



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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May 4, 2017

Dear Representative:

On behalf of the International Federation of Professional and Technical Engineers (IFPTE), I am writing regarding today's consideration of the so-called American Health Care Act of 2017 (HR 1628). The legislation you are considering today amends the original version of HR 1628 by providing even more draconian cuts to Affordable Care Act (ACA) protections, including gutting the pre-existing conditions protections, and ending the Medicaid expansion to states that has provided millions of our most vulnerable citizens health coverage. As IFPTE recommended back in March, we continue to urge you to vote against this legislation.

Among the many problems with this legislation is that it will restructure the Medicaid program from a federally-funded defined benefit program administered by states to a defined contribution program, resulting in drastic cuts to federal Medicaid dollars to state governments. Specifically, the bill cuts the Medicaid program by over \$830 billion dollars and does away with the guarantee that the federal government provide a share of funding to states for their Medicaid costs, replacing it with a per capita cap that will end up significantly decreasing federal Medicaid dollars to states. This decrease would occur immediately, as the bill stipulates that the per capita cap will be based on the 2016 baseline. Factors associated with an aging population, increasing health care utilization, and prescription drug costs, just to name a few, would be irrelevant when it comes to any corresponding increase in Medicaid dollars. Those types of considerations and the associated increased demand and costs would fall solely on the states to absorb without any additional Medicaid assistance from the federal government.

This bill also sets the table to help pay for a \$1 trillion tax reform package to largely benefit corporations and the wealthy off the backs of ACA health care recipients and working families who receive employer provided health insurance. For example, this bill maintains a 40% excise tax on employer provided benefits for working Americans (the Cadillac tax), while at the same time subsidizing tax breaks for the wealthiest wage earners. Specifically, the legislation calls for \$600 billion in tax cuts for the wealthiest wage earners, resulting in an almost \$200 million annual tax break for richest 0.1% of Americans.

While there exists a litany of other problems with this bill, it is important to point out the flawed process by which this bill is being considered today. The amended bill comes to the House floor without a single hearing, without a score by the non-partisan Congressional Budget Office (CBO) on the legislation's cost to taxpayers and its impact to the public. This is a reckless and irresponsible manner by which to consider any bill, particularly one that will literally have life and death repercussions for millions of people. After all, CBO's original score found that 24 million people receiving health care through the ACA would lose it under the first version of HR 1628. Given that this bill's impact on Americans will be even more cruel as it will allow states to opt-out of the pre-existing conditions requirement and community-rating and age-rating limits, in effect shifting coverage from and increasing costs for those most in need of care, particularly older people, it is easy to assume that even more people would lose coverage under this new version and have worse health outcomes.

Lastly, this bill essentially ends the pre-existing conditions protections of the ACA by forcing those with pre-existing conditions, including people with cancer, diabetes, and even those who were pregnant or have been raped, into high risk pools where insurance companies can charge them unaffordable premiums, and in some cases, can charge them any premium they choose. This will force countless people, particularly the elderly, women and children, who are in dire need of health care to lose their coverage.

HR 1628 will leave at least 24 million people without health coverage, will end the Medicaid program as we know it, lead to the loss of state government jobs, and shift hundreds of billions of dollars to help fund a trillion-dollar tax reform package that will largely benefit corporations and the wealthy. IFPTE urges you to oppose this bill.

If you have any questions, please contact IFPTE legislative director, Matt Biggs at (202) 239-4880.

Sincerely,



Gregory J. Junemann
President

