

July 7, 2017



The Honorable Roy Blunt
United States Senator
260 Russell Senate Office Building
Washington, DC 20510

Dear Senator Blunt,

As the largest representative and the voice of Missouri's business community, we write to you today to outline our opposition to the Better Care Reconciliation Act (BCRA) as it currently stands.

The Missouri Chamber of Commerce and Industry is encouraged that the bill attempts to address some of the major shortcomings of the Affordable Care Act. We are concerned, however, that the bill in its present form will ultimately harm Missouri, negatively impacting the state budget, health care delivery, and employee productivity.

Missouri's business community has expressed its vocal opposition over the ACA's tax provisions that have driven up costs, diminished choice and inhibited innovation. We believe the bill before you wisely repeals several problematic elements of the ACA, including its health insurance tax, medical device tax, and prescription drug tax, while delaying implementation of a tax on certain insurance plans. These taxes are not only making health care delivery and coverage more expensive, but they are a drag on the country's overall economic performance. Their repeal is essential.

That being said, we have major concerns with what the bill does to Mo HealthNet. The proposed cuts to the federal-state program would negatively impact Missouri's economy and blow a hole in the state budget that would result in the state's inability to meet core government responsibilities. The healthcare burden-shift to the state would be tremendous, soon crowding out all other budget items.

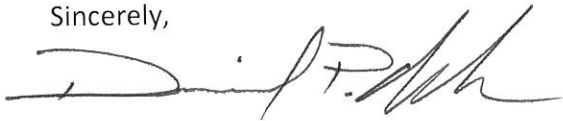
The changes in the bill before you would significantly increase the state's responsibility in Mo HealthNet funding. As you know, there is little flexibility left in Mo HealthNet eligibility leaving the state on the hook for what is an ever-increasing drain on state general revenue. Without the current help from the Federal government on Mo HealthNet reimbursement, the state will be forced to make devastating cuts to K-12, Transportation, Higher Education, and Public Safety funding or raise job-killing taxes. As we try to move the state forward with our dynamic Missouri 2030: An Agenda to Lead plan, we cannot afford a step back in the ongoing and cutthroat competition between states for economic progress. A stable state budget is critically important in the most core functions of the state's economy and growth potential.

Likewise, this bill would put our hospitals in a precarious position with their finances. Missouri's hospitals employ thousands of people, and are a stable pillar and major cog in our state's economy. Altering the reimbursement or dismantling the provider tax creates an uncertainty that may significantly undermine their position, which frankly our economy cannot afford.

Simply put, BCRA is not ready for passage. Greater deliberation is needed to craft a bill that reduces health care costs, ensures flexibility for state governments in the implementation of their Medicaid programs, and that does not strip anyone of their coverage without a coherent transition to some other coverage. BCRA achieves none of these goals. Despite our grave misgivings over the ACA, its temporary preservation is preferred over this woefully inadequate alternative, thus giving leaders such as yourselves the opportunity to construct a better bill.

We share your desire to dismantle the ACA's dysfunctional elements. On behalf of the Missouri business community, however, we would urge you to continue to work to reform the ACA in a manner that protects what is working for Missouri and protects the state's economy. We stand ready as willing partners with you in that endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel P. Mehan". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping underline.

Daniel P. Mehan
President/CEO
Missouri Chamber of Commerce and Industry