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January 12, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
U.S. Capitol Building, S-230
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
U.S. Capitol Building, H-232
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
U.S. Capitol Building, H-204
Washington, DC 20515

Re: Repeal of the Patient Protection and Affordable Care Act (“ACA”)

Dear Speaker Ryan, Majority Leader McConnell, Minority Leader Pelosi, and Minority Leader Schumer:

As the 115th Congress convenes, the National Stroke Association stands ready to engage the new Congress and Administration in shaping the country’s healthcare agenda. The National Stroke Association is the only national nonprofit healthcare and patient advocacy organization focusing 100% of its resources and attention on stroke. Our mission is to reduce the incidence and impact of stroke by providing stroke-related education and programs to stroke survivors, their caregivers, the healthcare community, and the general public. We represent a community of more than 7 million stroke survivors, in addition to their families, caregivers, and healthcare professionals.

Based on recent reports, we understand that the Congress has begun to move swiftly to begin the process of repealing the Patient Protection and Affordable Care Act (“ACA”) piecemeal through the budget reconciliation process.¹ We urge Congress to consider carefully the impact of repealing the ACA without simultaneously implementing a replacement plan. We fear the consequences of such a strategy would be catastrophic for patient access to care, the solvency of the health insurance industry and the cost of health insurance products for consumers

¹ See, e.g., Pear, R. (2016, Dec. 6). Senate Republican Leaders Vow to Begin Repeal of Health Law Next Month. *New York Times*. Retrieved from <http://www.nytimes.com/2016/12/06/us/politics/senate-republican-leaders-vow-to-begin-repeal-of-health-law-next-month.html>; Bolton, A. (2016, Dec. 6). McConnell: We’ll start Obamacare repeal on day one. *The Hill*. Retrieved from <http://thehill.com/homenews/senate/309032-obamacare-repeal-first-item-on-2017-senate-agenda>; Schor, E. (2016, Dec. 6). McConnell: Obamacare repeal measure coming within weeks. *Politico*. Retrieved from <http://www.politico.com/story/2016/12/obamacare-repeal-coming-soon-mitch-mcconnell-232268>.

(particularly those in the individual markets), and for its impact on healthcare providers. As such, the National Stroke Association cannot support any repeal plan that lacks a replacement plan.

Specifically, we wish to highlight several serious concerns inherent in the proposed “repeal then replace” strategy. Our first issue concerns the stability and sustainability of the current individual health insurance markets. The American Academy of Actuaries’ Health Practice Council has warned that repealing provisions of the ACA, such as the individual mandate and enrollee subsidies, without a viable replacement plan could cause “individual market enrollment [to] decline, causing the risk pools to deteriorate and premiums to become less affordable.”² A viable and healthy insurance risk pool requires a critical mass of low-cost insureds (read: healthy people) over which the cost of high-cost insureds (read: sick people) can be spread without making costs prohibitively expensive for everyone. When healthy individuals are not required or cannot afford to purchase health insurance, they are more likely to opt-out of coverage, leaving only the sickest and most expensive individuals in the risk pool. The result will be a “premium death spiral” with increasingly fewer insureds and increasingly higher premiums. Even if the effective date of repeal is delayed, it “likely won’t be enough to assure the stability and sustainability of the individual market[s].”³ The impact of repeal on the over 10 million Americans who received health insurance through the exchanges in 2015⁴ cannot be overstated. This is especially true for stroke survivors who are often among those most in need of coverage and could become unable to afford necessary and lifesaving coverage if individual market enrollment drops and patient cost sharing increases.⁵ Additionally, repeal could further increase the rate of stroke if high-risk individuals are unable to receive the basic primary care necessary to manage chronic conditions like diabetes and hypertension.

