

## **Statement for the Record**

Hearing to Consider the Graham-Cassidy-Heller-Johnson  
Proposal

Senate Committee on Finance

September 25, 2017

National Health Council

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On behalf of all people with chronic diseases and disabilities and their family caregivers, the National Health Council (NHC) submits this statement for the record to oppose the amendment to the American Health Care Act (AHCA) proposed by Senators Lindsey Graham, Bill Cassidy, Dean Heller, and Ron Johnson, just as we oppose the underlying AHCA. Both pieces of legislation will harm those with pre-existing conditions.

Founded in 1920, the NHC is the only organization that brings together all segments of the health community to provide a united voice for the more than 133 million people with chronic diseases and disabilities and their family caregivers. Made up of more than 100 national health-related organizations and businesses, the NHC's core membership includes the nation's leading patient advocacy organizations, which control its governance and policy-making process. Other members include professional and membership associations, nonprofit organizations with an interest in health, and representatives from the pharmaceutical, generic drug, health insurance, device, biotechnology, and communications industries.

The amendment being considered today falls well short of addressing the many concerns the patient advocacy community has continually raised with previous bills such as the AHCA and the Better Care Reconciliation Act (BCRA). It contains many of the same harmful provisions that will negatively impact people with pre-existing medical conditions.

**First, we are deeply concerned about cuts in funding for and removal of the requirement for subsidies to help those who cannot afford their insurance.** In addition to providing assistance to help lower-income and middle class Americans afford coverage, premium subsidies have had the greatest impact in encouraging people to enroll in insurance, which helps create a more balanced and stable risk pool. Likewise, the cost-sharing reduction assistance greatly helps lower-income people afford out-of-pocket expenses such as deductibles, copays, and coinsurance. The repeal of these programs, reduction in funding, and lack of requirement that funding allocated to states be used to help people afford their health care is incredibly troublesome. We are also concerned that the funding is not guaranteed beyond 2026.

**We also are adamantly opposed to the expansion of states' ability to waive key patient and consumer protections.** Graham-Cassidy allows any state that receives funding to waive protections such as the requirement that premiums cannot vary based on health status as well as essential health benefit (EHB) requirements. These actions would combine to completely undermine pre-existing condition protections for individuals with chronic conditions, as the cost of coverage could become prohibitively expensive or plans could exclude coverage for specific conditions and treatments. Waiving EHB requirements is further detrimental to people with chronic health conditions, both physical and mental health, and those who require costly care, as it will expand the ability to impose lifetime and annual limits on coverage and lessen the cap on out-of-pocket expenses. These protections only apply to EHBs, so this proposal will essentially open the door for discriminatory plan design elements to return to the insurance market. While the proposal does require that states applying for a waiver include a description of "how the State intends to maintain access to adequate and affordable health insurance coverage for individuals with pre-existing conditions," it is unclear how this standard will be applied and enforced.

**Finally, the proposed amendment's cuts and changes to the Medicaid program are simply unacceptable to the patient community.** Graham-Cassidy follows the same path as previous efforts to repeal and replace the Affordable Care Act (ACA) by ending the expansion of Medicaid and fundamentally reforming it by limiting long-term funding to the program. The combination of these two efforts will result in states making drastic changes to their program, which will result in reduced access to care for the nation's most vulnerable populations.

In addition to the substantive concerns with the legislation, the NHC is deeply troubled that such an impactful bill may be voted on without a full analysis from the nonpartisan Congressional Budget Office (CBO). CBO has indicated that they will not be able to provide estimates on how many Americans will lose coverage or how the legislation will impact premiums or deductibles. However, independent studies have indicated that the impacts will be similar to the AHCA and BCRA, causing millions to lose coverage and deductibles and other out-of-pocket expenses to greatly increase. These impacts were a main reason why the patient-advocacy community opposed these bills, and we would welcome the opportunity to have a greater understanding of the impacts before the legislation is considered. Further, the implementation timeline outlined in the bill is incredibly unfeasible for states and the federal government to completely transition to a new health insurance marketplace. It will create tremendous uncertainty and has the likelihood of destabilizing the market for the foreseeable future.

While we urge the Senate to reject Graham-Cassidy, we understand that the ACA has flaws that must be addressed by Congress. We were heartened by the bipartisan effort being spearheaded by Senators Alexander and Murray. Through hearings held in the Committee on Health, Education, Labor, and Pensions, we heard from many state regulators and governors of both parties who offered solutions to help stabilize the insurance market. We encourage the Finance Committee to join in these efforts to address issues within its jurisdiction to develop bipartisan solutions to these complex issues. To this end, the NHC has developed a set of recommendations.<sup>1</sup> At a high level, we recommend that Congress:

- Assure funding for cost-sharing reductions;
- Establish a stability fund;
- Support navigator programs;
- Maintain financial assistance;
- Maintain coverage of essential health benefits, including the standard that benefits typical of an employer group health plan be required in the individual market;
- Strengthen and fund outreach and marketing; and
- Monitor and address bare or limited-choice counties.

As the Senate Finance Committee examines the proposal introduced by Senators Graham, Cassidy, Heller, and Johnson, we encourage the Congress to reject this proposal and consider the impact it will have on every American. Most importantly, please consider how it will negatively impact the 133 million Americans with chronic diseases and disabilities and their family caregivers.

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<sup>1</sup> <http://www.nationalhealthcouncil.org/sites/default/files/NHC%20ACA%20Stabilization%201-Pager%20V5.pdf>