



June 22, 2017

To: Chairman DiGirolamo, Chairman Cruz, and Members of the House Human Services Committee

From: Diane Phillips, Director of Government Relations,
American Cancer Society Cancer Action Network

Subject: **Looking at the proposed American Health Care Act through the cancer lens**

Cancer touches everyone in some way. Having access to quality, affordable health care is essential to saving lives and reducing the cancer burden for our families, our state and our nation.

The U.S. Senate is currently considering legislation that has the potential to significantly harm millions of cancer patients, survivors and those at risk for the disease. This includes the more than 77,710 in Pennsylvania who will be diagnosed with cancer this year.

Decisions being made in Washington right now could have an enormous burden on our state. Proposed changes to the health care law in the House-passed American Health Care Act (AHCA) could reverse progress in the cancer fight and shift the economic burden for health care coverage to Pennsylvania.

This is an opportunity for Pennsylvania legislators to be leaders and weigh in publicly on the health care debate. Before any legislation becomes law, there must be a thorough analysis of the potential impact any changes to the health care system would have on our commonwealth.

It's clear that the existing law needs improvements, but the proposals currently being discussed in Congress take a flawed approach. What lawmakers are deeming reform are actually cost-cutting measures that shift financial responsibility to the statehouse – and could force our local legislators into making tough calls on the type of coverage Pennsylvanians can access.

AHCA Does Not Provide Adequate Access to Cancer Care

As passed by the House, the AHCA could leave cancer patients and survivors - young, old and across all income ranges – unable to access or keep quality health insurance. The bill would create a state-by-state coverage patchwork in which individuals with preexisting conditions could be charged more for their coverage in some states, with the strong likelihood that they would be priced out of the insurance market. The AHCA would give states the option of allowing insurance plans to charge some sick people more for their coverage. This risks returning cancer patients to a system in which they are essentially priced out of the insurance market.

Moreover, the coverage that would be available could be dramatically less comprehensive. This is particularly worrisome for cancer patients whose survival is proven to be linked to their insurance status. The funding

proposed in AHCA for state-based high-risk pools to cover this population is completely inadequate to meet the coverage needs of this population.

AHCA would also give states like Pennsylvania the option to seek waivers from current insurance rules that might result in lower premiums for young and healthy individuals and middle and upper-middle income families. But these lower premiums would be the direct result of eliminating thousands of people with pre-existing conditions like cancer patients and survivors from the insurance rolls, as well as foregoing the requirement to cover a minimum standard of coverage adequate to treat diseases such as cancer. In addition, while promising governors greater control over Medicaid, the AHCA would also provide states dramatically fewer federal dollars, such that the Congressional Budget Office estimated 14 million people would lose their Medicaid coverage. That population is the lowest-income and least healthy demographic in every state.

The AHCA would allow states to waive the essential health benefits, or EHBs, the set of benefits insurance plans must cover under current law. This could mean all that is available are “skinny” plans that might be slightly less expensive per month, but cover very little and are inadequate for cancer care. And many people don’t realize that the end of lifetime or annual caps on insurance coverage applies only to EHB services. This means cancer patients in states that waive EHB requirements could again face arbitrary limits on their care – limits that could be applied to employer-sponsored insurance plans as well.

These provisions work together to protect cancer patients. Preexisting condition protections without the essential health benefits and their related prohibition on lifetime and annual caps are essentially meaningless. Insurance providers could design plans that exclude cancer services or price coverage so high patients would be unable to afford it.

Affordability is a critical concern for all cancer patients. The current law’s premium tax credits, cost-sharing reductions, and the Medicaid expansion in 31 states have made coverage more affordable for millions of lower-income people. But patients in the non-expansion states and those middle-income families who don’t qualify for subsidies continue to struggle. A recent [report](#) from the American Cancer Society Cancer Action Network (ACS CAN) on the Costs of Cancer found insured patients could expect to pay between \$6,000 to \$10,000 each year for their care. These totals are calculated based on current out-of-pocket maximums; without these caps and with the AHCA’s much less generous flat-tax credit, patients’ costs would skyrocket.

Moreover, slashing nearly \$900 million from Medicaid and phasing out the expansion would result in 14 million people losing coverage, including likely all of the 702,758 in Pennsylvania’s expansion population (state fact sheet attached). Medicaid provides key public health and disease prevention services in rural and urban areas, and plays a major role in the fight against cancer. Between 1999-2013 nearly one-third of all childhood cancer patients relied on Medicaid for insurance coverage at the point of diagnosis and in 2015, 1.52 million Americans with a history of cancer were enrolled in Medicaid. Cancer patients often lose their jobs or have to quit due to illness and Medicaid provides a critical safety net to ensure they can access care.

State Lawmakers Must be Part of the Discussion

We have every confidence that a rational, open discussion with state lawmakers about cost-saving innovations in Medicaid could occur, but that process has not occurred to date. Like the House before it, the U.S. Senate is now working behind closed doors, with little opportunity for public input. Some are embracing Medicaid cuts that would create enormous problems for state lawmakers by shifting the financial burden of covering the poorest Americans to the states under the promise of “greater flexibility.”

Recognizing that there are ways to make the current system more affordable and equitable for more Americans, the American Cancer Society Cancer Action Network (ACS CAN) has urged our U.S. Senators to undertake a more deliberative consideration of health reform. And we have called on Governor Wolf and other governors across the country to engage in the process. We believe it is possible to strengthen Medicaid and the individual market, and provide access to affordable coverage for all Americans, including those with serious and costly diseases like cancer.

We place tremendous value on your leadership and commitment to providing Pennsylvania residents access to quality, affordable and comprehensive health care coverage. Ensuring that cancer patients and survivors in Pennsylvania have access to uninterrupted and meaningful health care coverage is critical in the effort to eliminate death and suffering from cancer.

Lawmakers at every level of government should be coming together to discuss bipartisan solutions on how to improve the adequacy and affordability of health care. We urge you to contact Senators Toomey and Casey and your members of Congress. We cannot return to a system where cancer patients are unable to obtain or afford quality health insurance.

Thank you for the opportunity to provide this statement. Please let us know if we can assist you in your fact finding.

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