

Harold P. Wimmer
National President and
CEO

May 23, 2017

The Honorable Orrin Hatch
Chairman
Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Chairman Hatch:

The American Lung Association appreciates the opportunity to comment and provide recommendations on improving the nation's healthcare system.

As the oldest voluntary health organization in the United States, the American Lung Association is dedicated to saving lives by improving lung health and preventing lung disease through education, advocacy and research. The Lung Association recognizes that any changes to current law should prioritize preventing disease and preserving quality and affordable healthcare coverage for all Americans.

The Lung Association urges that reform measures result in a healthcare system that provides affordable, accessible and adequate health coverage. Along with our partners, the Lung Association released these [Consensus Healthcare Reform Principles](#), which outline basic, yet vital elements of meaningful healthcare coverage.

Quality and affordable healthcare coverage is important for everyone, but even more so for those living with lung disease. More than 32 million Americans have some kind of lung disease—asthma, COPD, lung cancer, pulmonary fibrosis, sarcoidosis or others. Without meaningful coverage and strong patient protections, these Americans with lung disease will suffer.

Medicaid

Reform measures must not decrease healthcare coverage or cut coverage for Americans. Medicaid is a crucial source of coverage for 68 million low-income patients, especially those with lung disease. Medicaid expansion enrollees have high rates of smoking—approximately one in three expansion enrollees smoke. Healthcare coverage allows low-income patients with chronic illnesses like lung disease or smoking addiction to seek more regular care and treatment for their disease, which cuts

Advocacy Office:

1331 Pennsylvania Avenue NW, Suite 1425 North
Washington, DC 20004-1710
Ph: 202-785-3355 F: 202-452-1805

Corporate Office:

55 West Wacker Drive, Suite 1150 | Chicago, IL 60601
Ph: 312-801-7630 F: 202-452-1805 info@Lung.org

healthcare costs in the long haul by addressing problems before they become expensive or life-threatening conditions to treat.

The American Lung Association opposes shifting funding to block grants or per-capita caps. Implementing a per-capita cap will cut Medicaid funds and the significant cost shifting to states will pressure states to limit Medicaid spending by reducing coverage. This will likely reduce both patient access and provider participation, affecting the ability to provide coordinated care for people with chronic conditions like asthma and COPD. States will also be forced to limit eligibility, reduce benefits or increase cost-sharing for Medicaid patients in order to save money. Many low-income adults who rely on Medicaid will see higher out-of-pocket costs—including premiums, deductibles, copays and coinsurance—for the poorest and sickest patients. This will become an insurmountable barrier to care.

Access to quality and affordable healthcare is vital to people with asthma. Asthma is a chronic disease and can be life threatening if not properly managed. Asthma affects nearly twenty-five million Americans, including over six million children, nearly half of whom are covered by Medicaid or CHIP. Adults with Medicaid are almost twice as likely to have asthma compared to those with private health insurance, and for adults aged 18-44, Medicaid was the primary payer for asthma-related hospital stays. Medicaid and CHIP are critical sources of coverage for children and adults with asthma who rely on maintenance medication just to breathe.

States may also no longer be able to cover the cost of new treatments if Medicaid funding changes, which has serious implications for patients who will no longer be able to access these therapies. Breakthrough therapies and technology represent a new lease on life for patients with lung disease. For many years, there was little progress made in lung cancer treatment. The last two years has seen major advancements that have led to eight new FDA approved lung cancer treatments. These treatments increase survival and improve quality of life for those living with lung cancer, but they are also very expensive and would be prohibitive without meaningful healthcare coverage. Changes and cuts to the current, flexible structure of the Medicaid program will limit states' ability to provide these new, life-saving treatments. These proposed cuts to Medicaid will put Americans with lung diseases at risk of not being able to access necessary care and higher medical costs when they do receive care.

Patient-Focused Reform and Prevention

Any changes to the healthcare system must maintain patient protections and essential health benefits. Patient protections such as guaranteed issue, maximum out-of-pocket costs and the prohibition of annual and lifetime limits have helped millions of patients with pre-existing conditions obtain and retain coverage. If these safeguards are removed, the Lung Association fears the return of patients with lung disease unable to purchase or afford quality healthcare if



they have a pre-existing condition. A backdoor will also open and allow people to be charged excessive premiums, in addition to high cost-sharing and high co-insurance for necessary treatments. Many Americans will become uninsured and those who do remain insured would find higher premiums and out-of-pocket costs or a plan with skimpy coverage that does not cover prevention or treatment for diseases. Eliminating patient protections would undermine meaningful coverage for patients with pre-existing conditions.

Essential health benefits (EHBs) are also critical to improving health and fighting diseases. These comprehensive services have brought significant gains in patient experience and improved health. Preventive services, one of the ten EHBs, reduces disease and costly spending on serious health complications that may arise with delayed care. Lung cancer screening for high-risk patients, helping smokers quit and vaccinations save lives and money for the healthcare system.

Our nation's healthcare system must do more to reduce death and disease through prevention. Smoking is the leading cause of preventable death in the U.S., causing over 480,000 deaths per year and costing the healthcare system over \$175 billion in direct medical care a year. The Medicaid program spends more than \$22 billion in healthcare costs for smoking-related diseases each year, about 11 percent of Medicaid spending. The Medicaid population smokes at almost three times the rate of the private insurance population. Providing smoking cessation treatments as part of the preventive services benefit mitigates the health and cost impacts of smoking, especially within the Medicaid population. Encouraging smokers to quit can improve health outcomes and providing smokers the resources to quit can be a big source of healthcare savings. Based on data from Massachusetts, for every dollar spent on providing tobacco cessation treatments, the state saved three dollars. Cutting preventive care like tobacco cessation interventions or requiring cost-sharing will result in poor health outcomes and higher costs that will be increasingly borne by the states if Medicaid is rolled back.

Funding Market Stabilization

Any market stabilization reform should aim to create a more robust marketplace, increasing quality and affordable healthcare. Cost-sharing reductions play an important role in market stability. As many as 7 million Americans have plans that depend on cost-sharing reductions to reduce their deductibles, copays or out-of-pocket costs. Without these cost-sharing reductions, premiums will sharply increase. Many low- and moderate-income Americans—many whom need healthcare the most—will face higher out-of-pocket costs and will not be able to afford coverage.

High-risk pools for people with serious health conditions and pre-existing conditions have been discussed as a way to address coverage issues, but they fail in practice and create challenges for enrollees. Previous high-risk pools were overburdened financially and insurers still refused to



cover individuals likely to have high expenses. Many people referred to the high-risk pools never got health insurance because of the waiting lists and those that did get coverage found that coverage was too expensive and limited to get the necessary care. The exorbitantly high prices for insignificant coverage negatively impacts people with chronic conditions, including lung disease. These patients require meaningful coverage without prohibitively high costs.

The American Lung Association appreciates your thoughtful consideration of our comments and recommendations. The American Lung Association stands by, ready to work with you on legislation that will improve lung health and prevent lung disease.

Sincerely,

A handwritten signature in black ink that reads "Harold Wimmer". The signature is written in a cursive style with a large initial 'H'.

Harold P. Wimmer
National President and CEO

