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June 23, 2017

Governor Chris Sununu
Office of the Governor
State House
107 North Main Street
Concord, NH 03301

RE: Impacts of Federal Health Care Reform on New Hampshire and Community Health Centers

Dear Governor Sununu:

As Congress considers big changes to our health care system, changes that will have a profound impact on our state budget and our patients, we want to share with you the following concerns, principles, and recommendations. New Hampshire's Community Health Centers are united in our commitment to work with policymakers at all levels of government to move our health care system toward one that is more affordable, accessible, and equitable for all patients in our state.

New Hampshire's 15 Health Centers served over 109,000 patients, and a new Health Center opened in Canaan on June 17th. Health Centers in New Hampshire and across the country are bound, both by our mission and by federal statute, to care for any patient who walks through our doors, regardless of insurance status. Health Centers are located in underserved and low-income urban and rural areas with few other options for care and must provide a broad range of comprehensive primary and preventive health care services. Health Centers have a solid and long track record of improving health outcomes in these areas while at the same time lowering costs to our health system. On behalf of their patients and communities, we offer below both our concerns with the health-related legislation that passed the House in May, and our recommendations and principles for health reform moving forward. Now that the Senate released its proposal, we would like the opportunity to discuss its affects to the Health Centers, their patients, and our State.

Concerns with the American Health Care Act as Passed the House

On May 4, 2017, the U.S. House of Representatives passed The American Health Care Act (AHCA; HR1628) by a very narrow margin. The U.S. Senate is scheduled to vote on the AHCA soon. Like Health Centers nationwide, we have significant concerns about the potential impact of the House legislation on their patients, and on their capacity to deliver care. In particular, we are most concerned about the following aspects of the House bill:

1. **Medicaid Per-Capita Cap/Block Grant.** In New Hampshire, 34% of Health Center patients are covered by Medicaid.¹ Nearly 58% of an urban Health Center's patients are covered by Medicaid.² The House legislation puts that coverage at risk for a significant number of our patients by capping the federal portion of Medicaid spending. Regardless of whether the cap is determined on a per-capita basis or on a statewide basis, this change represents an enormous shift of risk to New Hampshire. More importantly, because federal Medicaid contributions would grow more slowly than health care costs, New Hampshire will be forced to dramatically reduce the number of covered lives, benefits, beneficiary eligibility, and provider payments.
2. **Rollback of Medicaid Expansion.** For the low-income patients New Hampshire Health Centers serve, the expansion of Medicaid coverage through the New Hampshire Health Protection Program has literally been a life-saving policy change.

¹ Uniform Data Service Self-Reported Data NH Rollup (2015).

² *Id.*

The House bill would undo the progress made since 2014, forcing patients into much more limited coverage (see concerns below with tax credit proposals) or into becoming uninsured. Medicaid expansion has also allowed New Hampshire's Health Centers to bolster our capacity and to offer a more comprehensive range of services, such as behavioral health and substance use disorder treatment, to our patients. Reversing the expansion of Medicaid will mean that those who lose Medicaid coverage will lose access to critical specialty care services, including substance use disorder treatment, and increasingly will return to seeking care in emergency rooms, ultimately leading to higher costs and poorer health outcomes.

Under the AHCA as passed by the House, New Hampshire will lose close to \$600 million in federal revenue by 2026 if Medicaid expansion were terminated or rolled back.³ Restructuring the Medicaid program with this magnitude could be the largest ever transfer of risk from the federal government to the states and municipalities. With the pressure on our state and municipal budgets, particularly, the county budgets, it would be a daunting task for New Hampshire to absorb this downshift in risk. More than 50% of our counties' budgets are comprised of nursing home spending.⁴ By 2035, the percentage of individuals 75 and older will increase from 42% to 54%, drastically increasing the cost of caring for that population.⁵

3. **Change in Tax Credits for Purchase of Private Insurance.** Both the Affordable Care Act and the House-passed AHCA legislation call for tax credits to individuals to assist in the purchase of private insurance. We are concerned that the AHCA would shift this credit away from one based on income and geography to one determined based almost exclusively on age. For the low-income, elderly and/or rural patients who represent the bulk of those we serve, this would pose a major barrier to the affordability of coverage for our patients, which would lead inexorably to poorer health outcomes for our patients and increased costs for the system. For example, nearly 80% of Coos County's population enrolled in a Marketplace plan receives advanced premium tax credits.⁶ Coos County is arguably the most rural and oldest county in our State. In addition, as our population ages, we must be mindful of the fact that one-third of those who enrolled in coverage through the Marketplace were ages 55-64.⁷ Changing the tax credit program to one based on age will disproportionately affect New Hampshire because of our older population.
4. **Weakening Covered Benefits and Consumer Protections.** The late addition of the so-called Meadows-MacArthur amendment to the House bill would allow insurers to once again discriminate against individuals with pre-existing conditions, by allowing state waiver of so-called "community rating" requirements that no patient be charged more for insurance based on health status. This will cause Health Center patients who are most in need of coverage to face the greatest challenge in affording it. The bill would also allow waivers of the Essential Health Benefits package, meaning insurers could offer plans that do not cover many basic services, including many which Health Centers are required to provide. Health Centers already encounter many patients who we would consider "underinsured" and, as providers open to all, this leads to significant strain on the federal investments Congress and the Administration make in our system of care. The lack of essential benefits will significantly reduce access to care. The Meadows-MacArthur provisions would only make this problem worse in New Hampshire. In addition, the proposed legislation eliminates funding for planning and reproductive health services from Planned Parenthood organizations. Bi-State does not support defunding nor the elimination of reproductive health services from Planned Parenthood.
5. **Overall Impact on Coverage.** The Congressional Budget Office estimated that the original version of the House bill would cause 24 million Americans to lose coverage within ten years. Yet, every Health Center clinician and staff member can attest to the difference having health insurance makes in the lives of our patients in terms of their personal and family security, access to specialty care, and likelihood to seek the cost-

