(Sent personalized letter to all Minnesota Congressional Offices)

Congressman
United States House of Representatives
315 Cannon House Office Building
Washington, DC  20003

Dear Congressman Emmer ,

On behalf of the 2365 members of the Minnesota chapter of the American College of Physicians (ACP), I am writing to express my concern about how the American Health Care Act (AHCA) could affect access to care for patients in our state. 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 recognize that the Affordable Care Act (ACA) and current Medicaid program are not perfect, and we welcome a discussion on how both can be improved to reduce barriers to affordable, high quality care. However, we are concerned that the AHCA will result in many millions of Americans losing coverage, benefits and consumer protections. It replaces income-based premium subsidies with age-based tax credits that will make coverage far more expensive for poorer, sicker and older persons and those in high health care spending areas, drastically caps and cuts the federal contribution to Medicaid and phases out additional funding for Medicaid expansion states starting in 2020, which will force states to restrict eligibility and curtain benefits. In sum, it will rollback and reverse the coverage gains from the ACA.

We offer the following recommendations:

**ACP opposes provisions in the AHCA that would cap future federal contributions to Medicaid and phase-out the higher federal match in states that have opted to expand Medicaid.**

The Medicaid program serves as a vital pillar of our nation’s health care system. In Minnesota, 222,900 people were enrolled in Medicaid because of the expansion. Any changes in Medicaid financing should not diminish current coverage, eligibility, and benefits. For states like ours that expanded their Medicaid programs under the ACA, a reduction in funding to support expansion would result in our state being forced to reduce beneficiary benefits or eligibility, reversing much of the progress made by the ACA in driving down the uninsured rate in our state to historic lows.
Replacing the current federal-state shared financing structure that has been in place since 1965 with a per capita cap could be devastating to coverage and access to care in our state. The reduction in federal funding to our state that could result would require our state 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. Alternatively or concurrently, the state could 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. While we believe, though, that improvements can and should be made in Medicaid, including more options for state innovation, we cannot support putting the health of millions of patients at risk.

We are concerned that the repeal of the current law “actuarial value” requirements for essential health benefits will result in increased out-of-pocket costs for many necessary health care services, such as mental health benefits, maternity care and contraception, and preventive services.

While the AHCA maintains the 10 essential health benefit (EHB) categories, it repeals actuarial value requirements. While we agree with maintaining the EHB categories, we are concerned that the removal of actuarial value requirements will reduce the value of insurance coverage for those services, creating barriers to patients obtaining such services because they would have to pay more out of pocket for them. If the EHB categories are removed in future iterations of the legislation, 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.

ACP is concerned that the AHCA’s continuous coverage requirements for patients with pre-existing conditions will result in vulnerable persons being unable to afford coverage for conditions that prior to the ACA were treated as “declinable” by insurers.

While the AHCA would not repeal the current law’s pre-existing condition protections, the 30% premium penalty for people who lose continuous coverage for 63 or more days greatly weakens them, putting people at risk of “declinable” conditions not being covered if they lose their current coverage and can’t immediately find another option they can afford. Eroding 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 or reinsurance, could result in many of the 27% of Americans with pre-existing conditions paying more for their coverage, if they can afford it at all, when they are trying to buy coverage in the individual insurance market.

ACP believes that the AHCA’s regressive age-based tax credits, combined with changes that will allow insurers to charge older people much higher premiums than allowed under current law, will make coverage unaffordable for poorer, sicker and older persons, as well as for persons who live in high health care cost regions.

The value of premium and cost-sharing subsidies should not be reduced compared to current law. Replacing income-based premium and cost-sharing subsidies with age-based advance refundable tax
credits worth only $2,000 to $4,000 for an individual 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 addition, by repealing the current law cost-sharing subsidies for persons with incomes up to 250% of the FPL, the AHCA would make out-of-pocket costs too high, and health care unaffordable, for many poorer patients.

As physicians, we know how important the Medicaid program and the Affordable Care Act are to our patients. We urge you to “first, do no harm” and ensure that any changes to the Affordable Care Act preserve Medicaid, do not erode premium tax credits or cost-sharing reductions, protect consumers from discriminatory policies, provide a comprehensive benefit package, and shield patients from exorbitant cost sharing. We look forward to working with you on ways to improve current law without undermining essential coverage and consumer protections for millions of patients.

Respectfully,

John B. Bundrick, MD FACP
Governor
Minnesota Chapter, American College of Physicians