

March 17, 2017

The Honorable John Shimkus
Member of Congress
U.S. House of Representatives
2217 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Shimkus:

On behalf of the Illinois Health and Hospital Association's (IHA's) more than 200 hospitals and nearly 50 health systems, I am writing to ask you not to support the American Health Care Act (AHCA) when it comes to the House floor for a vote. IHA has serious concerns with the proposed legislation because it would cause the loss of health coverage for thousands of Illinoisans, jeopardize access to health care for ALL Illinoisans, and harm the state budget and economy.

Illinois hospitals are committed to advancing healthcare for all Illinoisans. Achieving this goal depends on our patients having meaningful and affordable health coverage. Of the more than one million Illinoisans who have obtained coverage through the Affordable Care Act (ACA), 650,000 are now covered under the Medicaid expansion. However, repeal of the enhanced federal funding for the ACA's Medicaid expansion will result in hundreds of thousands of Illinoisans losing their coverage, as well as the loss of substantial federal funding to the state (now at \$3.2 billion annually for the Medicaid expansion population). Without that funding, our estimates are that the state would sustain \$7.6 billion to \$8.4 billion in reduced annual economic activity, resulting in 55,250 to 60,750 lost jobs.

In addition, IHA strongly opposes the policy to change Medicaid to a capped funding model as it would cut federal health care funding which will harm health care for all Illinoisans. Illinois ranks 50th in the country in federal funding support per Medicaid beneficiary and has one of the lowest federal matching rates. Per capita caps or block grants would lock Illinois into low and insufficient federal funding levels, putting the state at a competitive disadvantage compared to other states for years to come.

Based on the Congressional Budget Office's cost estimate, conservatively, Illinois could be facing the loss of at least \$40 billion in federal Medicaid funding over ten years – at a time when the state is not well positioned to absorb the costs that would be shifted to the state. As a result, Illinois could be forced to reduce Medicaid eligibility, covered services, and payments to providers.

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More than 40% of Illinois hospitals are losing money (in the red) or have extremely thin operating margins. Hospitals would be in the difficult position of eliminating services, not hiring physicians and nurses, and delaying facility and technology improvements. This affects ALL patients' access to services. Finally, despite cutting health coverage for millions of people across the country, the AHCA continues the Medicare cuts to hospitals that have helped fund expanded coverage under the ACA. Restoring these cuts would help hospitals maintain services as they face increased uncompensated care burdens caused by the loss of coverage under the AHCA.

IHA continues to urge Congress to ensure access to meaningful and affordable healthcare, and we look forward to working with all Members of Congress to achieve this goal. At this time, however, we are unable to support the American Health Care Act.

Sincerely,

A.J. Wilhelmi
President & CEO