



# ADVOCATING FOR HEALTHCARE

## A New York State Trustee Guide

Helping your local hospital or health system is easy, but figuring out what to say about healthcare reform can be a real challenge. It's an impossibly complex topic—one that vexes even those who have been involved in it for decades! As a supplement to your other resources, the Healthcare Association of New York State (HANYS) and Healthcare Trustees of New York State (HTNYS) crafted this short “white paper” to help you better understand the ongoing debate. This paper also includes brief guidance to enhance your ability to talk about the Affordable Care Act (ACA), the American Health Care Act (AHCA), and the ever-changing effort to write the next chapter for America's healthcare reform evolution.



Healthcare Association  
of New York State



Healthcare Trustees  
of New York State

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## UNDERSTANDING THE IDEOLOGIES, THE ENVIRONMENT, AND THE TIMELINE

On March 24, the U.S. House Republican bill, the AHCA, aimed at repealing and replacing Obamacare, faltered because of divisions within the ranks of the House GOP. These divisions remain. As a result, predicting the fate of federal healthcare reform legislation, even aided with a crystal ball, would be near impossible! At this point, success or failure of federal healthcare legislation depends less on policy details and more on broad political dynamics.

The politics are complex. The President is currently at odds with the 36-member Freedom Caucus, a staunchly conservative wing of the U.S. House. Speaker Paul Ryan doesn't want to work with House Democrats because they opposed many of the AHCA's key provisions, namely transitioning Medicaid to a block grant, ending "Medicaid expansion" and the additional federal funding for states that have expanded coverage. Normally, with a 44-seat spread between House Republicans and Democrats (237 Republicans to 193 Democrats, and five vacancies), the Speaker wouldn't have to worry about securing Democratic votes, but about two dozen moderate House Republicans also opposed the AHCA. As federal lawmakers ponder future AHCA revisions, those divisions and allegiances could change in a heartbeat.

The ideologies that drive the policy proposals make compromise especially difficult. The ACA sought to expand coverage for more Americans by expanding federal Medicaid support and by creating marketplaces for commercial insurers to offer standardized insurance products. Participating insurers received federal funds to lower premium costs for qualified low-income enrollees (below 400% of the federal poverty level) and co-pays and deductibles for enrollees at or below 250% of the federal poverty level. Over the past seven years, these ACA provisions helped more than 22 million previously uninsured Americans gain health coverage.

The AHCA's underlying ideology favored market-based approaches that aimed to create choice, lower insurance prices, and promote state control and fiscal responsibility for Medicaid. As author and healthcare expert Michael L. Millenson noted in a recent *Newsweek* opinion piece, the current healthcare debate has revived a "medical Darwinism" belief among conservatives that clashes with the notion that healthy people help pay for people who are sick. Government restraint and personal responsibility underpin conservative beliefs that the ACA is anathema to autonomy, personal freedom, and the financial health of this country. These beliefs help explain why GOP leaders disputed and discounted the non-partisan Congressional Budget Office (CBO) report showing that the AHCA would reduce health coverage to 24 million Americans over the next ten years.

The AHCA's policy proposals, however, didn't match the promises of the President and House Leadership to improve on Obamacare by lowering costs and maintaining coverage. As the CBO explained, the focus was on reducing costs to the federal government, with the predictable result of reducing coverage for individuals. At a macro level on costs, the bill lowered the federal government's projected spending by almost \$130 billion over the next ten years by slashing Medicaid spending. The bill also aimed to lower individual premium costs by creating age-based tax credits and allowing much more insurer flexibility to manage and avoid covering high-risk enrollees. Reversing course from Obamacare, the AHCA would have also allowed insurers to sell low-price insurance products by cutting out coverage for select "essential benefits" like maternity or mental healthcare.

On coverage, the AHCA's Medicaid proposals to end the 90% federal Medicaid matching funds for expansion populations (adults up to 138% of the federal poverty level) walked back the



ACA's effort to expand coverage to low-income people—a proposal that rattled some members of Congress and state Governors on both sides of the aisle. Finally, the AHCA's proposal to convert Medicaid to a block grant proposal placed a hard cap on future federal health spending. Absent state action, this hard cap reduces federal support and, in turn, the ability to maintain health coverage for low-income Americans. This separate proposal constitutes an ideological line in the sand between the Freedom Caucus and House Democrats (and likely Senate Democrats as well), making compromise especially difficult. Consistent with their ideology, GOP leaders are counting on Medicaid savings to help pay for future tax reform initiatives. As a result, any future legislation that maintains Medicaid as an entitlement program will not likely gain the support of Speaker Ryan, many of the rank-and-file Republicans, and certainly not the Freedom Caucus.

