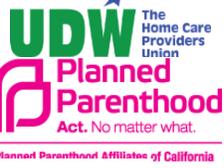




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Within A MATCH Coalition Building Understanding Between Cultures



May 17, 2017

Dear Senators Feinstein and Harris:

On behalf of the **Fight4OurHealth Coalition and our 120 organizations**, we write in strong opposition to H.R. 1628 (“American Health Care Act”/AHCA) as passed by the House of Representatives on May 4, 2017, and urge your efforts to oppose the bill, or any other proposal that caps or cuts Medicaid, reduces financial assistance for people buying coverage, or would lead to more uninsured.

Thanks to our state’s robust implementation of the Affordable Care Act (ACA), California has reduced our uninsured rate by more than half, from 17% to 7%, the biggest drop of any state in the nation. The ACA has also played an important role in helping to moderate the rise in the cost of health care, provided new patient protections for millions, and ended policies and practices that discriminated against women, LGBTQ people, people with disabilities, and racial and ethnic minorities. It increased access to health care for underserved populations, making health care coverage fairer and more equitable.

In contrast, the AHCA will not only reverse the progress that California and the rest of the country have made on health care, it will result in higher uninsured rates than even before the ACA was enacted. The AHCA will cause 4-5 million Californians to lose their health coverage, cut tens of billions of federal dollars for California’s health system, eliminate consumer protections, including and especially for people with pre-existing conditions, and lead to increased health costs for everyone.

The non-partisan and independent Congressional Budget Office’s March 13 analysis confirms that the AHCA will, at minimum, result in 14 million Americans losing coverage in 2018, 21 million by 2021, and 24 million by 2026. The proposal will also cut overall Medicaid funding by \$839 billion (a 25% reduction) over the next decade by eliminating the Medicaid expansion and capping the Medicaid program—ultimately ending the program as we have known it for 50 years. The MacArthur-Meadows and Upton-Long amendments made a bad bill even worse and did not change the underlying problems of AHCA. We oppose this bill because it would:

1. Impose multi-billion dollar caps and cuts to Medicaid (Medi-Cal), undermining coverage for the 14.1 million seniors, children, people with disabilities, working adults, and all other Californians who rely on it.

- Functionally eliminates the Medicaid expansion by 2020, which enabled California to expand coverage to over 4 million low-income working parents and adults without children in the home. By 2027, nearly 3.8 million Californians would lose coverage and the state would lose \$24 billion in federal funding.
- Ends a 50-year federal and state partnership that guarantees coverage to everyone

who is eligible. Capping Medicaid will result in the loss tens of billions of dollars to California, jeopardizing coverage to millions of children, seniors, and people with disabilities.

- Forces California to bear the risk and cost of public health crises (e.g. Zika virus outbreaks, opioid crisis, lead-tainted drinking water, etc.), an aging population, and increased health care and drug costs on its own.
- Permits states to no longer cover essential health benefits in their Medicaid programs, including behavioral mental health services and substance abuse treatment.
- Excludes Planned Parenthood as a qualified Medicaid provider, limiting access to lifesaving preventive care like breast exams, cancer screenings, STI tests and treatment, and birth control.
- Imposes draconian requirements for Medicaid eligibility and makes enrollment harder by requiring states to re-determine Medicaid eligibility every six months, ending presumptive eligibility at a hospital or other safety net providers, and eliminating retroactive eligibility.

2. Significantly reduce tax credits that make coverage affordable for people based on their income and the actual costs of health care. Low and moderate-income families, older people, and people who live in areas with high health care costs will see the biggest reductions in tax credits and increases in premium costs.

- Nearly 90% of the 1.5 million people enrolled in Covered California received over \$5 billion in federal premium and cost-sharing reduction subsidies to make coverage more affordable. The AHCA will force most of these individuals to pay more for coverage.
- Annually, on average, Covered California enrollees receive \$3,500 per individual (\$318/a month) and \$5,300 per household (\$442/month) in tax credits to help pay for the cost of premiums. The AHCA, in contrast, would provide a flat \$2,000 to \$4,000 subsidy based solely on age, resulting in most people getting less assistance.
- Removes \$700 million in cost-sharing protections that guarantee around 700,000 Californians won't face excessive out-of-pocket costs. These cost-sharing reduction subsidies reduce out-of-pocket costs by more than \$1,000 per individual and \$1,500 per household.
- AHCA does not account for the wide differences in the underlying cost of care between all of the rating regions. Low and moderate-income consumers, especially older consumers living in rural or high-cost regions (like the Northern counties, San Francisco, or the Central Coast) will end up paying more in premiums. For example, a 62-year old living in Humboldt County and earning \$30,000/year will end up paying \$13,487 after receiving a flat \$4,000 tax credit under AHCA, compared to paying just \$2,494 after a \$12,389 tax credit under the ACA.
- A Center on Budget and Policy Priorities study suggested that Covered California

enrollees would see health care costs go up on average \$2,800/year, and in over half the counties that average cost increase would be over \$4,000/year, all due to the changes in the AHCA.

