by $230 billion over the next decade, and would further increase the deficit in later years. Other studies suggest that the budgetary impact of repeal is even greater. State and local governments would face even more serious fiscal challenges if the Affordable Care Act were repealed, as they would lose substantial resources provided under the new law while facing the burdens of caring for 32 million more uninsured people. Repeal, in short, would thus make a difficult budget situation even worse.

Rather than undermining health reform, Congress needs to make the Affordable Care Act as successful as it can be. This would be as good for our economy as it would be for the health of our citizens.

Sincerely,

Henry J. Aaron  
Senior Fellow  
The Brookings Institution

Jean Marie Abraham  
Assistant Professor  
University of Minnesota School of Public Health

Randy Albelda  
Professor of Economics  
University of Massachusetts, Boston

Sylvia A. Allegretto  
Economist  
University of California, Berkeley

Stuart Altman  
Sol C. Chaikin Professor of National Health Policy  
Brandeis University
Elizabeth Oltmans Anant
Assistant Professor of Public Policy and Economics
Duke University

Rania Antonopoulos
Director, Gender Equality and the Economy Program
Levy Economics Institute

Kenneth J. Arrow
Professor of Economics Emeritus
Stanford University

Michael Ash
Associate Professor of Economics and Public Policy
University of Massachusetts, Amherst

David Autor
Professor and Associate Head, Department of Economics
Massachusetts Institute of Technology

Susan L. Averett
Charles A. Dana Professor of Economics
Lafayette College

Christopher Avery
Roy E. Larsen Professor of Public Policy
Harvard University Kennedy School of Government

Rojhat B. Avsar
Assistant Professor of Economics
Columbia College

M.V. Lee Badgett
Professor of Economics
University of Massachusetts, Amherst

El-hadj Bah
Lecturer
University of Auckland

Ron Baiman
Director of Budget and Policy Analysis
Center for Tax and Budget Accountability
Asatar Bair  
Professor of Economics  
City College of San Francisco

Dean Baker  
Co-Director  
Center for Economic and Policy Research

Radhika Balakrishnan  
Professor, Women's and Gender Studies  
Rutgers, The State University of New Jersey

Nesecan Balkan  
Department of Economics  
Hamilton College

Erol Balkan  
Professor of Economics  
Hamilton College

Steve Balkin  
Professor of Economics  
Roosevelt University

Nina Banks  
Associate Professor of Economics  
Bucknell University

William Barclay  
Adjunct Professor  
University of Illinois at Chicago

Drucilla K. Barker  
Professor and Director, Women's and Gender Studies  
University of South Carolina

David Barkin  
Profesor de Economia  
Universidad Autonoma Metropolitana-Xochimilco

Anirban Basu  
Associate Professor, Department of Health Services  
University of Washington
Francis M. Bator  
Lucius N. Littauer Professor of Political Economy Emeritus  
Harvard University Kennedy School of Government

Charles M. Becker  
Associate Chair and Research Professor, Department of Economics  
Duke University

Marc F. Bellemare  
Assistant Professor  
Duke University

Gunseli Berik  
Professor of Economics  
University of Utah

Carole Biewener  
Professor of Economics  
Simmons College

Cyrus Bina  
Distinguished Research Professor of Economics  
University of Minnesota

Christine E. Bishop  
Atran Professor of Labor Economics  
Brandeis University

Josh Bivens  
Economist  
Economic Policy Institute

Heather Boushey  
Senior Economist  
Center for American Progress

Roger Even Bove  
Department of Economics & Finance (retired)  
West Chester University

James K. Boyce  
Professor of Economics  
University of Massachusetts, Amherst
Elissa Braunstein  
Associate Professor  
Colorado State University  

Clair Brown  
Professor of Economics  
University of California, Berkeley  

Thomas Buchmueller  
Waldo O. Hildebrand Professor of Risk Management and Insurance  
Ross School of Business, University of Michigan  

Colin Cameron  
Professor of Economics  
University of California, Davis  

Jim Campen  
Professor of Emeritus, Economics  
University of Massachusetts, Boston  

Kathleen Carey  
Associate Professor  
Boston University School of Public Health  

Ann M. Carlos  
Professor, Department of Economics  
University of Colorado  

Frank Chaloupka  
Distiguished Professor of Economics and Director, Health Policy Center  
University of Illinois at Chicago  

Richard Chapman  
Professor of Economics  
Westminster College  

John Dennis Chasse  
Professor Emeritus  
State University of New York, Brockport  

