



March 8, 2017

The Honorable Greg Walden  
Chairman  
Committee on Energy and Commerce  
United States House of Representatives

The Honorable Kevin Brady  
Chairman  
Committee on Ways and Means  
United States House of Representatives

Dear Chairman Walden and Chairman Brady:

Thank you for your efforts to make high-quality healthcare accessible and affordable for all Americans. As your committees consider the replacement of the Affordable Care Act (ACA) with the draft American Health Care Act (AHCA), the Healthcare Leadership Council (HLC) appreciates the opportunity to share perspectives on this important topic from our multi-sector membership.

HLC is a coalition of chief executives from all disciplines within American healthcare. Our members – the nation's leading hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, biotech firms, health product distributors, pharmacies, post-acute care providers and information technology companies – are committed to advancing a consumer-centered healthcare system that values innovation, accessibility and affordability.

Medicaid serves as an important safety net for vulnerable individuals and families. In moving to a per-capita model, as called for in the AHCA, we look forward to working with you to ensure that such a model is actuarially sound and is developed through a fully transparent process in which data, assumptions and methodologies are utilized in a manner that meets the needs of patients, healthcare providers, and the states. We applaud the restoration of Disproportionate Share Hospital (DSH) payments for those hospitals serving vulnerable populations.

HLC believes that the post-ACA health insurance structure must bolster the stability of the marketplace, encourage greater competition, and give all Americans enhanced choice and flexibility in their coverage. We are pleased to see that the draft legislation will stabilize the market by continuing the current cost-sharing subsidies until 2020. We also strongly support the creation of a Patient and State Stability Fund that will enable states to assist their high-risk enrollees and, in so doing, ensure that coverage is more affordable to other health insurance consumers. We urge you to make this fund permanent and to provide it with broad-based and stable funding.

We are also pleased that the draft legislation includes an advanceable, refundable tax credit that individuals can use to purchase insurance, especially during this transition period in which the individual health insurance market is fragile. Republicans were first in implementing an effective advanceable, refundable tax credit under the Trade Adjustment Assistance Act. Under the AHCA, consumers will be protected by guaranteed issuance of coverage regardless of pre-existing condition and by a continuing ban on lifetime coverage limits. The legislation's continuous coverage requirements will improve affordability and better ensure a stable insurance market. We also support the flexibility for insurers to offer a broader range of plan options that will attract more consumers by meeting their needs and state of health.

Consumers will be further empowered by the repeal of the tax increase on health savings accounts and the repeal of limitations on contributions to flexible spending accounts and health savings accounts. This will potentially allow individuals to have more funds to cover their healthcare expenses. Additionally, HLC supports the repeal of ACA taxes, including the medical device tax and the health insurance tax, that have a detrimental impact on quality care and healthcare innovation.

Thank you again for your leadership in addressing the nation's healthcare challenges. The Healthcare Leadership Council and its member companies look forward to working with you in a constructive collaboration to develop an optimal, 21st century healthcare system. If you have any questions, please do not hesitate to contact Debbie Witchev at (202) 449-3435.

Sincerely,

A handwritten signature in black ink, reading "Mary R. Grealy". The signature is written in a cursive style with a large, prominent initial "M".

Mary R. Grealy  
President