



March 10, 2017

Dear Members of the California Congressional Delegation:

Our **80 organizations** write in opposition to the House Republican proposal (“American Health Care Act”) that 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.

Thanks to California’s robust implementation of the Affordable Care Act, we have reduced our uninsured rate by more than half, from 17.2% to 7.1%, the biggest drop of any state in the nation. The House Republican proposal would cause millions of Californians to lose their health coverage, cut billions of federal dollars for California’s health system, and lead to increased health costs for everyone.

We oppose this proposal 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, which enabled California to expand coverage to over 4 million low-income working parents and adults without children in the home. This would not only risk coverage for 4 million people, but it would also cost California at least \$8 billion and as much as \$17 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 (ie: Zika virus outbreaks, opioid crisis, lead-tainted drinking water, etc.) and increased health care and drug costs on its own.

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.

- Over 90% of those enrolled in Covered California, 1.2 million California consumers, receive \$5 billion in federal tax subsidies to make coverage more affordable. Most of these individuals will get lower tax credits and will have to pay more for coverage.
- Removes cost-sharing protections that guarantee 680,000 Californians won't face excessive out-of-pocket costs. California consumers would lose \$800-\$900 million annually in cost sharing subsidies.
- Older people will face higher costs because insurance companies will be able to charge seniors up to 5 times more than young people.

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, including people with pre-existing conditions.

- Reducing tax credits for those who need it would force hundreds of thousands of Californians to drop coverage because coverage is no longer affordable, which would leave those who 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.

- Permits the creation of high-risks pools that do not work as seen in California’s past experience. Our state high risk pool, the Major Risk Medical Insurance Program (MRMIP) had high premiums, high deductibles, long waiting lists, and a \$75,000 limit on coverage.

5. Give away tax breaks to the affluent, the health care industry, and even 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 President and various Congressional leaders made a promise of repealing and replacing the Affordable Care Act with something better - something that does not pull the rug out from under those currently with coverage, that does not increase the current number of uninsured, that does not raise premiums and deductibles, and that improves our health systems as a whole. The proposed “American Health Care Act” does not keep this promise.

Congress should not act on this proposal without a formal cost estimate from the non-partisan Congressional Budget Office (CBO). Our California representatives should follow normal procedures, such as hold formal hearings, get a score from the CBO prior to a vote, and assure that any proposal does not violate the President’s promise.

For these reasons, the undersigned organizations are opposed to the “American Health Care Act” and urge our California representatives to oppose this proposal.

1. Access Women’s Health Justice
2. Advancement Project California
3. AFSCME
4. AFSCME Council 57
5. Alameda Alliance for Health
6. Alameda County
7. Alameda Health Consortium
8. Alzheimer’s Greater Los Angeles
9. Americans for Democratic Action Southern California
10. APLA Health
11. Asian Americans Advancing Justice – Los Angeles
12. Asian & Pacific Islander Wellness Center
13. California Association of Food Banks
14. California Association of Retired Americans (CARA)
15. California Calls
16. California Federation of Teachers, AFT, AFL-CIO
17. CaliforniaHealth Plus Advocates

18. California Health Professional Student Alliance
19. California Immigrant Policy Center
20. California Latinas for Reproductive Justice
21. California Labor Federation
22. California LGBT Health and Human Services Network
23. California Pan-Ethnic Health Network
24. California Physicians Alliance
25. California Rural Legal Assistance Foundation
26. California School Employees Association
27. California Teamsters Public Affairs Council
28. Children's Defense Fund – CA
29. Children NOW
30. Coalition for Humane Immigrant Rights (CHIRLA)
31. Community Clinic Consortium – Contra Costa and Solano Counties
32. Community Health Councils
33. Community Health Partnership
34. Disability Rights Legal Center
35. Doctors for America – California
36. El Quinto Sol de America
37. Equality California
38. Esperanza Community Housing
39. Fathers & Families of San Joaquin in Stockton
40. Gender Health Center
41. Having Our Say Coalition
42. Health Access California
43. IATSE Local 871
44. ILWU Northern California District
45. IFPTE Local 21
46. Jewish Family Service of Los Angeles
47. Justice in Aging
48. Korean Community Center of the East Bay
49. Korean Resource Center – Los Angeles County, Orange County
50. Larkin Street Youth Services
51. Latino Coalition for a Healthy California
52. LGBT Community Center of the Desert
53. Los Angeles LGBT Center
54. Lutheran Office of Public Policy - California
55. Maternal and Child Health Access
56. National Health Law Program
57. National Immigration Law Center
58. NICOS Chinese Health Coalition
59. Our Family Coalition
60. Positive Women's Network USA
61. Project Inform
62. Sacramento LGBT Community Center
63. San Jose Pride Center

64. SEIU California
65. SEIU Local 1000
66. Senior & Disability Action
67. Services, Immigrant Rights, and Education Network (SIREN)
68. Social Security Works
69. Southeast Asia Resource Action Center
70. St. Anthony's – San Francisco
71. Street Level Health Project
72. The California Association of Public Authorities for IHSS
73. The Children's Partnership
74. The Greenlining Institute
75. The LGBT Center – Orange County
76. UNITE HERE!
77. UPTE-CWA 9119
78. United Domestic Workers, AFSCME Local 3930, AFL-CIO
79. Village Connect
80. Voices for Progress