



September 19, 2017

Dear California House of Representatives Delegation:

On behalf of the **Fight4OurHealth Coalition and our 104 organizations**, we write in strong opposition to the Graham-Cassidy-Heller-Johnson proposal in the U.S. Senate, and we urge you to denounce this devastating and intentionally disproportionate attack on California and our health system.

Republican Senators Lindsey Graham, Bill Cassidy, and others are proposing to once again repeal the Affordable Care Act (ACA), ending funding for the ACA's financial assistance for consumers and Medicaid expansion while also making devastating cuts to the overall Medicaid program. In addition, the proposal will allow states to waive important consumer protections and essential health benefits, undermine and eliminate protections for people with pre-existing conditions, and defund Planned Parenthood.

Graham-Cassidy directly threatens coverage for the 14.1 million Californians who get coverage through Medi-Cal (especially the over 4 million who got coverage through the ACA expansion) and the 2.3 million who buy coverage in the individual market, in which 1.5 million are in Covered California (1.2 million who get ACA tax subsidies). The proposal would ultimately eliminate all federal funding available under the ACA. In the state's Medi-Cal program alone, California will lose a total cumulative cut of \$114.6 billion between 2020 and 2027, and another \$5-6 billion annually in subsidies now available through Covered California.¹

Elimination of ACA Funding, With a Formula to Specifically Disadvantage California

While Graham-Cassidy is in many ways similar to other ACA-repeal proposals that failed to pass the Senate, one difference is that it would replace funding for premium tax credits, cost-sharing reduction payments, and Medicaid expansion with insufficient block grants—especially for California. Under this block grant proposal, **California stands to lose \$28 billion a year by 2026,**² even more than under previous ACA repeal proposals. **On top of that cut, California stands to lose an additional \$58 billion in 2027** due to the block grant expiring, and the per capita caps getting larger for the core Medicaid program.³

Federal resources would be redistributed to states based on criteria that are unrelated to actual coverage and spending needs and in ways that favor other states. Graham-Cassidy deliberately shifts resources from large, densely-populated states that embraced and implemented the ACA, to smaller, more sparsely-populated states that did not. States like California, New York, Maryland, and Massachusetts that were successful in enrolling millions of people in the marketplace and on Medicaid would face disproportionately larger cuts.

This is the intent of the authors, like former Senator Rick Santorum, who said to Breitbart News: "What you can do is redistribute this money that has been heaped upon these four ultra-blue, very wealthy states.... If California simply wants to expand Medicaid with this money, good luck.

They're going to have to cut their program dramatically because they don't have the money with what they're funding now."

Cuts and Caps to Medicaid and Care for Children, Seniors, and People with Disabilities

The Graham-Cassidy proposal also fully incorporates the original Republican Senate proposal, Better Care Reconciliation Act (BCRA), which would cap and cut Medicaid funding for seniors, children, adults and people with disabilities, resulting in an additional \$180 billion in Medicaid cuts over the next ten years.⁴ The CBO estimates Medicaid would be cut by over a quarter (26%) by 2026 and over a third (35%) by 2036.⁵ The per capita caps proposal would undo Medicaid's 50-year guarantee of matching funds and shift the responsibility for 100% of the costs above the per beneficiary cap back to the state. On top of the marketplace subsidy and Medicaid expansion block grant cuts, the per capita caps would cost California's overall Medicaid (Medi-Cal) program another \$11.3 billion in 2027.⁶ It would also not account or adjust for increasing health care costs, an aging population, or other public health emergencies.

Graham-Cassidy: Devastating to California's Health Care System and State Budget

Between 2020 and 2026, Graham-Cassidy's block grants will shrink annually compared to current spending. After 2026, the block grants would be completely eliminated, leaving no federal funding for California and other states' marketplaces subsidies and Medicaid expansions.

In California, the structural impacts of eliminating marketplace subsidies and Medicaid expansion funding, as well as changing Medicaid federal funding into a per capita caps would **result in a federal spending cut of over \$28 billion annually by 2026.⁷ Additionally, California will be cut an additional \$58 billion starting 2027 as a result of the block grant expiring and per capita cap cuts getting larger.⁸**

The Graham-Cassidy proposal will have an even more devastating consequence than the Republican House's "American Health Care Act" and the Senate's "Better Reconciliation Care Act." The Graham-Cassidy proposal will still result in at least 4 million Californians losing coverage, undermine key protections for those with pre-existing conditions, and force consumers to pay more for their health care for less coverage.

We urge all California Representatives, of both parties, to denounce both the devastating cut to health care—which impacts all states—and the specific disproportionate money grab from our state. These cuts are dramatic enough to impact all Californians, regardless of their party affiliation.

