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President and CEO
P.O. Box 60
Jefferson City, MO 65102

November 16, 2017

The Honorable Roy Blunt
U.S. Senator
260 Russell Office Building
Washington, D.C. 20510-0001

Dear Senator Blunt:

The Senate is preparing to debate tax reform legislation. On behalf of its 145 member hospitals, the Missouri Hospital Association offers the following observations regarding the pending legislation.

Missouri hospitals appreciate that the Senate legislation does not eliminate the ability of 501(c)(3) hospitals to use private activity bonds as a source of financing, as does the House legislation. Access to these tax-exempt bonds lowers borrowing costs and enhances access to capital for hospitals making investments in the services needed to treat the Missourians of today and tomorrow. These investments generate jobs and pump billions nationally into the economy. Also, elimination of private activity bonds would increase borrowing costs for government entities as they attempt to take up the slack. Those costs would be borne by taxpayers through higher taxes and fees to retire the bonds.

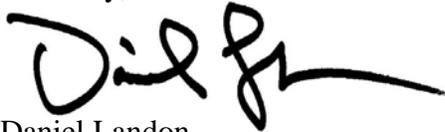
The Senate legislation also retains current capacity for hospitals to use advance refunding bonds. These allow 501(c)(3) hospitals to respond to evolving market conditions by refinancing debt to lower borrowing costs. Again, this benefits the public by lowering hospitals' borrowing costs and health costs overall, ensuring a flow of capital to support investments in a rapidly retooling health care system and reaping the economic benefits of those community investments.

The Senate legislation has been amended in committee to include a repeal of the "individual mandate" to have health insurance coverage. The mandate was enacted by the Patient Protection and Affordable Care of 2010. Repealing the mandate is projected to create federal savings of \$338 billion throughout 10 years. However, these savings come at a terrible price — 13 million more Americans will become uninsured. Much has been written about this proposed repeal, but one document is particularly notable. It is a November 14 letter that describes the implications of repealing the individual mandate — "Eliminating the individual mandate by itself likely will result in a significant increases in premiums, which would in turn substantially increase the number of uninsured Americans" and "If Congress simply repeals the mandate while leaving the insurance reforms in place, millions more will be uninsured or face higher premiums, challenging their ability to access the care they need." The letter is from the American Medical

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Association, the BlueCross BlueShield Association, the Federation of American Hospitals, the American Academy of Family Physicians, the American Hospital Association and America's Health Insurance Plans. MHA reiterates the concerns plainly expressed in the letter and urges Congress to refrain from repealing the individual mandate to have health insurance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Landon", with a long horizontal flourish extending to the right.

Daniel Landon
Senior Vice President of Governmental Relations

dl/djb

c Desiree Mowry
Andrew Lock