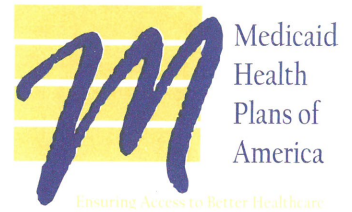


22 March 2017



The Honorable Paul Ryan  
Speaker, US House of Representatives

The Honorable Nancy Pelosi  
Minority Leader, US House of Representatives

The Honorable Greg Walden  
Chairman, Energy and Commerce Committee

The Honorable Frank Pallone  
Ranking Member, Energy and Commerce Committee

The Honorable Michael Burgess  
Chairman, Health Subcommittee of the Energy and Commerce Committee

The Honorable Gene Green  
Ranking Member, Health Subcommittee of the Energy and Commerce Committee

Speaker Ryan, Minority Leader Pelosi, Chairmen and Ranking Members:

On behalf of Medicaid Health Plans of America (MHPA), our member companies, and most importantly the Medicaid enrollees our plans serve, I write to you today to inform you that we reluctantly cannot support *The American Health Care Act*, HR 1628, in its current form. Medicaid reform is long overdue and we support efforts to rationalize the funding of this important program. However, AHCA's reductions in federal funding would, in our view, destabilize state Medicaid programs and the bill would create unmanageable problems for the most disadvantaged Americans and the plans that provide access to their care.

MHPA is the national trade association representing 135 Medicaid managed care organizations in 39 states. Through innovative programs, MHPA member plans deliver high quality cost-effective care, help ensure program integrity, and provide states with Medicaid budget predictability. According to CBO, the AHCA would reduce federal financial participation by over 25% in ten years. We strongly believe that a reduction of this magnitude would fundamentally threaten this innovation and care.

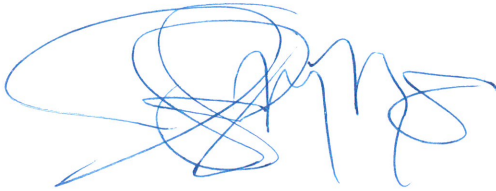
MHPA has been, and will continue to be, open to a dialog that moves toward some form of state capitated payment model to address and control federal expenditures. Of the options that have been proposed, the per capita cap model appears to be the best alternative if the underlying funding is sufficient to provide needed services to those covered by the program. A shift to a new financing model of any type must be done in a manner that affords the states time to make decisions about their programs and coverage and to clearly explain their goals to the plans that provide the access to care for 73% of the Medicaid population. While the manager's amendment to AHCA provides additional funding for the disabled and elderly Medicaid population via a one

percent increase over the CPI-medical, it also included revisions that push reductions in funding earlier in the process, which will make it very challenging for states and their plan partners to accommodate the overall cut in federal funds.

MHPA would like to reiterate our concerns that the proposed reductions are being contemplated outside the context of comprehensive changes to Medicaid. While we understand the limitations of a reconciliation designed bill, we would urge Congress to move forward quickly with underlying reforms that will allow Medicaid plans to address the high cost of drugs, the expanding role of Medicaid in paying for long term care in this country, and the important connection between behavioral health and substance abuse to the cost and care of Medicaid enrollees.

We believe Medicaid plans are the solution to the challenges the program faces, and MHPA and our member companies look forward to working with Congress as it considers reforms to Medicaid that will lead to better care at lower cost for Americans who are most in need.

Sincerely

A handwritten signature in blue ink, appearing to read 'J. Myers', with a large, stylized initial 'J' and a long, sweeping underline.

Jeff M. Myers  
President and CEO