



September 20, 2017

The Honorable Lindsey Graham
United States Senate
Washington, DC 20510

The Honorable Bill Cassidy
United States Senate
Washington, DC 20510

The Honorable Dean Heller
United States Senate
Washington, DC 20510

The Honorable Ron Johnson
United States Senate
Washington, DC 20510

Dear Senators Graham, Cassidy, Heller, and Johnson:

I write on behalf of the American Academy of Family Physicians (AAFP) regarding the health care reform legislation you recently introduced in the United States Senate. We have significant concerns with the *Graham-Cassidy-Heller-Johnson* bill and the negative impact it would have on individuals, families, and our health care system overall.

The AAFP first adopted a policy on health care coverage for all in 1989. Research shows that the two most telling factors indicative of individual health is health care coverage and a continuous relationship with a primary care physician. Individuals who have a long-term, continuous relationship with a physician, tend to be healthier and have lower health care costs per capita than those who lack such a relationship. A key to establishing and maintaining a long-term relationship with a physician is continuous health care coverage. Your legislation, in its current form, is not consistent with AAFP policies on health care and, in our opinion, falls well short of achieving our goal of ensuring that every American has health care coverage.

We are disappointed that this proposal, like those considered by the Senate in July, is being rushed through the legislative process without an opportunity for input from patients, physician organizations such as the AAFP, hospitals, insurance companies or any other impacted party. Additionally, given the lack of a comprehensive analysis from the Congressional Budget Office (CBO), we may not know the true impact of the proposal until after it is considered by the Senate.

While our concerns with the process are significant, we are most concerned that your legislation will result in millions of currently insured individuals losing their health care coverage and destabilize insurance markets. Your legislation, if enacted, would end the Medicaid expansion and its financing and fundamentally alter the Medicaid program through significant changes to the programs financing. In addition, the proposal seeks to eliminate the tax subsidies currently available for low to moderate income individuals purchasing their coverage on the individual market. The bill attempts to replace these two coverage opportunities through the establishment of an overly complex methodology that would redistribute current federal financial support through a state-by-state block grant system.

We are troubled by the fact that the proposal appears to punish, financially, those states that have taken the most meaningful steps to expand coverage over the past few years and rewards those that chose to forgo federal dollars that would have assisted their citizens in securing health care coverage. Our goal as a country should be to increase coverage and provide continuing support to those who are

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doing this well and additional support to those that need it. We should not punish states for extending health care coverage to individuals and families.

We also are deeply concerned about the impact your bill would have on individuals with pre-existing conditions. Your bill, while retaining access to health care coverage for everyone, would result in those with pre-existing conditions facing discriminatory pricing based on their health condition. In fact, your bill explicitly allows insurers to charge individuals with pre-existing health conditions more, solely based on their health status. Your proposal, through a waiver process which currently lacks definition or criteria, also eliminates requirements that insurance products sold, cover a minimal set of benefits. Since the prohibitions on annual and lifetime caps are tied to the essential health benefits under current law, your proposal would allow insurance companies to once again impose annual and lifetime caps on individuals and families.

We recognize that the Affordable Care Act is an imperfect law. While the law has been instrumental in reducing the number of uninsured individuals and families through expanded access to health care coverage, the law has fallen short of expectations in other areas. Most notable is the fact that the law, for a variety of reasons, has not achieved significant reductions in the cost of health care. In fact, for some Americans, the law has provided increased access to health care coverage but has done so by increasing out-of-pocket cost through higher deductibles. The AAFP is increasingly concerned with the escalation in deductibles that has occurred in the employer-sponsored, small group, and individual insurance markets. Higher deductibles create a financial disconnect between individuals, their primary care physician, and the broader health care system.

The AAFP shares your vision that innovation in care delivery is essential to reducing costs. The AAFP has been a national leader in efforts to better align our delivery and payment systems to produce higher quality care at lower cost. You point to one innovation in your proposal that we see as a high-impact innovation in primary care. Provisions in your bill would support the expansion of a delivery model commonly known as "direct primary care (DPC)." The AAFP strongly supports DPC, but we do not see this delivery model as an alternative to comprehensive health care coverage.

The elimination of vital consumer protections and insurance reform, combined with the fact that millions of people will lose their health care coverage and millions more will face increased out-of-pocket costs for their coverage, are the foundational reasons we must oppose the *Graham-Cassidy-Heller-Johnson* proposal. We urge the Senate to set aside efforts to repeal the ACA and focus on improving current law in ways that expand access to affordable coverage, reconnect patients back to primary care, stabilize insurance markets, and begin to lower health care costs.

There are bipartisan solutions to challenges we face and the AAFP is standing ready to partner with you and your colleagues to identify, develop, and implement those solutions. Please contact R. Shawn Martin, AAFP Senior Vice President at smartin@aafp.org for additional background on the AAFP's position on your proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "John Meigs, Jr.", with a stylized flourish and the initials "MD" at the end.

John Meigs, Jr., MD, FFAFP
Board Chair