



CALIFORNIA STATE ASSOCIATION OF COUNTIES

June 9, 2017

Dear Senators,



CALIFORNIA ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS

The undersigned California county associations strongly oppose the American Health Care Act (AHCA) passed by the House last month. We write to you today to share our concerns regarding the significant and far-reaching changes to the Medicaid program within the AHCA, and to urge your consideration of these concerns as you craft the Senate’s approach to changing the Affordable Care Act (ACA).



COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION

California is a diverse state of nearly 40 million people, and counties care for Californians through our public hospitals and health systems, rural medical coverage, behavioral health services including mental health and substance use disorder treatment, public health services, and social and health services eligibility functions. California’s 58 counties strive to provide these critical services to eligible persons under the Medicaid program – called Medi-Cal here in the Golden State.



COUNTY HEALTH EXECUTIVES ASSOCIATION OF CALIFORNIA

The AHCA would shift almost \$1 trillion over 10 years in health care costs to states, and ultimately to counties and consumers, and reverse the significant progress our country, and in particular the State of California, has made in providing comprehensive health care coverage to millions of our residents.



COUNTY MEDICAL SERVICES PROGRAM

The Congressional Budget Office’s estimate of \$834 billion in cuts to Medicaid under the AHCA represents a massive reduction in funding for low-income children and adults, aged, and disabled Americans. The House’s desire to dismantle the fiscal underpinnings of the 52-year-old Medicaid program has the potential to cause severe long-term consequences for counties and the people we serve.



COUNTY WELFARE DIRECTORS ASSOCIATION

While counties are deeply concerned with the AHCA’s directive to eliminate the Medicaid Expansion, which currently serves 3.7 million new individuals in California alone, the proposed per-capita cap on federal Medicaid spending threatens to end the successful federal, state, and county partnership to serve the neediest among us. California estimates that by 2027, the funding reduction for the expansion population and the federal cap would cost the state \$24 billion annually, and keep growing.



URBAN COUNTIES OF CALIFORNIA

Further, the AHCA would make significant changes to underlying Medicaid policies in place long before the ACA. In short:

- Should the proposed per-capita cap on federal Medicaid spending be imposed, our public health care systems will have no choice but to significantly reduce critical health services. This will curtail our ability to provide even the most basic health and behavioral health services to our constituencies.
- A new block grant or per-capita cap would reduce funding for states and counties at the same time that our safety net of public health systems, including county systems, would be under further stress, with up to 23 million uninsured by 2026 under the AHCA and seeking care – often uncompensated – from these providers.
- Cutting off retroactive eligibility, including reducing eligibility levels for children’s health coverage, would reduce care available to new program entrants and those in crisis, and force more of them into medical debt and bankruptcy.

The AHCA, including the MacArthur Amendment, erodes access to critical health care services. The bill eviscerates the Essential Health Benefits mandate, thus eliminating access to mental health and substance use disorder services. Further, the AHCA undermines preexisting condition coverage and resurrects the notion of ill-fated high risk pools for the sickest residents. These provisions are worse than current law and will drastically reduce the services available to all populations, whether they are rural or urban, low-income or upper-middle class, children or adults.

California’s counties respectfully urge you to consider these dire impacts when developing the Senate health care proposal. The House’s plan has forced counties, health systems, health insurers, health care providers, hospitals, and other health care professionals to face the possibility of a dual disaster: Millions of newly uninsured Americans at the same time that federal Medicaid funding is arbitrarily and significantly reduced.

Our members stand ready to assist the Senate in crafting a workable solution that does not endanger existing funding and services, or the lives of the people we all serve. Should you have any questions about our perspective as health care providers, employers, administrators, and insurers, please do not hesitate to contact us. Thank you for your careful consideration in this critical matter.

Sincerely,



Matt Cate
Executive Director
California State Association of
Counties (CSAC)



Kirsten Barlow
Executive Director
County Behavioral Health Directors
Association of California (CBHDA)



Erica Murray
President and Chief Executive
Officer
California Association of Public
Hospitals and Health Systems
(CAPH)



Frank Mecca
Executive Director
County Welfare Directors
Association of California (CWDA)



Michelle Gibbons
Executive Director
County Health Executives
Association of California (CHEAC)



Kari Brownstein
Administrative Officer
County Medical Services Program
(CMSP)



Jolena Voorhis
Executive Director
Urban Counties of California

cc Secretary Diana Dooley, California Health and Human Services Agency
Director Jennifer Kent, California Department of Health Care Services
Director Will Lightbourne, California Department of Social Services