American College of Physicians
Leading Internal Medicine, Improving Lives

March 1, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, and Minority Leader Schumer:

On behalf of the American College of Physicians (ACP), I am writing to offer our thoughts—and concerns—about the impact on access, quality, and cost of possible proposed changes to the Affordable Care Act (ACA). As the College wrote previously, Congress must ensure that any possible changes to current law, including improvements to the ACA, Medicaid and the Children's Health Insurance Program should *first, do no harm* to patients and actually result in better coverage and access to care for essential medical services.

The College also developed 10 key questions that would be asked of any legislation that would alter the coverage and consumer protections under current law. **We now write to share our observations about how some of the policies reportedly being considered by the congressional leadership and authorizing committees *may* fall short in satisfying the criteria for improvement set out in those questions.**

The American College of Physicians is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 148,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

We acknowledge that there is yet no agreed-upon legislation that will be scored by the Congressional Budget Office and marked up by the committees of jurisdiction, or on the policies that will be included within; the versions and summaries that have been reported on by the news media may not reflect the actual legislation that will be offered. Yet we write now to offer our thoughts on some of the policy options that we understand may be under consideration, in the spirit of providing constructive input as Congress decides on actual legislative language.

Medicaid:

Any changes in Medicaid financing should not diminish current coverage, eligibility, and benefits. **For states that expanded their Medicaid programs** under the ACA, a reduction in funding to support expansion, even if phased down over several years, and/or a freeze in enrollment, would result in those states reducing beneficiary benefits or eligibility, reversing much of the progress made by the ACA in driving down the uninsured rate to historic lows.

For both expansion and non-expansion states, a potential change in the original 1965 Medicaid program-structure, such as a block grant or a per capita cap, could be devastating to coverage and access to care for many of the more than 74 million people currently enrolled. Because most states are required by law to balance their budgets, a reduction in and/or a cap on federal matching funds will necessarily require them to greatly reduce benefits and eligibility and/or impose higher cost-sharing for Medicaid enrollees, most of whom cannot afford to pay more out of pocket—or alternatively and concurrently, reduce payments to physicians and hospitals (including rural hospitals that may be forced to close), enact harmful cuts to other state programs or raise taxes.

Medicaid is an essential part of the health care safety net. Studies show that reductions in Medicaid eligibility and benefits will result in many patients having to forgo needed care, or seek care in costly emergency settings and potentially have more serious and advanced illnesses resulting in poorer outcomes and even preventable deaths. As an organization representing physicians, we cannot support any proposals that would put the health of the patients our members treat at risk. We believe though that improvements can and should be made in Medicaid, including more options for state innovation, without putting the health of millions of patients at risk.

Essential Health Benefits (EHB):

Evidence-based essential benefits should not be rolled back by eliminating federal requirements for coverage or leaving it to the states to decide. If the ACA's requirement that health plans cover 10 categories of essential benefits is repealed or weakened, the result would be that people seeking coverage in the individual insurance market would likely find that doctor visits, prescription drugs, hospitalizations, mental and behavioral health services, prevention, and many other services would no longer be available, at least not at a premium they could afford. Employer-based coverage for such categories of services could also be eroded.

Many specific services under these categories, such as women's access to coverage for child-birth and contraception, could disappear from the benefits available. Also at great risk would be coverage for mental health and substance use disorder treatment; any reduction in coverage for substance use disorder treatments would exacerbate the grave opioid misuse epidemic that is devastating individuals, families and communities across the country.

Prior to passage of the ACA, 62% of individual market enrollees did not have coverage of maternity services, 34% did not have substance use disorder services, 18% did not have mental health services and 9% did not have coverage for prescription drugs.

Pre-existing conditions:

Current law ensures that children, adolescents and adults with preexisting conditions cannot be denied coverage, be charged higher premiums, or be subject to cancellation. Before the ACA, individual insurance markets in all but five states maintained lists of so-called "declinable" medical conditions—including asthma, diabetes, arthritis, obesity, stroke, or pregnancy, or having been diagnosed with cancer in the past 10 years.

Repealing the current law prohibition on such discriminatory practices with protection *only for people with continuous and uninterrupted coverage*, even if combined with optional funding to the states to establish high risk pools, could result in many of the 27% of Americans with preexisting conditions paying more for their coverage, if they can afford it at all. There are many reasons why people with preexisting conditions may lose continuous coverage from an employer, such as being laid off, changing jobs, relocating, taking care of an ill family member, or starting one's own business. If there are not affordable options immediately available to them in the individual market, their coverage may lapse, and they would lose the current law protections against being declined for coverage, or be subject to having to pay a premium penalty that puts coverage out of reach. The pre-ACA experience with high risk pools was that many had long waiting lists, and offered inadequate coverage with high deductibles and insufficient benefits.

Premium and cost-sharing subsidies:

The value of premium and cost-sharing subsidies should not be reduced compared to current law. We are concerned that replacing income-based premium and cost-sharing subsidies, with age-based advance refundable tax credits, could put especially vulnerable persons at risk, including low-income families and children; children and adults with special health care needs, and older persons with chronic illnesses who are not yet eligible for Medicare.

In conclusion the College strongly believes in the *first, do no harm* principle. We urge you to ensure that any legislation to amend current law not eliminate or weaken key gains in coverage and consumer protections, lead to fewer people having access to affordable coverage, and/or loss of such protections in the future. We would like to work with you on ways to improve current law without undermining essential coverage and consumer protections for millions of patients.

Sincerely,

Nitin S. Damle, MD, MS, MACP
President

Cc: Members of House Energy and Commerce Committee, House Ways and Means Committee, Senate Finance Committee, Senate HELP Committee, House Budget Committee, Senate Budget Committee