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September 20, 2017

The Honorable Mitch McConnell
Leader, U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader, U.S. Senate
Washington, DC 20510

Dear Leader McConnell and Minority Leader Schumer:

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 strongly oppose the Graham-Cassidy-Heller-Johnson amendment ("Graham-Cassidy") as its substance would decimate the Medicaid program and throw the country's health care system into chaos. Further, we are extremely concerned about the lack of transparency regarding consideration of the Graham-Cassidy proposal. We strongly urge the Senate to ensure that any effort to restructure or change Medicaid -- a program whose financing structures have been in place for over 50 years -- and the Affordable Care Act not move forward without formal hearings and mark-ups and a full score from the Congressional Budget Office regarding both impact on the deficit and coverage.

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. Moreover, studies have shown that the Medicaid program 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 The Graham-Cassidy proposal would effectively repeal Medicaid expansion (not even allowing states to continue covering expansion enrollees at a regular Medicaid match) and convert Medicaid into a per capita cap coupled with billions of dollars in cuts. Every state will be impacted and all will be forced to make deep cuts in services and eligibility. Any legislation that fundamentally restructures Medicaid will have profound effects not only on the 74 million individuals 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 state and counties and communities in which they live.

We also strongly oppose the changes the Graham-Cassidy proposal makes to the Affordable Care Act and the marketplaces. States would receive fixed funding and virtually unlimited flexibility to determine how to spend it. States would not be required to provide financial assistance to low-income individuals as the proposal repeals the ACA's tax credits and cost-sharing reductions. The one hearing that has been scheduled in the Senate Finance Committee does not provide the transparency that changes of this magnitude deserve. Nor could it be considered "regular order" to move ahead without a full score from the Congressional Budget Office (CBO), as the Committees and the full Senate propose to do. The implications of the Graham-Cassidy proposal restructuring one-sixth of the economy of the country and its dramatic impact on low-income individuals, providers, states and counties, and for the integrity of the Medicaid program are too significant to rush the legislative process.

If the Senate takes up this legislation without undertaking the considered steps of "regular order" and without awaiting a full score from the Congressional Budget Office, the Senate will abdicate its basic responsibility to the American people. We strongly urge the Senate to return to the regular order that recently produced a bi-partisan bill to reauthorize the Children's Health Insurance Program and that was working on bipartisan solutions to stabilize the marketplaces.

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/>.

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,

A handwritten signature in black ink, appearing to read "Elizabeth G. Taylor". The signature is fluid and cursive, with the first name "Elizabeth" written in a larger, more prominent script than the last name "Taylor".

Elizabeth G. Taylor
Executive Director

Cc: The Honorable Orrin Hatch
The Honorable Ron Wyden
The Honorable Lamar Alexander
The Honorable Patty Murray