June 5, 2017

The Honorable Doug Ducey
Governor, State of Arizona
1700 W Washington Street
Phoenix AZ 85007

Dear Governor Ducey,

The American Cancer Society Cancer Action Network (ACS CAN), the advocacy affiliate of the American Cancer Society, is the nation's largest patient advocacy organization, dedicated to eliminating death and suffering from cancer through evidence-based public policy. We represent millions of cancer patients, survivors and their families across the United States.

This letter follows up on my earlier communication this year regarding federal legislation to overturn many provisions of the Affordable Care Act. Given the House of Representatives' passage of the American Health Care Act (AHCA) and the ongoing discussions in the Senate, we want to provide you with our best information on the potential impact on cancer patients if the current House proposal moves forward.

As passed by the House, AHCA could leave cancer patients and survivors - young, old and across all income ranges – unable to access or keep quality health insurance. The bill would create a state-by-state coverage patchwork in which individuals with pre-existing conditions could be charged more for their coverage in some states, with the strong likelihood that they would be priced out of the insurance market. The funding proposed in AHCA for state-based high-risk pools to cover this population is completely inadequate to meet the coverage needs of this population.

AHCA would give states like yours the option to seek waivers from current insurance rules that might result in lower premiums for young and healthy individuals and middle and upper-middle income families. But these lower premiums would be the direct result of eliminating thousands of people with pre-existing conditions like cancer patients and survivors from the insurance rolls, as well as foregoing the requirement to cover a minimum standard of coverage adequate to treat diseases such as cancer. In addition, while promising governors greater control over Medicaid, AHCA would also provide states dramatically fewer federal dollars, such that the Congressional Budget Office estimated 14 million people would lose their Medicaid coverage. That population is the lowest-income and least healthy demographic in every state.

We have every confidence that a rational, open discussion with governors about cost-saving innovations in Medicaid could occur, but that process has not occurred to date. Like the House before it, the Senate is now working behind closed doors, with little opportunity for public input. Some are

embracing Medicaid cuts that would create enormous problems for governors by shifting the financial burden of covering the poorest Americans to the states under the mantra of "greater flexibility."

Recognizing that there are ways to make the current system more affordable and equitable for more Americans, ACS CAN has urged Senators to undertake a more deliberative consideration of health reform. We believe it is possible to strengthen Medicaid and the individual market, and provide access to affordable coverage for all Americans, including those with serious and costly diseases like cancer.

Accordingly, we hope you find the following recommendations, which we provided to Senate leaders, useful and informative.

AMERICAN CANCER SOCIETY CANCER ACTION NETWORK RECOMMENDATIONS

We agree that reforms to the current law are needed. Changes should focus on providing coverage that is as good or better than consumers have today. To that end, we offer the following recommendations:

1. **MEDICAID:** Medicaid remains the nation's critical health safety net for over one million Americans with cancer, including more than 250,000 cancer patients included in the newly eligible adult population. The National Program of Cancer Registries data collected over the fourteen-year period from 1999-2013 found that nearly one-third of childhood cancer patients were covered by Medicaid at the point of their diagnosis. The American Cancer Society's nationwide call center has received thousands of calls from low-income cancer patients who are seeking assistance finding comprehensive and affordable health care coverage for cancer screening, treatment and follow-up care. For this population Medicaid is often their only option.

   The AHCA's funding reductions and phase out of the Medicaid expansion would account for much of the CBO's projected reduction in the number of Americans who would become uninsured. This policy change, together with proposed cuts in overall Medicaid funding could result in more than $1.3 trillion in federal funding cuts and over 14 million low-income Americans losing access to health care coverage over the next ten years.

   We urge you to engage Congress to make sure that the federal commitment to, and funding support for both traditional and Medicaid expansion is not reduced, and that the flexibility in current law that allows states to expand Medicaid eligibility is continued.

2. **PRE-EXISTING CONDITION EXCLUSIONS AND ESSENTIAL HEALTH BENEFITS (EHB):** We do not support a statutory waiver or other mechanism that would allow insurance plans to medically underwrite on the basis of health status or to waive minimum essential health benefits. The current law limits the out-of-pocket costs that patients pay for EHB services, and plans are not allowed to impose lifetime and annual dollar limits on those services. The EHB standards are particularly important for cancer patients because treatment is expensive. Before lifetime and annual limits were prohibited, many patients – even in employer-sponsored plans – exceeded these limits and were left with the choice of pursuing further treatment, facing financial ruin or

delaying or foregoing recommended treatment altogether.

3. **PREMIUM SUBSIDIES, COST SHARING REDUCTIONS (CSR's), FLAT SUBSIDIES AND AGE-RATING:** These subsidy/affordability issues all work in concert, and adjusting one has detrimental effects on the others. To provide what we believe is the most important element - universal access to affordable care - we recommend preserving sufficient revenue streams that exist in the current law to finance a subsidy that is graduated to income for all non-Medicaid eligible and pre-Medicare eligible adults, and allows purchase of coverage that covers EHBs.

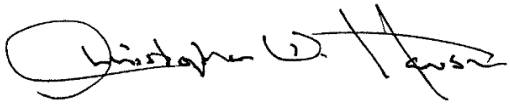
4. **MANDATES AND CONTINUOUS COVERAGE:** Assuming that the employer and individual mandates will be repealed, a continuous coverage provision could encourage enrollment in the marketplace. But punitive measures imposed on people who have a gap in coverage create a disincentive to re-enroll, thus acting against the overall purpose of the continuous coverage provision. A moderate, time-limited financial penalty might be acceptable, but individuals (or their caretakers) who lose coverage because they become sick (or are caring for a loved one) and have to stop working due to their illness or care-giving obligations, should be allowed to enroll or re-enroll without penalty. Patient lock-outs or requiring patients to pay past premiums for periods of time in which coverage was dropped are also punitive and create a disincentive to re-enroll. Finally, in no case should there be continuous coverage requirements for Medicaid.

Conclusion

We place tremendous value on your leadership and commitment to providing Arizonans access to quality, affordable and comprehensive health care coverage. Ensuring that cancer patients and survivors in Arizona have access to uninterrupted and meaningful health care coverage is critical in the effort to eliminate death and suffering from cancer.

ACS CAN has committed to working closely with the Senate and we would appreciate the opportunity to discuss the above-mentioned recommendations. If you have any questions or if you would like to schedule a meeting to discuss critical health coverage issues that have significant bearing on the cancer burden in your state, please contact me at chris.hansen@cancer.org or Brian Hummell, Arizona Government Relations Director, at Brian.Hummell@cancer.org or 602.586.7414.

Sincerely,



Chris Hansen
President, ACS CAN