June 30, 2017

Dear Senators Feinstein and Harris, and the California House of Representatives Delegation:

On behalf of the Fight4OurHealth Coalition and our 125 organizations, we write in strong opposition to the Senate Republican proposal to repeal the Affordable Care Act (ACA), the “Better Care Reconciliation Act of 2017” (BCRA). We urge you to oppose this bill, and any other proposal that repeals the ACA, caps or cuts Medicaid, or reduces financial assistance for people buying coverage. Under no circumstances should a bill lead to more people becoming uninsured.

Thanks to our state’s robust implementation of the 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 slow the growth of health care costs, provide critical protections for people with pre-existing conditions, and ended policies and practices that discriminated against women, LGBTQ people, people with disabilities, and racial and ethnic minorities. The ACA increased access to health care for underserved populations, making health care coverage more fair and equitable.

The BCRA aims to repeal many elements of the ACA, cuts subsidies for Covered California enrollees and decimate Medicaid. BCRA will not only reverse the progress that California and the rest of the country has made on health care, but also result even more people being uninsured than before the ACA was enacted. It will cause 4-5 million Californians to lose their health coverage, cut tens of billions of federal dollars from California’s health system, eliminate consumer protections, especially for people with pre-existing conditions, and lead to increased costs for everyone.

The non-partisan and independent Congressional Budget Office’s June 26th analysis confirms that the Senate Republican proposal will, at minimum, result in 15 million more Americans losing coverage in 2018, 19 million by 2020, and 22 million by 2026. The proposal will cut overall Medicaid funding by $772 billion over the next decade by eliminating Medicaid expansion and capping the Medicaid program. BCRA will also drastically reduce premium tax credit subsidies and eliminate cost-sharing subsidies by $424 billion. According to the California Department of Health Care Services, by 2027, nearly 3.8 million Californians would lose coverage and the state would lose $30 billion annually in federal funding.

We oppose BCRA because it:
1. Imposes 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.
   - Starting 2021, the BCRA phases out the enhanced federal funding that has allowed California to enroll over four million low-income adults through the Medicaid expansion, and effectively ends it in 2024. California will not be able to make up
billions in lost federal funding, which could result in the expansion ending even before 2024.

- Ends a 50-year federal and state partnership that guarantees coverage to everyone who is eligible. Capping Medicaid either with a per capita cap or block grant will result in the loss of 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 (such as Zika virus outbreaks, opioid crisis, lead-tainted drinking water, etc.), an aging population, and increased health care and drug costs on its own.
- Eliminates Medicaid’s essential health benefits, including mental health and substance abuse programs.
- Eliminates funding to Planned Parenthood and other “prohibited entities” such as essential community providers (clinics) that provide family planning, reproductive health, abortions, and other women’s health services.
- Imposes draconian requirements for Medicaid eligibility and makes enrollment harder by incentivizing states to re-determine Medicaid eligibility every six months, promoting work requirements, and eliminating retroactive eligibility and streamlined enrollment.

2. **Significantly reduces tax credits that make coverage affordable for people based on their income and the actual costs of health care.** The proposal also alters eligibility for tax credits by lowering the income threshold from 400% FPL to 350% FPL, **effectively reducing the number of people eligible for tax credits.** Low and moderate-income families, older people, and people who live in areas with high health care costs will still see the biggest reductions in tax credits and increases in deductibles.

- Significantly reduces the tax credits that many consumers currently receive. BCRA cuts subsidies 12-14% because it ties subsidies to a plan with an actuarial value of 58% rather than a silver plan with an actuarial value of 73%. This means consumers will have much higher deductibles for a plan. Currently in California, the deductible is $2,450 for a silver plan, while the deductible for a plan with 58% actuarial value is almost $7,000.
- 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.
- Hits older adults harder because BCRA allows states to charge older adults five times more than young people (by going from 3:1 to 5:1 age band). For example, people between 40 – 49 years old, with incomes between 300-350% FPL, would pay a higher percentage of their income toward premiums (between 8.35% - 12.5%). Also, people over 59 years old, with incomes between 300-350% FPL will be forced to spend over 16% of their income on premiums alone.
- Eliminates $700 million in cost-sharing protections that ensure 700,000 Californians don’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.
3. Destabilizes the individual market and increases costs for all.
   ● Adds a provision that would lock consumers out of insurance coverage in the individual market for 6 months if they fail to maintain continuous insurance coverage by missing just one payment, which is punitive and undermines the risk pool.
   ● Effectively eliminates both the individual and employer mandates, which would exacerbate adverse selection, undermine our risk pool, and raise premiums because only people that need insurance will buy it.
   ● Reduces 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.

4. Eviscerates 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 increase age rating ratios to 5:1, up from the current 3:1, making coverage significantly more expensive for older consumers.
   ● 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 could be eliminated for everyone in commercial coverage, including those who get coverage from their employers because they depend on the definition of essential health benefits.
   ● With the reduction and redirection of subsidies, California may have no choice but to waive some of the benefits, which would lead to consumers facing higher costs and skimpier benefits.

