



Committee on Domestic Justice and Human Development

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United States House of Representatives
Washington, DC 20515

Dear Representative:

My brother Bishops and I wrote to you recently outlining key principles for the current health care reform debate, and indicating that further thoughts on the *American Health Care Act* (AHCA) would be forthcoming. After careful review of the legislation and report from the Congressional Budget Office (CBO) on the plan, it is our assessment that some provisions are commendable, while others present grave challenges that must be addressed before passage.

Life Protections: Laudably, the AHCA proposes to include critical life protections for the most vulnerable among us. By restricting funding which flows to providers that promote abortion and prohibiting federal funding for abortion or the purchase of plans that provide abortion—including with current and future tax credits—the legislation honors a key moral requirement for our nation’s health care policy.

Flexibility: The AHCA aims at increased flexibility for states, and seeks to provide additional options for health care savings and coverage across different economic levels. Some additional flexibility with appropriate safeguards is helpful in some areas, and our ministries see the importance of responsive and nimble systems that help meet the varied needs of the clients they serve. With the social safety net, however, efforts to increase flexibility must be very carefully undertaken so as not to undermine the effectiveness or reach of the given program.

Medicaid-Related Provisions: Along with some positive aspects, the proposed law also contains some very troubling features. The Bishops have stressed that “all people and every family must be able to see clearly how they will fit within and access the health care system in a way that truly meets their needs.” Regarding access for those most in need, the AHCA includes changes which place many people at significant risk. The legislation must be modified to correct these serious flaws.

The recent CBO report indicates that, under the AHCA, as many as 24 million additional people could be uninsured in the next 10 years for a variety of reasons. Proposed modifications to the Medicaid program, a vital component of the social safety net, will have sweeping impacts, increasing economic and community costs while moving away from affordable access for all.

Furthermore, millions of people who would be eligible for Medicaid under current law will be negatively impacted due to reduced funding from the per capita cap system proposed in the legislation, according to the CBO. Those struggling families who currently receive Medicaid coverage from the recent expansion will see dramatic changes through the AHCA as well, without clear indication of affordable, adequate coverage to replace their current options. Many states begin their legislative sessions every cycle by attempting to overcome major deficits. State and local resources are unlikely to be sufficient to cover the gaps that will be created in the health care system as financial responsibility is further shifted to the states. Congress must rework the Medicaid-related provisions of the AHCA to fix these problems and ensure access for all, and especially for those most in need.

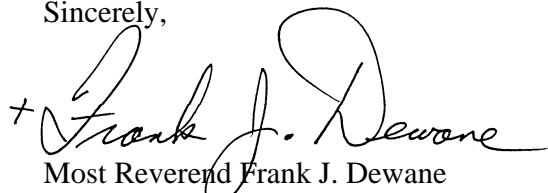
Other Provisions: Several other aspects of the AHCA must be addressed before passing the proposed legislation:

- The new tax credit system appears to create increased barriers to affordability, particularly for older and lower-income people when compared with the cost assistance found in the Affordable Care Act (ACA);
- Currently, the cost of plans for older Americans relative to plans for younger people is capped at a ratio of 3 to 1. This plan would increase that ratio to 5 to 1. Some studies show that premiums for older people on fixed incomes would rise, at times dramatically;
- The AHCA also puts in place a 30 percent surcharge for a twelve-month period for those who do not maintain continuous coverage. For those with limited means—a fact which often contributes to an inability to maintain coverage—this surcharge presents a serious challenge;
- Currently, states can empower hospitals to make a “presumptive eligibility determination” for Medicaid and enroll patients while a final determination is made. Ultimately, many of these people are found to be eligible for Medicaid. The AHCA would repeal this expanded authority for all but children, pregnant women and certain cancer patients. This state authority helps ensure a smooth transition into the Medicaid system, provides faster access to important health and treatment options, and reduces other costs borne by providers and the community;
- Under current law, states are required to afford individuals seeking Medicaid benefits a reasonable opportunity to establish that they are either U.S. citizens or have a qualified immigration status, during which time states cannot deny Medicaid benefits to such individuals who are otherwise eligible. Under the AHCA, states would no longer be required to provide services during this verification period. This change would undoubtedly threaten eligible individuals’ access to essential and early medical care.
- Absent in the AHCA are any changes to afford conscience protection against mandates to provide coverage or services, such as the regulatory interpretation of "preventive services" requiring contraception and sterilization coverage in almost all private health plans nationwide, which has been the subject of large-scale litigation especially involving religious entities like the Little Sisters of the Poor.

The ACA is, by no means, a perfect law. The Catholic Bishops of the United States registered serious objections at the time of its passage. However, in attempting to improve the deficiencies of the ACA, health care policy ought not create other unacceptable problems, particularly for those who struggle on the margins of our society. As Pope Francis has said, “Health, indeed, is not a consumer good, but a universal right which means that access to healthcare services cannot be a privilege.”

We look forward to working with Congress to address the problems found in the AHCA, to ensure that all people can benefit from comprehensive, quality health care that they can truly afford.

Sincerely,



Most Reverend Frank J. Dewane

Bishop of Venice

Chairman, Committee on Domestic Justice
and Human Development