May 2, 2017

The Hon. Rob Bishop  
123 Cannon House Office Building  
Washington, DC 20515

The Hon. Jason Chaffetz  
2236 Rayburn House Office Building  
Washington, DC 20515

The Hon. Chris Stewart  
323 Cannon House Office Building  
Washington, DC 20515

The Hon. Mia Love  
217 Cannon House Office Building  
Washington, DC 20515

Re: HR 1628

Dear Reps. Bishop, Stewart, Chaffetz, and Love:

The health, independence, productivity, and quality of life of low-income Utahns is at stake right now. The undersigned individuals and organizations are or represent the 500,000 or so Utah residents who have affordable coverage and quality care thanks to the Affordable Care Act (ACA) and Medicaid. They are why we respectfully ask you to strongly oppose the devastating changes and drastic cuts to these lifesaving programs proposed in the American Healthcare Act (AHCA) and its MacArthur/Meadows amendment.

Health insurance only works if healthier, lower-cost persons help cover the cost of care for sicker, higher-cost individuals. This is why the ACA requires all Americans to have coverage or pay a penalty. It is also why 167,000 of Utah’s marketplace enrollees receive some premium assistance, and why 142,000 of them get some help with co-pays and deductibles. As a result, the state’s uninsured rate has dropped by 25% since 2013. Unfortunately, the AHCA puts these gains at risk by doing away with the individual and employer mandates.

By replacing subsidies based on income and family size with smaller tax credits based on age, allowing insurers to charge individuals over age 40 up to 30% more, and charging individuals who lose coverage for more than two months an extra 30%, the AHCA might end up costing a family of four in their 30s earning $40,000 more in premiums than the same family earning $120,000 per year. Similarly, a lower-income senior may find him or herself paying almost $13,000 more in out-of-pocket cost. Consequently, Utah’s uninsured rate could jump from around 10% to about 15% within 2-3 years. Ultimately, 10 million more Americans would likely be unable to afford coverage over the next decade.
One of the ACA’s most popular provisions is the protection for persons with pre-existing conditions. Sadly, this provision is nowhere to be found in the MacArthur/Meadows amendment. Even though over 1/4 of non-elderly adults are thought to have at least one pre-existing condition, insurers would be free to charge women, seniors, or enrollees with chronic conditions (e.g. asthma, diabetes, heart disease, cancer, etc.), or disabilities significantly more. In hopes of keeping cost down for younger and healthier enrollees, states can also choose to offer coverage to these individuals through high-risk pools. Even then, certain conditions can be temporarily excluded from coverage. Additionally, there is no limit on premiums or deductibles, or prohibition on lifetime caps.

However, pre-ACA high-risk pools were unaffordable for enrollees and unsustainable for states. Even in Minnesota, often touted as having one of the more successful pools, premiums were 125% above the private market. More typically, rates were 150-200% higher. In 2011, Utah’s two pools had a $5,000 deductible and a $1,500,000 lifetime cap. No wonder only about 4,000 individuals were enrolled in 2013. In 2014, the combined losses of the pools totaled almost $80 million. Given this, it should come as no surprise that the executive director of the programs conceded that individuals moving from the pools to the marketplace would probably see a substantial reduction in premiums.

To make matters worse, the MacArthur/Meadows amendment allows states to decide whether to require insurers to continue covering essential health benefits, and, if so, what “essential” includes. Before essential health benefits, more than 3 in 5 people did not have maternity coverage; 1 in 3 people did not have coverage for substance use treatment; close to 1 in 5 people did not have coverage for mental health care (about 20% of all Americans will have a mental health diagnosis at some point); and almost 1 in 10 people did not have any coverage for prescription drugs (nearly 2/3 of Americans take at least one). It would basically be a return to the days when it was nearly impossible for somebody to find affordable coverage that actually covered his or her health care needs.

Finally, another 14 million Americans could lose access to affordable and quality care over the next ten years as a result of the $839 billion in cuts to Medicaid contained in the AHCA. This is precisely the wrong approach. The program is a successful 50+-year partnership between the states and Washington, DC. For every $1 Utah pays, the federal government contributes about $2.36 toward the cost of most services. Cost drivers are the same in Medicaid and the private market: enrollment growth and the rising cost of care overall. Even so, Medicaid is more efficient than the private market, with an average administrative cost of around 5%. Effective programs like this deserve to be strengthened and built upon, not decimated and dismantled.

Currently, Medicaid has to cover certain services such as hospital stays, doctor visits, and nursing home care. States can choose to offer other services like prescription drugs, mental health care, or rehabilitation. Under the AHCA, however, a state could opt to get a lump sum to run the program as it sees fit, or a slightly different amount for each enrollee (depending on whether he or she is a child, adult, individual who is aging, or a person with a disability). The amount might be adjusted a bit each year in response to enrollment and cost growth, but is unlikely to keep pace with the actual cost of enrollment, inflation, or care.
If a state is able to cover its cost within the amount given, it may be able to keep some or all of the savings. On the other hand, if the cost of care for individuals in a category is greater than the funding provided, a state will be on the hook for the difference. Faced with limited resources and tough decisions, a state may be tempted, or forced, to provide only the bare minimum to as few individuals as allowed.

If hard choices have to be made, **Utah’s most vulnerable could be in trouble**. In 2015, Medicaid paid for nearly $4 billion in school-based health services. For example, that year Utah **used over $32 million of Medicaid funding to help cover the cost of preventative screenings, school nurses, and the additional needs of students with disabilities**. Because nearly **200,000 Utah children** are enrolled in Medicaid, the possible loss of early and periodic screening, diagnosis, and treatment (EPSDT) would also be dire. EPSDT provides comprehensive coverage to make sure children grow up healthy and able to learn. It is considered the gold standard in pediatric care.

Additionally, many of the services and supports relied on by the approximately **50,000 Utah Medicaid enrollees who are seniors or persons with disabilities** in order to be active, productive and contributing members of their communities are relatively expensive. They are also often **unavailable through the private market or Medicare**. Because states do not have to provide home and community-based supports, as the population grows older and larger it is possible **persons with significant disabilities may have to return to an institution** to get the needed care, even though it is frequently about **3 times as expensive**.

For these reasons, we again respectfully ask you to strongly oppose the devastating changes and drastic cuts to these lifesaving programs proposed in the American Healthcare Act (AHCA) and its MacArthur/Meadows amendment. Thank you for your time and consideration of our request. We look forward to working with you to maintain a strong healthcare system, which offers robust protections, cost controls, improved quality, and affordable coverage to all Americans.

Sincerely,

**Organizational Signatories**

AARP Utah  
Alliance for a Better Utah  
Antihunger Action Committee  
Comunidades Unidas  
Disability Law Center  
Easter Seals-Goodwill Northern Rocky Mountain  
Healthcare Rights Coalition  
Utah Family Voices  
Utah Health Policy Project  
Utah State University Center for Persons with Disabilities  
Voices for Utah Children