



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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March 22, 2017

Dear Representative:

As President of the International Federation of Professional and Technical Engineers (IFPTE), I am writing regarding tomorrow's full house consideration of the so-called American Health Care Act of 2017 (HR 1628). Among the many problems with this legislation is that it will restructure the Medicaid program from a federally funded defined benefit program to the States to a defined contribution program to the States, resulting in drastic cuts to federal Medicaid dollars to State Governments. This bill is such a radical shift from the ACA that it will leave tens of millions of Americans without health care coverage. IFPTE urges you vote NO on this legislation.

As has been well reported, HR 1628 is intended to repeal the Affordable Care Act (ACA) and replace it with a new national health policy. Unfortunately, the replacement called for by the legislation is not a replacement at all, as it will cause 24 million people who achieved health insurance through the ACA to lose those benefits with no realistic chance to gain replacement coverage¹. Many of these millions of people are those who benefited from the ACA's Medicaid expansion, which allowed some of our nation's most vulnerable citizens—the working poor, children, students and the elderly—to receive health care coverage.

At the same time, HR 1628 will be a huge gift to health insurers, pharmaceutical companies and medical device manufacturers by providing the wealthiest 2% of companies in those industries with an almost \$500 billion tax cut.

Another severe consequence of this bill will be to shift the burden of providing Medicaid services to our citizens from the federal government onto already struggling State governments. Specifically, the bill does away with the guarantee that the federal government provide a share of funding to States for their Medicaid costs, and replaces it with a per capita cap that will end up significantly decreasing federal Medicaid dollars to State governments. This decrease would occur immediately, as the bill stipulates that at the outset of the new health program the per capita cap will be based on the 2016 baseline. Factors associated with an aging population, increasing health care, and prescription drug costs, just to name a few, would be irrelevant when it comes to any corresponding increase in Medicaid dollars. Those types of considerations and the associated increased demand and costs would fall solely on the States to absorb without any additional Medicaid assistance from the federal government.

¹ [CBO Report](#), *American Health Care Act*, March 13, 2017

If this bill is enacted, States will end up having to make very difficult decisions related to cutting other important public services—like education, after school programs and aid to the elderly—to shift those resources to help cover more of their citizens with Medicaid coverage.

The consequences will be serious and dire: A combination of reduced or outright elimination of State government services, laying off State workers who provide those services, decreasing payments to providers, and reducing the number of people who receive Medicaid.

HR 1628 will leave 24 million people without health coverage, make it very difficult if not impossible for States to replace federal Medicaid dollars, lead to the loss of State government jobs, and be yet another corporate tax giveaway to already profitable health industry companies. IFPTE urges you to oppose this bill.

If you have any questions, please contact IFPTE legislative director, Matt Biggs at (202) 239-4880.

Sincerely,



Gregory J. Junemann
President