

June 27, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 Capitol Building
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
S-221 Capitol Building
Washington, DC 20510

Dear Majority Leader McConnell and Democratic Leader Schumer:

On behalf of the American Council on Education and the undersigned higher education associations, I write to raise serious concerns about the impact of the “Better Care Reconciliation Act of 2017.” We recognize the legislation will have a significant impact on many individuals in our nation. However, we write specifically regarding issues of greatest concern to higher education.

First, the bill’s proposed significant cuts to Medicaid, repeal of Medicaid expansion, and longer term changes to the Medicaid program will have a significant negative effect on state budgets, forcing state governments to make very difficult and harmful funding decisions. In particular, states would have to choose between providing health care for their most vulnerable residents and investing in higher education. This would exacerbate the long-term decline in state support for higher education and inevitably lead to increased tuition and potentially cuts to state student financial aid programs, raising the cost of attending college for students and their families. History has shown that when states need to make cuts, state support for higher education is often a first target because of the ability to shift costs to students and families without raising taxes.

Second, the proposed Medicaid cuts and program changes, as well as changes affecting individual market coverage, will also have a significant adverse effect on academic medicine and teaching hospitals, which serve as critical safety net providers and are central to the future of health care in our country. Teaching hospitals are already under enormous financial pressure as they seek to balance providing patient care while supporting critical research and the education of our country’s future medical professionals. They are also important economic engines in communities across the country, serving as stable employers and catalysts for innovation and other economic growth. As the Congressional Budget Office has indicated, the proposed drastic reductions to federal Medicaid funding and the other changes to individual market coverage will cause a significant increase in the number of uninsured Americans. As a result, teaching hospitals will see large increases in uncompensated care costs and bad debt, putting pressure on their budgets and making it more difficult to invest in research and training.

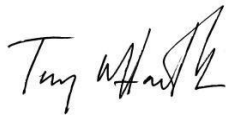
A third concern is that many students may lose access to health coverage, including mental health care vital to many college students, as a consequence of the bill’s Medicaid cutbacks and changes to individual market coverage requirements. Students relying on individual market coverage may see increased out-of-pocket expenses, forcing them to choose between paying for tuition and books or for higher cost medical care. This bill also does not address an issue under

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current law that prevents students and their families from using premium tax subsidies to purchase student health insurance plans, which are designed to provide affordable access to comprehensive primary and mental health care on campus.

Finally, we also write to emphasize the larger principles at stake in this legislative process. It is critical that legislation not leave the country, colleges and universities, and many students and their families worse off. We strongly urge you to address these important concerns as the legislative process moves forward. We encourage the Senate to take a different approach that fixes current problems without creating new ones. Without changes, the bill's impact on colleges and universities, teaching hospitals and those we serve will be severely negative.

Sincerely,



Terry W. Hartle
Senior Vice President

TWH/lw

On behalf of:

American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American College Health Association
American Council on Education
American Indian Higher Education Consortium
Association of American Medical Colleges
Association of American Universities
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Council for Opportunity in Education
Council of Graduate Schools
EDUCAUSE
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
NASPA - Student Affairs Administrators in Higher Education
Thurgood Marshall College Fund
UNCF