³ Mann, Cindy, Medicaid Tomorrow: The Implications of Federal Policy Developments, 23 (May 31, 2017).

⁴ *Id.* at 20.

⁵ *See id.* at 19.

⁶ Inst. for Health and Policy Prac., Covering the Care: A Focus on the NH Marketplace, 4 (June 2017).

⁷ *See id.* at 2.

saving, primary and preventive care services Health Centers offer. Our nation can do better and New Hampshire deserves better.

Principles and Recommendations for Health Care Reform

New Hampshire's Health Centers serve on the front lines of a changing health care system. We share your belief that our system can be improved, specifically toward becoming a more equitable, accessible, and affordable one for all patients in need, while driving efficiency and promoting high-quality, high-value care. To that end, we offer the following principles and recommendations to help guide your work on any effort to reform the health care system moving forward.

1. **Do no harm: do not eliminate coverage for any American.** This should be the guiding principle of your work: to at least sustain both the number of people covered by insurance and to maintain the accessibility, affordability and quality of that coverage for every Granite Stater.
2. **Maintain a strong and viable safety net through Medicaid and the Health Centers.** Medicaid and Health Centers work synchronously to ensure that patients have access to affordable, high-quality care, and reliable and predictable coverage. Health reform legislation should build on successes within Medicaid, not simply shift the burden of operating and financing the program to the states. We are concerned with caps on the federal share of Medicaid payments, broad block grants, and reducing the federal commitment to Medicaid expansion.
3. **Strengthen Medicaid's connection to Health Centers.** Health Centers deliver significant return on investment, and within Medicaid, this is especially true. A recent 13-state study found that Health Center Medicaid patients had 24% lower total costs of care when compared to similar patients cared for in other settings.⁸ Medicaid not only covers over a third of Health Center patients, but it is also the largest source of patient revenue. This record of success is due largely to the unique Federally Qualified Health Center Prospective Payment System (FQHC PPS), which is a bundled payment designed by Congress to ensure Health Centers can fully treat the whole patient, while not diverting other federal investments intended to support care for the uninsured. Any proposals related to Medicaid must preserve and build upon this successful system.
4. **Strengthen tax credits, minimum benefits and consumer protections in the individual marketplace.** Several senators have already indicated a desire to enhance the system of tax credits called for in the House bill to improve affordability for low-income patients. We strongly support changes in this direction. Further, it is critical that any final legislation ensure individual market plans cover a minimum set of essential health benefits, and either maintain or strengthen protections afforded to the millions of patients with pre-existing conditions. Having access to coverage of behavioral health and substance use disorder treatment services is crucial to our State's ability to address the opioid epidemic.
5. **Sustain and grow direct investments in Health Centers and the primary care workforce.** For decades and through bipartisan administrations, Congress has consistently seen the value in growing the federal investment in the Health Center system of care. The Trump administration has continued that support, calling investment in Health Centers one of the "highest priorities" in its March budget document and funding the Health Centers in his May proposed budget. Without that support, a crisis could loom for every Health Center in the nation with the scheduled expiration of the Health Centers Fund at the end of September. We strongly urge you to weigh in with our Congressional Delegation and other Republican Governors to support this and other key federal investments in primary care on a long-term basis. We ask that you encourage Congress to act well ahead of the September deadline to request that vote to extend funding for Health Centers, the National Health Service Corps, and the Teaching Health Centers Graduate Medical Education program for at least five years.

⁸ Richard, Richard, et al., *Cost Savings Associated with the Use of Community Health Centers*, J. of Amb. Care Mgmt, 50-59 (Jan./March 2012).


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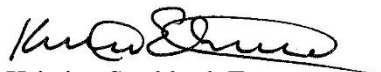
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Given the urgency of this discussion, we would like to discuss these concerns with you in person as soon as possible. We appreciate the opportunity to offer these recommendations and stand ready to work with you and your staff to develop health policy proposals that improve both our overall system and the lives and health of those we serve.

Sincerely,



Tess Stack Kuenning, CNS, MS, RN
President and Chief Executive Officer



Kristine Stoddard, Esq.
Director, New Hampshire Public Policy