



## POLICY & ACTION FROM CONSUMER REPORTS

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

May 4, 2017

Dear Representative:

On behalf of Consumers Union, the public policy arm of nonprofit Consumer Reports, we write to express our strong and continued opposition to the American Health Care Act (AHCA). The new Upton-Long et. al. amendment, which provides additional funding to states that opt out of the community rating requirement, promises woefully inadequate protection for consumers with pre-existing conditions. The funds could be subject to the same uncertainty as cost-sharing reductions (CSRs), leaving consumers unsure of whether they will be able to afford coverage or out-of-pocket costs when the time comes to use their insurance. Simply put, this amendment fails to meet its purported goal: to protect consumers with pre-existing conditions from the very real threat posed by the MacArthur Amendment. Furthermore, it does nothing to address the many significant problems in the original AHCA that make coverage less accessible and affordable for all consumers. We strongly urge you to oppose this legislation.

A foundation of the MacArthur Amendment is the provision allowing states to opt out of the community rating requirement on the condition that they participate in the “Patient and State Stability Fund” which would be established under the AHCA. This fund, which is subject to federal appropriation, is intended in part to pay for programs that help consumers with pre-existing conditions. High-risk pools, one of the commonly discussed options, have been tried repeatedly in many states and consistently fail to provide accessible, affordable, and comprehensive coverage for consumers with pre-existing conditions.

Research indicates that to successfully fund high-risk pools would require *at least* \$1 trillion dollars over ten years. Funding promised in the ACHA and its amendments falls far short of this, and would leave millions of consumers with pre-existing conditions unable to keep or afford insurance. Consumers with pre-existing conditions like asthma, diabetes, cancer, those struggling with mental health issues like addiction, will be charged much higher premiums for their insurance coverage simply because of these conditions. Although insurers will technically have to offer coverage to everyone, this will not help the millions of consumers who will not be able to afford skyrocketing premiums, leaving them without coverage and without health care.

In addition to taking away the guarantee of affordable coverage, the MacArthur amendment threatens to eliminate the current Essential Health Benefits (EHBs). In states that opt out of EHBs, insurers will begin a “race to the bottom” and drop coverage for conditions affecting specific populations like maternity care, mental health and substance abuse issues, among other areas. By eliminating EHBs, this legislation would also effectively end the ban on annual and lifetime limits for the very categories of care that people need most; this threat applies to consumers across the board, from those individually insured to those with employer coverage.

None of the recent amendments do anything to change the bottom line: the AHCA is fundamentally bad for consumers. The Congressional Budget Office (CBO) determined that the original bill would lead to 24 million consumers losing their insurance coverage by 2026. Plans would raise deductibles--shifting even more out-of-pocket costs onto consumers and, at the same time, consumers would face higher premiums due to reduced cost-sharing subsidies. The bill would threaten millions of consumers who rely on Medicaid for coverage by effectively eliminating the expansion and forcing states to cut back on coverage and benefits due to capped funding. Additionally, the AHCA would threaten the financial security of American families by removing key protections that have contributed to a decrease in personal bankruptcies, explained in a May 2nd, Consumer Reports Online article, [How the ACA Drove Down Personal Bankruptcies: A look at how expanded healthcare helped cut the number of filings by half.](#)

A vote in support of the AHCA is a vote to strip American families of access to healthcare and a vote to undermine their financial security and well-being, while giving tax breaks to the wealthiest Americans. It is utterly irresponsible to approve such far-reaching legislation without an updated CBO score to fully understand the impact on consumers and on the federal budget. As a nonpartisan, independent organization that has advocated for the best consumer policies and products for more than 80 years, we strongly urge you to oppose the AHCA.

Sincerely,



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Special Projects Director



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