



July 14, 2017

Dear Senator Burr:

As North Carolina's leading organizations of medical providers, we are writing to let you know that we have serious concerns with the BCRA as it is currently drafted and to urge you to continue your work to improve it.

We recognize that the Affordable Care Act can and should be improved and we reiterate our commitment to you to work collaboratively to that end.

Our key priority is maintaining, or even improving, the number of North Carolinians that have affordable, meaningful insurance coverage. Such coverage translates into improved medical outcomes through care at the appropriate setting not in the hospital Emergency Department which is more expensive and fragmented. We are concerned that, as it is currently structured, the BCRA would not accomplish that goal. We encourage you to make changes that will broaden health coverage among our state's indigent population and improve the affordability and availability of good health coverage for low income families.

Specifically, North Carolina would lose more than \$205 million within the next 5 years by cutting the ACA's prevention fund which includes funding for the NC State Health Department, a preventative health block grant, immunization programs, and heart disease programs. The cap on federal funds would reward states that have been extravagant instead of efficient. North Carolina will be hit disproportionately because of our quality improvement efforts that have lowered overall spending rates on every population in Medicaid. Yet, the BCRA would punish North Carolina residents by forcing 1.3 million, over 10% of the state's population, to ultimately lose health insurance coverage.

Another key concern is moving Medicaid to per capita funding. The BCRA would disadvantage North Carolina by seriously limiting the federal government's commitment to Medicaid. We share the goal of reducing the growth of Medicaid spending that cannot be attributed to the genuine medical needs of program enrollees. We are concerned, however, that the per capita cap will so severely limit available programs funding that the efficiency reforms and cost-saving measures still in their infancy, will be hobbled and unable to reach their potential. We encourage you to reconsider the per capita cap and instead commit to reforming Medicaid in ways that quickly and simultaneously achieve better health for Medicaid enrollees, better quality and service to program participants, and lower costs.

We look forward to working with you to reform health care in ways that fully resolve the shortcomings of the ACA, and to do that in 2017.

Sincerely,
Robert W. Seligson, CEO
NC Medical Society

Stephen J. Lawler, President
NC Hospital Association