



June 26, 2017

The Honorable John Kasich
Office of the Governor
Riffe Center, 30th Floor
Columbus, OH 73105

Dear Governor Kasich,

In March, our organizations formed a coalition representing some of the nation's largest patient and provider groups in order to respond to Congress' work to pass health care reform legislation. Together, we defined a set of principles that we believe are essential components of any successful health care reform plan.¹ These principles are specifically designed to protect the health and well-being of the millions of patients we represent and their unique health care needs. With the release of the Senate proposal, our groups remain extremely concerned about the short- and long- term impacts this legislation would have on patients, families, and communities. Our organizations have been committed to working with legislators to ensure that adequate protections remain or are put in place to serve the more than 100 million Americans we represent. Despite this commitment, we have not been consulted in any meaningful way. We hope, in your capacity as Governor, that you will advocate for the residents of Ohio by urging your Senators push for better process and better policy.

We have significant concerns about a number of provisions in both the House-passed American Health Care Act (AHCA) and the recently revealed Better Care Reconciliation Act (BCRA) that would have serious implications for states like Ohio. The Congressional Budget Office analysis of the AHCA estimates that 23 million Americans will lose coverage as a result of the bill's plan to restructure Medicaid, end Medicaid expansion, and allow for rollbacks of existing consumer protections. This includes eliminating guaranteed essential health benefits (EHBs) and regulations that protect patients with pre-existing conditions. Any of these proposals would put patients in Ohio at risk. Similarly, the Senate's Better Care Act fell shockingly short of providing better care for Americans. **We urge you to reach out to your Congressional delegation to educate members about the potentially devastating consequences of these policy changes to people in Ohio.**

Medicaid Restructuring

The proposal to convert federal financing of Medicaid to a per capita cap or block grant system is deeply troubling. These policies are designed to reduce federal funding for Medicaid, forcing states to either make up the difference with their own funds or cut their programs by reducing the number of people they serve and the benefits they provide. Per capita caps and block grants would cut Medicaid most deeply precisely when the need is greatest, because funding would no longer increase automatically in response to changing demographics or emerging public health threats. For instance, Medicaid has been a critical tool for states in fighting the recent opioid epidemic. Under a per capita cap proposal, no additional federal funds would flow to states to assist them with the high per-patient cost of addressing such crises. A one-time infusion of federal dollars or a specialized fund designed to treat patients with opioid use disorders is also insufficient as it only addresses one aspect of a multidimensional problem. Recovery from addiction requires access to holistic wrap around services. A fund to address the opioid epidemic should be added to the portfolio of services included in the current Medicaid program – not instead of it. Cutting off access to mental health services, as proposed in the Senate bill, would also undermine any attempt to address this epidemic. A per capita cap or block grant will result in less funding for patients and consumers who receive care through Medicaid and would create a framework to further reduce spending in the future as federal lawmakers see fit.

Medicaid Expansion

Nearly half of adults covered by Medicaid expansion are permanently disabled, have serious health conditions—such as cancer, stroke, heart disease, arthritis, pregnancy, or diabetes—or are in fair or poor health.² Proposals to eliminate the state option to expand Medicaid and to eliminate the enhanced match for any enrollee with even a small gap in coverage would result in millions of vulnerable people losing coverage.^{3,4} By eliminating this enhanced federal match, states will eventually lose billions of dollars to continue covering this population—an insurmountable financial hurdle that would leave these patients without coverage or access to care. For current non-expansion states, ending expansion would permanently eliminate the possibility to ever take advantage of the federal funding available to cover these patients.

Consumer Protections

We are profoundly concerned about policy proposals that would allow states to waive EHB requirements and protections especially important to people who require high-cost care. Current federal regulations ensure that consumers can obtain coverage for the care they actually need. If passed, the Senate and House bills will almost certainly result in some people with pre-existing conditions paying dramatically more for their coverage or finding that their coverage does not provide the comprehensive services they need. Weakening the current protections against health status underwriting would enable insurers to charge higher prices to people with pre-existing conditions, possibly making insurance unaffordable for those who need it most. While supporters argue that states that waive health status rating protections would be required to set up a high-risk sharing program, these mechanisms are not a viable alternative to affordable health care coverage. Previous attempts by states to establish high-risk pools resulted in un-affordable premiums, long waiting lists, and inadequate coverage.

