



A Passionate Voice for Compassionate Care

May 22, 2017

The Honorable Orrin Hatch
Chairman
Senate Finance Committee
219 Dirksen
Washington, DC 20510

Dear Chairman Hatch,

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,000 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, **I strongly urge you to reject the House passed American Health Care Act (AHCA) and start anew.** We believe that this moment calls for statesmanship on the part of both political parties to work together to make the improvements in our health care system that will stabilize the insurance market, improve affordability, and strengthen and expand the coverage gains made by the Affordable Care Act, (ACA).

Among other provisions, we are strongly opposed to the American Health Care Act's restructuring of the Medicaid program. Capping federal funding, whether per capita caps or block grants, fundamentally undermines the health care safety net and the ability to serve beneficiaries. As several of our nation's governors have stated, such proposals simply shift the cost burden onto local and state governments, individual beneficiaries and health providers. Medicaid is already a lean program, with spending per beneficiary considerably lower than private insurance and growth in spending per beneficiary slower than private insurance.

Unfortunately, this massive restructuring of the Medicaid program, the elimination of the expansion and the proposed cuts included in the AHCA will lead to tremendous coverage losses—14 million according to initial CBO estimates—of our nation's most vulnerable and low-income populations.

As you know, Medicaid is the foundation of our nation's safety net and provides necessary health care services to low-income children, pregnant women, individuals, seniors, disabled and medically complex individuals in our country. Medicaid provides essential support through a wide variety of services affecting a large segment of the population, including acute care, long-term care and home health services, neo-natal programs and maternity care. The program covers nearly 50 percent of all U.S. births and helps reduce unemployment and homelessness by stabilizing individuals' health. Additionally, Medicaid provides states the ability to design the program to fit their state's needs, enables innovation and also holds states financially accountable for their proportional share of the costs of the program.



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As the Chairman of the Committee with jurisdiction over the Medicaid program, we urge you to stand with the most vulnerable members of society to prevent devastating structural changes, expansion reductions and cuts that severely weaken this vital program and threaten states' ability to honor its commitment to beneficiaries. These cuts will cost lives and we are too great a nation to allow that.

We also urge you to focus reform efforts on strengthening and expanding the health insurance coverage gains achieved under the ACA, and improving the stability and affordability of the insurance market. Specifically, we recommend continuing and expanding the cost-sharing subsidies, and ensuring tax credits continue to be refundable, advanceable and age adjusted but also income and geographically adjusted as well, to ensure coverage is affordable regardless of income or the community where you live. It is also critical to maintain the current law's consumer protections, including the essential health benefit requirements and insurance market reforms such as community rating and guaranteed issue and renewal, with no preexisting condition or coverage exclusions or life-time caps. To address stability, we urge the funding and permanent extension of the reinsurance program for insurers.

Finally, the health care funding should remain in the system. Unfortunately, the AHCA is not a health care bill intended to maintain or expand accessible and affordable health care for all. The legislation instead takes significant funding originally allocated by Congress for health care coverage and uses it for tax cuts for some of our wealthiest citizens. Its effect is the loss of coverage for approximately 24 million individuals and loss of funding to ensure the stability of the Medicare trust fund, which our seniors count on for coverage. The impact of these tax cuts are contrary to the spirit of who we are as a nation—a giant step backward that should be resisted.

The ACA is not a perfect law, and we have always said it should be improved where necessary. Any improvement, however, cannot leave behind millions of people who have obtained meaningful, affordable insurance that was not possible before the ACA. We stand ready to work with all members of Congress to improve the availability, affordability, coverage and quality of our health care system in ways that do not harm those who need our help and support.

You have a long history of caring about issues critical to the lives of the most vulnerable, your leadership is critical today. Thank you for the opportunity to comment.

Sincerely,

Sr. Carol Keehan, DC
President and CEO

CC: Senator Ron Wyden