

June 15, 2017

RE: AMERICAN HEALTH CARE ACT

BACKGROUND

The Alaska Mental Health Trust Authority has great concern about the proposed American Health Care Act (AHCA) and the potential negative consequences for the Trust's beneficiaries. While there may be a few beneficial elements of the Affordable Care Act that are retained, the vast majority of the AHCA's proposed changes to the healthcare system will significantly harm the most vulnerable Alaskans.

The Trust is the only organization of its kind in Alaska dedicated to assisting those who experience mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related dementia.

The Trust operates much like a private foundation, using its resources to implement change and improvement in Alaska's mental health continuum of care. To accomplish this, the Trust funds nonprofits, state agencies, projects and activities that promote long-term system change, including capacity building, demonstration projects, and other activities that will improve the lives and circumstances of Trust beneficiaries.

Capping and cutting federal funding would force the state to make excruciating decisions on whom they cover, the benefits they provide, and how much they pay providers, and likely would jeopardize coverage and care for vulnerable populations that Medicaid covers. Seniors, as well as children and adults with disabilities, who rely on Medicaid-funded services to avoid having to live in a nursing home or other institutions — and those who will need such services in the future — would be among those hit hardest.

Additionally, Alaska is in the midst of an opioid overdose epidemic, is experiencing significant rates of suicide and, with the aging of the Baby Boomer generation, is poised to experience a significant increase in the need for long-term care support and services.

At a time when there has been some initial progress on increasing access to care for Alaska's citizens with behavioral health needs, the elimination or restructuring of the Medicaid benefits and prevention services will have many adverse consequences.

The Trust considers the following to be necessary in any new federal health care bill:

1. No Funding Caps or Block Grant for the Medicaid Program for Alaska

Alaska would be treated unfairly in the allocation of matching federal funds. Most of the factors impacting Alaska's Medicaid spending are not within the control of the State such as: reliance on the tribal health system; costs associated with delivering care to a small population spread across vast geography, and; higher health care costs and medical inflation compared to other states.

A cap or block grant will require rationing of health care for the aged, disabled, children, substance use disorders, seriously mentally ill adults and children with serious emotional disturbance, among others. These are the most vulnerable Alaskans and loss of healthcare services and reductions will quickly divert resources away from cost-saving prevention and early intervention services to the more expensive emergency response systems including hospitalization or institutionalization.

Any proposal to cap federal Medicaid funding must exempt American Indian/Alaska Native enrollees. The federal government has an obligation to provide health care for AI/AN peoples and reimburses the state fully for AI/AN Medicaid enrollees served through a federal or tribal facility.

As Alaska would bear the greatest burden of any state if a Medicaid per-capita funding or block grant is passed, then Alaska should be exempt.

2. Uphold Medicaid Expansion

Over 32,000 Alaskans are now covered under Medicaid expansion which went into effect September 1, 2015. Medicaid expansion has paid for over \$25 million in behavioral health services in Alaska during this time. Coverage of behavioral health services for the expansion population is critical to the state's behavioral health reform and criminal justice reform efforts and provides necessary treatment resources to address the opioid epidemic in Alaska.

Importantly for Trust Medicaid-eligible Trust beneficiaries, providers are now able to screen, assess, and identify mental and emotional disorders at an earlier stage and work to provide treatment to those not previously eligible.

Medicaid expansion has brought over \$445 million in new revenue into the Alaska economy. The repeal of expansion would have a negative ripple effect throughout the state-funded health and social service programs and the overall economy.

3. Keep Essential Health Benefits Requirements

The inclusion of behavioral health services in the ACA “essential benefits” went a long way toward providing parity. Without a guaranteed minimum standard of benefits, Alaskans with disabilities could find themselves with access to insurance that does very little to provide meaningful access to care and treatment. Alaskans with disabilities need a minimum benefits package that includes the range of services and treatments needed to manage their conditions, including prescription drug benefits, substance use and mental health treatments, and preventative services.

4. Safeguard Equitable Insurance for People with Pre-existing Conditions

It is unacceptable to segregate Alaskans who living with chronic conditions and experience disabilities out of the private insurance markets and into high-risk pools. While insurers would have to offer insurance to everyone under the AHCA, people with declinable pre-existing conditions would likely face very large premium surcharges under an AHCA waiver, since insurers were unwilling to cover them at any price before the ACA, making coverage expensive and often unattainable.