



Sept 6, 2019

The Honorable Elijah Cummings, Chairman
House Committee on Oversight and Reform
U.S. House of Representatives
Washington, DC 20005

Dear Chairman Cummings:

On July 10, 2019, the House Committee on Oversight and Reform convened a hearing on “The Trump Administration's Attack on the ACA: Reversal in Court Case Threatens Health Care for Millions of Americans,” at which I testified on behalf of my organization, Families USA (FUSA). After the hearing, you submitted questions for the record to all witnesses. Below, please find responses to these questions prepared by the FUSA Staff.

Thank you again for the opportunity to testify. If any Committee Members or staff would like to discuss these answers further or need any other support, we would be very happy to provide assistance. Please feel free to reach out to me or Shawn Gremminger, FUSA Senior Director of Federal Relations at SGremminger@familiesusa.org or 202-628-3030.

Sincerely,

/s/

Frederick Isasi
Executive Director

cc: Jim Jordan, Ranking Member, Committee on Oversight and Reform

**Frederick Isasi, Executive Director, Families USA
Answers to Questions for the Record**

House Committee on Oversight and Reform Hearing
“The Trump Administration's Attack on the ACA: Reversal in Court Case Threatens Health Care for
Millions of Americans”
Wednesday, July 10, 2019
10:00am

CHAIRMAN ELIJAH E. CUMMINGS

- 1. House Republicans have voted on 69 different occasions to repeal the Affordable Care Act (ACA).**
 - a. Please provide an assessment of the alternative plans put forward to replace the ACA and whether these plans would ensure equivalent health care coverage to the ACA, as well as protections for people with pre-existing conditions.**

As I stated in my testimony, since the ACA’s implementation, the law has become an integral part of the fabric of the federal protections and supports for our nation’s families. Tens of millions of people rely on it to protect them from being discriminated against because of pre-existing medical conditions, to lower the costs of health insurance premiums, to support their use of preventative care, to increase the financial protections in their employer-sponsored coverage and on and on. This federal law has reduced the rate of uninsurance among children by 50 percent, supports rural America, supports seniors, and supports our veterans.

The alternative plans that President Trump and Republican leaders claim would replace the ACA would return us to the days when people with pre-existing conditions could be denied essential benefits or charged so much that insurance would be out of reach. States would see major funding cuts and be forced to make impossible decisions, choosing which residents lose benefits or health insurance altogether. Many of the replacement bills floated over the past several years would also slash the ACA’s coverage expansion and, in some cases, basic Medicaid for seniors, people with disabilities, and children. Millions of middle-class families would lose the security of knowing that, whatever happens to their job, they will still have access to high-quality, affordable health coverage.

You don’t need to take my word for these consequences. The non-partisan Congressional Budget Office repeatedly found that alternatives to the ACA would take away health insurance from 20 million people and undermine or eliminate affordable access to individual health insurance for people with preexisting conditions.

So much hangs in the balance. Invalidating the ACA would mean ripping these protections away with no meaningful and effective way to replace them.

- 2. Some states have taken steps to implement state-level regulatory and/or statutory protections for people with pre-existing conditions.**

- a. **Will these state-level protections be effective in the absence of the ACA’s financial assistance to consumers?**
- b. **What would be the impact on state-level protections if the entire ACA is struck down?**

State-level protections for people with pre-existing conditions are welcome and can be helpful for people in states that choose to enact them and for plans over which states have authority if the entire ACA is struck down. However, there is a limit to the help state level protections can provide. Not every state is likely to enact such protections. Additionally, state regulators do have authority over all plans, for example, health insurance offered by large employers that self-insure. Before the ACA, many large employers could put waiting periods in place before they would cover employees’ preexisting conditions. Since states do not have authority to regulate self-insured large employer health plans, if the ACA is struck down, these waiting periods could return to large employer plans.ⁱ

Furthermore, state-level protections will be of limited assistance in the absence of the ACA’s financial assistance to consumers. Maintaining a state requirement that health plans may not discriminate against people with pre-existing conditions does nothing to ensure that the coverage is affordable. For a low- or moderate-income consumer with a pre-existing condition, without affordability assistance, the result is the same as being denied coverage— they will once again be relegated to the ranks of the uninsured.ⁱⁱ

Moreover, without federal premium tax credits to support the individual market, a huge departure of young healthy enrollees will likely follow, quickly resulting in market destabilization. Put simply, without federal financial help, there is no way for states to protect the millions of people who rely on the individual market for coverage, including people with preexisting conditions.

