



Working Together for an Affordable Future

September 5, 2017

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

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
Washington, DC 20515

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

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

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

Dear Speaker Ryan, Leader McCarthy, Leader Pelosi, Senator McConnell, and Senator Schumer:

As the House and Senate return, we urge you to address the looming cuts and deadlines that threaten essential components of our health care system: the non-group insurance market, primary care workforce and infrastructure programs, the Children's Health Insurance Program (CHIP), and Medicare. Failure to address these threats would have real consequences for all stakeholders—from children and seniors to health care providers on the front lines. We believe there are common sense, bipartisan solutions on these issues.

NCHC is a nonpartisan, nonprofit organization representing more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities. The Coalition is committed to advancing—through research and analysis, education, outreach, and informed advocacy—an affordable, high-value health care system for patients and consumers, payers, employers, and taxpayers.

1111 14TH STREET, NW, SUITE 900, WASHINGTON, DC 20005 | (202) 638-7151 | NCHC.ORG

Chairman

Jack Lewin
*Principal and Founder,
Lewin and Associates, LLC*

President and CEO
John Rother

Board of Directors

Peter Begans
*Senior Vice President, Public and
Government Affairs,
SCAN Health Plan*

Lianna Bailey-Crimmins
*Deputy Executive Officer
CalPERS*

Blair Childs
*Senior Vice President of Public
Affairs,
Premier, Inc.*

Don Crane
*President and CEO,
CAPG*

Chris Dawe
*Managing Director,
Evolent Health*

David Dobbins
*COO,
American Legacy Foundation*

The Honorable David Durenberger
*Former U.S. Senator from
Minnesota*

Lt. Colonel Ardis Fuge
*National Social Services
Secretary,
The Salvation Army*

Michael Maccoby
*President,
The Maccoby Group*

Shawn Martin
*Senior Vice President, Advocacy,
Practice Advancement, and Policy,
American Academy of Family
Physicians*

Margaret E. O'Kane
*President,
NCCA*

Damon Silvers
*Director of Policy and Special
Counsel,
AFL-CIO*

Christine Simmon
*Senior Vice President of
Policy & Strategic Alliances,
Association for Accessible
Medicines*

Susan Turney
*CEO,
Marshfield Clinic Health System*

Debra Whitman
*Executive Vice President of Policy,
Strategy and International Affairs,
AARP*

Stabilizing the non-group market, sustaining our current primary care infrastructure and workforce, protecting children's health insurance, and strengthening Medicare are necessary to achieving these goals. If Congress is to prevent millions from losing access to coverage and care that they can afford, it is vital to act now.

Non Group Health Insurance Market

The non-group market for health insurance provides coverage for 20 million Americans, including 9.2 million who receive coverage in Health.gov-run Marketplaces, 3.0 million who purchase policies in state-based marketplaces,¹ and millions more who purchase individual coverage outside of these marketplaces. Insurance carriers have noted that recent uncertainty has driven up costs and threatened market stability both inside and outside the marketplaces.

Congress should pass bipartisan legislation funding cost sharing reduction (CSR) payments, at a minimum, through 2019. CSRs not only provide critical financial protection for nearly 6 million people who obtain private coverage on health insurance marketplaces, but they are also key to holding down costs across the individual insurance market. If CSRs are eliminated, CBO estimates that premiums would rise by an estimated 19 percent and federal spending would increase by \$194 billion.² Swift Congressional action to guarantee ongoing CSR funding is critical to ensuring a stable individual market and lower health insurance premiums for consumers.

We urge Congress to immediately provide continual funding for a premium stabilization program that shields individual insurance markets from the volatility of high-cost claims. A previous transitional reinsurance program yielded a 10 to 14 percent drop in premiums.³ Moving forward, an ongoing, fully-funded, premium stabilization program would incentivize additional plans to enter the market. This will offer new choices to consumers and provide the robust competition that is needed to restrain premium hikes and out of pocket costs for consumers while curbing subsidy costs for taxpayers. A recent analysis shows that approximately 80 percent of federal dollars spent on a premium stabilization program would be offset by lower premiums and, in turn, lower government expenditures on premium tax credits.⁴

Primary Care Infrastructure and Workforce

Investment in primary care is an affordable and sustainable strategy to better manage the growing cost caused by the epidemic of chronic disease. But for primary care to be strong and effective, the United States must ensure access in underserved communities and maintain a primary care workforce that can serve high-need patients with complex conditions and comorbidities. For these reasons, preserving existing

¹ "Health Insurance Marketplaces 2017 Open Enrollment Period, Final Enrollment Report: November 1, 2016 – January 31, 2017," CMS.gov Centers for Medicare & Medicaid Services, March 15, 2017, <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-03-15.html>.

