Tennessee Coalition for Better Aging





mailing address: 446 Metroplex Dr, Suite A-224, Nashville, TN 37211 phone: 615.269.5355 | fax: 615.269.5413 | email: tstarling@mhamt.org

May 25, 2017

Senator Lamar Alexander, Chair via email Committee on Health, Education, Labor & Pensions United States Senate 428 Senate Dirksen Office Building Washington, DC 20510

Senator Bob Corker via email
United States Senate
425 Dirksen Senate Office Building
Washington, DC 20510

RE: American Health Care Act, H.R. 1628

Dear Senators Alexander and Corker:

We are writing to you concerning the American Health Care Act passed by the U.S. House of Representatives on May 4th, repealing major provisions of the Affordable Care Act (ACA) and radically restructuring Medicaid. Our organizations serve older Tennesseans throughout the state. We appreciate your wise counsel that Congress should delay repeal until a more effective replacement is ready to be implemented. We are grateful for your advocacy for developing bipartisan health reforms that work for everyone. The AHCA defeats those goals, and it will cause serious harm to older adults.

The House bill fails to honor promises by Congress and the President to preserve Americans' health coverage and make care more affordable. Today's Congressional Budget Office report finds that the AHCA would increase the number of uninsured Americans by 23 million (including over 500,000 Tennesseans), and drive up the costs of health coverage for millions more. The bill would renege on the federal government's 50-year old commitment to the states to fully share in maintaining Medicaid, our nation's largest insurer. Federal Medicaid funding would be cut by \$834 billion over a decade, with dire consequences for states and the 70 million Americans who rely on this vital health care safety net program.

As the CBO notes, "For older people with lower income, net premiums would be *much larger* than under current law, on average." In addition, the bill weakens protections for the 1.25 million Tennesseans with pre-existing conditions and may allow states to determine which essential health benefits to cover. These features particularly affect older adults leading the CBO to conclude that "... many older people... could face substantial out-of-pocket costs," on top of the higher premiums the law would impose.

MEMBER ORGANIZATIONS

The Medicaid provisions of the AHCA will cause great damage to our state. Any measure, like the House bill, that caps future federal Medicaid funding by reference to current spending will perpetuate unfair disparities in federal funding. Per capita federal spending on Medicaid for Tennessee's seniors and people with disabilities is substantially less than most other states. Some <u>states receive nearly twice as much as Tennessee in federal Medicaid funding per enrollee</u>. The AHCA makes these unfair federal funding differences permanent. Moreover, the bill leaves Tennesseans even more vulnerable to the risks associated with per capita caps than residents of other states, since TennCare's already low expenditures leave no room to economize without harm to the program's beneficiaries.

Per capita caps will undermine <u>Medicaid's central role in the provision of long term services and supports</u>. <u>TennCare currently funds 61% of nursing home care</u> and a comparable percentage of home and community-based services. <u>As Tennessee's older population increases</u> rapidly to <u>22% by 2020</u>, capped federal funding will be unable to keep pace with the needs of frail elders, leaving the most vulnerable at risk.

The AHCA's Medicaid cuts have serious implications for those older Tennesseans who live in rural communities. The population of our rural communities is older, and is aging more rapidly, than urban and suburban areas of the state. The <u>rural health care infrastructure is heavily dependent on federal Medicaid funding</u>. Rural hospitals are struggling financially, and <u>Tennessee has lost more rural hospitals in recent years than all but one other state</u>. The closing of a rural hospital leads to an exodus of health care professionals, impairing access to health care for everyone, regardless of whether they have health coverage. <u>Medicaid cuts will force many rural hospitals to close</u>. That will <u>delay access to lifesaving care</u> for victims of stroke, heart attack or falls.

We respectfully urge you to use your influence to ensure that the Senate does not vote on the AHCA without in-depth committee hearings and CBO scoring of the final bill being voted on, including both its fiscal consequences and its impact on insurance coverage. Please oppose the AHCA or an amended AHCA, which gravely threatens key elements of the Affordable Care Act including, but not limited to: coverage of preventive care, coverage of pre-existing conditions, price protection for older adults, protection of Medicaid funding for long term care and home and community based services. Any legislation that results in coverage losses, increased health care costs for older adults, or cuts to Medicaid breaks the promise you made to your constituents and will cause serious harm to older Tennesseans and their families.

Thank you for your consideration, and for your public service to our country.

Respectfully,

Tom Starling, EdD Coalition Chair