



OFFICE OF THE GOVERNOR

January 13, 2017

The Honorable Kevin McCarthy
Majority Leader
United States House of Representatives
H-107, U.S. Capitol Building
Washington, D.C. 20515

Kevin —
Dear ~~Majority Leader~~ McCarthy:

I write today in response to your request for recommendations regarding potential federal changes to the Affordable Care Act.

As a result of federal health care reform, 5 million more Californians now have health insurance. The uninsured rate in California has gone down from 17.2 percent in 2013 to a historic low of 7.4 percent in 2016. Equally impressive, California has created competitive markets in our exchange – Covered California – and in Medi-Cal, resulting in lower costs, increased efficiency and improved quality. This reduced the ever-rising growth of medical insurance premiums to 4.5 percent in 2015 – far below the average annual growth of 8.8 percent in the decade before the Affordable Care Act.

Repealing the Affordable Care Act with no real replacement won't just leave millions of people without care; it will destabilize the commercial market for small business owners and individuals. In a collapsing market, these business owners and individuals could face significant premium increases, out of reach for many.

Going back to a system where the only available care is in an emergency room is not smart. This will make our communities less healthy and drive up the cost of care for all of us, particularly in Tulare, Kern and Los Angeles Counties where the number of Medi-Cal enrollees is high.

California stands ready to work with you and your colleagues to find decent and real solutions. But I implore you: don't just shift billions of dollars in costs to the states. That would be a very cynical way to prop up the federal budget – and devastating to millions of Americans.

Sincerely,


Edmund G. Brown Jr.

cc: The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Fred Upton, Chairman, House Committee on Energy and Commerce
The Honorable John Kline, House Committee on Education and the Workforce
The Honorable Greg Walden, Chair-Elect, House Committee on Energy and Commerce
The Honorable Virginia Foxx, Chair-Elect, House Committee on Education and the
Workforce