

September 24, 2017

Re: Senate Finance Committee Hearing on Graham-Cassidy Bill set for September 25, 2017

Comments from: Caroline Chapman, Director of Policy,

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Dear Chairman Hatch and Ranking Member Wyden:

On behalf of the Legal Council for Health Justice (Legal Council), I write to express our strong opposition to the bill language proposed by Senators Graham and Cassidy on repeal of the Affordable Care Act (ACA) and cuts to the Medicaid program.

The Legal Council serves people impacted by chronic, disabling and stigmatizing health conditions through three medical-legal partnership programs — AIDS Legal Council, Chicago Medical-Legal Partnership for Children, and Homeless Outreach Project. We provide specialized “legal care” in cooperation with health and community providers to protect individual rights and maximize access to health, education, and a responsible safety net. Every day we see health coverage stabilize lives, prevent recidivism in the criminal justice system, help people fight opioid abuse, get patients out of emergency rooms and into primary care, and help low-income children with special needs have a fair shot for reaching their potential. The ACA and Medicaid not only embodies what is humane in our society but also what is fiscally wise. We oppose any repeal language and any cuts to these vital and responsible programs.

We further oppose any vote on legislation affecting such a massive portion of our national economy and of our populace without meaningful public hearings, full transparency of content, thoughtful and bipartisan support, and a full Congressional Budget Office score.

If this proposal succeeds, the devastating financial impact on Illinois is clear¹. By shifting Medicaid expansion funds and the Affordable Care Act’s (ACA) financial assistance into the “Market Based Health Care Block Grant Program,” Illinois will lose \$8 billion dollars between 2020 and 2026 as a penalty for expanding Medicaid in our state—a lawful and fiscally wise decision for Illinois. When this block grant expires, Illinois will lose \$10 billion in 2027 alone.

When taken together with other reforms in the proposal, including a dangerous per-capita-cap for the traditional Medicaid program, Illinois will lose a total of \$153 billion in federal funding for health care, more than all but four other states. This is a patent violation of the compact that Congress created with the states in the Medicaid program and an unfair use of federal power to disadvantage states.

It would be impossible for any state to make up for these losses, but especially unlikely in Illinois given our ongoing budget challenges. It is inevitable that the state will be forced to cut eligibility, benefits, and rates,

devastating the Illinois Medicaid program and placing in harm's way our state's most vulnerable people, including the elderly, people living with disabilities, children, and pregnant women. We cannot mince words: millions of Illinoisans will face financial ruin, premature disability, and preventable deaths if Graham-Cassidy becomes law.

Like previously rejected proposals to repeal health care coverage under the ACA, this bill will also eliminate or weaken protections for people with pre-existing conditions by allowing states to waive the ACA's prohibition against charging higher premiums based on health status and the requirement that insurers cover essential health benefits, including mental health, substance use treatment, and maternity care. In doing so, individuals and families will not only struggle to access necessary health care, but they would once again find their care subject to lifetime and annual limits. In Illinois, before the ACA, few individual health insurance plans provided coverage for these pre-existing conditions, exposing hundreds of thousands of Illinoisans to significant financial risk and restricting access to basic health care services. It will be perilously difficult for Illinois to maintain the ACA's protections with the market disruptions and reduced block grant funding under Graham-Cassidy.

In addition to threatening Medicaid and Marketplace coverage, Graham-Cassidy is also derailing current efforts to renew funding for the Children's Health Insurance Program (which partially funds the AllKids program). CHIP funding must be renewed by September 30 or kids' coverage will be at risk. On September 18, a bipartisan bill was introduced to extend CHIP funding for five years. With just seven legislative days left in September, Congress has a choice to make: support coverage for kids and families by protecting Medicaid and renewing funding for CHIP, or decimate our nation's safety net and kick kids, seniors, and people with disabilities off their coverage.

Also deeply concerning, the non-partisan Congressional Budget Office released a statement indicating that they will only be issuing a partial score for the legislation. This preliminary score will estimate the repercussions for the federal budget but will not include the estimated coverage losses and impact on premiums – failing to capture the human toll of the legislation. Without a full mark-up, we cannot be sure what the totality of the impact of the bill will be. Taking a vote with such potentially devastating consequences without full information about what it will mean for the more than 1 million Illinoisans who have gained coverage as a result of the ACA would be irresponsible and negligent.

Recent census data shows that Illinois' uninsured rate is at an all-time low, thanks in large part to the ACA. Today, 93.5% of Illinoisans have health coverage, meaning that more of our family members, friends, and neighbors have access to healthcare today than ever before and our state reaps all the economic gains that come from a productive workforce and the return of federal tax dollars into our economy. The Graham-Cassidy bill threatens to turn back the clock on this progress.

We were encouraged by efforts in the House and the Senate to engage in thoughtful, public, bipartisan discussions to develop solutions that address concerns related to affordability and coverage options raised by health care consumers.

For more information, please contact:

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ⁱ Avalere Health, September 20, 2017, <http://avalere.com/expertise/life-sciences/insights/graham-cassidy-hellerjohnson-bill-would-reduce-federal-funding-to-sta>