



800 10th Street, NW
Two CityCenter, Suite 400
Washington, DC 20001-4956
(202) 638-1100 Phone
www.aha.org

September 25, 2017

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinical partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is writing to express our opposition to the Graham-Cassidy proposal being considered in the Senate. This proposal would make significant changes to health care coverage and financing.

Patients and the caregivers who serve them across America are depending on the Senate to make continued health care coverage a priority. Any changes to the federal investment in health care must protect coverage, which is critical to ensuring that patients have access to the care they need.

The Senate is now considering a proposal by Sens. Lindsey Graham (R-SC), Bill Cassidy (R-LA), Dean Heller (R-NV) and Ron Johnson (R-WI) to repeal and replace parts of the Affordable Care Act (ACA). The Congressional Budget Office (CBO) has not yet scored the proposal. However, an analysis conducted by KNG Health Consulting for the AHA found that more than 20 million individuals would lose coverage by 2026, and the proposal would result in \$275 billion less in federal funding to states. This is similar to CBO projections for earlier versions of repeal and replace legislation, which found that 22 million individuals or more would lose coverage, and hundreds of billions of dollars would be cut from the health care system. Moreover, while some states may receive additional federal funds under the proposal, our analysis found that the rate of uninsured would increase in every state.

This proposal repeals the Basic Health Program and Health Insurance Marketplace subsidies and converts a portion of the savings from repeal of those programs, as well as Medicaid expansion, into a new state grant program. These state grants would only be available for seven years before expiring at the end of 2026. In 2027, states would have to choose between generating the approximate \$200 billion annually to maintain the coverage established through these grants or cease to offer that coverage altogether.

In addition, the proposal provides little guidance to states on how to use the funds and provides limited resources for planning and implementation. States may be challenged to arrange new



coverage options in the timeframe allotted, which could result in considerable upheaval as individuals lose access to their current coverage at the end of 2019.

We are particularly concerned about how the major changes to the Medicaid program will impact the most vulnerable members of our communities, including disabled children, individuals with dementia who rely on long-term care services and supports, and individuals with chronic conditions such as cancer. Significant cuts to the Medicaid program without appropriate safeguards to ensure that current beneficiaries will have a secure, alternate source of coverage would have serious negative consequences for communities across America.

We urge Congress to maintain current consumer protections while allowing states necessary flexibility. All individuals should be assured that their coverage is comprehensive and will meet their needs. We strongly oppose provisions in the bill that could reduce the essential health benefit package and increase premiums for individuals with pre-existing conditions, potentially pricing them out of coverage.

Health care coverage is vitally important to working Americans and their families. They rely on hospitals and health systems to provide them with access for their essential health care needs in a manner that is of the highest quality, not to mention the full range of critical life-saving services and preventive benefits that will further improve the quality of life and the health of the communities in which they live.

We therefore ask that the Senate protect our patients, and find ways to maintain coverage for as many Americans as possible by rejecting this proposal, including its elimination of Medicaid expansion, untenable cuts to the Medicaid program, and dilution of consumer protections. We look forward to working with the Senate in a bipartisan manner as it moves forward on ACA reform.

Sincerely,

/s/

Richard J. Pollack
President and CEO