Howard Chernick  
Professor of Economics  
Hunter College and the Graduate Center, City University of New York
Raj Chetty  
Professor of Economics  
Harvard University  

Kimberly Christensen  
Joanne Woodward Chair of Public Policy  
Sarah Lawarence College  

Betsy Jane Clary  
Professor of Economics  
College of Charleston  

Paul D. Cleary  
Dean of Public Health  
Yale School of Public Health  

Jonathan Conning  
Associate Professor of Economics  
Hunter College and the Graduate Center, City University of New York  

Karen Smith Conway  
Professor of Economics  
University of New Hampshire  

Philip J. Cook  
ITT/Sanford Professor of Public Policy  
Duke University  

Paul Cooney  
Associate Professor  
Federal University of Para, Brazil  

Richard R. Cornwall  
Professor of Economics, Emeritus  
Middlebury College  

J. Kevin Crocker  
Undergraduate Program Director  
University of Massachusetts, Amherst  

David Cutler  
Otto Eckstein Professor of Applied Economics  
Harvard University
Rada K. Dagher  
Assistant Professor  
University of Maryland  

Anita Dancs  
Assistant Professor, Department of Economics  
Western New England College  

Charles Davis  
Professor, Labor Studies  
Indiana University  

Susan M. Davis  
Associate Professor, Department of Economics and Finance  
Buffalo State College  

Partha Deb  
Professor of Economics  
Hunter College and the Graduate Center, City University of New York  

Gregory E. DeFreitas  
Professor of Economics  
Hofstra University  

Brad DeLong  
Professor of Economics  
University of California, Berkeley  

Timothy M. Diette  
Assistant Professor of Economics  
Washington and Lee University  

Marisa Elena Domino  
Associate Professor of Health Economics  
The University of North Carolina  

David E. Dowall  
Professor  
University of California, Berkeley  

Arindraijit Dube  
Assistant Professor, Department of Economics  
University of Massachusetts, Amherst
Nieva Duffy  
President  
Eastern Economic Research  

Mark Duggan  
Professor of Economics  
University of Maryland  

Randall P. Ellis  
Professor of Economics  
Boston University  

Elizabeth Elmore  
Professor of Economics  
Richard Stockton College of New Jersey  

Christopher L. Erickson  
Professor  
UCLA Anderson School of Management  

Jose Escarce  
Professor of Medicine  
David Geffen School of Medicine at UCLA  

Loretta Fairchild  
Professor of Economics  
Nebraska Wesleyan University  

Sasan Fayazmanesh  
Professor Emeritus of Economics  
California State University, Fresno  

Steven Fazzari  
Professor of Economics  
Washington University  

Judy Feder  
Professor of Public Policy  
Georgetown University  

Susan Feiner  
Professor of Economics  
University of Southern Maine  

Deborah M. Figart
Professor of Education and Economics  
Richard Stockton College of New Jersey

Kade Finhoff  
Assistant Professor of Economics  
University of Massachusetts, Boston

Jason Fletcher  
Assistant Professor of Public Health  
Yale University

Nancy Folbre  
Professor of Economics  
University of Massachusetts, Amherst

Austin Frakt  
Assistant Professor of Health Policy and Management  
Boston University School of Public Health

Jeffrey Frankel  
Harpel Professor of Capital Formation and Growth  
Harvard University

Gerald Friedman  
Professor of Economics  
University of Massachusetts, Amherst

Bianca Frogner  
Assistant Professor  
The George Washington University

Bill Ganley  
Professor of Economics and Finance  
Buffalo State College

Lorenzo Garbo  
Professor of Economics  
University of Redlands

Irwin Garfinkel  
Mitchell I. Ginsberg Professor of Contemporary Urban Problems  
Columbia University School of Social Work

Paul J Gertler
Li Ka Shing Professor of Health Policy and Management
University of California, Berkeley

Mwangi wa Githinji
Assistant Professor of Economics
University of Massachusetts, Amherst

Devra L. Golbe
Professor of Economics
Hunter College and the Graduate Center, City University of New York

Heather Taffet Gold
Associate Professor of Public Health
Weill Cornell Medical College

Claudia Goldin
Henry Lee Professor of Economics
Harvard University

Don Goldstein
Professor of Economics
Allegheny College

Jose A. Gomez-Ibanez
Derek C. Bok Professor of Urban Planning and Public Policy
Harvard University Kennedy School of Government

Joshua Goodman
Assistant Professor of Public Policy
Harvard University Kennedy School of Government

Neva Goodwin
Co-Director, Global Environment and Environment Institute
Tufts University

