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PRESIDENT AND
CHIEF EXECUTIVE OFFICER

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Dear Senator,

In response to the newest information made available from the nonpartisan Congressional Budget Office on the American Health Care Act, the New Jersey Hospital Association remains firmly opposed to this legislation. As many suspected, the round of final amendments proposed and ultimately passed in the House made a bad bill worse. We have been outspoken in our opposition to this bill from the onset and continue to believe that the AHCA is a leap in a dangerous direction.

While there are several problematic forecasts in the CBO analysis, the impact of the AHCA on older Americans and on the working poor are perhaps the most onerous.

As the previous CBO score also indicated, millions of Americans would lose their insurance coverage in the next ten years – 23 million Americans will lose their coverage by 2026. Under current law, 28 million would still be uninsured in 2026, but that number balloons to 51 million under the AHCA. Fourteen million would lose coverage in the first year alone, hitting older Americans the hardest. A somber direct quote from the report: “Although the agencies expect that the legislation would increase the number of uninsured broadly, **the increase would be disproportionately larger among older people with lower income—particularly people between 50 and 64 years old** with income of less than 200 percent of the federal poverty level.”

New Jersey specifically would be hard hit by the AHCA. Analysis by the Joint Economic Committee estimates that next year in New Jersey 249,524 individuals would lose their private coverage and that insurance premiums would increase \$847. The Garden State would rank 12th in the nation for the highest number of uninsured. This same analysis also estimates that New Jersey will have the 12th largest figure in increased uncompensated care to hospitals, totaling a staggering \$224,571,584 next year alone. Our analysis projects a \$1 billion charity care shortfall across the state should the Governor’s recent proposed cut to charity care be partnered with the repeal of the Affordable Care Act.

Cost for older Americans would skyrocket, despite promises to the contrary. Under current law, a 64-year-old making \$26,500 a year will pay on average \$1,700 in annual premiums in 2026. Under the AHCA, that same individual making just above minimum wage will pay between \$13,600 and \$16,100 a year in premiums. That’s an increase of 850 percent - a number which seems almost too high to fathom.

NJHA also remains concerned about the devastating impacts to the Medicaid program. Medicaid covers 1.8 million New Jersey residents, which represents 20 percent of the state including one in every three children. The CBO estimates that \$834 billion in cuts to the Medicaid program would result in 14 million fewer people covered nationally. The state budget in New Jersey cannot absorb the hit of per capita caps to the Medicaid program, and costs will shift to hospitals and providers, affecting healthcare costs and access for all.

With the bill now sitting in the Senate, we urge you not only to vote against it but to be outspoken and unrelenting in your opposition. We are eager to work with you to share the stories of the countless New Jersey residents and providers who would be impacted by this bill. \

Respectfully,


Elizabeth A. Ryan, Esq.