5. Gives tax breaks to the affluent and various parts of the health care industry, all of which are paid for by cutting care and coverage from low- and middle-income consumers.

The BCRA will reverse the progress that California and the rest of the country have made on health care. The bill will take away health care for millions of Californians and make it harder for people to get and keep coverage. Many Americans will pay more and get less as a result of the BCRA.

For these reasons, the 125 undersigned organizations are opposed to the “Better Care Reconciliation Act of 2017” and urge you to oppose this bill, as well as any other proposal that takes away the financial assistance, benefits, and consumer protections provided by Medicaid, Medicare, and the ACA.
1. Health Access California
2. Access California Services
3. ACLU of California
4. ACT for Women and Girls
5. Advancement Project California
6. Alameda Health Consortium
7. Alameda Health System
8. Alliance of Californians for Community Empowerment
9. Alzheimer's Greater Los Angeles
10. American Nurses Association - California
11. American Academy of Pediatrics - California
12. Any Positive Change Inc.
13. APLA Health
14. Asian Americans Advancing Justice - California
15. Asian Americans Advancing Justice - Los Angeles
16. Asian Law Alliance
17. Autism Deserves Equal Coverage Foundation
18. Bienestar Human Services, Inc.
19. California Alliance for Retired Americans
20. California Association of Food Banks
21. California Calls
22. California Children’s Hospital Association
23. California Coverage and Health Initiatives
24. California Association of Public Authorities for IHSS
25. California Food Policy Advocates
26. California Health Professional Student Alliance
27. California Immigrant Policy Center
28. California Labor Federation
29. California Latinas for Reproductive Justice
30. California League of Conservation Voters
31. California LGBT Health & Human Services Network
32. California OneCare
33. California Pan-Ethnic Health Network
34. California Partnership
35. California Physicians Alliance - CaPA
36. California School Employees Association
37. California School Nurses Organization
38. California School-Based Health Alliance
40. California Health+ Advocates
41. Children Now
42. Children’s Defense Fund-California
43. Clínica Monseñor Oscar A Romero
44. Coalition for Humane Immigrant Rights - CHIRLA
45. Community Clinic Association of LA County
46. Community Clinic Consortium – Contra Costa and Solano Counties
47. Community Health Councils
48. Community Health Initiative of Orange County
49. Community Health Partnership
50. Congress of California Seniors
51. Council of Mexican Federation
52. County of Alameda
53. County Welfare Directors Association of CA
54. Courage Campaign
55. D’Access Central Inc.
56. Desert AIDS Project
57. Disability Rights Legal Center
58. Earthjustice
59. El Quinto Sol de America
60. EQUAL Health Network
61. Equal Rights Advocates
62. Equality California
63. Esperanza Community Housing
64. Essential Access Health
65. Fathers & Families of San Joaquin
66. First 5 Santa Cruz County
67. Fresno Interdenominational Refugee Ministries
68. Having Our Say Coalition
69. Healthy House Within a MATCH Coalition
70. HepCarestream/Hepatitis C Clinical Education Group, Inc.
71. Hijxanas Organized for Political Equality - HOPE
72. Human Services Association
73. Inland Empire Coverage and Initiative (IE-CHI)
74. Interfaith Workers Justice of San Diego – IWJSD
75. International Federation of Professional and Technical Engineers, Local 21
76. Jewish Family Service of Los Angeles
77. Justice in Aging
78. Kheir Center
79. Korean Community Center of the East Bay
80. LA Voice
81. Latino Coalition for a Healthy California
82. LifeLong Medical Care
83. Lutheran Office of Public Policy - California
84. Main Street Alliance of San Diego
85. Maternal and Child Health Access
86. Mi Familia Vota
87. MomsRising
88. National Asian Pacific American Families Against Substance Abuse - NAPAFASA
89. NARAL Pro-Choice California
90. National Council of Jewish Women – Los Angeles
91. National Health Law Program
92. National Immigration Law Center
93. NextGen Climate
94. NICOS Chinese Health Coalition
95. NorCal Mental Health America
96. Northeast Valley Health Corporation
97. Personal Assistance Services Council of Los Angeles County
98. Planned Parenthood Affiliates of California
99. Project Inform
100. Public Health Advocates
101. Redwood Community Health Coalition
102. Reform CA
103. Roots Community Health Center
104. Sacramento Area S.T.O.P Hepatitis Task-Force
105. San Diegans for Healthcare Coverage
106. San Francisco AIDS Foundation
107. SEIU California
108. SEIU Local 1000
109. Senior Services Coalition of Alameda County
110. Services, Immigrant Rights, and Education Network - SIREN
111. SFV Refugee Children Center, Inc.
112. Sierra Club California
113. Social Security Works
114. South Asian Network - SAN
115. Southeast Asia Resource Action Center - SEARAC
116. Southside Coalition of Community Health Centers
117. The Arc of California & UCP California
118. The Children's Partnership
119. The Coalition of Orange County Community Health Centers
120. The Greenlining Institute
121. The Women's Foundation of California
122. Transitions Clinic Network
123. UDW/AFSCME Local 3930
124. Voices for Progress Education Fund
125. Western Center on Law & Poverty

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