Today, millions of Americans, including many who are low-income or live with pre-existing health conditions, rely on health care coverage made accessible by the Patient Protection and Affordable Care Act (ACA). While protecting these coverage gains is extremely important, we recognize that steps must also be taken to both stabilize the individual health insurance marketplace and to reduce premiums and other out-of-pocket costs. These changes are critical to maintain and expand access to insurance for

low- and middle-income families. In that vein, we support the following strategies for stabilizing the individual insurance market:

Risk Reinsurance

One key stabilization concept Congress might consider includes the development of risk reinsurance proposals. Reinsurance reduces the risk to insurers of covering high-cost patients, thus creating more stability in the markets. Examples of proposals we would support include those submitted by the State of Alaska, or a similar proposal offered by Rep. Palmer in the House Rules Committee on April 7, 2017—although substantially more money is likely needed for an effective federal reinsurance program. Such proposals could protect Americans from significant premium increases by offsetting the costs of sicker and more costly enrollees. We have also urged Congress to consider other innovative proposals at both the state and federal levels.

Outreach

It remains imperative that the Administration, Congress, and states devote adequate resources to state health insurance marketplace outreach and enrollment to ensure all eligible Americans have the opportunity to sign up for health insurance coverage. States that devote robust resources to marketing, outreach, and enrollment assistance programs experience higher rates of enrollment than those that do not.⁵ A focus on enrollment also helps ensure that more low-cost individuals obtain insurance on the state health insurance exchanges to help offset the costs of older, sicker patients. We would urge these activities also be coupled with actions to streamline the application and enrollment process.

Tax Credits and Affordability

We would also strongly support increasing financial support for low- and middle-income individuals and families by expanding income eligibility for health insurance tax credits. Many middle-income families struggle to afford coverage with increasing premiums, deductibles and copays. For many Americans, affordability remains a barrier to purchasing adequate insurance, and we would strongly encourage you to reach out to your Congressional delegation to voice your support for making comprehensive and adequate coverage more affordable through tax credits.

We have offered ourselves as willing partners to members of the House and Senate as they work to improve our nation's health care system and will continue to advocate on behalf of Ohio's residents in our work to make health insurance more affordable, accessible, and adequate. However, time is short and the Senate may pass a bill that will have long lasting negative impacts on the health of our country.

We encourage you to contact Senators Brown and Portman to express your concerns about the impact that the AHCA and the BCRA will have on Ohio. If our organizations can assist you in any way, please do not hesitate to contact us. We look forward to working with you and Congress on this critical effort to ensure all Americans have access to affordable and adequate health care coverage.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Cystic Fibrosis Foundation

Luther Services in America
March of Dimes
National Multiple Sclerosis Society
National Organization for Rare Diseases
The National Health Council
United Way Worldwide

¹ http://www.heart.org/idc/groups/ahaecc-public/@wcm/@adv/documents/downloadable/ucm_494688.pdf

² Brantley, Erin, et. al. *Myths About the Medicaid Expansion and the 'Able-Bodied'*. Health Affairs Blog. (Online) March 2017. Available: <http://healthaffairs.org/blog/2017/03/06/myths-about-the-medicaid-expansion-and-the-able-bodied/>

³ S&P Global Market Intelligence. *The U.S. Health Insurance Market is Poised to Move to a Defined-Contribution from a Defined-Benefit System of Federal Financing*. (Online). March 2017. Available: https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1811131&SctArtId=418648&from=CM&nsl_code=LIME&sourceObjectId=10006958&sourceRevId=3&fee_ind=N&exp_date=20270307-22:26:18

⁴ Congressional Budget Office. *Cost Estimate: American Health Care Act*. (Online). March 2017. Available: <https://www.cbo.gov/publication/52486>

⁵ J. Wishner, I. Hill, S. Benatar et al., *Factors that Contributed to High Marketplace Enrollment Rates in Five States in 2015* (Urban Institute, Oct. 2015). See also S. R. Collins, M. Gunja, M. M