3. Push people into high-deductible health plans that provide barebones coverage – if they can afford to buy it at all.

- Allows insurance companies to sell catastrophic plans by ending the requirement that plans cover a set percentage of health care costs.
- Encourages the use of health savings accounts, which promotes high deductible plans and does not help people who don't earn enough to save for basic necessities like housing and health care, much less to put money in tax shelters, which is essentially what health savings accounts are.

4. Destabilize the individual insurance market and increase costs for all.

- Reducing tax credits for those who need it would force hundreds of thousands of Californians to drop coverage because it is no longer affordable. This would leave consumers that do keep coverage in a smaller and sicker insurance pool with skyrocketing premiums.
- Replaces the individual mandate with a more punitive 30% penalty on premium for anyone who fails to have continuous coverage and is uninsured for two months. In comparison to the current individual mandate penalty, which is a month-by-month penalty, the proposed 30% premium penalty lasts an entire year (12 months), which translates to more costs to consumers. This would exacerbate adverse selection, undermine our risk pool, and raise premiums.

5. Eviscerate key consumer protections by permitting states to waive out of vital benefit coverage requirements in the individual and small group markets, which would also affect the large group market and self-insured employer plans.

- Permits states to set age rating ratio higher than the current 3 to 1 ratio, which means insurers can charge older consumers much higher premiums for coverage.
- Allows states to eliminate the current 10 essential health benefits by letting states define what categories of benefits are covered, eliminating lifetime and annual limits, and lifting the caps on out-of-pocket expenditures. Annual and lifetime limits and maximum caps on out-of-pocket costs, all of which depend on the definition of essential health benefits, could be eliminated for everyone in commercial coverage, including those who get coverage from their employers.
- With the reduction and redirection of subsidies, California would face immense pressure to take these waivers and scale back benefits and consumer protections, as a way to try to lower premiums. California may have no choice but to waive some of the benefits, which would lead to consumers facing higher costs and skimpier benefits.

6. Eliminate protections for people with pre-existing conditions and placing them into “high-risk pools” that would be insufficiently funded.

- “High-risk pools” are an unacceptable option for people with pre-existing conditions. California’s high risk pool, the Major Risk Medical Insurance Program (MRMIP), which many people relied on before the ACA, had high premiums (137% of market value), high deductibles, and a \$75,000 annual and \$750,000 lifetime limits on coverage—and long waiting lists. Fewer than 7,000 Californians were enrolled at any one time, a tiny number in a state with nearly 40 million people, including millions of uninsured.
- The AHCA provides insufficient funding for high-risk pools. The amount allocated is a small fraction of what would be needed to meaningfully offer comprehensive benefits and coverage to those with pre-existing conditions at a cost affordable to consumers.
- This funding pales in comparison to the massive cuts to premium subsidies and to the core Medicaid program under AHCA. “High-risk pools” will not prevent insurance companies from charging people with pre-existing conditions much more for coverage.

7. Give away tax breaks to the affluent, the health care industry, and health insurer executives, all of which are paid for by cutting care and coverage from low- and middle-income consumers.

- Cuts taxes for the affluent and the health care industry, while simultaneously cuts funding and takes away affordable health care coverage from lower-income working families, which would risk the health care of millions of children, seniors, and people with disabilities.

The AHCA will reverse the progress that California and the rest of the country have made on health care. The bill would not only repeal health care for millions of Californians, but also make it harder for people to get and keep health care coverage. Many Americans will pay more and get less coverage and care as a result of the proposal. This bill prioritizes tax breaks for the wealthy, along with insurance, medical device, and drug companies.

For these reasons, the undersigned organizations are opposed to H.R. 1628, the “American Health Care Act” and urge you to oppose this bill, as well as any other proposal that takes away the financial assistance, benefits, and consumer protections of Medicaid, Medicare, and the ACA, which millions of Californians currently depend on for their health care needs.

