

United States Senate

WASHINGTON, DC 20510

March 13, 2017

The Honorable Bruce Rauner
Governor of the State of Illinois
207 State House
Springfield, IL 62706

Dear Governor Rauner:

Last week, congressional Republican leaders unveiled their proposal to repeal the Affordable Care Act (ACA), a bill they have dubbed the “American Health Care Act.” This legislation would end Medicaid as we know it, throw people off their existing health insurance plans, increase costs for middle-income families and seniors—all while providing a huge tax cut to the wealthy and jeopardizing the long-term solvency of the Medicare program. Earlier this year, we sent you a letter outlining our concerns with potential Republican health care repeal proposals and, while we never received a response to our inquiry, we write to once again solicit your feedback on how the Republican health care repeal plan would impact Illinois patients, families, providers, businesses, and our state budget.

Among the most dramatic changes included in the current Republican repeal bill are those that pertain to the Medicaid program—which provides health care coverage to 65 million low-income individuals, children, seniors, and individuals with disabilities. As you are aware, three million Illinoisans currently depend on Medicaid for their health coverage—including nearly half of our state’s children. Thanks to the ACA, an additional 650,000 Illinoisans are now receiving health coverage through our state’s expanded Medicaid program. The Republican repeal bill puts health coverage for every single one of these people in jeopardy.

The Republican health care repeal bill would end the Medicaid expansion and sever Medicaid’s promise to the most vulnerable by converting the entire program to a “per-capita cap” system. In short, beginning in 2020, the Republican bill would dramatically reduce federal funding for the Medicaid expansion population—leaving the state of Illinois to pay five times more than it does today or, if that is not possible, drop people from coverage. Even worse, while states like Illinois see a dramatic funding cliff under the Republican plan, states that failed to expand Medicaid under the ACA receive a special funding increase—seemingly to reward their decision to deny residents health coverage for the past few years.

Further, by transitioning to a per-capita cap for the entire Medicaid program, the Republican proposal would provide states with a set amount of money per beneficiary. Under this new world order, if health care costs for an individual exceeded a bureaucratically predetermined per-capita cap, Illinois would be on the hook to pay or individuals would be forced to forego needed medical care. Our constituents are not budget figures on a spreadsheet, they are people with real health care needs that vary—especially as they age, face new or existing medical challenges, or for those living with disabilities. New estimates reveal that these

proposed changes would shift an estimated \$370 billion in Medicaid costs to states over the next decade. Given Illinois' unfortunate and ongoing budget challenges, this cost-shifting could prove catastrophic.

Sadly, the Republican repeal bill goes even further. It would allow health insurers to impose hefty year-long fines on individuals who do not maintain continuous health care coverage, likely pricing people out of health insurance. It, once again, allows insurance companies to charge older customers significantly more than they charge younger individuals. The bill scales back financial assistance for middle-income families, which researchers from Harvard University and the Center for American Progress predict would increase costs for the average enrollee by \$1,542 for the year, with seniors paying \$5,269 more than they pay today. Finally, the Republican repeal bill cuts taxes for the wealthiest Americans—those making over a million dollars a year would receive a tax cut averaging almost \$50,000, while the wealthiest 0.1 percent would get an average tax cut of more than \$195,000.

Frankly, we are not sure what problems the Republican repeal bill will actually solve. It will not help more people become insured—in fact, the American Enterprise Institute estimates that ten to fifteen million Americans will lose their health coverage under the Republican plan. It will not make health insurance more affordable—in fact, it will increase out-of-pocket costs for most Americans. It will not improve the quality of health insurance—in fact, it will eliminate many of the currently guaranteed benefits. For these reasons, the American Hospital Association and the American Medical Association have come out in opposition to the Republican repeal bill, and the Illinois Health and Hospital Association has expressed grave concerns with the proposal.

As we fight here in congress to protect Illinoisans from this dangerous legislation, it would be helpful to hear from you about the impact these proposals would have on our state and our constituents. In particular, we would appreciate answers to the following questions:

- 1) If the Medicaid changes included in the American Health Care Act become law, would Illinois cover the increased costs—in both the short- and long-term—without reducing coverage, restricting eligibility, or limiting benefits?
- 2) Where would Illinois find the additional funding if forced to increase spending five-fold in order to maintain coverage for the Medicaid expansion population beginning in 2020? How would the state prioritize this funding against other spending needs, such as education?
- 3) If the dramatic funding reductions for the Medicaid expansion population and the per-capita cap structure were realized, would the state be financially able to implement its proposed Section 1115 Medicaid waiver? How would the state balance funding new requested authorities under the proposed waiver while maintaining coverage of existing required services under the state's Medicaid program?
- 4) How would the Medicaid funding reductions included in the Republican repeal plan impact services provided to Illinois children in our schools, including children receiving services as part of a child's Individualized Education Plan (IEP)?

- 5) How would the Medicaid funding reductions included in the Republican repeal plan impact funding for Illinois' public hospitals, health clinics, correctional facilities, and other publically funded facilities?
- 6) How would the Medicaid funding reductions included in the Republican repeal plan impact Illinois' uncompensated care costs at hospitals statewide, especially those in rural and under-served areas?
- 7) Illinois has received \$105 million through the ACA's Prevention and Public Health Fund since Fiscal Year 2011, including \$62 million directly to the state Department of Public Health for childhood immunizations, breast cancer screening, and lead poisoning prevention. The Republican repeal plan eliminates this Fund. How does the state, including the Department of Public Health, plan to make up for this lost federal public health funding in order to sustain investments in core public health programs?
- 8) Which proposals in the American Health Care Act do you believe will hurt Illinoisans and which did you believe will benefit our constituents?
- 9) Some Republican Governors from Medicaid expansion states are reportedly working on their own health care proposal to present to Congress—one that purports to preserve health care coverage for those in the Medicaid program. Are you a part of these conversations? If so, when might we expect to see such a proposal?

Given how quickly congressional Republicans are attempting to ram their dangerous repeal plan through the House and Senate, we would appreciate your response in a timely manner. Thank you in advance for your consideration and feedback.

Sincerely,



Richard J. Durbin
United States Senator



Tammy Duckworth
United States Senator