



The Jewish Federations®
Washington D.C. Office OF NORTH AMERICA

THE JFNA STRATEGIC HEALTH RESOURCE CENTER

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THE **POWER** OF COMMUNITY.

May 2, 2017

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The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan and Leader Pelosi:

The Jewish Federations of North America (JFNA) remains staunchly opposed to the American Health Care Act of 2017 (AHCA), even with the recently released amendment proposed by Representative Tom MacArthur (R-NJ). We are disappointed that AHCA retains the devastating cuts to Medicaid included in the earlier version of the legislation, cuts which are the result of the legislation's proposal to dramatically restructure Medicaid's federal financing structure and roll back coverage for 14 million people covered by the state Medicaid expansions. The amendment does nothing to alleviate these concerns.

JFNA represents 148 Jewish federations and 300 network communities that together support 15 leading academic medical centers / health systems, 100 Jewish nursing homes, and 125 Jewish family & children's agencies, providing health care for more than one million clients, Jewish and non-Jewish alike. Medicaid is a lifeline for more than 80 million people, including low-income children, older adults, and people with disabilities nationwide. Medicaid is a vital program for Jewish federations throughout the country and particularly for our communal health and long-term care partners that care for the most vulnerable in our communities.

JFNA is deeply troubled by the findings of the Congressional Budget Office (CBO) that AHCA will cause \$839 billion in reductions – about 25 percent – to federal Medicaid funding and a loss in coverage for more than 14 million Medicaid beneficiaries. We believe that converting Medicaid to a block grant or per capita cap will cause irreparable harm not only to the millions who depend on the program, but also to our large network of providers who care for them.

AHCA would convert the long-standing and fundamental federal-state partnership of the Medicaid program to a block grant or per capita cap system. Under either approach, states would receive a limited amount of federal money for their Medicaid programs. As CBO found, even under a per capita cap system, the federal share is lower than the average annual increase in Medicaid spending and will not be sufficiently flexible to address a variety of key factors affecting Medicaid spending, including major disasters, economic downturns, unexpected health care cost increases, and demographic changes, such as the rapidly aging baby boomer generation. CBO projected that AHCA's \$839 billion cut in federal

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Medicaid funding will shift substantial costs to state and local governments, our providers, and our patients, thus exacerbating the existing strain on the program. We agree with CBO's conclusion that, due to these reductions in funding, states will be left with no choice but to reduce Medicaid enrollment, eligibility for Medicaid benefits, and payment rates. Many people who now qualify for Medicaid could end up uninsured or losing access to critical health and long-term care services.

JFNA is concerned by many of the unintended consequences of this legislation, such as:

- People who desperately need Medicaid and who are currently eligible will become uninsured;
- States will be forced to cut back on crucial Medicaid services, such as home and community-based services, effectively forcing people who are capable of living in the community with proper home and community-based services into nursing homes;
- States will be forced to reduce already low provider payment rates, thus further decreasing the pool of providers serving Medicaid beneficiaries and increasing waiting times for services; and,
- Health care providers and entities that care for these vulnerable populations will suffer additional financial strain. As a result, these agencies will be forced to lay off staff or close their doors altogether, resulting in significant job losses and further hurting state economies.

For these reasons, we must oppose the legislation as currently written and urge the House of Representatives to reconsider moving forward with it. We stand ready to work with you, in tandem with our Jewish communal health and long-term care providers, to promote more targeted ways to reduce Medicaid spending and develop a new framework of policies to improve Medicaid quality, efficiency, and sustainability.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Daroff". The signature is fluid and cursive, with the first name "William" being more prominent.

William C. Daroff
Senior Vice President for Public Policy &
Director of the Washington Office