March 7, 2017

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| The Honorable Paul Ryan  Speaker  U.S. House of Representatives  Washington, DC 20515 | The Honorable Nancy Pelosi  Minority Leader  U.S. House of Representatives  Washington, DC 20515 |
| The Honorable Greg Walden  Chairman  House Energy and Commerce  Washington, DC 20515 | The Honorable Frank Pallone  Ranking Minority Member  House Energy and Commerce  Washington, DC 20515 |
| The Honorable Kevin Brady  Chairman  House Ways and Means  Washington, DC 20515 | The Honorable Richard Neal  Ranking Minority Member  House Ways and Means  Washington, DC 20515 |

Dear Speaker Ryan, Leader Pelosi, Chairman Walden, Ranking Member Pallone, Chairman Brady, and Ranking Member Neal:

On behalf of Consumers Union, the policy and mobilization arm of the non-profit Consumer Reports, I write to express alarm regarding the House Energy and Commerce Committee and Ways and Means Committee markups of a bill that would fundamentally impact whether consumers can get the healthcare they need, when they need it. We are deeply concerned about both the harm this bill could do to consumers and the secretive and non-transparent manner in which the Committee is proceeding.

We believe the Committee’s decision to move forward and schedule a markup of a bill that would have a dramatic impact on consumers by repealing the ACA and fundamentally restructuring Medicaid is misguided. It is inappropriate that a bill of this magnitude be approached in undue haste, with members unable to see the final version until 36 hours prior. This does not allow a reasonable amount of time for lawmakers to carefully review the new legislation, or for input from stakeholder groups and experts, and does nothing to ease the concerns of consumers who deserve to know the details of what might happen to their healthcare coverage and its cost implications. This legislation, which affects tens of millions of consumers and one-fifth of our economy, should be debated in full public view.

In addition to members of Congress, consumers should be able to understand the final bill before it is marked up and they deserve to see a score from the nonpartisan Congressional Budget Office to show the budgetary and coverage implications. The likelihood that this bill covers far fewer consumers (and those less fully) than those who received coverage under the ACA further makes a rushed, secretive process a wholly inadequate way to proceed.

Additionally, the bill is likely to provide more paltry financial assistance and fewer consumer protections, making it more difficult for many, including our nation’s most vulnerable consumers, to afford health insurance. It is highly unlikely that those with pre-existing and chronic conditions would be able to afford any plans that provide the meaningful, quality coverage they need.

A continuous coverage provision does more to punish consumers whose coverage lapses—due to life changes, such as divorce or job change, or a temporary inability to pay premiums—than it does to incentivize coverage. Under this proposal, many consumers, in the course of their lives, will likely have coverage gaps and face steep financial penalties. Charging consumers an additional 30 percent fee on top of already high premiums will make coverage out-of-reach and keep many out of the market, jeopardizing their health.

A suitable and simultaneous replacement, in addition to providing coverage for at least the same number of people as the current law, must provide the critical consumer protections outlined in our principles:

* Coverage must provide meaningful access to care;
* Coverage and healthcare markets must be easy to navigate;
* Reforms must provide federal guarantee that consumer is left out;
* Reforms must address underlying reasons for high costs;
* Improving quality and reducing infections and medical errors must continue.

Anything short of this is not a suitable replacement.

We also want to underscore the serious and fundamental threat that this bill poses to the Medicaid program: the proposal to change the funding structure to *per capita* caps are *cuts* to Medicaid and threaten important consumer gains in many states accomplished through the expansion. With a *per capita* cap program, states will be responsible for all costs above a set amount covered by the federal government, shifting the risk for caring for people onto the states, and ultimately forcing *all* states to decrease coverage and/or benefits.

In the future, states will simply not be able to keep providing the same level of benefits to the same number of beneficiaries and will be faced with difficult choices as the population ages and a larger portion of Medicaid beneficiaries become seniors with more complex and costly needs, or during an economic downturn when a greater number of people need Medicaid. Additionally, the rigidity of *per capita* allowances means that, in the event of an unexpected healthcare event—such as an outbreak of Zika or the discovery of a new cure for a serious disease—states will be solely responsible for unexpected costs.

Consumers Union has a long history of working for a fairer and more just marketplace for consumers. We believe all Americans deserve health care and coverage that is accessible, affordable, understandable, fairly priced, and meets high, uniform standards for quality and safety. The Affordable Care Act made important strides towards this goal, allowing more than 20 million consumers to purchase private insurance through exchanges, access coverage through their parents’ plans or benefit from the Medicaid expansion, thus lowering the uninsured rate in our nation to its lowest point ever.

Healthcare touches the life of every American. This is too important an issue to proceed in a secretive manner that does not allow for full participation by all stakeholders. We believe marking up a bill that will impact millions of lives without a CBO score and without providing transparency and allowing for fair review is irresponsible and unfair to consumers.

Sincerely,



Laura MacCleery

Vice President

Consumer Policy and Mobilization

Consumer Reports

Cc: House of Representatives