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September 22, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Senators McConnell and Schumer:

The American College of Surgeons (ACS) has deep concerns with provisions in the Graham-Cassidy amendment to H.R. 1628, the American Health Care Act (AHCA), and how they would impact access to surgical care. Accordingly, the ACS is unable to support the proposal in its current form and we urge the Senate to make significant changes through the amendment process as it is being considered on the Senate floor.

According to the Congressional Budget Office (CBO), it will not be able to provide an estimate on the impact of the amendment's effects on health insurance coverage or premiums for several weeks. An increase in the amount of individuals who are uninsured runs directly contrary to the College's health care reform principles. The ACS believes strongly that legislation should not facilitate a reduction in the number of Americans currently insured.

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.

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- **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 as the Senate considers amendments to the underlying legislation. The ACS urges the Senate to include revisions to the Graham-Cassidy amendment that reflect ACS' health care reform principles and to address the following concerns related to access to surgical care:

Individual and Employer Mandate

The American College of Surgeons maintains that preserving the insurance reforms directed at pre-existing conditions and the prohibitions on annual and lifetime limits are critical components of any health reform legislation. We believe these protections have improved access to surgical services and we have significant concerns with providing states the option to waive caps on annual and lifetime limits as well as the ability to waive the prohibition on health status rating. 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. 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. The Graham-Cassidy amendment eliminates Affordable Care Act (ACA) Medicaid expansion levels and would eliminate the current enhanced federal funding match. The proposal would also

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change state Medicaid payments to a per capita allotment. According to an analysis by Avelere Health, federal funding devoted to Medicaid and private insurance subsidies would shrink by \$215 billion between 2020 and 2026. The analysis also shows the greatest reduction in aid would occur in states that have had the most insurance gains under ACA Medicaid expansion. The ACS has concerns with the Senate moving forward on the Graham-Cassidy amendment without comprehensive CBO estimates on the impact of insurance coverage gains or losses. 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.

Essential Health Benefits and Community Rating Waivers

The College believes that the Essential Health Benefits (EHBs) mandated under the Affordable Care Act are critical to protecting access to surgical care. We are concerned that allowing states the opportunity to waive any of these ten EHBs may have a significant negative consequence for patients. In addition, we are concerned that the language allowing states to opt out of the prohibition on health status rating could have a negative impact on patients who have pre-existing conditions who subsequently may need surgical care.

Health Savings Accounts

Out of pocket health care expenses have continued to increase and have become a mounting burden on patients. We applaud the Graham-Cassidy amendment for raising the caps on contributions to Health Saving Accounts. The ACS believes such 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 and cost-sharing subsidies based on income. The Graham-Cassidy amendment would completely eliminate all current subsidies and would repeal the tax credits paid to individuals under the ACA which were designed to defray the costs of deductibles and copayments. Even though states could use a portion of their Market-based Health Care Grant Program funding to provide cost-sharing subsidies, these decisions would be made on a state-by-state basis and there is no guarantee states would elect to do so. 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

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afford any insurance at all. Either outcome would obviously have a negative impact on the ability of patients to access needed surgical care.

The American College of Surgeons remains committed to working with Congress toward needed reforms to our health care system in order to improve patient access to surgical care. We are hopeful the Senate will consider changes to the Graham-Cassidy amendment to address the concerns we have raised.

Sincerely,

Courtney M. Townsend, Jr., MD, FACS
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ACS Chair, Board of Regents

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