



Dear Senator,

We are deeply concerned about an amendment to the Better Care Reconciliation Act (BCRA) now being proposed by Senator Cruz, which, as described, could create serious access and affordability problems for any person with a pre-existing health condition, chronic disease or disability.

Details of the proposal are still forthcoming, but based on the information made available, the proposal would segment the insurance risk pool into two groups. Younger and healthier individuals would be allowed to purchase non-ACA compliant plans that have lower premiums but fewer benefits. Older or sicker individuals would overwhelmingly choose ACA-compliant plans because they follow rules that protect people with pre-existing conditions and contain benefit standards, limits on catastrophic out-of-pocket costs, and a prohibition on setting premiums based on health status.

Without the younger, healthier people in the risk pool, the premiums for ACA-compliant plans would rise quickly and significantly. This same kind of risk pool segmentation occurred prior to enactment of the ACA when 35 states operated high risk pools for persons unable to obtain insurance on the private market. In that experience, most of those states could not provide sustained funding support and were forced to limit enrollment, reduce benefits, create waiting lists, and raise premiums and out-of-pocket costs to the point of unaffordability. Millions of patients lacked access to care and treatment.

The combination of premium subsidies for lower-income Americans and the state stabilization fund envisioned in BCRA would be radically insufficient to prevent the implementation of similar enrollment and access restrictions in the BCRA high-risk marketplace envisioned by the Cruz amendment.

The Cruz proposal would result in higher, not lower, premiums for people with serious and chronic conditions. The tax credits provided under BCRA are less generous than those provided under current law, and individuals would pay a greater share of those premiums. Due to the 5 to 1 age rating imposed under BCRA, older Americans would pay significantly more. Individuals whose income exceeds 350 percent of the federal poverty level would receive no subsidy at all.

Older and sicker individuals who would be likely to choose ACA-compliant plans, and those whose incomes exceed the BCRA threshold for tax credits, would face the full cost of these higher premiums, leaving millions of people with chronic conditions and disabilities unable to afford the kind of coverage they need.

The Cruz proposal would also result in larger out-of-pocket expenses for people with serious and chronic conditions. BCRA pegs subsidies to a lower value Bronze plan, so patients and others with high health-care usage would experience far higher deductibles, copays and coinsurance that would effectively bar access to needed care.

The Kaiser Family Foundation (KFF) conservatively estimates that over 52 million Americans under age 65 are living today with a pre-existing health condition that would have caused them to be uninsurable before the ACA, and likely many more are living with a health condition that would result in higher premiums if ACA protections are repealed. These people require ACA compliant coverage, such as the guarantee of essential health benefits and prohibition on rating based on health status. While many of these people currently have coverage through their employer or a public program, they need assurance that they can purchase adequate, affordable insurance in the individual or small group market should they need to. BCRA does not provide sufficient and sustained government funding to support those insurance plans in a segmented marketplace.

Accordingly, we urge you in the strongest terms to reject the Cruz amendment, which represents a betrayal of the commitment to protect Americans from price discrimination based on a preexisting health condition.

AARP

ALS Association

American Cancer Society - Cancer Action Network

American Diabetes Association

American Heart Association

American Lung Association

Cystic Fibrosis Foundation

March of Dimes

Muscular Dystrophy Association

National Health Council

National Multiple Sclerosis Society

National Organization for Rare Disorders

WomenHeart – The National Coalition for Women with Heart Disease