



A Passionate Voice for Compassionate Care

June 28, 2017

United States Senate
Washington, DC 20510

Dear Senator,

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 Senate Better Care Reconciliation Act of 2017 (BCRA) 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 already achieved.

Among other provisions, **we are strongly opposed to BCRA's complete restructuring and deep funding reductions to the Medicaid program. Capping federal funding, either with per capita caps or block grants, fundamentally undermines the health care safety net and our 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. None of these can make up for the huge losses in federal funding, in turn causing millions of vulnerable, low-income individuals and families to lose coverage. 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.

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, mental health, and substance abuse services, as well as 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.

Unfortunately, the proposed cap on federal Medicaid funding and the elimination of the coverage expansion funding included in the Senate bill, amounting to \$770 billion in cuts, **will lead to tremendous Medicaid coverage losses—15 million according to initial CBO estimates—for our nation's most vulnerable and low-income populations.** We are also opposed to the continuation of the Medicaid disproportionate share hospital (DSH) cuts as well as the proposed reduction in the allowable state provider tax, all of which assist states and providers to ensure



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coverage for Medicaid beneficiaries. **These cuts will cost lives, and we are too great a nation to allow that. We ask you to stand with the most vulnerable members of society to prevent these devastating federal funding cuts** that will severely weaken this vital program and threaten states' ability to honor their commitment to those who rely on Medicaid.

We urge you instead to focus reform efforts on strengthening and expanding the health insurance coverage gains already achieved, and improving the stability and affordability of the insurance market. Specifically, the Senate bill does not make health coverage affordable. Health insurance premiums would be unaffordable for many individuals and families because the tax credits are not generous enough. The bill attempts to lower the premiums of health insurance coverage via plans with higher deductibles and co-pays, and yet eliminates cost sharing subsidies for these out-of-pocket costs. Insurance is useless when individuals and families cannot afford the thousands of dollars in deductibles and co-pays. 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 or waiting periods. To address stability, we do support funding a permanent extension of the reinsurance program for insurers. We also support the inclusion of the Hyde provisions in any legislation strengthening our health care system.

Finally, the health care funding should remain in the system. Unfortunately, the BCRA like the House bill 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 would be the loss of coverage for approximately 22 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.

While the ACA is not a perfect law, and should be improved where necessary, no attempt to do so should 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. But above all, we urge you always to keep in mind the unborn and the many millions of poor individuals and vulnerable families who will be affected by any changes to our health care system.

Sincerely,

A handwritten signature in black ink that reads "Sr. Carol Keehan". The signature is written in a cursive, flowing style.

Sr. Carol Keehan, DC
President and CEO