

May 15, 2017

Senator Lamar Alexander, Chair *via email*
Committee on Health, Education, Labor & Pensions
United States Senate
428 Senate Dirksen Office Building
Washington, DC 20510

Senator Bob Corker *via email*
United States Senate
425 Dirksen Senate Office Building
Washington, DC 20510

RE: American Health Care Act, H.R. 1628

Dear Senators Alexander and Corker:

We write to you concerning the American Health Care Act passed by the U.S. House of Representatives on May, 4th repealing major provisions of the Affordable Care Act (ACA) and radically restructuring Medicaid. Like you, our organizations work every day to improve the health of Tennesseans. Your strong voice in Congress has been critical to delaying the repeal of the ACA until an appropriate and thoughtful replacement has been developed. We share your conviction that in reforming health care, Congress must avoid seeking a quick fix. What is needed instead, as you have both said, is for Congress to work on a bipartisan basis toward long-term solutions that work for everyone. The AHCA does nothing to advance these aims.

The House bill is not consistent with assurances by both Congress and the President to preserve Americans' health coverage and make care more affordable. [The Congressional Budget Office found](#) that the AHCA would increase the number of uninsured Americans by 24 million (including [over 575,000](#) Tennesseans), make health coverage more costly for older individuals and shift \$880 billion in Medicaid costs from the federal government to states and health care providers. In addition, the bill weakens protections for the [1.25 million Tennesseans with pre-existing conditions](#) and may allow states to determine which essential health benefits to cover

The AHCA would hit Tennessee especially hard. By capping future federal Medicaid funding by reference to a 2016 baseline, the legislation locks in current inequities in federal funding, to the great disadvantage of Tennesseans. There are stark disparities in federal funding for Tennessee's seniors and people with disabilities, in comparison to those in other states. Some [states receive nearly twice as much as Tennessee in federal Medicaid funding per enrollee](#). The AHCA would make these unfair federal funding disparities permanent.

Moreover, under the AHCA, the [state budget would sustain a loss of \\$5 billion in federal Medicaid revenues over ten years](#). That represents an average annual loss of \$500 million in the TennCare budget. That will force major cuts affecting TennCare's 1.5 million enrollees and the providers who care for them. Cuts to TennCare will be felt across the age spectrum, with serious effects on the state's health care infrastructure. TennCare [covers over half of all Tennessee children](#), including the great majority of those with [serious medical or behavioral disabilities](#), and

all children in foster care. [TennCare also covers over half of all births](#) in the state and is the financial foundation of services that have succeeded in recent years in reducing infant deaths. Additionally, [TennCare funds 61% of nursing home care](#) and the bulk of funding [for services for adults with developmental and intellectual disabilities](#). It is [our largest single payer](#) for mental health and addiction services, a crucial role in a state where the [opioid](#) and [meth addiction](#) epidemics are among the worst in the nation.

Tennessee’s recent [loss of rural hospitals has been higher than all but one other state](#), and the [Tennessee Department of Health reports that over 20 more rural hospitals are at risk of closing](#). By cutting [Medicaid funding that is critical to rural communities](#), the AHCA will [force more hospitals to close](#). The [loss of a community’s sole hospital provider irreparably harms health access](#) and the [local economy](#). It is no exaggeration to say that the AHCA threatens the very viability of many rural parts of our state.

As dire as cuts to health care will be, they won’t be sufficient to insulate the rest of the state budget from the effects of a \$500 million annual loss of revenue. As you know from your experience managing state government, losses of that magnitude cannot be contained to TennCare, but will also adversely affect the state’s ability to meet its other responsibilities, such as education and public safety.

The U.S. House of Representatives rushed to adopt a hasty, ill-conceived [“fix” that lacks transparency and input from knowledgeable experts](#), and that will cause more harm than good. We respectfully ask you to use your influence in the Senate to ensure that the Senate bill does not bypass the careful vetting that is required of all legislation, and particularly for a measure of such enormous importance for all Americans. As the Senate considers its own health care legislation, please make sure there are in-depth hearings and mark-up by the Health and Finance Committees. Please do not let the Senate vote without CBO scoring of the final bill being voted on, including both its fiscal consequences and its impact on insurance coverage.

We urge you to reject the AHCA and ensure that a Senate bill **will not** result in coverage losses, removal of protections for people with preexisting conditions, premium increases for older adults or cuts to Medicaid. The viability of our state budget and the wellbeing of the most vulnerable Tennesseans depend on upholding congressional commitments to protect and improve the health coverage of all Americans.

Thank you for your consideration, and for your public service to our state and nation.

Respectfully,

American Heart Association

The Arc – Tennessee

Mental Health America - Tennessee

National Alliance on Mental Illness – TN

Tenn. Assoc. of Mental Health Organizations

Tennessee Charitable Care Network

Tennessee Disability Coalition

Tennessee Nurses Association

Rural Health Association of Tennessee