



**American Hospital
Association®**

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July 25, 2017

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinical partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is writing to express our views as the Senate deliberates legislation to repeal and replace the Affordable Care Act (ACA).

Patients and the caregivers who serve them across America are depending on the Senate to make continued coverage a priority. We believe that any changes to the ACA must be guided by ensuring that we work to continue to provide health care coverage for the tens of millions of Americans who have benefitted from the law.

The Senate is considering two options to repeal the ACA. On July 19, the Congressional Budget Office (CBO) released a score for the Better Care Reconciliation Act (BCRA) that estimates 22 million Americans will lose their health care coverage over 10 years, along with a reduction of \$756 billion from the Medicaid program. On July 20, CBO released a score for the Obamacare Repeal Reconciliation Act (ORRA) stating that 32 million Americans will lose coverage, with a reduction in Medicaid of \$842 billion.

Medicaid serves our most vulnerable populations, including Americans with chronic conditions such as cancer, the elderly and disabled individuals in need of long-term services and support, and already pays providers significantly less than the cost of providing care. The proposed restructuring of the Medicaid program will have serious negative consequences for communities across America.

Providing flexibility to the states to expand coverage, and create innovative financing and delivery models to improve care and program sustainability, can be achieved through other alternatives. For instance, the expanded use of waivers – with appropriate safeguards – can be very effective in allowing states flexibility to foster creative approaches and can improve the program more effectively than through imposing per-capita caps or block grants.



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Therefore, the expansions that states have made to coverage, and the ability for other states to expand coverage in the future, should be maintained, while the funding for non-expansion states should be increased. We also object to eliminating the funding from some sources, but leaving in reductions to payments for hospital services. If coverage is not maintained at the current level, those resources need to be returned to hospitals and health systems in order to provide services to the additional millions of Americans who will become uninsured.

While we commend recent actions by the Congress to address behavioral health issues, as well as the opioid epidemic that impacts virtually every community we serve, it is important to recognize that continued progress in this area is directly related to whether individuals have coverage. We already have seen clear evidence of how expanded coverage is helping to address these high-priority needs. The opioid epidemic plaguing our country is a compelling reason why Medicaid expansion should not be curtailed, and Medicaid funding should not be slashed.

Health care coverage is vitally important to working Americans and their families. They rely on hospitals and health systems to provide them with access for their essential health care needs in a manner that is of the highest quality, not to mention the full range of critical life-saving services, including preventive benefits, that will further improve the quality of life and the health of the communities in which they live.

We therefore ask that the Senate protect patients, and find ways to maintain coverage for as many Americans as possible by rejecting the legislation to repeal and replace the ACA, including its elimination of Medicaid expansion, untenable cuts to the Medicaid program, dilution of consumer protections, and inadequate tax credits for individuals purchasing coverage on the exchanges. We look forward to working with the Senate in a bipartisan manner as it moves forward on ACA reform.

Sincerely,

/s/

Richard J. Pollack
President and CEO