Elise Gould
Economist
Economic Policy Institute

Ulla Grapard
Associate Professor of Economics and Women's Studies
Colgate University

Daphne Greenwood
Tai Gross
Assistant Professor, Department of Health Policy and Management
Mailman School of Public Health, Columbia University

Michael Grossman
Distinguished Professor of Economics
City University of New York Graduate Center

Jonathan Gruber
Professor of Economics
Massachusetts Institute of Technology

Kwabena Gyimah-Brempong
Professor and Chair, Department of Economics
University of South Florida

Jack Hadley
Professor and Senior Health Services Researcher
George Mason University

Paul Hancock
Professor of Economics
Green Mountain College

Jeffrey S. Harman
University of Florida Research Foundation Professor
University of Florida

Oliver Hart
Professor of Economics
Harvard University

John T. Havey
Professor of Economics
Texas Christian University

Gillian Hewitson
Department of Political Economy
University of Sydney

Richard Hirth
Professor of Health Management and Policy
University of Michigan School of Public Health

Vivian Ho
Baker Institute Chair of Health Economics and Professor
Rice University

Joan Hoffman
Professor and Chair, Department of Economics
John Jay College of Criminal Justice, City University of New York

Ann M. Holmes
Associate Professor
Indiana University-Purdue University Indianapolis

Barbara Hopkins
Associate Professor of Economics
Wright State University

Jill R. Horwitz
Professor of Law, Co-Director, Program on Law and Economics
University of Michigan Law School

Candace Howes
Professor of Economics
Connecticut College

Hilary Hoynes
Professor of Economics
University of California, Davis

Dorene Isenberg
Professor and Chair, Department of Economics
University of Redlands

Ken Jacobs
Chair, Labor Center
University of California, Berkeley

Joyce P. Jacobsen
Andrews Professor of Economics
Wesleyan University

Sanford M. Jacoby
Professor of Management and Public Policy  
University of California, Los Angeles

Habib Jam  
Associate Professor of Economics  
Rowan University

Russell A. Janis  
Senior Lecturer in Economics  
University of Massachusetts, Amherst

Arjun Jayadev  
Assistant Professor of Economics  
University of Massachusetts, Boston

Neil Jordan  
Assistant Professor and Director, Health Economics Center  
Feinberg School of Medicine, Northwestern University

Ted Joyce  
Professor of Economics and Finance  
Baruch College, City University of New York

Geoffrey Joyce  
Director of Health Policy, Schaeffer Center for Health Policy & Economics  
University of Southern California

Kyoungrae Jung  
Assistant Professor, Health Policy and Administration  
Pennsylvania State University

Daniel Kahneman  
Professor of Public Affairs, Emeritus  
Princeton University

Rajani Kanth  
Professor of Economics (Visiting)  
Loras College & Washington College

Ethan Kaplan  
Visiting Professor of Economics  
Columbia University

Lawrence Katz
Allison Professor of Economics
Harvard University

Donald Katzner
Professor of Economics
University of Massachusetts, Amherst

Paula M. Kazi
Assistant Professor
Bucknell University

Valerie K. Kepner
Assistant Professor of Economics
King's College

Farida Khan
Professor of Economics
University of Wisconsin-Parkside

Marlene Kim
Associate Professor, Department of Economics
University of Massachusetts, Boston

Steven J. Klees
Professor of Education and Economic Development
University of Maryland

Andrew I. Kohen
Professor Emeritus of Economics
James Madison University

Brent Kramer
City University of New York

Brent Kreider
Professor of Economics
Iowa State University

Jill Kriesky
Economist
West Virginia Center on Budget and Policy

Karl Kronebusch
Associate Professor
City University of New York

Alan Krueger
Professor of Economics
Princeton University

David Laibman
Professor (retired), Department of Economics
City University of New York

Melaku Lakew
Professor of Economics
Richard Stockton College of New Jersey

Thomas Lambert
Economics Lecturer
Indiana University Southeast

Robert Lawrence
Albert L. Williams Professor of Trade and Investment
Harvard University, Kennedy School of Government

Arleen A. Leibowitz
Professor, School of Public Affairs
University of California, Los Angeles

David I. Levine
Trefethen Professor of Business Administration, Haas School of Business
University of California, Berkeley

Frank Levy
Rose Professor of Urban Economics
Massachusetts Institute of Technology

Peter M. Lichtenstein
Emeritus Professor of Economics
Boise State University

Jeffrey B. Liebman
Malcolm Wiener Professor of Public Policy
Harvard University, Kennedy School of Government

