



## POLICY & ACTION FROM CONSUMER REPORTS

U.S. House of Representatives  
Washington, D.C. 20515

May 2, 2017

Dear Representative:

On behalf of Consumers Union, the public policy arm of nonprofit Consumer Reports, we write to share a Consumer Reports article published today [“How the ACA Drove Down Personal Bankruptcies: A look at how expanded healthcare helped cut the number of filings by half.”](#) The Affordable Care Act (ACA) not only expanded healthcare coverage, allowing more than 20 million consumers to purchase private insurance through exchanges or benefit from the Medicaid expansion, but it also enacted common sense provisions that protect American families from the threat of financial ruin due to a costly and unexpected healthcare event.

Since the ACA took effect, filings for personal bankruptcies dropped about 50 percent from 1,536,799 in 2010 to 770,846 in 2016. Research has found that medical debt-- which is typically large, sudden, and nearly impossible to anticipate--is the single largest factor in consumer bankruptcies. A costly diagnosis or event, such as an accident, cancer, or congenital heart defects, can easily upend a family's finances, saddling it with hundreds of thousands of dollars of medical bills.

It is not surprising that the significant decrease in personal bankruptcies overlaps with the implementation of key provisions of the ACA. The Medicaid expansion provided new coverage for millions of lower-income Americans, and some of the law's most important financial protections apply to all consumers, whether they get their coverage through ACA exchanges, the market outside exchanges, or their employer. These provisions include a ban on annual and lifetime coverage caps, which went into effect in 2010, and mandated coverage for pre-existing conditions with community rating in 2014.

American Health Care Act (AHCA) with the MacArthur amendment gives states the ability to opt out of the Essential Health Benefits (EHB) and community rating requirements, ending these crucial protections for consumers. Without EHBs, insurers will begin a “race to the bottom” and drop coverage for expensive conditions, maternity care, mental health and substance abuse issues, among other areas. The elimination of EHBs would also effectively end the ban on annual and lifetime limits for the very categories of care that people need most, devastating patients with serious illnesses. Without a community rating requirement, consumers struggling with asthma, diabetes, or mental health issues like addiction, could be charged much higher premiums for their insurance coverage because of these conditions.

This legislation puts the financial security and health of every American family at risk. As a nonpartisan, independent organization that has advocated for the best consumer products and policies for more than 80 years, we strongly urge you to oppose the AHCA and the MacArthur amendment.

# ConsumersUnion®

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Sincerely,



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