



March 11, 2016

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Upton and Ranking Member Pallone:

On behalf of the nation's 3,069 counties, the National Association of Counties (NACo) expresses our serious concerns about some provisions of H.R. 4725, the "Common Sense Savings Act of 2016." While we understand the urgency of finding common sense ways to address rising national debt driven by entitlement spending, we are concerned that some provisions in the bill could have unintended consequences, potentially inhibiting counties' ability to continue to maintain health services for our most vulnerable residents, shifting health care costs to local property tax payers and undermining our ability to protect our communities from ongoing and emerging public health threats.

Section 3 of H.R. 4725 would "eliminate enhanced Medicaid payments for prisoners."

We are concerned that this provision does not distinguish between prison inmates and jail inmates and would shift additional health care costs to counties. Counties are the entry point into the justice system, with 11.4 million individuals cycling in and out of more than 3,000 local jails annually. Unlike in federal or state-operated prisons, the majority of individuals in local jails are being held pre-trial and are "innocent until proven guilty" under our Constitution. Their average length of stay is only 23 days. Moreover, under the Eighth Amendment, each governmental jurisdiction is required to provide health care for those in its custody. Counties take this obligation very seriously, despite the fact that the Medicaid statute prohibits any federal cost-sharing for services provided to inmates while they are in jail.

Fortunately, long-standing federal policy has permitted federal cost-sharing, under state Medicaid plans, when an eligible inmate's acute condition requires in-patient medical care not available within the jail itself. Given that this population has a higher prevalence of mental health, substance use and chronic health conditions (e.g., cervical cancer, hepatitis, arthritis, asthma and hypertension), Congress should not impose new restrictions on our ability to use this limited in-patient exception to the Medicaid inmate exclusion, especially when nearly all county inmates will soon return to our communities, bringing their health conditions – and their costs – with them.

Section 6 of H.R. 4725 would eliminate the Prevention and Public Health Fund. We are concerned that this provision would further strain already understaffed local public health departments working to protect our communities from emerging diseases and the leading causes of death. According to the National Association of County and City Health

Officials (NACCHO), our local health departments have lost 51,700 jobs since 2008 and budget cuts continue to affect 1 in 4 local health departments. Counties support the majority of America's 2,800 local health departments, providing immunizations, conducting surveillance to detect and monitor emerging infectious diseases, protecting the food and water supply and preparing for and responding to disasters, acts of bioterrorism and other health emergencies. In addition, our local health departments work with multi-sector community partners to help prevent the leading causes of death and disability and lower health care costs.

Congress can and has allocated all of the mandatory funding within the Prevention and Public Health Fund (PPHF) in recent years. These funds have been critical to helping counties support core local public health programs such as immunizations and chronic disease grants while investing in new and innovative programs tailored to the unique health problems facing communities.

For instance, in FY 2016, Congress used the PPHF to fund all (\$160 million) of the Preventive Health and Health Services Block Grant. The PPHF supports cost-effective and life-saving immunizations, one of the most cost-effective public health interventions, saving an estimated 42,000 lives and preventing 20 million cases of disease for babies born in a given year with a return on investment of \$10.20 for every \$1 invested (according to the CDC). In FY 2016, Congress allocated PPHF funds amounting to over half (\$324 million) of the funds for the CDC Section 317 Immunization program. In FY 2016, Congress directed PPHF funding which accounted for almost half (\$40 million) of CDC's Epidemiology and Lab Capacity (ELC) grant program, supporting early and rapid detection of disease and injury. We are deeply concerned that without these funds counties and our local health departments will not have the resources that we need to protect the public's health.

Sections 4 and 5 of H.R. 4725 would impose new limits on states' ability to finance the non-federal share of Medicaid and cut the Children's Health Insurance Program (CHIP). We are concerned that these provisions would reduce the financial capacity of counties to provide health care for low-income residents, including low income children, and would ultimately shift additional costs to local taxpayers. Nationally, counties invest \$83 billion per year in community health systems, and have historically played a leading role in caring for America's low-income populations. The majority of states require counties to provide some level of health care for low-income, uninsured or underinsured residents. At the same time, states have imposed restrictions on how we can raise funds to provide for such care. The Medicaid and CHIP programs are crucial to helping counties fulfill our obligation to maintain the local health care system for low income, uninsured and underinsured populations. Additional cuts imposed by Congress will only complicate our effort to fulfil this important responsibility.

For these reasons, America's counties respectfully urge you to oppose these provisions in H.R. 4725 as currently written. America's counties are committed to protecting the health and safety of our 305 million residents while improving health outcomes for those who rely on public assistance for their health care needs. As your intergovernmental partners, counties would welcome the opportunity to explore ways to improve the sustainability and efficiency of the Medicaid program for constituents, including Medicaid beneficiaries and our federal, state and local taxpayers.

If you have any questions, please feel free to contact NACo's Associate Legislative Director for Health, Brian Bowden at 202.942.4275 or bbowden@naco.org.

Sincerely,

A handwritten signature in black ink that reads "Matt D. Chase". The signature is fluid and cursive, with the first name "Matt" and last name "Chase" clearly legible, and "D." as a middle initial.

Matt D. Chase
Executive Director
National Association of Counties