It is for the same reason that proposals to eliminate the individual mandate while maintaining the requirement of guaranteed issue are actuarially unsound. If healthy individuals are assured of health insurance issuance at community rates when they become sick, there is little incentive to purchase health insurance until that time. The result however, as outlined above, is an unstable and unsustainable risk pool that prices health insurance beyond the reach of all but the most affluent Americans. Following the failure of President Clinton’s health reform efforts in the mid-1990s, eight states implemented guaranteed issue requirements. Unfortunately, adverse selection triggered skyrocketing premiums and deductibles, and within a few years, these states

² American Academy of Actuaries Health Practice Council. Consequences of Repealing ACA Provisions of Ending Cost-Sharing Reduction Reimbursements [Letter written December 7, 2016 to Congress]. Retrieved from http://actuary.org/files/publications/HPC_letter_ACA_CSR_120716.pdf

³ *Id.*

⁴ U.S. Department of Health and Human Services. (2015). The Affordable Care Act is Working. Retrieved December 16, 2016, from <https://www.hhs.gov/healthcare/facts-and-features/fact-sheets/aca-is-working/index.html>

⁵ The New York Times reports that this figure could be as high as 22 million. Abelson, R. (2016, December 6). Health Insurers List Demands if Affordable Care Act Is Killed. *New York Times*. Retrieved December 16, 2016, from <http://www.nytimes.com/2016/12/06/business/health-insurers-obamacare-republicans.html>

had either repealed the guaranteed issue requirement or “re-reformed” the requirement by allowing insurers to deny coverage to individuals with pre-existing conditions or permitting the sale of high deductible plans, all to the detriment of consumers.⁶ None of these reforms succeeded in the absence of an individual mandate. In contrast, Gov. Mitt Romney’s 2006 Massachusetts health reform included an individual mandate that produced large insurance coverage gains while also significantly decreasing both premiums and average costs.⁷ Accordingly, we encourage Congress to strongly and carefully consider the negative impact on the individual markets of repealing the individual mandate while maintaining the guaranteed issue requirement. Destabilizing the individual insurance markets would result in decreased access to care and increased out-of-pocket spending, particularly for the stroke community.

Our second concern is the impact that “repeal then replace” will have on the uninsured rate. In 2010, the year the ACA was signed into law, Census Bureau figures estimated that the U.S. uninsured rate was approximately 16.3%.⁸ As a result of passage of the ACA, the U.S. uninsured rate has fallen to its lowest level in 50 years – approximately 8.6%.⁹ More specifically, we’re concerned that the “repeal then replace” strategy could reverse the substantial progress that has been made to ensure more Americans have health insurance coverage. While stroke remains the fifth leading cause of death in the U.S. and a leading cause of adult long-term disability, research suggests that up to 80% of strokes can be prevented through the management of risk factors like diabetes and hypertension.¹⁰ Progress toward reducing the incidence of stroke, however, can only happen if patients have access to affordable and high-quality primary care. Any increase in the uninsured rate will undoubtedly limit access to care, thereby increasing both the rates and severity of illnesses as well as healthcare costs. In the long term, this will also result in a sicker and more expensive population aging into Medicare.

For the same reasons, we are also profoundly concerned about the possibility that the Medicaid expansion funded in large part by the federal government will be rolled back, thus further increasing the number of Americans without health insurance.

⁶ Wachenheim, L., & Leida, H. (n.d.). The Impact of Guaranteed Issue and Community Rating Reforms on States’ Individual Insurance Markets. Milliman, Inc. Retrieved December 16, 2016, from http://www.statecoverage.org/files/Updated-Milliman-Report_GI_and_Comm_Rating_March_2012.pdf

⁷ Hackmann, M. B., Kolstad, J. T., & Kowalski, A. E. (2015). Adverse Selection and an Individual Mandate: When Theory Meets Practice. *The American Economic Review*, 105(3), 1030–1066. <http://doi.org/10.1257/aer.20130758>

⁸ U.S. Department of Health and Human Services. (2016). Overview of the Uninsured in the United States: A Summary of the 2011 Current Population Survey. Retrieved December 16, 2016, from <https://aspe.hhs.gov/basic-report/overview-uninsured-united-states-summary-2011-current-population-survey>

