

THE NEW ENGLAND COUNCIL

New England Council Healthcare Committee **Statement of Concerns Regarding the Senate Tax Reform Proposal** **November 29, 2017**

The New England Council's Healthcare Committee consists of over 100 businesses and organizations throughout the six New England states. The Committee includes broad cross sections of the region's healthcare industry, including health insurers and plan providers; community, rural and teaching hospitals; pharmaceutical companies; medical device manufacturers and suppliers; physician organizations; non-profit policy organizations; and trade groups and associations representing all of the above. The Council wanted to share feedback we've received from many of these members regarding the Senate's tax reform legislation.

As you know, the Senate tax bill contains language that would repeal the Affordable Care Act (ACA)'s requirement that most individuals have health insurance. Earlier this month, the Congressional Budget Office (CBO) released a report examining the impacts of repealing the ACA's individual health insurance mandate. The report found that repealing the mandate would reduce the federal budget by approximately \$338 billion between 2018 and 2025. The report also estimated that the number of individuals with health insurance would decrease by 4 million in 2019, 13 million in 2027, and that average insurance premiums would increase by roughly 10 percent.ⁱ

Furthermore, the Senate's tax plan could trigger sharp cuts to Medicare and other budget programs under the Statutory PAYGO (Pas-As-You-Go Act) of 2010ⁱⁱ. CBO analysis has found that enacting the proposed tax bill would increase deficits by \$1.5 trillion over a 10-year window, and without enacting subsequent legislation to either offset that deficit increase, or otherwise mitigate or eliminate the requirements of the PAYGO law, the Office of Management and Budget would be required to issue a sequestration order invoking cuts across the budget, including to the Medicare program. Over ten years, the tax plan could cut Medicare by up to \$410 billionⁱⁱⁱ.

Looking specifically at the New England region, estimates have shown that there will be significant increases in insurance premiums, the number of uninsured, and cuts to Medicare in each of the six states.

State	Marketplace premium increase for a family in 2019 ^{iv}	Increase in uninsured in 2025	Medicare funding cut in 2018 (in millions)	Medicare funding cut in 2027 (in millions) ^v
Connecticut	N/A	143,000	\$319	\$5,235
Maine	\$2,350	50,000	\$120	\$1,972

Massachusetts	N/A	277,000	\$609	\$9,998
New Hampshire	\$1,900	45,000	\$105	\$1,717
Rhode Island	N/A	44,000	\$94	\$1537
Vermont	N/A	26,000	\$94	\$834
Total	N/A	585,000	\$1341	\$21293

As you review the pending tax bill, we respectfully request that you consider the implications that repealing the individual mandate will have on individual New England residents, as well as on our regional economy. The decisions that you make and the timeliness with which they are made will have a profound impact on businesses and families throughout the Northeastern United States.

For more information on the Council's Healthcare Committee, please contact Sean Malone at smalone@newenglandcouncil.com or 617-723-4009.

ⁱ Congressional Budget Office, <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53300-individualmandate.pdf>

ⁱⁱ Congressional Budget Office, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1hoverletter.pdf>

ⁱⁱⁱ Joint Economic Committee Democrats, https://www.jec.senate.gov/public/_cache/files/08705206-dd71-4240-a99e-9f7e0fdc2c55/paygo-medicare-cuts-final.pdf

^{iv} Center for American Progress, <https://www.americanprogress.org/issues/healthcare/news/2017/11/16/442906/senate-tax-bill-threatens-access-health-care/>

^v Joint Economic Committee Democrats, https://www.jec.senate.gov/public/_cache/files/08705206-dd71-4240-a99e-9f7e0fdc2c55/paygo-medicare-cuts-final.pdf