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January 10, 2017

Hon. Kevin McCarthy
Majority Leader
H-107, The Capitol

RE: A Floridian's Perspective on Florida Governor Rick Scott's correspondence on Affordable Care Act, Medicare & Medicaid

Dear Majority Leader McCarthy:

The correspondence from Florida Governor Rick Scott dated January 6, 2017 urging you to repeal the Affordable Care Act (ACA) and change Medicare and Medicaid – all of which are vital to our neighbors – contained misleading and inaccurate information that must be addressed. Generally, the personal and economic chaos that would ensue if these bedrock initiatives are gutted would hit the State of Florida very hard and wreak havoc on our families and Florida's economy.

Governor Scott conveniently avoided the good news that over 1.7 million Floridians gained coverage through the HealthCare.gov Marketplace in addition to the benefits the ACA has brought to the vast majority of Floridians who have *employer-sponsored* coverage – over 8.8 million. The ACA provides vital consumer protections against discrimination for preexisting conditions like cancer, diabetes, asthma and heart disease (which includes over 7 million Floridians). Under the ACA, children can stay on their parents' policy until age 26 (about 132,000 young adults in Florida) and insurance companies cannot cancel your policy if you get sick or impose lifetime limits or caps. These consumer protections have been a godsend to our neighbors and they are at serious risk under the Republican ACA repeal scheme.

The ACA has generated significant savings for Florida families as well. While we must do more to control the costs of premiums (like tackling pharmaceutical costs), the rate of growth of private insurance premiums has been held in check. Governor Scott failed to mention significant cost savings to Floridians in his letter. Florida families with employer coverage saw their premiums grow only 1.3 percent per year from 2010-2015, compared with 8.2 percent over the previous decade. If premiums grow in line with the national average in 2016, U.S. Department of Health and Human Services (HHS) estimates that premiums in Florida will be *$7,600 lower* today than if growth matched the increase pre-ACA. (Medicare and Medicaid have enjoyed similar trends.) The ACA also requires health insurance companies to spend at least 80

percent of each premium dollar on health care, instead of administrative costs or profits, *and* if insurance companies take excess profits, consumers get a refund. In fact, HHS reports that Floridians with employer coverage have received $109,283,128 in refunds since 2012!

The national uninsured rate is now at a historic low thanks to the ACA. Florida's rate of uninsured adults fell 9 points from 2013 to 2015 (from 29% to 20%) according to a recent Commonwealth Fund report because many Floridians took personal responsibility to get covered and the ACA provided affordable options. When more of our neighbors are covered, it helps contain costs for everyone. More Floridians have been covered through the HealthCare.gov Marketplace than any other state since 2010. Florida again leads the nation in the number of Marketplace signups this year with almost 1.7 million selecting plans. What is the rationale for repeal when the Marketplace has encouraged Americans to take personal responsibility, saved consumers money and provided vital consumer protections?

The ACA repeal scheme also will harm our older neighbors who count on Medicare. Medicare is stronger today thanks to the ACA and our parents and grandparents have enjoyed enormous benefits. The ACA lengthened the life of the Medicare Trust Fund by over a decade. The ACA also is closing the prescription drug donut hole, and in 2015 355,000 Florida seniors saved $351 million on drugs, which averages to about $1,000 per person. The ACA also provides seniors with a free annual wellness visit and eliminates cost-sharing for recommended preventive services. In 2015 alone, over 1.8 million Florida seniors used at least one preventive service with no copay. These ACA benefits put real money back into the pockets of our older neighbors - and back into our local economy. If Governor Scott wants to "reward healthy behaviors" he should oppose the ACA repeal that would detrimentally impact Medicare.

In addition to the harm caused to Florida's families, repealing the ACA and hurting Medicare and Medicaid would be a job killer in Florida. Our local hospitals, doctors, nurses, community health centers and providers are very concerned with the impending chaos that a health care upheaval would bring, especially to health sector jobs in Florida that are a major backbone our economy. The American Medical Association recently expressed concern with the lack of detail for a replacement plan. A report released last week by George Washington University's Milken Institute School of Public Health, states that 181,000 Floridians could lose their jobs if the ACA is blindly repealed – 64.2 million in the private health care industry alone – with a loss of over $90 billion in gross state product. A study commissioned by the Federation of American Hospitals and the American Hospital Association estimates that total hospital revenue could drop by $400 billion nationally. In Florida, that would lead to substantial losses for our local hospitals which are some of our biggest employers.

Governor Scott's advocacy for major cuts to many Florida families who rely on nursing home care, have a disabled family member or a child who needs basic care or has a complex medical condition is very concerning. These 3.7 million Florida families are served by the vital federal-state Medicaid partnership. It would be a callous one-two punch if the Republican Congress pulled the rug out from under these families by slashing Medicaid dollars to the states under the more innocuous terms of "block grant" and "per capita caps." This is a ruse to institute draconian cuts. Families who rely on skilled nursing and assisted living for loved ones with Alzheimer's or a disability would be critically harmed when the state retreats from its role as a

supporter of medical care of last resort. I am very concerned that the Governor of Florida would favor such a fiscally-irresponsible course of action that would throw the state budget, seniors and hardworking families across Florida, and the entire country, into harm's way.

It is irresponsible for Governor Scott to advocate dismantling the ACA, Medicare and Medicaid that provide health and financial security to all of our neighbors. Congress and the new Administration should not throw our economy into chaos and wreak havoc on our families. Thank you for the opportunity to clarify the record.

Sincerely,

Kathy Castor
U.S. Representative
Florida – District 14