



June 2, 2017

The Honorable Ron Johnson  
 United States Senate  
 Washington, D.C. 20510

Dear Senator Johnson:

As the U. S. Senate considers changes to the American Health Care Act (AHCA), the stakes are high for Wisconsin patients, health care providers and businesses. We know you have been vocal about the need to immediately stabilize the insurance market and slow down the process in the Senate in order to address certain aspects of the AHCA. We agree, and that is why we are collectively writing today.

As you are aware, nearly 225,000 people in Wisconsin found coverage on the insurance exchange. The vast majority of these individuals qualified for income-based premium subsidies, cost-sharing reductions (CSRs) or both. Our groups appreciate your public comments on the urgency of stabilizing the insurance market for these individuals. One important way to begin doing so is for the Senate to make clear its intention to fund the CSRs and to provide certainty to the insurance market. Insurers must decide soon whether they will stay in or enter the exchange and, if so, what premiums to charge. As a business owner, we know you can appreciate that insurance companies must have this information in order to make prudent decisions for the coming plan year.

| Congressional District     | Exchange Coverage (2016) |
|----------------------------|--------------------------|
| WI-01, Speaker Ryan        | 25,800                   |
| WI-02, Cong. Pocan         | 23,400                   |
| WI-03, Cong. Kind          | 28,400                   |
| WI-04, Cong. Moore         | 26,900                   |
| WI-05, Cong. Sensenbrenner | 25,900                   |
| WI-06, Cong. Grothman      | 26,600                   |
| WI-07, Cong. Duffy         | 36,000                   |
| WI-08, Cong. Gallagher     | 31,200                   |
| <b>Statewide</b>           | <b>224,200</b>           |

*Source: Kaiser Family Foundation*

Under the AHCA, the federal marketplace is also impacted by the move from income-based assistance to age-based tax credits. Our groups remain concerned that adjustments under the AHCA for lower-income and older Wisconsinites will be insufficient. By all known estimates, the shift to age-based assistance will result in significant coverage loss in Wisconsin. We urge the Senate to significantly enhance assistance for these lower-income individuals. As you have said repeatedly, you do not want to “pull the rug out” from people. We appreciate your comments and agree.

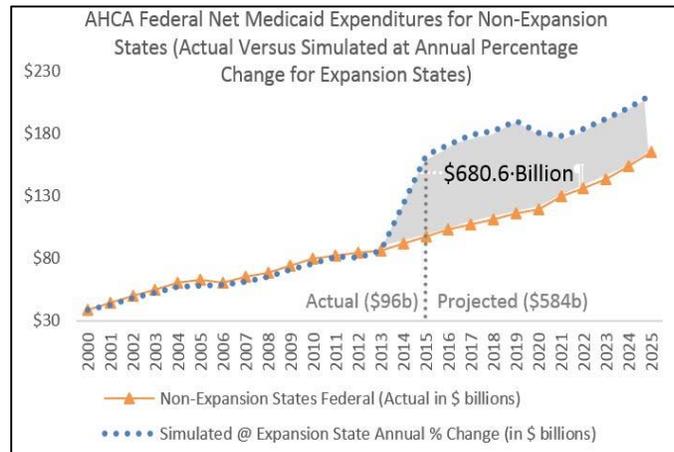
While the U.S. House of Representatives did acknowledge the divide between expansion and nonexpansion states, the House-passed bill came up short in providing true equity and fairness in the system. The table below analyzes the federal funding increases and decreases in the AHCA targeted specifically at expansion and nonexpansion states. As you can see, the AHCA’s approach is far from equitable. *On a per capita basis, expansion states would receive 61.9 percent more federal funding than nonexpansion states.*

| Total Incremental Impact 2018-2026         | Expansion States               |                   | Nonexpansion States            |                   | Expansion States Differential |
|--|--------------------------------|-------------------|--------------------------------|-------------------|-------------------------------|
|  | Additional Funds (\$ billions) | Per Capita Amount | Additional Funds (\$ billions) | Per Capita Amount |                               |
| Estimated amount of FMAP above normal FMAP | \$60.64                        | \$314.76          | \$0.00                         | \$0.00            |                               |
| Net Change in Medicaid DSH reductions      | \$21.96                        | \$114.01          | \$24.04                        | \$187.42          |                               |
| Nonexpansion Safety-Net Fund               | \$0.00                         | \$0.00            | \$10.00                        | \$77.97           |                               |
| <b>Net Impact</b>                          | <b>\$82.60</b>                 | <b>\$428.77</b>   | <b>\$34.04</b>                 | <b>\$265.39</b>   | <b>61.9%</b>                  |

Source: Missouri Hospital Association

**From 2012 to 2025, expansion states will reap an additional \$680.6 billion if the House version of the AHCA is enacted.** Even further, if Medicaid spending caps under the AHCA are indexed at a slower inflationary rate in order to pay for extending or preserving Medicaid expansion in other states (as some in the Senate have discussed), nonexpansion states like ours will be penalized, again.