Peter H. Lindert
Distinguished Research Professor of Economics
University of California, Davis
Richard C. Lindrooth  
Associate Professor  
Colorado School of Public Health, University of Colorado

Victor D. Lippit  
Professor of Economics  
University of California, Riverside

Linda Loubert  
Assistant Professor, Economics Department  
Morgan State University

Harold S. Luft  
University of California, San Francisco

Catherine Lynde  
Associate Professor, Economics  
University of Massachusetts, Amherst

Sean P. MacDonald  
Assistant Professor of Economics  
City University of New York

Diane J. Macunovich  
Department of Economics  
University of Redlands

Mark Maier  
Professor of Economics  
Glendale College

Ann Markusen  
Professor  
Humphrey School of Public Affairs, University of Minnesota

Eric S. Maskin  
A.O. Hirschman Professor of Social Science  
Institute for Advanced Study

Thomas Masterson  
Research Scholar  
Levy Economics Institute of Bard College

Julie Matthaei
Professor of economics
Wellesley College

Peter Hans Matthews
James Jermain Professor of Political Economy, Department of Economics
Middlebury College

Kathleen McAfee
Associate Professor, Political Economy and International Relations
San Francisco State University

Elaine McCrate
Associate Professor, Economic and Women's and Gender Studies
University of Vermont

Thomas G. McGuire
Professor of Health Economics
Harvard Medical School

Ellen Meara
Associate Professor
Darmouth Institute for Health Policy and Clinical Practice

Michael Meeropol
Visiting Professor Economics
John Jay College of Criminal Justice, City University of New York

Martin Melkonian
Adjunct Associate Professor, Economics
Hofstra University

David Meltzer
Associate Professor, Department of Medicine and Associated Faculty Member,
Department of Economics
University of Chicago

Peter B. Meyer
Professor Emeritus of Urban Policy and Economics
University of Louisville

Marcelo Milan
Assistant Professor of Economics
University of Wisconsin-Parkside
Lawrence Mishel  
President  
Economic Policy Institute

Alan C. Monheit  
Professor of Health Economics, School of Public Health  
University of Medicine and Dentistry of New Jersey

Taryn Morrissey  
Assistant Professor of Public Administration and Policy  
American University

Karoline Mortensen  
Assistant Professor of Health Services Administration  
University of Maryland

Tracy Mott  
Associate Professor and Department Chair, Department of Economics  
University of Denver

Alicia H. Munnell  
Peter F. Drucker Professor  
Carroll School of Management, Boston College

Richard J. Murnane  
Professor  
Harvard University

Jason Burke Murphy  
Department of Philosophy  
Elms College

Ellen Mutari  
Professor of Economics  
Richard Stockton College of New Jersey

Reynold F. Nesiba  
Associate Professor of Economics  
Augustana College

David Neumark  
Professor of Economics and Director of Graduate Studies  
University of California, Irvine

Len M. Nichols
Director of the Center for Health Policy Research and Ethnic, Professor of Health Policy
George Mason University

Laurie Nisonoff
Professor of Economics
Hampshire College

Brendan O'Flaherty
Professor of Economics
Columbia University

Albert A. Okunade
Professor of Health Economics
University of Memphis

Oladele Omosegbon
Professor of Economics
Indiana Wesleyan University

Shaiianne T. Osterreich
Associate Professor, Economics
Ithaca College

Zhaochang Peng
Department of Economics
Rollins College

George Perry
Senior Fellow
The Brookings Institution

Mark A. Peterson
Professor of Public Policy and Political Science
UCLA School of Public Affairs

Karl Petrick
Assistant Professor of Economics
Western New England College

Kathryn A. Phillips
Professor of Health Economics and Health Services Research
University of California, San Francisco

Steven D. Pizer
Charles P. Rock
Professor of Economics
Rollins College

Christina D. Romer
Class of 1957 Professor of Economics
University of California, Berkeley

Samuel Rosenberg
Acting Vice Provost for Faculty and Academic Administration
Roosevelt University

Meredith Rosenthal
Associate Professor of Health Economics
Harvard University School of Public Health

Roy J. Rotheim
Professor of Economics
Skidmore College

Anne Beeson Royalty
Associate Professor of Economics
Indiana University Purdue University Indianapolis

Cristopher J. Ruhm
Professor of Public Policy and Economics
University of Virginia

Emmanuel Saez
E. Morris Cox Professor of Economics
University of California, Berkeley

