



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

March 8, 2017

Dear Member of the California Congressional Delegation:

On behalf of our more than 400 member hospitals and health systems, representing the full continuum of care, the California Hospital Association (CHA) is writing to express our views on the initial draft of the American Health Care Act (AHCA) legislation that takes steps to repeal and replace the Affordable Care Act (ACA). California's hospitals are committed to working with Congress to build a health care system that supports all Americans, especially our most vulnerable residents.

As Congress works to amend and modify the ACA, we believe that meaningful coverage remains a top priority. Despite having the highest poverty rate in the United States, California leads the nation in expanding health coverage, with 91 percent of all Californians now covered. One in 3 Californians depends on the Medi-Cal program for health coverage, and nearly 4 million Californians have received coverage through Medicaid expansion. In addition, 1.4 million California residents have purchased coverage through the state's insurance marketplace, Covered California. This progress has helped working Californians, seniors and children access care they would not otherwise have had.

We are proud of the fact that health care coverage makes a significant difference in the lives of low income, working families who now have access to important preventative care, routine examinations and medications. This care keeps children healthy and in school, gaining the knowledge they need to become the future of our state and our country. Many adults who once had trouble finding health coverage because of conditions like high blood pressure, asthma or diabetes are receiving the care and access to treatment they need and contributing to a more productive workforce — key to California's growing economy.

California hospitals will continue to work diligently to reduce costs while improving care coordination and clinical efficiencies. As you know, this transformation of health care delivery requires substantial investments as well as a long-term commitment to reconfiguration of infrastructure and resources as hospitals move to accepting risk and responsibility for health care in communities.

We are concerned that the current version of the AHCA could threaten the financial viability of these new care models by repealing much of the funding currently dedicated to expanding coverage. We object to eliminating the funding from some sources while also retaining ACA reductions in payments to hospitals. If coverage is not maintained at the current level, we request restoration of Medicare cuts to hospitals. Otherwise, the impact to health care providers and the patients we care for could be severe and counter to the goals we all share.

Finally, our goal is to be constructive and thoughtful in our review of the AHCA, but we are hindered by the lack of an analysis from the Congressional Budget Office (CBO). We urge Congress to wait until the CBO report is available before proceeding with formal consideration.

California's hospitals appreciate the opportunity to share our perspective in a spirit of constructive engagement. We look forward to working with members of the California congressional delegation to maintain optimal coverage for all Californians. If you have questions, please reach out to Anne O'Rourke, CHA's senior vice president, federal relations, at (202) 488-4494 or aorourke@calhospital.org.

Sincerely,

//s//

C. Duane Dauner
President and CEO