



PAUL CUNNINGHAM
Executive Vice President

March 16, 2017

Senator John Boozman
141 Hart Senate Office Building
Washington, DC 20002

Dear Senator Boozman:

We know that you are hearing from an endless parade of individuals, organizations and groups asking either that you support the proposed *American Health Care Act* (AHCA), or oppose it. Please put the Arkansas Hospital Association (AHA) in the column of those asking that you oppose the bill in its current form.

AHA represents more than 100 hospitals and other healthcare organizations, including 95 Arkansas hospitals; two out-of-state, border city hospitals (located in Memphis and Texarkana, TX) that care for literally thousands of Arkansas patients every year; an outpatient cancer treatment facility; and an inpatient hospice facility. Combined, those organizations employ approximately 45,000 Arkansas workers ranging from food service and housekeeping technicians to physicians who practice in specialized fields.

In many cases, if not most, hospitals are among the top employers in their given county and often are *THE* top employer. Unfortunately, 22 Arkansas counties do not have a hospital and it should come as no surprise that well over half of those counties are clustered among the counties reporting the highest unemployment rates in our state as of December 2016. That is indicative of the fact that hospitals are key economic drivers.

Simply said, enacting the AHCA will have a devastating effect on many Arkansas hospitals, changing the landscape of healthcare accessibility in the state and leaving a shadow of severe economic consequence.

We now know that the Congressional Budget Office score of the AHCA estimates the legislation would lower federal deficits by \$337 billion over 10 years. But, it does so at a hefty cost for up to 24 million Americans who could lose their insurance coverage by 2026. That effectively takes healthcare coverage away from all of the 20 million folks who have gained insurance under the Affordable Care Act (ACA) and adds yet another 20% to the ranks of the uninsured in the undoing of that law.

In addition, under the AHCA, insurance premiums will rise dramatically for older people not yet receiving Medicare benefits who obtain coverage through the individual insurance market. The proposal rolls back insurance premium support for Americans in their 50s and 60s, putting their

health and wellness at risk in the crucial years before they are eligible for Medicare and allows insurance companies to charge older Americans up to *five times more* than younger enrollees, putting health coverage out of reach for millions of middle-aged Americans and younger seniors. That won't be good for Arkansas, which is more heavily populated with older residents than most other states.

Returning the number of uninsured people and the associated uncompensated care to pre-ACA levels, and beyond, will itself be harmful to hospitals everywhere, but especially to the small, rural hospitals that struggle every day across Arkansas to continue serving their communities.

The AHA is on record stating that the Medicare cuts which play a critical part in financing the ACA will have cost Arkansas hospitals more than \$2 billion in Medicare payments by the end of this year. Another \$2.3 billion in future payments will be lost by 2026. The AHCA would leave those cuts in place, despite no longer providing subsidies to help people buy insurance, while chopping even more future dollars as part of an overall strategy to cut Medicaid funding by \$880 billion over the coming decade. The math paints a dim picture for many of our hospitals that cannot survive in such an environment.

We agree and believe that any legislated changes to the ACA must be guided by the principle of ensuring that we continue to provide healthcare coverage for the tens of millions of Americans who have benefitted from that law. That is an obvious priority. So, we are pleased that many members of Congress are voicing their recognition of the need to preserve the coverage gained under the ACA. However, that same introspection should be involved when evaluating the impact of the current proposal on hospitals and health systems, which are the backbone of the nation's healthcare safety net and provide needed healthcare for all people who walk through their doors.

For that reason, we strongly object to the show of preference for eliminating the revenues from some sources earmarked to fund the ACA, in the wake of its repeal, while maintaining the Medicare and Medicaid reductions for hospital services, which are intended for the same purpose. If coverage is not kept at the current level, those funds *must* be returned to hospitals and health systems to allow them to provide services to what is sure to be significantly more uninsured Americans.

At the same time, while we commend the recent actions by Congress to address behavioral health issues, as well as the drug epidemic that is impacting virtually every community, it is important to recognize that significant progress in these areas is directly related to whether individuals have coverage. And, we have already seen clear evidence of how expanded coverage is helping to address these high-priority needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Cunningham". The signature is fluid and cursive, with a large loop at the end.

Paul Cunningham