⁹ National Center for Health Statistics. (2016). Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January–March 2016. Retrieved December 16, 2016, from <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201609.pdf>

¹⁰ Gorelick, P. B. Stroke Prevention. *Arch Neurol*. 1995 Apr;52(4):347-55. Retrieved December 16, 2016, from <https://www.ncbi.nlm.nih.gov/pubmed/7710369>

Finally, we are concerned about the impact of ACA repeal on the ability of the healthcare industry to provide high quality care to all Americans, including those on Medicare. One feature of the ACA was to redirect a substantial portion of the Medicare and Medicaid Disproportionate Share Hospitals (“DSH”) payments to fund subsidies to offset premiums and other out-of-pocket costs for low-income individuals. The DSH payments were intended to offset uncompensated costs incurred by hospitals that take care of high volumes of uninsured, poor, and disabled Americans. The ACA’s goal was to reduce the volume of uncompensated care borne by hospitals by increasing the number of Americans with health insurance. Unless these DSH payments and other cuts incurred by hospitals (such as the Medicare hospital inflation update) are reinstated, the American Hospital Association and the Federation of American Hospitals estimate that hospitals and health systems throughout the country would suffer collective financial losses on the order of hundreds of billions of dollars that would “threaten hospitals’ ability to serve their patients and communities.”¹¹

While repealing ACA-imposed funding reductions for Medicare and Medicaid hospital services is a short term solution, it will not suffice long term. The nonpartisan Congressional Budget Office (“CBO”) has estimated that full repeal of the ACA would increase Medicare spending by \$802 billion from 2016 to 2025.¹² This increased spending will not only accelerate the insolvency of the Medicare Part A trust fund but also lead to higher Medicare premiums, deductibles, and cost sharing for beneficiaries since these costs are frequently indexed to Medicare’s provider payment rates. Prior to the enactment of the ACA in 2010, the Medicare Trustees projected that the Part A trust fund would enter insolvency beginning in 2017.¹³ As a result of the ACA’s reforms, the current insolvency date is 2028.¹⁴ Because nearly three quarters of all strokes occur in individuals over the age of 65, we encourage Congress to carefully consider the impact of ACA repeal on the Medicare trust fund to prevent unnecessarily expediting its insolvency.

¹¹ American Hospital Association, & Federation of American Hospitals. Effect of ACA Repeal on American Hospitals [Letter written December 6, 2016 to Congressional Leadership]. Retrieved December 16, 2016, from <http://www.aha.org/advocacy-issues/letter/2016/161206-let-aha-fah-congress-healthagenda.pdf>

¹² Congressional Budget Office. Budgetary and Economic Effects of Repealing the Affordable Care Act (June 2015). Retrieved December 16, 2016 from <http://www.cbo.gov/publication/50252>

¹³ The Board of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. (2009). *2009 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds*. Retrieved December 16, 2016, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/downloads/tr2009.pdf>

¹⁴ The Board of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. (2016). *2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds*. Retrieved December 16, 2016, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/downloads/tr2016.pdf>



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For the foregoing reasons (among others), we strongly encourage Congress to develop replacement health reform legislation before repealing the ACA, either in whole or part. To do otherwise is to gamble with the health of the American people. In the coming weeks, our Stroke Advocacy Network will be sharing personal stories about lives that have been impacted by the ACA with their representatives.

We would welcome the opportunity to discuss our concerns with you in more detail and reiterate our commitment to working with you on legislation that achieves the goal of a healthier America. If you have any questions or would like to meet with us, please contact Mitchell Ronningen, Government Affairs Manager at (303) 754-0907 or mronningen@stroke.org.

Respectfully,

Robyn Moore
Chief Executive Officer
National Stroke Association

cc: Members of the U.S. House of Representatives
Members of the U.S. Senate

www.stroke.org