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March 8, 2017

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington DC 20515

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Brady, Chairman Walden, Ranking Member Neal and Ranking Member Pallone:

On behalf of the American Academy of Pediatrics (AAP), a non-profit professional organization of 66,000 primary care pediatricians, pediatric medical sub-specialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents, and young adults, I write to offer comments on the American Health Care Act (AHCA) currently under consideration by your committees.

Today, the number of children with health insurance is at an historic high of 95 percent. These recent gains are the result of Medicaid, the Children's Health Insurance Program, and the Affordable Care Act (ACA). As Congress began considering changes to the ACA and Medicaid, the message from America's pediatricians was clear: any changes to the ACA cannot erode the progress we have made in reducing child uninsurance. Unfortunately, the AHCA does not meet this test and the AAP opposes it as currently drafted.

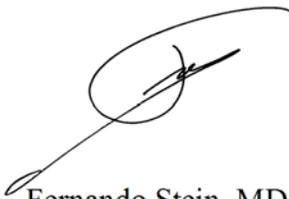
Medicaid has been a crucial source of health care coverage for children for over 50 years. Today, approximately 36 million children rely on Medicaid for their care each year. AHCA would end the federal government's commitment to state Medicaid programs as we know it. The AAP opposes per capita caps and other mechanisms that would shift costs to states and seriously jeopardize the comprehensive benefits offered to children through the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) standard. Per capita caps would degrade the quality of care offered in the Medicaid program and would hinder the ability of states to respond to public health crises and other fluctuations in health care costs and the need for services. This alteration in the structure of Medicaid will ultimately lead to reductions in enrollment, cuts to benefits, and decreased access to physicians.

The proposal also makes other concerning changes to the Medicaid program. The bill phases out an ACA provision that moved more than half a million children from low-income families into Medicaid, offering these children guaranteed eligibility for public coverage and comprehensive benefits under EPSDT. Eliminating this provision will likely result in children of different ages within a single family receiving coverage from different programs, which is unnecessarily confusing and burdensome for vulnerable families. In addition, the elimination of the ACA Medicaid expansion will also increase uninsurance among young adults and parents, negatively impacting family health and stability. Finally, the AHCA would interfere with the ability of patients to choose their preferred providers in the Medicaid program based on criteria unrelated to their qualifications.

AHCA does maintain important patient protections from the ACA such as dependent coverage up to age 26, the ban on pre-existing conditions exclusions, mandated coverage of essential health benefits including pediatric services, and no cost-sharing for preventive services such as vaccinations and well-child visits. However, for families who must purchase insurance in the individual market, the AHCA will make coverage less affordable for low-income families by eliminating support for cost-sharing reductions and offering less generous tax credits not adjusted to account for a family's financial need. Over a million children receive their coverage through the marketplaces established under the ACA, and many of these families will be unable to afford to purchase insurance without the financial supports offered by the ACA.

Please keep the needs of America's children at the forefront as you consider changes to our health care system. We urge you to reconsider moving forward with proposals that will move health coverage for children backward. The American Academy of Pediatrics stands ready to work you and others in Congress to ensure that health care for children is protected and strengthened.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fernando Stein', with a large, sweeping flourish that loops back under the name.

Fernando Stein, MD, FAAP
President