

AFL-CIO

LEGISLATIVE ALERT

July 25, 2017

Dear Senator:

On behalf of the 12.5 million working people represented by the AFL-CIO, I urge you to oppose H.R. 1628, reconciliation legislation that will repeal the coverage expansions of the Affordable Care Act (ACA) and lead to a loss of health coverage for millions of Americans. While it is unclear how this legislation will be amended during floor debate, all options revealed to date by the Republican leadership point to draconian policy outcomes.

This legislation will take health coverage away from 22 to 32 million people. It slashes the Medicaid program, cutting off millions of working adults who are struggling to make ends meet. It will roll back ACA premium subsidies and destabilize the individual market, putting insurance coverage out of reach for millions of people of moderate income. Millions of individuals with pre-existing conditions will find that they cannot access needed care. Providers treating greater numbers of uninsured patients will pass uncompensated care costs along to those with insurance, leading to a spillover effect in higher premiums. Almost no one's coverage will be unaffected.

Since H.R. 1628 does nothing to address the root causes of rising health costs—such as addressing prescription drug and provider prices—working families will continue to see their insurance premiums increase and their deductibles and copays grow at rates far higher than the growth in their pay. Legislation aiming to improve the nation's health system simply cannot ignore this twenty-year trend in spiraling costs for consumers.

The legislation does make big strides toward the Republicans' goal of achieving major tax reform. Wealthy individuals, insurance corporations, drug companies, and medical device makers will reap tax giveaways amounting to hundreds of billions of dollars. Ironically, however, the Republicans' fervor for tax cuts ends when it comes to the one ACA tax that predominantly impacts the middle class. H.R. 1628 delays but preserves the so-called "Cadillac" tax on health benefits that workers earn on the job. This will lead many employers to hollow out their employees' coverage to avoid the tax—by limiting covered services or raising deductibles, copays, and coinsurance. Some workers may find their employers drop coverage altogether or that they must pay higher taxes. This is not the kind of tax reform most Americans want to see.

This legislation will take access to medical care away from tens of millions and cause serious financial hardship for many more, while providing tax giveaways to those who do not need them. We urge you to vote against it.

Sincerely,



William Samuel, Director
Government Affairs Department

WS/SO/lkr

American Federation of Labor and Congress of Industrial Organizations

815 16th St., N.W. • Washington, D.C. 20006 • 202-637-5000 • www.aflcio.org

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

TEFERE GEBRE
EXECUTIVE VICE PRESIDENT