U.S. Senate

Washington, D.C. 20510

June 23, 2017

Dear Senator:

On behalf of Consumers Union, the public policy arm of nonprofit Consumer Reports, we write to express our strong opposition to the Better Care Reconciliation Act (BCRA). The BCRA takes the [fundamentally flawed and unfixable framework of the AHCA](https://consumersunion.org/research/the-ahca-reduces-healthcare-coverage-and-increases-financial-instability-for-millions-of-americans/) and makes it even worse for consumers by making even steeper cuts to Medicaid. We strongly urge you to oppose this bill.

Instead of making healthcare more affordable for middle class families, this legislation will lead to millions of Americans losing coverage, jeopardizing their health and financial well-being. In addition to raising premiums for many Americans, this bill will lead to insurers raising deductibles, thereby shifting even more out-of-pocket costs onto consumers. At the same time, as premium tax credits are pegged to skimpy, lower-cost insurance products, consumers who want or need to buy quality coverage will face steep premiums. At a time when [personal bankruptcies have decreased by half](http://www.consumerreports.org/personal-bankruptcy/how-the-aca-drove-down-personal-bankruptcy/) because of increased protections made possible by the Affordable Care Act, this is a step in the wrong direction. Simply put, consumers will pay a lot more for a lot less.

While the bill may appear to provide consideration for those with preexisting conditions, in truth, it utterly fails them. The option for states to waive Essential Health Benefits (EHBs) could mean that the the full scope of services needed to treat or cure a condition — for example, outpatient chemotherapy for cancer — will not be covered. Moreover, the waiver of EHBs could leave all privately insured Americans — no matter how they get their private insurance — at the mercy of annual and lifetime caps. If that happens, meaningful coverage would be out of reach for many Americans, especially those with chronic and pre-existing conditions. This bill takes us back to when patients could not figure out what was in their policy until they tried to use it and then were denied coverage.

By capping funding for Medicaid, this bill threatens millions of consumers who rely on Medicaid for their healthcare. As our article “[Who’s on Medicaid Might Surprise You](http://www.consumerreports.org/medicaid/whos-on-medicaid-might-surprise-you/)” highlights, Medicaid beneficiaries come from all walks of life; their backgrounds are diverse but the deep impact of restructuring Medicaid would be universally felt. Half of Medicaid enrollees are children, many of them with special needs. [[1]](#footnote-0), [[2]](#footnote-1) Families of children with rare genetic diseases or other special needs depend on Medicaid funding to cover school-based services like speech and occupational therapy that make an enormous difference in their development. [[3]](#footnote-2),[[4]](#footnote-3) Many adult, non-disabled enrollees in Medicaid work full-time — for many, more than 40 hours per week — in low-wage jobs without other coverage.[[5]](#footnote-4) Medicaid also helps adults who struggle to work when debilitating disease, such as MS, makes working full time impossible.

Moreover, Medicaid pays for two out of three nursing home beds and is the primary funder of long-term care and support services for the aged. [[6]](#footnote-5),[[7]](#footnote-6) For many seniors, Medicaid is the difference between aging in dignity and not being able to afford quality care or a place to live. If seniors lose access to long-term care or nursing homes because of Medicaid cuts, working families who already struggle to pay for childcare and save for college will also suffer the financial and emotional stress of arranging reliable housing and care for their aging parents; as with states, many families will have to make untenable choices.

The proposed change to how Medicaid is financed — from a fixed federal *percentage* of costs to a fixed *amount* of federal dollars under a per capita cap — is actually a **deep** **cut** to Medicaid that threatens healthcare for seniors, people with disabilities, veterans, military families and 32 million children, among others. There is no growth rate that can mitigate the harms that per capita caps would cause, both to consumers in your state and the state’s budget. The block grant option, just another form of capped funding, suffers from the same deficiencies.

Restructuring Medicaid will not eliminate the medical need or the cost of care; rather, it would shift billions of dollars of healthcare costs onto states and consumers. Under a capped financing structure, states will not be able to keep providing the same level of benefits to the same number of beneficiaries. [[8]](#footnote-7) Not only will state budgets and services be undermined, but once Medicaid adopts a capped formula structure, nothing prevents additional federal funding cuts in the future. Medicaid funding will hang in the balance, making it even more difficult for states to accurately budget for the future.

Finally, we are deeply troubled by the non-transparent and rushed manner in which the Senate has proceeded with this legislation. There were no public hearings and no testimony from expert witnesses and different stakeholder groups. A measure that touches the life of every American--and accounts for one-fifth of our economy--deserves a full and public debate.

Ultimately, this bill strips ordinary Americans of lifesaving healthcare and key financial protections, while giving generous tax cuts to industry and the wealthiest. Americans deserve better. We urge you prioritize the health and financial well being of American families and to oppose the BCRA.

Sincerely,



Elizabeth Imholz

Special Projects Director



Victoria Burack

Health Policy Analyst

1. Kaiser Family Foundation, “10 Things to Know about Medicaid: Setting the Facts Straight,” <http://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/> [↑](#footnote-ref-0)
2. Kaiser Family Foundation, “Medicaid and Children with Special Health Care Needs,” <http://www.kff.org/medicaid/issue-brief/medicaid-and-children-with-special-health-care-needs/> [↑](#footnote-ref-1)
3. Center on Budget and Policy Priorities; <http://www.cbpp.org/research/health/medicaid-helps-schools-help-children>. [↑](#footnote-ref-2)
4. NHELP, <http://www.healthlaw.org/blog/575-school-districts-hit-hard-under-proposed-medicaid-cuts>. [↑](#footnote-ref-3)
5. Kaiser Family Foundation, “Understanding the Intersection of Medicaid and Work,” February 2017; <http://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/> [↑](#footnote-ref-4)
6. Kaiser Family Foundation, “Medicaid and Long-Term Services and Supports: A Primer,” December 2015; <http://kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/> [↑](#footnote-ref-5)
7. Kaiser Family Foundation, “Nursing Facilities, Staffing, Residents and Facility Deficiencies, 2009 Through 2014; <http://www.kff.org/medicaid/report/nursing-facilities-staffing-residents-and-facility-deficiencies-2009-through-2014/> [↑](#footnote-ref-6)
8. It is estimated that these caps will cut federal funding to Medicaid by $116 billion over ten years, on top of the expansion cuts. Center on Budget and Policy Priorities. *House Republican Health Plan Shifts $370 Billion in Medicaid Costs to States*. March 8, 2017. [↑](#footnote-ref-7)