HANYS and HTNYS oppose the AHCA. For New York—a state that had taken full advantage of the ACA expansion provisions—the AHCA proposals amounted to unprecedented federal spending reductions. The AHCA proposals to end the ACA's Medicaid expansion and convert Medicaid to a block grant would result in more than two million New Yorkers losing Medicaid coverage. An additional 800,000 New Yorkers would lose coverage

because the AHCA's age-based tax credits don't provide the same level of support to low-income New Yorkers. All New York hospitals are not for profit and provide hospital and outpatient care for all who need medical services every day, around the clock. This open access will not change, but providing this access becomes more financially challenging when fewer New Yorkers have health coverage.

Just before the AHCA was scheduled to go to the House floor for a vote, New York State Representatives Chris Collins (R-Buffalo) and John Faso (R-Kinderhook) added an amendment that would disallow a dollar of federal block grant funds for every dollar of state funds raised by New York counties. In isolation, this proposal would eliminate the state's incentive to assess counties for their current share of state Medicaid spending, resulting in a reduced county tax burden. However, without these county revenues, the state budget would face an annual \$2.3 billion funding gap. This amendment has initiated a state-based political feud with Governor Cuomo and congressional Democrats on one side and New York State congressional Republicans on the other. On an even more worrisome note, the Collins-Faso amendment has singled out New York as a federal Medicaid budget target, even though New York State contributes more than \$30 billion annually in taxes than the state receives.

## UNDERSTANDING WHEN CONGRESS COULD TRY AGAIN

The congressional calendar is already well established, leaving House and Senate leaders with just a few months of wiggle room on healthcare reform. Technically, House and Senate leaders control their agendas, meaning they could bring up a bill or change the calendar whenever they want. As President Trump's recent Sunday morning tweet indicated, healthcare conversations are happening and a new course and a new plan could be announced at any time.

Before leaving for a two-week recess on Friday, April 7, legislative leaders tried, but failed to advance a "do-over" on the AHCA. Passing the AHCA would require the support of most Freedom Caucus members and at least a few of the moderate House Republicans who opposed the AHCA on the first round.



Congress returns to Washington on April 24, just four working days before they must vote to extend government funding for the current fiscal year. After passage of this required action, federal lawmakers in the House may then choose to address healthcare, but in this context, healthcare is competing for the time and attention of House and Senate legislators who face many other priorities. This competition will increase with every passing week.

It remains unclear which direction President Trump or Speaker Ryan will ultimately take on healthcare reform. Without the influence of President Trump on a bipartisan effort, Paul Ryan has clearly indicated his desire to pass a Republican-only bill. Recent polls show growing support for the ACA and maintaining health coverage. In addition, local advocacy during the work periods could influence the Speaker and

House members to compromise. Pay attention to any change in the rhetoric when congressional leaders return from their districts.

If the U.S. House does not address healthcare reform before the August recess, however, chances fade because lawmakers will be short on both time and focus in light of September plans to address tax reform—another complicated and politically challenging topic. After that debate, the 2018 mid-term election season begins. Historically, politicians avoid controversial legislation prior to any election—particularly the mid-terms. Specifically, GOP lawmakers remain mindful that Obamacare handed them control of the U.S. House in the 2010 mid-term elections when House Democrats lost 63 seats after passing Obamacare in March 2010. In a Darwinian-like twist, they don't want to see the same fate in November 2018.

## HEALTHCARE ADVOCACY

HANYS/HTNYS materials provide background on the key priorities ([www.htnys.org](http://www.htnys.org)). Our message hasn't changed—the ACA must not be repealed without a sound replacement plan. As you think about both formal and informal opportunities to engage local, state, and federal lawmakers on healthcare reform, we offer the following guidelines:

- **Follow the lead of your hospital or system CEO.** Politics is local. Framing your remarks consistent with the priorities of your hospital will always be best.
- **Be yourself.** If you have a financial background and are more comfortable talking about the financial aspects of policy changes on your hospital, then focus there. If you are a caregiver, stay in your comfort zone. All these aspects are important and you don't have to cover them all.

- **Sometimes listening is more important.** If you get the opportunity to meet with a lawmaker, maybe it's more appropriate to listen during that meeting. You can always follow up in writing or via email with your key points.
- **The fight to make federal improvements in healthcare will remain lengthy and unpredictable.** It's more important for your engagement to be heart-felt and consistent than perfect and infrequent.

As always, thank you for your dedication to healthcare. With your help, we'll be able to influence policymakers and produce the best bill possible.

Trustees seeking more information on healthcare advocacy should contact Sue Ellen Wagner, Executive Director, HTNYS, at (518) 431-7737 or at [swagner@hanys.org](mailto:swagner@hanys.org).