Harwood D. Schaffer
Research Assistant Professor
University of Tennessee

John Schmitt
Senior Economist
Center for Economic and Policy Research

Charles L. Schultze
Senior Fellow Emeritus, Economic Studies
The Brookings Institution
Eric A. Schutz  
Professor, Economics  
Rollins College

Joseph M. Schwartz  
Professor of Political Science  
Temple University

Charles R. Sebuharara  
Visiting Assistant Professor of Finance  
Pamplin College of Business, Virginia Tech

Eric Seiber  
Assistant Professor of Health Services Management and Policy  
The Ohio State University

Janet Seiz  
Associate Professor of Economics  
Grinnell College
Bisakha Sen  
Associate Professor, Department of Healthcare Organization and Policy  
University of Alabama, Birmingham

Mark Setterfield  
Professor of Economics  
Trinity College

Anwar Shaikh  
Professor of Economics  
New School for Social Research

Nina Shapiro  
Professor of Economics  
Saint Peter's College

Judith Shinogle  
Senior Research Scientist  
Maryland Institute for Policy Analysis

Peter Skott  
Professor of Economics  
University of Massachusetts, Amherst

Timothy Smeeding  
Arts and Sciences Distinguished Professor for Public Affairs  
University of Wisconsin-Madison

Eugene Smolensky  
Professor of the Graduate School  
University of California, Berkeley

Bryan Snyder  
Department of Economics  
Bentley University

Eswaran Somanathan  
Visiting Professor  
Princeton University

Paula H. Song  
Assistant Professor, Health Services Management & Policy  
The Ohio State University
Neeraj Sood  
Associate Professor  
Schaeffer Center for Health Policy and Economics, University of Southern California

Janet Spitz  
Associate Professor of Business  
College of Saint Rose

James Ronald Stanfield  
Emeritus Professor of Economics  
Colorado State University

Sally C. Stearns  
Professor of Health Economics  
University of North Carolina at Chapel Hill

Bruce Stuart  
Professor  
University of Maryland School of Pharmacy

Paul Swanson  
Professor of Economics  
William Paterson University

Katherine Swartz  
Professor of Health Economics and Policy  
Harvard University School of Public Health

Donald H. Taylor, Jr.  
Associate Professor of Public Policy  
Duke University

Mark Thoma  
Professor of Economics  
University of Oregon

Chris Tilly  
Professor and Director of the Institute for Research and Employment  
University of California, Los Angeles

Mariano Torras  
Professor of Economics  
Adelphi University

Pravin K. Trivedi  
J.H. Rudy Professor of Economics
Jennifer Troyer  
Associate Professor of Economics  
University of North Carolina at Charlotte

Laura Tyson  
S.K. and Angela Chan Chair in Global Management  
Haas School of Business, University of California, Berkeley

Robert Otto Valdez  
Robert Wood Johnson Foundation Professor, Family & Community Medicine and Economics  
University of New Mexico

Paul N. Van de Water  
Senior Fellow  
Center on Budget and Policy Priorities

Courtney Harold Van Houtven  
Associate Professor  
Duke University

Lane Vanderslice  
Editor, Hunger Notes  
worldhunger.org

Elizabeth Richardson Vigdor  
Research Scholar  
Duke University

Anca Voicu  
Assistant Professor of Economics  
Rollins College

Mark E. Votruba  
Associate Professor of Economics and Medicine  
Case Western Reserve University

Geetha Waehrer  
Research Scientist  
Pacific Institute for Research and Evaluation

Jane Waldfogel  
Professor of Social Work and Public Affairs  
Columbia University

Kenneth E. Warner
Avedis Donebedian Distinguished University Professor of Public Health
University of Michigan
David Warner
Wilbur Cohen Professor of Public Affairs
LBJ School of Public Affairs, University of Texas at Austin

Mark Weisbrot
Co-Director
Center for Economic and Policy Research

Thomas E. Weisskopf
Professor Emeritus of Economics
University of Michigan

Charles K. Wilber
Emeritus Professor of Economics
University of Notre Dame

Michael Wilson
Instructor
Harvard Medical School

Cecilia Ann Winters
Associate Professor of Economics
Manhattanville College

Jon D. Wisman
Professor of Economics
American University

Barbara Wolfe
Professor, Economics and Political Science
University of Wisconsin-Madison

Justin Wolfers
Associate Professor of Business and Public Policy
The Wharton School, University of Pennsylvania

Robert S. Woodward
Professor of Health Economics
University of New Hampshire

Vivian Wu
Assistant Professor
University of Southern California
David Zalewski
Professor of Finance
Providence College

Joshua Graff Zivin
Associate Professor of Economics
University of California, San Diego