## **Leo W. Gerard**International President



May 3, 2017

## **VIA EMAIL**

U.S. House of Representatives Washington, D.C. 20515

Dear Representative:

On behalf of the members of the United Steelworkers union (USW), I continue to urge you to oppose the American Health Care Act (AHCA), despite proposed amendments. This legislation will adversely affect every American's health insurance benefits including workplace plans, Medicare, Medicaid, and the individual market.

This harmful and partisan legislation will cause tens of millions to lose insurance coverage over the next decade. Deductibles and premiums are expected to rise. In short, rather than reducing costs of health care, this bill will simply shift costs to working Americans and their families while cutting taxes for the wealthy and corporations.

The MacArthur Amendment allows states to opt out of certain protections under the Affordable Care Act such as the requirements that insurers provide plans with a minimum package of services and don't discriminate against people with pre-existing conditions. The amendment also lets states allow insurance companies to charge older people up to five times what they charge younger people. This amendment will allow for an uneven patchwork of insurance coverage across the country and will make insurance cost prohibitive for many working and retired Americans. Although lawmakers are working to address the treatment of individuals with pre-existing conditions, none of the proposals have adequately addressed the costs associated with removal of the Affordable Care Act's protections for those individuals.

Overall, the AHCA is a transfer of wealth from working Americans to the very wealthy and to corporations including the pharmaceutical industry, insurance companies, and medical device manufacturers. It removes taxes on the very wealthy and on corporations, giving the wealthiest 400 household an average tax cut of about \$7 million each. Meanwhile, the bill retains the "Cadillac Tax" which puts the burden of the cost of this legislation squarely on the backs of middle class working families.

Most of our members are covered under employer-negotiated insurance plans. However, the AHCA removes the employer-mandate included in the Affordable Care Act. This dramatically changes the incentive and landscape for employer-sponsored insurance, which threatens the system that provides insurance for millions of hard-working Americans. CBO estimated that 7 million people will lost their workplace coverage as a result of this bill.

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The AHCA also undoes protections and assistance for older Americans and our members who are retirees with dramatically increased out-of-pocket costs to Americans who are older but not yet eligible for Medicare. For those who will or currently rely on Medicare this bill reduces the solvency of the program by three years by repealing taxes on the wealthy and on corporations.

Additionally, this bill makes perilous cuts to Medicaid which provides health care to low-income Americans who have been laid off, work at low-paying jobs, are disabled, or are elderly. This will strain already limited state budgets, restrict the needy Americans who are eligible for assistance, and eliminate needed services.

Our members who work in the health care industry may also be affected by job losses and strained budgets caused by the passage of this bill. Providers (our employers) may be subjected to lower reimbursement rates from state Medicaid programs as a result of the federal cuts. Also, the costs of uncompensated care will rise as millions of Americans lose health insurance but still need health care treatment for illnesses and injuries. Once again, hard-working middle class health care workers will have to bear the costs of this harmful legislation.

The amendments to the bill do not change the fundamental flaws in the legislation enough to make it worthy of your support. Harmful tax cuts are retained, and the bill would not do anything to reduce costs or to prevent Americans from losing health insurance—in fact, this bill would make those problems worse.

The American Health Care Act is a harmful piece of legislation that does not solve the problems in our current health insurance system. Despite amendments, the costs of this bill would still be borne by working families, making health care less affordable and less accessible. The United Steelworkers <u>strongly</u> opposes the AHCA and we urge you to vote against it.

Sincerely,

Leo W. Gerard
International President

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