² "The Effects of Terminating Payments for Cost-Sharing Reductions," Congressional Budget Office, August 15, 2017, <https://www.cbo.gov/publication/53009>.

³ *Federal Register*, Vol. 79, No. 47, Department of Health and Human Services, Government Publishing Office, March 11, 2014, <http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf>.

⁴ Kurt Giesa and Peter Kaczmarek, "Analysis: Impact of Market Stabilization Proposals," Oliver Wyman Health, August 23, 2017, http://health.oliverwyman.com/transform-care/2017/08/analysis_impact_of.html.

federal support for the Federal Qualified Health Center (FQHC), National Health Service Corps, and Teaching Health Center Graduate Medical Education programs is vital.

With decades of bipartisan support, FQHCs provide high-quality primary care to underserved populations in rural and urban areas across the country. FQHCs save the broader health system millions of dollars each year by delivering essential preventative care and reducing the need for higher cost services. One analysis showed that Medicaid enrollees treated by FQHCs cost 24 percent less than other beneficiaries.⁵ Yet 70 percent of FQHCs' federal funding will lapse October 1st absent action by this Congress. NCHC is calling on Congress to provide long-term funding for this essential safety net program.

Just as important are two programs which help train primary care physicians and other health professionals. The National Health Service Corps provides loan repayment assistance and scholarships to recruit primary care professionals who agree to practice in underserved communities. The Teaching Health Center Graduate Medical Education (THCGME) Program trains primary care residents in FQHCs, Rural Health Clinics, and Tribal health centers. Together, these workforce programs are a lifeline for communities that could otherwise face dire primary care workforce challenges. Yet 100 percent of the funding for these programs will expire on September 30th. Immediate action to fund THCGME and NHSC is required to keep these primary care professionals training and practicing in their communities.

The Children's Health Insurance Program (CHIP)

CHIP provides essential health coverage to 9 million children across the United States. Coverage under CHIP helps the next generation of children access the preventative, primary, and behavioral care needed to curtail costs due to asthma, obesity, mental illness, and other chronic conditions later in life. If federal funding lapses, it will have immediate impact, and states will be left with no choice but to drop coverage for millions of children. We strongly urge Congress to pass a clean, bipartisan 5-year reauthorization of CHIP before October 1st.

Medicare

Congress should also take important steps to strengthen Medicare by enacting policies that address our fragmented system of care and a growing population with complex needs.

NCHC supports the repeal of the \$1,980 therapy "caps" imposed on physical therapy, occupational therapy, and speech-language pathology services. This arbitrary cap discourages utilization of therapy services that can be key to preventing downstream hospital and medical costs. It should be permanently repealed as part of any Medicare extenders package.

⁵ Nocon RS, Lee SM, Sharma R, et al. Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings. American journal of public health. 2016; 106 (11):1981-1989. doi:10.2105/AJPH.2016.303341.

NCHC believes the time has come for a permanent policy and funding for Medicare State Health Insurance Assistance Program (SHIP). Funded at a mere \$52.1 million in FY 2017,⁶ these programs do invaluable work in helping seniors and disabled Americans navigate the complex rules of the Medicare program.

Finally, we call on Congress to pass the strongest possible Medicare chronic care legislation. The CHRONIC Care Act, approved by the Senate Finance Committee, included important policies to strengthen Medicare's payment system and improve care for the high-cost, high-need population. This legislation enjoys wide support among stakeholders and passed the Senate Finance Committee on a unanimous bipartisan vote. Bipartisan bills mirroring several important provisions of the Senate bill have been introduced in the House as well. Now over three years after the Senate Finance Committee first began hearings on these issues, it is time for Medicare chronic care legislation to advance to the President's desk.

Each of these policies offers Congress an opportunity to work effectively to improve health affordability and value. We stand committed to working with you to address these urgent concerns. If you wish to discuss the issues addressed in this letter, please do not hesitate to call 202-638-7151 or email me at jrother@nchc.org or NCHC's Policy Director Larry McNeely at lmcneely@nchc.org.

Yours truly,



John Rother
President and CEO

⁶ "NCOA 2016 Issue Brief: SHIP Funding," National Council on Aging, June 2016, <https://www.ncoa.org/resources/ship-funding-issue-brief-2016/>.