April 25, 2017

ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
FEDERAL ADVOCACY ALERT

TO: Chief Executive Officers, Member Hospitals and Health Systems
   Chief Financial Officers
   Government Relations Personnel
   Public Relations Directors

FROM: A.J. Wilhelmi, President & CEO
      David Gross, Senior Vice President, Federal Government Relations
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SUBJECT: Possible Vote on AHCA -- Contact Your U.S. Rep. Today

Members of Congress return to Washington this week and will immediately need to focus on providing funding for federal agencies beyond April 28 – when the continuing resolution expires. Meanwhile, White House officials and House Republicans spent the last two weeks of recess debating changes to the American Health Care Act (AHCA), including a possible amendment that creates a “limited waiver option” for states to opt out of essential health benefits and community rating requirements in an effort to lower the cost of insurance.

With the President’s first 100 days in office nearly over, and other legislative priorities like tax reform looming, momentum is building to bring the bill to the House floor for a vote as early as this week. The AHCA would repeal significant portions of the Affordable Care Act (ACA), including Medicaid expansion, and convert the Medicaid program into a capped funding model. IHA sent a letter to the Illinois Congressional delegation outlining its serious concerns with the legislation and urging them not to support the bill.

According to the analysis from the Congressional Budget Office (CBO), the AHCA is expected to increase the number of uninsured by 14 million in 2018 compared to current law. Overall, the report estimates that nearly 24 million people would lose coverage over 10 years. The largest savings would come from reductions in outlays for Medicaid ($880 Billion) and from the elimination of the ACA’s subsidies for the purchase of health insurance ($673 Billion). Based on the CBO cost estimates, conservatively, Illinois could be facing the loss of at least $40 billion in federal Medicaid funding over ten years. More than one million Illinoisans have coverage under the ACA (including Medicaid expansion), enabling them to get the healthcare they need when they need it.
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Action Requested: Contact your U.S. Representative now and ask him/her NOT to support the American Health Care Act when it goes to the House floor for a vote. To call or email your U.S. Representative, click here.

Suggested Talking Points:

OVERALL MESSAGES

• I urge you NOT to support the American Health Care Act (AHCA) when it comes to the House floor for a vote.

• The Illinois hospital community has serious concerns with the legislation. It would eliminate coverage for hundreds of thousands of Illinoisans and impose a cap on federal funding for Medicaid.

• According to the Congressional Budget Office, the AHCA would eliminate coverage for 24 million Americans over 10 years. Illinois hospitals strongly support ensuring meaningful and affordable healthcare coverage.

• Based on the CBO cost estimates, 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.

• Illinois is 50th among the states in federal Medicaid funding support—our state is unable to absorb funding cuts without impacting healthcare for all patients.

• The proposed legislation rolls back the Affordable Care Act’s (ACA’s) expansion in coverage, and yet it retains the Medicare cuts to Illinois hospitals that helped pay for that coverage ($1.7 Billion since 2010 and more than $10 billion over the next 10 years).

• 650,000 Illinoisans have obtained coverage under the ACA’s Medicaid expansion. The AHCA would end the enhanced federal matching funds for new members of the Medicaid expansion population as of January 1, 2020.

• Repealing Medicaid expansion and going to a capped funding system would do great harm to ALL patients, hospitals and the healthcare delivery system, the state budget, and the state’s economy.

• Illinois is now getting shortchanged in federal Medicaid funding – going to a capped funding system would lock the state into its current LOW level and put Illinois at a competitive disadvantage for years to come.
Impact of AHCA on Patients, State Budget, State Economy, Hospitals

- Hundreds of thousands of Illinoisans would lose their health insurance coverage – negatively affecting their health and quality of life. The uninsured would forego or delay treatment when needed, and then present to the hospital emergency room for care – leading to higher costs.

- Repealing Medicaid expansion would have a very negative impact on the state budget, which is already challenged, shifting major costs to the state.

- Capping Medicaid funding – per capita caps – will lock Illinois in at its very low, inadequate federal funding level and put it at a competitive disadvantage with other states for years to come. Illinois is currently 50th in the country in federal Medicaid funding support per beneficiary.

- The State will be forced to reduce eligibility (less people covered), services covered/provided to Medicaid beneficiaries, and reimbursements to hospitals and doctors.

- The AHCA will have a negative impact on the local and state economy and on jobs.

- Hospitals will be forced to make difficult decisions, such as reducing services, laying off staff, not hiring staff, delaying needed facility and technology improvements. Such reductions would hurt ALL patients, not just Medicaid beneficiaries – when a service is eliminated, it is eliminated for everyone.

- Currently, more than 40 percent of hospitals in EVERY area of the state are losing money or barely have a positive margin.