1. Health Access California
2. Access Support Network, San Luis Obispo and Monterey Counties
3. Advancement Project California
4. African Coalition

5. AFSCME Council 57
6. AIDS Services Foundation Orange County
7. Alameda County
8. Alameda County Community Food Bank
9. Alameda Health Consortium
10. Alameda Health System
11. Alliance of Californians for Community Empowerment
12. Alzheimer's Greater Los Angeles
13. American Academy of Pediatrics, California
14. American Civil Liberties Union of California
15. American Nurses Association, California
16. Any Positive Change Inc.
17. APLA Health
18. Asian & Pacific Islander Wellness Center
19. Asian Americans Advancing Justice - California
20. Asian Health Services
21. Asian Law Alliance
22. Black Women For Wellness
23. Boat People SOS, Inc.
24. California Association of Food Banks
25. California Association of Public Authorities for In-Home Support Services
26. California Calls
27. California Food Policy Advocates
28. California Health+ Advocates
29. California Immigrant Policy Center
30. California Labor Federation
31. California Latinas for Reproductive Justice
32. California LGBT Health and Human Services Network
33. California OneCare
34. California Pan-Ethnic Health Network
35. California Partnership
36. California Rural Legal Assistance Foundation
37. California School Employees Association
38. California School Nurses Organization
39. Children Now
40. Children's Defense Fund-California
41. Clinica Romero
42. Clinica Sierra Vista
43. Coalition for Humane Immigrant Rights
44. Council of Mexican Federations
45. Community Clinic Consortium – Contra Costa and Solano Counties
46. Community Health Councils
47. Community Health Initiative of Orange County
48. Community Health Partnership
49. Congress of California Seniors

50. C.O.R.E. Medical Clinic, Inc.
51. Empowering Pacific Islander Communities
52. Equality California
53. Esperanza Community Housing
54. Faith in San Joaquin
55. Greater Long Beach Interfaith Community Organization
56. Having Our Say Coalition
57. Healthy House Within A MATCH Coalition
58. Inland Empire Coverage and Health Initiative
59. Interfaith Worker Justice San Diego
60. Jewish Family Service of Los Angeles
61. Jewish Public Affairs Committee of California
62. Justice in Aging
63. Kheir Center
64. Korean Community Services
65. Korean Resource Center
66. La Clinica de La Raza
67. Latino Coalition for a Healthy California
68. LifeLong Medical Care
69. Los Angeles LGBT Center
70. Lutheran Office of Public Policy - California
71. Maitri Compassionate Care
72. Maternal and Child Health Access
73. National Asian Pacific American Families Against Substance Abuse
74. National Health Law Program
75. National Immigration Law Center
76. NextGen California
77. NICOS Chinese Health Coalition
78. NorCal Mental Health America
79. Organizing for Action (OFA) Contra Costa
80. Organizing for Action California
81. Our Family Coalition
82. Pacific Islander Health Partnership
83. People Demanding Action
84. Personal Assistance Services Council
85. PICO California
86. Planned Parenthood Affiliates of California
87. Professional and Technical Engineers, Local 21
88. Project Inform
89. Redwood Community Health Coalition
90. Reform CA
91. Sacramento Area S.T.O.P. Hepatitis Task-Force
92. Sacramento LGBT Community Center
93. SAHARA – Caring for the South Asian Community
94. San Diegans for Healthcare Coverage – A Coalition for Health

95. San Diego Organizing Project
96. San Francisco AIDS Foundation
97. San Francisco Hepatitis C Task Force
98. Senior & Disability Action
99. San Francisco - Marin Food Bank
100. SEIU California
101. SEIU Local 1000
102. Social Security Works
103. Southeast Asia Resource Action Center
104. Southland Healthcare Action Group
105. St. Anthony Foundation
106. The Arc of California
107. The California Women's Agenda
108. The Children's Partnership
109. The Fight for 15 – LA
110. The Greenlining Institute
111. The LGBT Center Orange County
112. The Wall Las Memorias Project
113. United Domestic Workers – UDW, AFSCME Local 3930 / AFL-CIO
114. United Farm Workers Foundation
115. United Ways of California
116. Victory In Praise Church Social Justice Ministry
117. Vision y Compromiso
118. Voices for Progress Education Fund
119. Western Center on Law and Poverty
120. Women's Intercultural Network