3. **The ACA established new consumer protections for older American between the ages of 50 and 64 – including those with pre-existing conditions. These protections prevent insurance companies from denying coverage for pre-existing conditions and limit how much more older Americans can be charged for coverage than their younger counterparts.**
 - a. **How would eliminating protections for older Americans impact the U.S. health care system?**

The ACA implemented a 3:1 “age band ratio,” meaning insurance companies can set premiums for older people at no more than three times the premiums charged for young people for the same coverage. Before enactment of the ACA, it was not uncommon for older consumers to be charged 5 times more as as younger consumers for the same coverage.ⁱⁱⁱWe expect that elimination of the law will have the same effect almost immediately, making comprehensive coverage all but unaffordable for millions of older people.

4. **The Trump Administration has issued rules to make it easier for insurers to sell association health plans and short-term, limited duration health insurance plans.**

a. How do these plans discriminate against consumers with pre-existing health conditions?

The Trump Administration's recent actions to promote the sale of association health plans (AHPs) and short-term, limited duration health insurance (STLDI) plans will flood the market with predatory 'junk insurance.' These plans do not have to comply with the consumer protections afforded under the Affordable Care Act (ACA) and often leave consumers uncovered for major medical expenses.^{iv} This will negatively impact those who buy into this insurance and are stuck with 'junk' coverage, and also people with pre-existing conditions who need to buy comprehensive coverage and will end up paying a lot more.^v

In a market where junk plans are competing with comprehensive plans, young and healthy consumers are lured into cut-rate, substandard insurance that falls short when health problems develop. These plans provide nothing more than the illusion of coverage, and enrollees often do not realize how limited their benefits are until it's too late. Exempt from required benefits and other basic consumer protections, these plans do not include coverage for the services enrollees need if they get sick. Meanwhile, those who are left behind in a residual individual market, including older adults, women, and people with preexisting conditions, can be hit by skyrocketing premiums and many geographic areas without any available plans as healthy people have been pulled away from the comprehensive market, leaving it in a death spiral.

5. During the hearing, the panel was asked to indicate support – by a show of hands – for general statements about various health care policies. Some witnesses may have abstained from answering complex policy questions in this manner and were not given the opportunity to make that clear.

a. Please provide any additional information you would like in relation to these questions.

During the hearing, Rep. Comer asked three questions, by show of hands, regarding our positions of several issues.

Mr. Comer first asked if we "support eliminating employer sponsored insurance." I did not raise my hand. A majority of people in the United States receive health coverage through their employers. While we think it is reasonable to debate whether tax-subsidized, employer-sponsored insurance is the optimal way to provide health care coverage, in the absence of further context in the question, I did not feel comfortable answering the question by raising my hand.

Mr. Comer then asked if we support "the current version of Medicare for All." I did not raise my hand due to the ambiguity of the question. There are several pieces of legislation and still more commonly discussed policy proposals that have been branded as "Medicare for All." While I did not feel comfortable raising my hand in response to an ambiguous question, Families USA's explicit vision is a nation where the best health and health care are equally accessible and affordable to all. To that end, we support the goals of "Medicare for All," and work closely with members of Congress and other policymakers on policies that achieve those goals.

Finally, Mr. Comer asked if we “support extending health care coverage to illegal immigrants.” I raised my hand. As noted above, our vision includes access to health and health care for *everyone* in the United States. This includes, by definition, undocumented immigrants. The implication of supporting coverage to undocumented immigrants is complex. For example, we could lower costs and improve coverage for all Americans if we supported undocumented immigrants purchasing health coverage with their own money. In addition, many undocumented immigrants have citizen children who are entitled to full benefits under Medicaid and through the health insurance marketplaces. As we do with all policy proposals, we would gauge our support for specific legislation to extend coverage to undocumented immigrants based on the specific details included in bill. In the absence of further context, however, I am proud to say we support the underlying goal.

ⁱ <https://www.verywellhealth.com/pre-existing-condition-exclusion-period-1738768>

ⁱⁱ <https://familiesusa.org/product/defending-health-care-2017-what%E2%80%99s-stake>

ⁱⁱⁱ <https://www.kff.org/health-costs/issue-brief/pre-aca-market-practices-provide-lessons-for-aca-replacement-approaches/>

^{iv} <https://familiesusa.org/product/association-health-plan-rule-would-make-it-easier-sell-junk-insurance>

^v <https://familiesusa.org/product/dangers-trump-administration-junk-insurance-policies>