



ELIZABETH A. RYAN, ESQ.
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Sept. 19, 2017

Dear Member of Congress,

As the Senate considers moving forward with a vote on the Graham-Cassidy bill, we felt it imperative to reach out to our elected representatives to note the devastating impact this measure could have on the people of our state. We are heartened that the New Jersey delegation has shown bipartisan support for protecting healthcare coverage for the state's residents, in both the Senate and in the House. We urge our Congress members to continue to put New Jersey residents first while debating the future of healthcare coverage policy.

While this bill has not yet been fully scored by the Congressional Budget Office, initial analyses by several independent organizations shows that this bill jeopardizes health insurance coverage for not only the 800,000 New Jersey residents that have obtained health insurance through Medicaid expansion and the insurance exchange, but also risks coverage and access for the 1.8 million New Jersey residents that are covered by the Medicaid program. The Center on Budget and Policy Priorities estimates that New Jersey would lose as much as \$4 billion in federal funding as a result of this bill. That's the fourth largest impact among the 50 states.

NJHA continues to urge Congress to reject this proposal and to work in a bipartisan manner to address the challenges of our healthcare system.

Among our key concerns with the Graham-Cassidy bill:

- **The Bill Would Result in Millions Losing Health Coverage.** The bill would repeal the ACA's individual and employer mandate penalties, a change CBO previously estimated would result in 14 million fewer insured individuals after one year and 32 million over 10 years. In addition, the bill would reduce the amount of funding for traditional Medicaid by transitioning financing for the program to a per capita cap model with trend factors that are generally below historic spending growth, potentially jeopardizing coverage and services for our most vulnerable.
- **The Bill Would Erode Key Protections for Patients and Consumers.** The bill would repeal the ACA's Medicaid expansion, Basic Health Program and Health Insurance Marketplace subsidies effective Jan. 1, 2020, and establish a block grant program for states to create their own healthcare programs from 2020 to 2026. States could use the funds to help individuals enroll in coverage, but they also could use the funds for other health-related purposes. This change would allow states to waive many insurance rules for coverage provided through the block grant program. States could eliminate some or all of the essential health benefits and allow insurers to charge individuals with pre-existing conditions any amount in premiums, effectively pricing many individuals out of coverage.

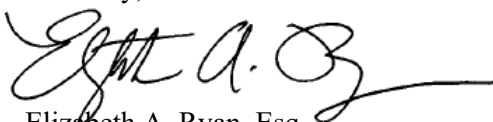
- **The Bill Fails to Stabilize the Insurance Market in the Short or Long Term.** The bill fails to fund the cost-sharing reductions (CSRs) in the short term (2018 and 2019), while providing a separate fund for insurers to help stabilize the insurance markets in 2019 and 2020 (but not 2018). CBO previously estimated that failure to fund the CSRs in 2018 would increase premium rates by 20 percent and increase the federal deficit by \$6 billion that year. In addition, the new grant program for states would end after seven years, potentially creating massive disruption in the healthcare system as millions of individuals may lose their source of coverage.

We are also concerned that this measure is being fast-tracked with no concern for regular order, leaving insufficient information and no opportunity for public input. We urge you to vote no on this measure not only due to our concerns on the substance of the bill, but also because of the failure to follow regular order and the need to obtain a full CBO score.

We know the Affordable Care Act is not perfect, and we are eager to work with Congress on bipartisan efforts underway to improve the law and stabilize the market. Under the ACA, the Garden State has seen the number of uninsured reach historic lows of 9 percent. This bill would harm New Jersey and its residents, costing them access to healthcare coverage along with \$4 billion in funding. The combined impact would be a significant blow to access to healthcare in our state. These cuts will threaten our vulnerable Medicaid population including the aged, disabled, children and pregnant women. That's why an array of consumer and patient groups from the AARP to the Arc of New Jersey have spoken out against the bill.

The bottom line: This bill would hurt New Jersey. We urge you to reject the Graham-Cassidy repeal-and-replace proposal and take a more thoughtful, bipartisan approach to improving our healthcare system.

Sincerely,



Elizabeth A. Ryan, Esq.
President and Chief Executive Officer