

POLICY & ACTION FROM CONSUMER REPORTS

U.S. Senate
Washington, D.C. 20510

July 27, 2017

Dear Senator:

On behalf of Consumers Union, the policy arm of nonprofit Consumer Reports, we write to express our strong opposition to the repeal of the Affordable Care Act (ACA). As an organization whose founding principles include ensuring access to quality, affordable health coverage and care for all, we believe the so-called “skinny repeal” would jeopardize both the health and financial security of American families.

In its analysis of a plan to eliminate the individual and employer mandate, the nonpartisan Congressional Budget Office (CBO) projected that 16 million consumers would lose insurance coverage the first year that repeal legislation is enacted.¹ The repeal of the mandates will also destabilize the insurance markets and cause premiums to rise by 20% more than under current law,² and continue to rise as the insurance pool narrows to the sickest and costliest consumers. This measure is widely opposed by insurers³ and a bipartisan group of Governors⁴, and will likely cause large exits from the marketplace, leading to less competition and fewer choices for consumers. The crucial nature of this mandate was highlighted by the current Senate majority in an amicae curiae filed in 2012, stating: “without the mandate both the number of uninsured and the price of premiums would skyrocket.”⁵

A repeal of the mandates incentivizes risky behavior. Consumers who are healthy will be able to forgo health insurance without consequence, knowing that if they unexpectedly get sick or have an accident, they will be able to purchase the insurance they need at no penalty. This undermines the health and sustainability of the overall risk pool, hurting all insured consumers.

¹ Congressional Budget Office, Estimate of the Direct Spending and Revenue Effects of Selected Provisions From H.R. 1628, The Better Care Reconciliation Act of 2017, An Amendment in the Nature of a Substitute [ERN17500]a, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628selectedprovisions.pdf>

² Congressional Budget Office, Analysis of options for reducing the deficit: 2017 to 2026, *Health Option 5: Repeal the Individual Health Insurance Mandate*, Available at <https://www.cbo.gov/budget-options/2016/52232>.

³ Letter from America’s Health Insurance Plans, July 27, 2017, <https://www.ahip.org/wp-content/uploads/2017/07/AHIP-Letter-to-Leaders-McConnell-Schumer-7-27-2017.pdf>; <https://www.wsj.com/articles/insurers-warn-about-lack-of-coverage-mandate-in-senates-skinny-repeal-option-1501107799>

⁴ Letter from Bipartisan Governors to Leader McConnell and Minority Leader Schumer, http://d279m997dpfwgl.cloudfront.net/wp/2017/07/07-27_GovernorsLetter.pdf

⁵ Amici Curiae filed on behalf of United States Senate Republican Leader Mitch McConnell, Senator Orrin Hatch, Senator Kelly Ayotte, Senator John Barrasso, Senator Roy Blunt, Senator John Boozman, Senator Richard Burr, Senator Saxby Chambliss, Senator Daniel Coats, Senator Tom Coburn, Senator Thad Cochran, Senator Susan Collins, Senator John Cornyn, Senator Mike Crapo, Senator Michael Enzi, Senator Chuck Grassley, Senator Dean Heller, Senator John Hoeven, Senator Kay Bailey Hutchison, Senator James Inhofe, Senator Johnny Isakson, Senator Mike Johanns, Senator Ron Johnson, Senator Jon Kyl, Senator Mike Lee, Senator Richard Lugar, Senator John McCain, Senator Lisa Murkowski, Senator Rand Paul, Senator James Risch, Senator Pat Roberts, Senator Marco Rubio, Senator Richard Shelby, Senator Olympia Snowe, Senator John Thune, and Senator Patrick Toomey, (January 6, 2012). Available at https://www.americanbar.org/content/dam/aba/publications/supreme_court_preview/briefs/11-393_petitioneramcuussenatembrs.authcheckdam.pdf.

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The passage of a Senate repeal bill would lead to a conference committee where the [fundamentally flawed House passed American Health Care Act \(AHCA\)](#) will reportedly be used as a basis for negotiations. This bill is deeply unpopular with the American public and would be devastating for consumers; 23 million would lose their insurance coverage by 2026.⁶ 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 premium subsidies.

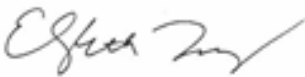
The House bill would also threaten millions of consumers who rely on Medicaid for coverage through capped funding. Restructuring Medicaid would shift billions of dollars of healthcare costs onto the shoulders of states and consumers and would force states to make untenable choices such as skimping on services for those battling addiction, cutting benefits for senior Medicaid enrollees, or children with special needs.

This is the latest attempt to find a backdoor to the same harmful proposals that have repeatedly failed to garner a simple majority in the Senate and that have been widely rejected by providers, hospitals, insurers, consumer advocates and a majority of the public. We believe it is irresponsible for the Senate to continue this attempt to repeal the ACA by any means possible.

The American public deserves to know what is in the Senate bill and how it will impact their health and financial stability. They deserve a complete score from the CBO on the entirety of the legislation that the Senate will consider, including significant amendments, to understand the coverage and financial impacts. They deserve better than a secretive, rushed, and ill-advised process where Senators themselves only see the legislation hours before a vote. A measure that so fundamentally touches the life of every American—and accounts for one-sixth of our economy—necessitates a full and public debate with sufficient time for the public and Senators to review and understand the full implications.

We implore the Senate to abandon this opaque process and flawed legislation, to oppose the effort to repeal the Affordable Care Act, and to hold Committee hearings and work in a bipartisan fashion to strengthen health care coverage and affordability for all consumers.

Sincerely,



Elizabeth Imholz
Special Projects Director



⁶ Congressional Budget Office, H.R. 1628, American Health Care Act of 2017, May 24, 2017, <https://www.cbo.gov/publication/52752>



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