



May 23, 2017

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch:

We want to commend you for asking for input into the ongoing health reform process, as features of the American Health Care Act are considered in the Senate. We believe this process should remain informed by patients and providers, and we appreciate the opportunity to speak up for the needs of our safety-net patients.

AAPCHO is a national not-for-profit association of 32 community-based health care organizations, 27 of which are Federally Qualified Health Centers (FQHCs). AAPCHO members are dedicated to promoting advocacy, collaboration, and leadership to improve the health status and access of medically underserved AA&NHPIs in the U.S., its territories, and its freely associated states. AAPCHO member centers serve over 500,000 patients nationally.

Like all Federally Qualified Health Centers, our health centers serve everyone who walks through their doors, regardless of insurance status. AAPCHO members focus on providing services that are uniquely appropriate to their patient populations including: comprehensive primary medical care, culturally and linguistically appropriate health care services, and non-clinical supportive enabling services such as interpretation and case management. On average, AAPCHO's health centers serve a much higher rate of patients who are Limited English Proficient (LEP) (52% vs. 23%), with some health centers serving as many as 100% LEP individuals. AAPCHO health center patients serve a high percentage of complex patients, including those with chronic conditions such as diabetes and hepatitis B, who also may need support with social conditions (e.g. transportation to/from center).

We recognize the essential need to have bipartisan discussions with many stakeholders in order to ensure we support a health care system that works for everyone. We appreciate the long leadership you have demonstrated in supporting health centers and look forward to continuing to work together in the months to come.

The Senate must protect Medicaid for health centers to remain effective. As safety-net providers, we rely heavily on Medicaid to keep our health centers strong. Specifically, in our national study of health centers serving AA&NHPI populations, we found that our centers serve a population with 58% Medicaid beneficiaries, even more than the FQHC average nationwide (49%). This makes Medicaid the single greatest funder for our centers. The House-passed AHCA would end Medicaid expansion, reduce enrollment by 14 million

by 2026 and cut Medicaid spending by \$839 billion over ten years. This would impact over 70 million people who rely on Medicaid, including 30 million children.¹ We recommend that the Senate preserve Medicaid from expansion rollback and potential funding cuts via per-capita caps and block grants.

Medicaid keeps the U.S. population healthy, as the use Medicaid and CHCs reduce the use of emergency care. In 2014, the number of uninsured emergency room visits has fallen substantially in Medicaid expansion states, reducing uncompensated care by \$5 billion.² In states that have already expanded Medicaid, mortality rates have been reduced significantly. Adults have also experienced significant reductions in the time to access health care due to cost reductions. Comparable states that did not expand Medicaid did not have similar results.³

Medicaid expansion is important beyond healthcare. According to Governor Kasich of Ohio, after expanding Medicaid, health status improved for most enrollees (48%) and worsened for very few (4%). Many enrollees (27%) learned that they had previously unknown chronic health conditions. The percentage of Ohio enrollees with medical debt fell by nearly half (from 56% to 31%). Workers covered through Ohio's Medicaid expansion reported that it was easier for them to keep or find work, and Ohio's Medicaid Expansion has made it easier for enrollees to buy food (59%) and pay rent (48%).⁴

We are concerned that proposals to limit federal Medicaid funding will shift the cost burden to the states and result in inadequate care. Proposals to convert Medicaid funding into state per-capita caps or block grants could limit the program's ability to meet low-income health needs, shifting costs to the states and resulting in a rationing of care.⁵ States would have to dig deeper to fund the remaining costs or benefits, and patients and essential programs would suffer. The impact of these policies differs by state and impacts state coverage levels and state spending.

We respectfully request that the Senate considers the impact of health care proposals on Medicaid and the impact of potential Medicaid changes on state budgets and state health coverage. We want to ensure that everyone covered today will continue to have coverage without paying more, and that the burden of Medicaid payments would not shift to the states, putting state budgets in jeopardy.

¹ <http://www.cbpp.org/research/health/house-health-care-bill-ends-medicaid-as-we-know-it>

² Rachel Nuzum et al., The Commonwealth Fund, Why the U.S. Needs Medicaid (Sept. 23, 2016)

³ Benjamin D. Sommers, M.D., Ph.D. et al., Mortality and Access to Care Among Adults After Medicaid Expansions, N. ENG. J. MED. (published online July 25, 2012).

⁴ Letter to Hon. Kevin McCarthy, House Majority Leader, from Gov. John Kasich (Jan. 18, 2017).

⁵ <http://www.commonwealthfund.org/publications/issue-briefs/2017/jan/medicaids-future-aca-repeal>

We appreciate the opportunity to offer our concerns with you. We are always ready to provide clarity and support of the impact on our member centers and the many

communities that they serve, as you and your colleagues consider health reform proposals. Should you have questions or wish to discuss these issues, please contact Isha Weerasinghe, AAPCHO's Director of Policy and Advocacy, at isha@aapcho.org.

Thank you,



Jeffrey Caballero
Executive Director