

March 9, 2017

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives

RE: The American Health Care Act

The American Society of Plastic Surgeons (ASPS) is writing to request changes to the *American Health Care Act* (AHCA). ASPS is the world's largest association of plastic surgeons, with over 7,000 members representing 94 percent of Board-Certified Plastic Surgeons in the United States. While our organization has serious concerns with this legislation as written and the process by which it has moved thus far, we compliment the House of Representatives for acknowledging and acting to address the many serious problems facing the American health care system. Ultimately, though, the mechanisms used by the AHCA to address those problems must be expanded and refined, and the process employed must be improved.

Enclosed are *ASPS Principles for Health Care Reform*, which cover the areas ASPS feels are most critical for any health reform effort. Some of these principles are addressed by the AHCA, notably the retention of key protections for insurance consumers. Many of them are not, however. As you continue to work to reform the American health care system, please seek to address the following ways in which the AHCA does not satisfy these principles.

THE AHCA'S IMPACT ON THE NUMBER OF INSURED AND COST-SHIFTING IS CONCERNING

Even without a Congressional Budget Office (CBO) score of the AHCA, previous analyses of similar proposals have projected that they would result in a substantial number of individuals insured under the Affordable Care Act (ACA) losing their coverage. ASPS believes that any reform of the American health care system must seek to reduce the number of uninsured individuals.

It is important to remember what happens when individuals are uninsured – they do not lose the need for health care, and the costs of treating them are not reduced. Instead, those costs are shifted to other parts

of the system, including providers. This imbalance was a key driver of the health insurance premium cost increases that helped spark the last health care reform effort, and returning to it would be a mistake.

Additionally, the AHCA's move to per capita Medicaid payments will shift costs to state governments and taxpayers, as they are forced to increase their portion of funding for their states' Medicaid populations. Some states may choose not to increase Medicaid funding, though, and the AHCA's elimination of minimum benefit standards for some Medicaid populations will allow those states to find savings by reducing the coverage of their Medicaid plans. This will result in many health care needs of these patients being uncovered, which will result in increased incidents of uncompensated care. The costs of that will be borne by health care providers and individuals with private health coverage.

OPPORTUNITIES TO ACHIEVE KEY REFORMS ARE MISSED

The problems facing health care in America are not limited to insurance coverage. In fact, there are a host of needed changes that are not reflected in the AHCA. While a full accounting of these changes is included in the enclosed *ASPS Principles for Health Care Reform*, the following are the most important and most readily achievable through a legislative health care reform process:

- IPAB must be repealed. This unelected, unaccountable group of bureaucrats is empowered to usurp congressional authority over the Medicare program and institute mandatory cuts on top of already sizeable reductions in payment to providers. There is currently bi-partisan and bi-cameral support for legislation that would eliminate IPAB.
- The medical liability system must be reformed to be more just and equitable for patients and providers. Legislation achieving this effect, the *Patient Access to Care Act* (H.R.1215), was reported favorably by the House Judiciary Committee on February 28, 2017.
- Health carriers must be held to higher network adequacy and transparency standards. Health insurers have recently ramped up efforts to create extremely narrow networks in order to reduce the amount of money they pay in health claims. This has had a demonstrable, direct impact on patients' health provider options and access to needed specialist care. Federal legislation is needed to require carriers to design networks that have sufficient numbers of physicians in each specialty within a reasonable time and distance of patients who need care.

THE LEGISLATIVE PROCESS HAS BEEN PROBLEMATIC

Given the complexity of health care reform and the size of its impact on the American people, it is profoundly inappropriate to release legislation as wide-ranging as the AHCA and subject it to markup less than 48 hours later. Furthermore, no legislation this important should be debated or amended absent a CBO score. The effect of your efforts on the number of uninsured is an essential consideration, and a score is required to know the full picture of that effect.

As you continue your work on health care reform in the coming weeks and months, please strive to conduct a thorough evaluation of the legislation, please ensure that evaluation includes rigorous, unrushed debate, and please conduct your work in light of independent CBO analysis.

CONCLUSION

The work you are conducting to repeal and replace parts of the ACA will have a seismic impact on the lives of millions of Americans. As such, please ensure that you prioritize the development of a health care system that works for patients and providers, and please do so in a thorough, transparent, and deliberative process. Should you have any questions or wish to work together in advancing these priorities, please contact Patrick Hermes, Senior Manager of Advocacy and Government Affairs, at phermes@plasticsurgery.org.

Sincerely,

A handwritten signature in black ink that reads "Debra Johnson MD". The signature is written in a cursive style with a long, sweeping underline.

Debra Johnson, MD
President, American Society of Plastic Surgeons

Enclosure

Cc: The United States House of Representatives