



## AMERICAN COLLEGE OF SURGEONS

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March 14, 2017

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

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

Dear Speaker Ryan and Representative Pelosi:

The American College of Surgeons (ACS) remains committed to working in a bipartisan manner with Congress and the new administration to improve the current health care system to ensure that all patients have coverage and access to high-quality surgical care. As Congress considers the American Health Care Act (AHCA), the ACS stands by its four key principles on health care reform and feels strongly that any health care reform legislation should include provisions that provide for:

- **Quality and Safety** - The ACS believes that well-designed clinical comparative effectiveness research, physician quality data, appropriate public reporting, and realistic expectations relative to the use of health information technology (HIT) are cornerstones in efforts toward the achievement of the goals of quality and safety.
- **Patient Access to Surgical Care** - The ACS has a long-standing policy supporting universal access to affordable, high-quality surgical care delivered to all with skill and fidelity in a timely and appropriate manner.
- **Reduction of Health Care Costs** - The ACS' surgical quality programs improve surgical care and cut costs by helping to reduce inefficiencies and prevent complications through a continuous improvement process. The ACS is also a strong supporter of and participant in the efforts toward quality-based payment reform, and voluntary participation in alternative payment models.
- **Medical Liability Reform** - The ACS believes our nation's medical liability system is broken and that it fails both patients and physicians. Because medical liability reform helps to reduce costs to the health care system and improves access to care, the ACS actively supports reforms based on safety, quality, and accountability.

The ACS is committed to continuing to partner with policy makers of both parties in the current efforts directed at health care reform. To this end, we have included some concerns related to access to surgical care in some of the areas of the American Health Care Act.

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### **Individual and Employer Mandate**

The American College of Surgeons applauds the bill's sponsors for preserving the insurance reforms directed at pre-existing conditions and the prohibitions on annual and lifetime limits. We believe these protections have improved access to surgical services. However, we are concerned that the bill's 30 percent penalty for lapses in health insurance coverage may not be an adequate enough incentive to maintain a stable small and individual insurance market. Specifically, we are concerned that the proposed elimination of the employer mandate to provide affordable coverage could lead to employers dropping insurance benefits or increasing costs on employees. Similarly, while the 30 percent penalty for lapses in coverage does provide an incentive to maintain coverage for those who already have it, it could also serve as a disincentive to enroll for those seeking coverage after even a brief lapse since the penalty is only assessed after coverage is again purchased. If younger, healthier individuals are not encouraged to seek out coverage, and even penalized when they do sign up, they may be less likely to seek coverage until they are already sick. Lack of health care coverage presents a significant barrier to both surgical services and preventive health care screenings.

### **Medicaid Expansion**

The ACS has long supported universal access to affordable, high-quality, and safe surgical care, delivered in a timely and appropriate manner. Accordingly, we believe the expansion of Medicaid has served to provide coverage for millions of previously uninsured Americans.

While the AHCA permits states to maintain ACA Medicaid expansion levels, the law would reduce federal funding levels to those enrolling in Medicaid after 2020, and to those whose Medicaid coverage lapses before that time. The law would also change state Medicaid payments to a per capital allotment. We are concerned with the Congressional Budget Office estimates that 14 million would no longer be covered by Medicaid due to provisions in the AHCA.

Based on our principles, the ACS believes any further efforts directed at health care reform must not only ensure that these Americans do not lose coverage, but that the coverage they receive is adequate and provides for all necessary services.

### **Health Savings Accounts**

Out of pocket health care expenses have continued to increase and have become a mounting burden on patients. We applaud the AHCA for lifting the caps on Health Saving Accounts and Flexible Spending Accounts contribution. The ACS believes such

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will provide substantive relief to patients to defray out of pocket expenses and incentivize them to make better informed, cost-conscious decisions about their healthcare.

### Subsidies for Premiums and Out-of-Pocket Expenses

The Affordable Care Act created premium subsidies based on income. The AHCA would base premium subsidies on age. Additionally, the AHCA would serve to reduce subsidies from the current levels and would repeal the tax credits paid to individuals under the ACA which were purposed to defray the costs for deductibles and co-payments. The ACS is concerned that this change could also affect access to surgical care. As result of the reduction in subsidies, individuals may only be able to afford insurance with high deductibles or possibly, may not be able to afford any insurance at all. Either outcome would obviously have a negative impact on the ability of patients to access needed surgical care.

As Congress' efforts toward health care reform continue, the ACS will provide additional input on those aspects of health care reform that are to be considered outside of the budget reconciliation process.

In the meantime, the ACS is committed to continuing to work with Congress in a constructive and collaborative fashion as the AHCA proceeds through the legislative process.

Sincerely,

Courtney M. Townsend, Jr., MD, FACS  
ACS President

Michael J. Zinner, MD, FACS  
ACS Chair, Board of Regents

David B. Hoyt, MD, FACS  
ACS Executive Director

Marshall Z. Schwartz, MD, FACS  
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