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March 7, 2017

United States House of Representatives  
Committee on Ways and Means  
Energy and Commerce Committee  
Washington, D.C. 20515

Dear Representative:

On behalf of our three million members and the 50 million students they serve, we wish to express deep concern about the process for “replacing” the Affordable Care Act (ACA) and urge you to **VOTE NO** on the American Health Care Act, which is scheduled to be marked up tomorrow by two House committees. Votes on this issue may be included in NEA’s Report Card for the 115th Congress.

The stakes could not be higher for the 36 million children who constitute more than half the current Medicaid enrollment. They deserve an open, transparent process that includes “scoring” by the Congressional Budget Office and hearings where affected people and non-partisan experts have an opportunity to testify. Specifically, we are concerned that the bill will:

- **Deprive millions of children and families of health insurance.** The Congressional Budget Office evaluated a similar bill earlier this year and estimated that it would ultimately increase the number of uninsured Americans by 32 million. ([How Repealing Portions of the Affordable Care Act Would Affect Health Insurance Coverage and Premiums](#), January 2017)
- **Pave the way for big cuts in Medicaid.** The bill radically restructures how Medicaid is funded, which will lead to drastic cuts in benefits and eligible beneficiaries over time. Instead of the federal government contributing a fixed share of each state’s actual spending, it imposes “per capita caps” — i.e., states get a set amount of money for each person. This approach could force states to divert money from education to health care and limit the number of people eligible for Medicaid, the scope of Medicaid benefits, or both.
- **Hit the students most in need the hardest.** Medicaid now reimburses schools for many services under the Individuals with Disabilities Education Act (IDEA), including mental health care, vision and hearing screenings, diabetes and asthma management, occupational and physical therapy, and equipment such as wheelchairs and hearing aids. The bill limits the services that can be furnished in schools, jeopardizing health care essential for students to learn and thrive.

- **Increase the cost of health insurance for those least able to afford it.** The bill provides largely age-based tax credits ranging from \$2,000 to \$4,000 per year — far less than today’s subsidies. For example, according to Kaiser Family Foundation calculations, a 60-year-old earning \$20,000 a year in Lincoln, Nebraska, now gets \$18,470 to help buy insurance and additional subsidies to help with deductibles and co-payments. Under the bill, she would get a \$4,000 tax credit for the premium and nothing for other out-of-pocket health care costs.
- **Tax “high cost” employer-sponsored health coverage.** We recognize that the bill postpones the effective date of the 40 percent excise tax on such plans until 2025. But this tax — a back-door pay cut for millions of working families — needs to be fully repealed.
- **Enhance tax breaks for the rich.** The bill nearly doubles the amount of money that can be socked away in tax-free health savings accounts — at least \$6,550 for individuals and at least \$13,100 for families in 2018. It also repeals a 3.8 percent investment tax and 0.9 percent surcharge on wages above \$250,000 — a savings of about \$195,000 per year for the top 0.1 percent of earners, according to the independent Tax Policy Center.
- **Weaken the individual insurance market and employment-based coverage.** The bill eliminates penalties for individuals not buying — and large employers not providing — health coverage. Instead, it seeks to entice people to maintain coverage by requiring insurers to increase premiums by 30 percent for people with coverage gaps — for example, someone who loses a job and cannot afford insurance until she gets another one. If large numbers of young, healthy people decide not to buy insurance, premiums will rise for the rest. Some employers may gut their health plans or stop offering coverage altogether, since they will no longer be penalized for doing so.

Overall, the bill is Robin Hood in reverse — it provides tax cuts for the rich while reducing health coverage for the poor. We strongly urge you to **VOTE NO** on the American Health Care Act for all the reasons outlined above.

Sincerely,



Marc Egan  
Director of Government Relations  
National Education Association