This funding inequity would grow over time, not only exacerbating inequities among states but also placing increasing stress on Wisconsin taxpayers and ultimately the state budget. These sentiments were echoed earlier this year when the co-chairs of Wisconsin’s Joint Committee on Finance wrote to you (attached), saying, “*We are asking that you once again stand up for Wisconsin and insist that we are treated fairly by receiving the same level of Medicaid funding that other expansion states receive going forward ... Wisconsin taxpayers should no longer be penalized for choosing the responsible path and assuring that all those in poverty have access to health care.*” We agree, and urge you to fight to achieve fairness for Wisconsin.



Source: Missouri Hospital Association

We know facts and data are important to you and when it comes to certain aspects of the AHCA, the facts and data are compelling. We greatly appreciate the influential position you have secured in this debate and encourage you to use this opportunity to stand up for Wisconsin.

Sincerely,



Steve Baas  
Senior Vice President –  
Government Affairs  
Metropolitan Milwaukee  
Association of Commerce



Kurt Bauer  
President/CEO  
Wisconsin Manufacturers &  
Commerce



Eric Borgerding  
President/CEO  
Wisconsin Hospital  
Association



Chris Decker  
Executive Vice President/CEO  
Pharmacy Society of  
Wisconsin



Stephanie Harrison  
Wisconsin Primary Health  
Care Association



Connie Kittleson  
President  
Wisconsin Physical Therapy  
Association



Staci Kothbauer  
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Nurse Anesthetists



Todd Noggle  
President  
Wisconsin Medical Group  
Management Association



Mark Paget  
Executive Director  
Wisconsin Dental Association



Ken Schellhase, MD  
President  
Wisconsin Academy of  
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John Sauer  
President/CEO  
LeadingAge Wisconsin



Tim Size  
Executive Director  
Wisconsin Rural Health  
Cooperative



Tom Still  
President  
Wisconsin Technology  
Council



John J. Vander Meer  
Executive Director  
Wisconsin Health Care  
Association



## WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

February 24, 2017

Wisconsin Congressional Delegation  
United States Capitol  
Washington, DC 20004

The Honorable Members of the Wisconsin Congressional Delegation,

In Wisconsin, we are proud of our innovative healthcare system. Not only is our state known for its high quality of care, but we are known for our unyielding commitment to providing care to all of Wisconsin's citizens. In fact, prior to the passage of Obamacare, Wisconsin had one of the lowest uninsured rates in the country and provided Medicaid coverage to over 1 million Wisconsin residents. However, under the policies of the Obama Administration, our innovative, Wisconsin-focused approach to expanding coverage was penalized.

In 2012, President Obama presented Wisconsin with the false choice of either expanding Medicaid or forgoing roughly \$280 million per year. We co-chaired the state's budget committee when Governor Walker proposed striking our own path and making Wisconsin's Medicaid program a safety net for those in greatest need. We expanded access to all citizens living "in poverty" by lifting a 2009 Medicaid enrollment cap on individuals earning below 100% of the FPL.

Our innovative approach has worked. Today, we have the seventh lowest uninsured rate in the country and a lower uninsured rate than 25 of the 31 states that took Obamacare Medicaid expansion. We expanded our Medicaid safety net to cover all those living in poverty and provided coverage to more people than nine states that took the expansion.

Wisconsin's innovative approach was not rewarded by the Obama Administration. Despite adding approximately 130,000 individuals in poverty to Medicaid, Wisconsin's approach was classified as a "partial expansion." While other states receive full federal funding for their Medicaid expansion, Wisconsin receives no additional funding. In fact, Wisconsin taxpayers had already paid to support our state's Medicaid fund, and during the Obama Administration, they were asked to pay for the expansion in other states.

You have an opportunity to correct this flawed decision by the Obama Administration. As you begin to discuss Medicaid block grants and per-capita limits, we ask that you take a serious look at the inequity in Medicaid funding. We are asking that you once again stand up for Wisconsin and insist that we are treated fairly by receiving the same level of Medicaid funding that other expansion states receive going forward. This inequity should be addressed immediately, not phased in over years. While we very much support greater flexibility for states in designing and administering their Medicaid programs, more flexibility is not a substitute for funding equity.

We agree with Governor Walker's spokesperson who stated in the *Milwaukee Journal Sentinel* that the Governor, "...wants to ensure that the states that were fiscally responsible won't be punished for going that route." Wisconsin taxpayers should no longer be penalized for choosing the responsible path and assuring that all those in poverty have access to healthcare. We have done our part in Madison; now we need you to be our advocates in Washington, D.C. We appreciate your continued partnership on Medicaid reform and look forward to working with you to achieve this principled policy during the 115th United States Congress.

Sincerely,

Senator Alberta Darling  
Co-Chair, Joint Committee on Finance

Representative John Nygren  
Co-Chair, Joint Committee on Finance

**CC:**

The Honorable Ron Johnson

The Honorable Tammy Baldwin

The Honorable Paul Ryan

The Honorable Mark Pocan

The Honorable Ron Kind

The Honorable Gwen Moore

The Honorable Jim Sensenbrenner

The Honorable Glenn Grothman

The Honorable Sean Duffy

The Honorable Mike Gallagher