



June 2, 2017

The Honorable Ron Johnson
United States Senate
Washington, D.C. 20510

Dear Senator Johnson:

As the U. S. Senate considers changes to the American Health Care Act (AHCA), the stakes are high for Wisconsin patients, health care providers and businesses. We know you have been vocal about the need to immediately stabilize the insurance market and slow down the process in the Senate in order to address certain aspects of the AHCA. We agree, and that is why we are collectively writing today.

As you are aware, nearly 225,000 people in Wisconsin found coverage on the insurance exchange. The vast majority of these individuals qualified for income-based premium subsidies, cost-sharing reductions (CSRs) or both. Our groups appreciate your public comments on the urgency of stabilizing the insurance market for these individuals. One important way to begin doing so is for the Senate to make clear its intention to fund the CSRs and to provide certainty to the insurance market. Insurers must decide soon whether they will stay in or enter the exchange and, if so, what premiums to charge. As a business owner, we know you can appreciate that insurance companies must have this information in order to make prudent decisions for the coming plan year.

Congressional District	Exchange Coverage (2016)
WI-01, Speaker Ryan	25,800
WI-02, Cong. Pocan	23,400
WI-03, Cong. Kind	28,400
WI-04, Cong. Moore	26,900
WI-05, Cong. Sensenbrenner	25,900
WI-06, Cong. Grothman	26,600
WI-07, Cong. Duffy	36,000
WI-08, Cong. Gallagher	31,200
Statewide	224,200

Source: Kaiser Family Foundation

Under the AHCA, the federal marketplace is also impacted by the move from income-based assistance to age-based tax credits. Our groups remain concerned that adjustments under the AHCA for lower-income and older Wisconsinites will be insufficient. By all known estimates, the shift to age-based assistance will result in significant coverage loss in Wisconsin. We urge the Senate to significantly enhance assistance for these lower-income individuals. As you have said repeatedly, you do not want to “pull the rug out” from people. We appreciate your comments and agree.

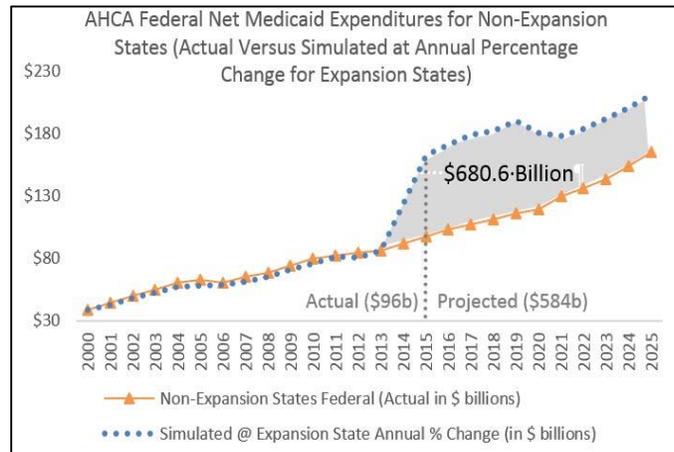
While the U.S. House of Representatives did acknowledge the divide between expansion and nonexpansion states, the House-passed bill came up short in providing true equity and fairness in the system. The table below analyzes the federal funding increases and decreases in the AHCA targeted specifically at expansion and nonexpansion states. As you can see, the AHCA’s approach is far from equitable. *On a per capita basis, expansion states would receive 61.9 percent more federal funding than nonexpansion states.*

Total Incremental Impact 2018-2026	Expansion States		Nonexpansion States		Expansion States Differential
	Additional Funds (\$ billions)	Per Capita Amount	Additional Funds (\$ billions)	Per Capita Amount	
Estimated amount of FMAP above normal FMAP	\$60.64	\$314.76	\$0.00	\$0.00	
Net Change in Medicaid DSH reductions	\$21.96	\$114.01	\$24.04	\$187.42	
Nonexpansion Safety-Net Fund	\$0.00	\$0.00	\$10.00	\$77.97	
Net Impact	\$82.60	\$428.77	\$34.04	\$265.39	61.9%

Source: Missouri Hospital Association

From 2012 to 2025, expansion states will reap an additional \$680.6 billion if the House version of the AHCA is enacted. Even further, if Medicaid spending caps under the AHCA are indexed at a slower inflationary rate in order to pay for extending or preserving Medicaid expansion in other states (as some in the Senate have discussed), nonexpansion states like ours will be penalized, again.

This funding inequity would grow over time, not only exacerbating inequities among states but also placing increasing stress on Wisconsin taxpayers and ultimately the state budget. These sentiments were echoed earlier this year when the co-chairs of Wisconsin’s Joint Committee on Finance wrote to you (attached), saying, “*We are asking that you once again stand up for Wisconsin and insist that we are treated fairly by receiving the same level of Medicaid funding that other expansion states receive going forward ... Wisconsin taxpayers should no longer be penalized for choosing the responsible path and assuring that all those in poverty have access to health care.*” We agree, and urge you to fight to achieve fairness for Wisconsin.



Source: Missouri Hospital Association

We know facts and data are important to you and when it comes to certain aspects of the AHCA, the facts and data are compelling. We greatly appreciate the influential position you have secured in this debate and encourage you to use this opportunity to stand up for Wisconsin.

Sincerely,



Steve Baas
Senior Vice President –
Government Affairs
Metropolitan Milwaukee
Association of Commerce



Kurt Bauer
President/CEO
Wisconsin Manufacturers &
Commerce



Eric Borgerding
President/CEO
Wisconsin Hospital
Association



Chris Decker
Executive Vice President/CEO
Pharmacy Society of
Wisconsin



Stephanie Harrison
Wisconsin Primary Health
Care Association

Dr. Noel Deep
Board President
Wisconsin Medical Society



Connie Kittleson
President
Wisconsin Physical Therapy
Association



Staci Kothbauer
WIANA President
Wisconsin Association of
Nurse Anesthetists



Todd Noggle
President
Wisconsin Medical Group
Management Association



Mark Paget
Executive Director
Wisconsin Dental Association



Ken Schellhase, MD
President
Wisconsin Academy of
Family Physicians



John Sauer
President/CEO
LeadingAge Wisconsin



Tim Size
Executive Director
Wisconsin Rural Health
Cooperative



Tom Still
President
Wisconsin Technology
Council



John J. Vander Meer
Executive Director
Wisconsin Health Care
Association