

From: Emory Smith <ESmith@scag.gov>

To: Pisarik, HollyHollyPisarik@gov.sc.gov

Date: 10/15/2015 9:12:10 AM

Subject: FW: Texas v. USA - HIP suit

Attachments: ACAHIP complaint draft 10-14.docx

We have been asked to join this suit led by the State of Texas. A description of the suit is in my message below that I sent to Rick Hepfer counsel for DHHS. Rick Hepfer, DHHS General Counsel, reported to me yesterday that the SC does have to pay the fees at issue in this proposed case. My understanding from him is that SC will have to pay \$80-100 million per year in fees over the next several years, but it was about \$23 million last year.

Our deadline for joining this suit is Monday. If your Office would like to make any comment to us regarding the proposed action, I would appreciate hearing from you by Noon tomorrow.

Thanks.

Emory

J. Emory Smith, Jr.
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Columbia, SC 29211
803-734-3642 Direct

From: Emory Smith
Sent: Tuesday, October 13, 2015 11:10 AM
To: Hepfer@SCDHHS.gov
Subject: Texas HIP suit

Here's the info from Texas

As mentioned in my message, we're preparing to file a lawsuit to recover monies imposed upon our taxpayers through Obamacare. Your state, like Texas, uses managed care organizations (MCOs) to provide a portion of its Medicaid services. Under Obamacare, MCOs must pay the Health Insurance Provider's (HIP) Fee to help fund the government's cost of implementing Obamacare. Unfortunately, the Centers for Medicare and Medicaid now require States to pay the HIP fee to the MCOs to then pay to the IRS. We believe this is unconstitutional for several reasons. (The Texas fee is \$86 million for 2013 and around \$120 million a year after that.)

Please let me know whether the State of SC is having to pay the HIP fee AND approximately how much the State has had to pay. I don't need exact amounts. Just a rough approximation will do at this point.

Would appreciate your sending me this info by Noon tomorrow (Wed., 10/14).

Thanks.

Emory

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