

Talking Points for Elected Officials – AHCA

Concerns with the American Health Care Act

On May 4th, the U.S. House of Representatives passed H.R. 2192, The American Health Care Act, by a very narrow margin. Like health centers nationwide, we have significant concerns about the potential impact of the House legislation on our patients, and on our capacity to deliver care. In particular, we are most concerned about the following aspects of the House bill:

- **Medicaid Per-Capita Cap/Block Grant.** [Insert information for your state, town] of health center patients are covered by Medicaid. The House legislation would put that coverage at risk for a significant number of our patients by capping the federal portion of Medicaid spending. Regardless of whether the cap is determined on a per-capita basis or on a statewide basis, this change represents an enormous shift of risk to state governments already hamstrung by significant budget challenges. More importantly, because federal Medicaid contributions would grow more slowly than health care costs, states would be forced to either to raise taxes or to make increasingly dramatic cuts to covered benefits, beneficiary eligibility, and provider payments.
- **Rollback of Medicaid Expansion.** For the low-income _____ health centers serve, the expansion of Medicaid coverage to individuals with incomes below 138% of the Federal Poverty Level has literally been a life-saving policy change. The House bill would undo the progress made since 2014, forcing our patients into much more limited coverage (see concerns below with tax credit proposals) or into becoming uninsured. Medicaid expansion has also allowed ___ health centers to bolster our capacity and to offer a more comprehensive range of services (like behavioral health and substance abuse services) to our patients. Reversing the Medicaid expansion will mean that those who lose Medicaid coverage will lose access to critical specialty care services, and increasingly will return to seeking care in emergency rooms, ultimately leading to higher costs and poorer health outcomes.
 - *(ALTERNATE LANGUAGE on Medicaid Expansion – non-Expansion State):*
 - **Rollback of Medicaid Expansion.** While **XXX** has not adopted the Medicaid expansion available since 2014, we are concerned by the precedent set by rolling back the federal commitment to this newly-insured population in other states. Not only does this add to the uncertainty facing individuals, providers and state governments, but it represents an additional step backward from our shared policy goal of expanding coverage to all individuals in need.
- **Change in Tax Credits for Purchase of Private Insurance.** Both the Affordable Care Act and the House-passed AHCA legislation call for tax credits to individuals to assist in the purchase of private insurance. We are concerned that the AHCA would shift this credit away from one based on income and geography toward one determined based almost exclusively on age. For the low-income, elderly and/or rural patients who represent the bulk of those we serve, this would pose

a major barrier to the affordability of coverage for our patients, which would lead inexorably to poorer health outcomes for our patients and increased costs for the system.

- **Weakening Covered Benefits and Consumer Protections.** The late addition of the so-called Meadows-MacArthur amendment to the House bill would allow insurers to once again discriminate against individuals with pre-existing conditions, by allowing state waiver of so-called “community rating” requirements that no patient be charged more for insurance based on health status. This will cause our patients who are most in need of coverage to face the greatest challenge in affording it. The bill would also allow waivers of the Essential Health Benefits package, meaning insurers could offer plans that don’t cover many basic services, including many which health centers are required to provide. Health centers already encounter many patients who we would consider “underinsured”—as providers open to all, this leads to significant strain on the federal investments Congress and the Administration make in our system of care. The Meadows-MacArthur provisions would only make this problem worse.
- **Overall Impact on Coverage.** The Congressional Budget Office has estimated that the original version of the House bill would cause 24 million Americans to lose coverage within ten years. Yet every health center clinician and staff member can attest to the difference having health insurance makes in the lives of our patients—in terms of their personal and family security, access to specialty care, and likelihood to seek the cost-saving, primary and preventive care services we offer. Our nation can do better.

Principles and Recommendations for Health Reform

_____ health centers serve on the front lines of a changing health care system. We share your belief that our system can be improved dramatically—specifically toward becoming a more equitable, accessible and affordable one for all patients in need, while driving efficiency and promoting high-quality, high-value care. To that end, we offer the following principles and recommendations to help guide your work on any effort to reform the health care system moving forward.

- **First, do no harm – do not eliminate coverage for any American in your proposal.** This should be the guiding principle of your work – to at least sustain both the number of people covered by insurance and to maintain the accessibility, affordability and quality of that coverage for every American.
- **Maintain a strong and viable safety net through Medicaid.** Medicaid and health centers work synchronously to ensure that our patients have access to affordable, high-quality care and reliable and predictable coverage. Health reform legislation should build on successes within Medicaid, not simply shift the burden of operating and financing the program to the States. Specifically, we cannot support proposals to place caps on the federal share of Medicaid payments or to institute broad block grants, or attempts to roll back the federal commitment to Medicaid expansion.

- **Strengthen Medicaid’s connection to health centers.** Medicaid not only covers nearly half of health center patients, but it is also the largest revenue source, accounting for 44% of health center revenue nationwide. Yet health centers deliver significant return on investment. Within Medicaid, this is especially true – a recent 13-state study found that health center Medicaid patients had 24% lower total costs of care when compared to similar patients cared for in other settings. This record of success is due largely to the unique Federally Qualified Health Center Prospective Payment System (FQHC PPS)—a bundled payment designed by Congress to ensure health centers can fully treat the whole patient, while not diverting other federal investments intended to support care for the uninsured. Congress has since implemented similar payment systems for health centers in Medicare, CHIP, and Exchange coverage, and replicated it for other key safety net providers. Any proposals related to Medicaid must preserve and build upon this successful system.
- **Strengthen tax credits, minimum benefits and consumer protections in the individual marketplace.** Several Senators have already indicated a desire to enhance the system of tax credits called for in the House bill to improve affordability for low-income patients. We strongly support changes in this direction. Further, it is critical that any final legislation ensure individual market plans cover a minimum set of essential health benefits, and either maintain or strengthen protections afforded to the millions of patients with pre-existing conditions.
- **Sustain and grow direct investments in health centers and the primary care workforce.** For decades and through bipartisan administrations, Congress has consistently seen the value in growing the federal investment in the health center system of care. The Trump administration has continued that support, calling investment in health centers one of the “highest priorities” in its March budget document. Yet, a crisis looms for every health center in ___ and around the nation with the scheduled expiration of the Health Centers Fund at the end of September. We strongly urge you to sustain and grow this and other key federal investments in primary care on a long-term basis, by acting well ahead of the September deadline to extend funding for Health Centers, the National Health Service Corps and the Teaching Health Centers Graduate Medical Education program for at least five years.

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