For these reasons, **the 104 undersigned organizations** are opposed to the Graham-Cassidy propose and urge you to oppose this proposal, as well as any other action that takes away the financial assistance, benefits, and consumer protections provided by Medicaid, Medicare, and the ACA. The health and lives of millions of Californians are at stake. **We urge California Congressmembers of both parties to denounce such a direct attack on the health system all Californians depend on.**

1. Health Access California
2. Aging Services Collaborative of Santa Clara County
3. Alameda Health Consortium
4. Alameda Health System
5. Alliance Medical Center
6. AltaMed Health Services
7. Alzheimer's Greater Los Angeles
8. American Academy of Pediatrics, California
9. American Civil Liberties Union of California
10. American Nurses Association California
11. Americans for Democratic Action Southern California
12. APLA Health
13. Asian Americans Advancing Justice - CA
14. Asian Law Alliance
15. AXIS Community Health
16. California Alliance for Retired Americans
17. California Association of Public Hospitals and Health Systems
18. California Collaborative for Long Term Services and Supports
19. California Commission on Aging
20. California Foundation for Independent Living Centers
21. California Health Professional Student Alliance
22. California Immigrant Policy Center
23. California Latinas for Reproductive Justice
24. California LGBT Health and Human Services Network
25. California Long-Term Care Ombudsman Association (CLTCOA)
26. California Pan-Ethnic Health Network
27. California Partnership
28. California Physicians Alliance
29. California Rural Legal Assistance Foundation
30. California School Employees Association (CSEA)
31. California Women's Agenda (CAWA)
32. Center for Health Care Rights
33. Children Now

34. Children's Defense Fund - California
35. Chinatown Service Center
36. Clinica Mons. Oscar A. Romero
37. Coalition for Humane Immigrant Rights (CHIRLA)
38. Community Clinic Association of Los Angeles County
39. Community Clinic Consortium of Contra Costa and Solano Counties
40. Community Health Councils
41. Community Health Initiative of Orange County
42. Community Health Partnership
43. Council of Mexican Federation
44. County of Alameda
45. Courage Campaign
46. Dayle McIntosh Center
47. Desert AIDS Project
48. Ella Baker Center for Human Rights
49. Empowering Pacific Islander Communities (EPIC)
50. Equality California
51. Fathers & Families of San Joaquin
52. HCV Advocate
53. Inland Empire Coverage and Health Initiative
54. International Federation of Professional and Technical Engineers Local 21
55. Justice in Aging
56. La Clinica de La Raza
57. Latino Coalition for a Healthy California
58. Latino Physicians of California
59. LatinoCare
60. LifeLong Medical Care
61. LifeSTEPS
62. Little Tokyo Service Center
63. Los Angeles Care Health Plan
64. Los Angeles LGBT Center
65. Maternal and Child Health Access
66. Mi Familia Vota
67. National Association of Social Workers - California

68. National Health Law Program
69. NextGen America
70. NICOS Chinese Health Coalition
71. Owl Sacramento Capitol
72. Partners in Care Foundation
73. Personal Assistance Services Council
74. Placer Independent Resource Services
75. Planned Parenthood Affiliates of California
76. Positive Women's Network - USA
77. Prevention Institute
78. Project Inform
79. Public Health Advocates
80. Redwood Community Health Coalition
81. Reform CA
82. Sacramento LGBT Community Center
83. San Francisco AIDS Foundation
84. Santa Rosa Community Health Centers
85. Senior Services Coalition of Alameda County
86. Service Center for Independent Life
87. Services, Immigrant Rights, and Education Network (SIREN)
88. Serving Seniors
89. Silicon Valley Independent Living Center
90. Sonoma Valley Community Health Center
91. South Asian Network (SAN)
92. Southeast Asia Resource Action Center
93. St. Anthony Foundation
94. The Arc California
95. The Children's Partnership
96. The Greenlining Institute
97. Tiburcio Vásquez Health Centers
98. Tri-City Health Center
99. United Domestic Workers/American Federation of State,
County and Municipal Employees Local 3930
100. Voices for Progress Education Fund
101. West County Health Centers

- 102. Western Center on Law and Poverty
- 103. Yolo Healthy Aging Alliance
- 104. Young Invincibles

¹ CA DHCS and DOF, [Summary and Preliminary Fiscal Analysis of the Medicaid Provisions in the Better Care Reconciliation Act](#), June 27, 2017.

² Center on Budget and Policy Priorities, Jacob Leibenluft, Edwin Park, Matt Broaddus, and Aviva Aron-Dine, [Like Other ACA Repeal Bills, Cassidy-Graham Would Add Millions to Uninsured, Destabilize Individual Market](#), September 13, 2017.

³ Center on Budget and Policy Priorities, Edwin Park and Matt Broaddus, [Cassidy-Graham Plan's Damaging Cuts to Health Care Funding Would Grow Dramatically in 2027](#), September 16, 2017.

⁴ Congressional Budget Office, H.R. 1628 Better Care Reconciliation Act of 2017 Cost Estimate, June 26, 2017.

⁵ Ibid.

⁶ CA DHCS and DOF, [Summary and Preliminary Fiscal Analysis of the Medicaid Provisions in the Better Care Reconciliation Act](#), June 27, 2017.

⁷ Center on Budget and Policy Priorities, Jacob Leibenluft, Edwin Park, Matt Broaddus, and Aviva Aron-Dine, [Like Other ACA Repeal Bills, Cassidy-Graham Would Add Millions to Uninsured, Destabilize Individual Market](#), September 13, 2017.

⁸ Center on Budget and Policy Priorities, Edwin Park and Matt Broaddus, [Cassidy-Graham Plan's Damaging Cuts to Health Care Funding Would Grow Dramatically in 2027](#), September 16, 2017.