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March 2, 2017

Office of the Speaker
H-232 The Capitol
Washington, DC 20515

Dear Speaker Ryan,

The National Health Law Program is a national, non-profit organization that protects and advances the health rights of low income and underserved individuals. We are extremely concerned about the lack of transparency regarding upcoming Congressional action to dramatically change the financing structure of Medicaid. We strongly urge Congress to ensure that efforts to restructure or change Medicaid -- a program whose financing structures have been in place for over 50 years -- not move forward without formal hearings and mark-ups on any legislation proposing changes to Medicaid.

Medicaid is a vital program not only to the 74 million individuals enrolled at any point in time but also to health care providers, our communities, and states. Medicaid is the third largest domestic program in the federal budget, after Social Security and Medicare, and covers more individuals than either of those programs. Medicaid is far and away the single largest source of federal payments to states, dwarfing highway and education funding, among others; the \$370 billion the federal government spent on Medicaid last year accounted for over half of all federal payments to states.

Studies have shown that Medicaid spending has a positive economic effect for states and the influx of federal funds magnifies this impact. Medicaid funds not only directly support tens of thousands of health care providers and their staff throughout the country but the influx of federal dollars results in a multiplier effect

indirectly affecting other businesses and industries as well.¹ Thus any legislation that fundamentally restructures Medicaid will have profound effects not only on the 74 million Americans currently covered, but also on the hospitals, community health centers, managed care plans, nursing facilities, group homes and other providers that serve them, as well as the states and counties and communities in which they live.

We understand that the House Energy and Commerce (E & C) and Ways and Means Committees are reportedly planning to mark up and report out legislation changing the financing and other aspects of Medicaid without a hearing. We are strongly concerned about the lack of transparency of this proposed process, especially since the Committee could act without testimony from its own expert agencies -- the Congressional Budget Office (CBO), the Government Accountability Office (GAO), and the Medicaid and CHIP Payment and Access Commission (MACPAC). The implications of Medicaid restructuring for low-income Americans, for providers, for states and counties, and for the integrity of the Medicaid program is too significant to rush the legislative process.

The basic purpose of Committees is to apply its expertise to proposed legislation to ensure that legislation ultimately sent to the President for signature is carefully thought through and avoids unintended consequences. The more Americans a bill affects, and the more federal dollars a bill affects, the greater the responsibility of a Committee to consider the views of those affected as it acts.

If the Committees take up this legislation without hearings, they will abdicate its basic responsibility to the House and to the American people. We believe it would be particularly irresponsible for the Committees, in the context of a budget reconciliation bill, to act on legislation of this scope without at least hearing directly from the CBO, the GAO, and MACPAC on the budgetary implications for the federal and state governments.

Some of the questions that should be asked and answered at a hearing include:

- How much will the bill reduce federal spending over the next 10 years?
- How much funding will each state lose in the first, fifth and tenth years?
- How many individuals will lose Medicaid coverage over the next 10 years? How many of those losing coverage will be elderly? Individuals with disabilities? Children? Adults?
- How will states be able to use more flexibility if they have less money to spend?
- What effect will the bill have on the ability of states to cover nursing home services for an aging population (especially since Medicare does not cover these services)?

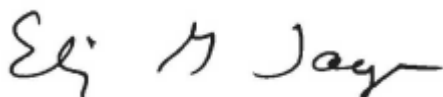
¹ Kaiser Family Foundation, *Medicaid Financing: How Does it Work and What are the Implications?* (May 20, 2015), available at <http://kff.org/medicaid/issue-brief/medicaid-financing-how-does-it-work-and-what-are-the-implications/>.

- What effect will the bill have on the ability of states to offer home and community based services to the elderly and individuals with disabilities?
- Does the bill protect community resources like trauma centers, NICUs, and burn units?
- Does the bill ensure consumer protections and due process?
- Does the bill limit premiums and cost-sharing for low-income enrollees?
- Will states continue to receive enhanced funding for Medicaid expansion enrollees? For family planning services & supplies? For enhancing enrollment systems? For CHIP enrollees?
- Will states still be required to enroll individuals in mandatory eligibility groups?
- Will states still be able to enroll individuals in optional eligibility groups? Are there any limits or restrictions to receive federal reimbursement?
- Will states still be required to provide mandatory services? If not, what changes does the bill make and why?
- Is funding still available for optional services and optional categories of eligibility?

Hearings are critical for Members to educate themselves about proposals before them so they can make intelligent decisions as the Committee carried out its legislative responsibilities. The need for education is no less compelling now than it has been at any point in the Committee's history. Given the numbers of lives and dollars at stake, hearings are essential to ensure Americans trust in the legislative process.

We strongly urge the Committees to hold hearings on any proposal to change the financing, eligibility, services, and other aspects of Medicaid and repeal the ACA. If you have any questions about this letter, please contact Mara Youdelman, Managing Attorney of the National Health Law Program's DC office, (202) 289-7661, Youdelman@healthlaw.org.

Sincerely,



Elizabeth G. Taylor
Executive Director

Cc: Members of the House Energy and Commerce Committee
Members of the House Ways and Means Committee