Honorable Charles Grassley

135 Hart Senate Office Building

Washington, D.C. 20510

[DATE]

Dear Senator Grassley,

As you know, after eight years of tepid growth, the economy is starting to show signs of real strength, both here in Iowa and in the country at large. As executives from a variety of chambers of commerce from across the State of Iowa, we write to you today to strongly urge you to prevent this growing strength from being put in jeopardy by hasty action that repeals the Affordable Care Act (ACA) without reinstating Medicare hospital reimbursement payments.

Whether one supports the ACA is beside the point. With unified Republican control of the legislative and executive branches, it is very likely the ACA will be repealed soon. If this occurs without the federal government making significant changes to compensate for loss of certain ACA directives, it could have a significant negative impact on Iowa businesses, farmers, workers, and families.

When the ACA was passed into law, it included massive redistribution of federal dollars from Medicare to other health care programs and initiatives. As a result—because the balance of the system did not work as intended—many hospitals and other medical facilities had to provide care to Medicare beneficiaries at a loss. Some have had to limit services or access for Medicare recipients, while others have had to close their doors.

With an ACA repeal on the horizon, things could get even worse—unless Congress takes decisive action. Nationally, hospitals face an insurmountable $1.1 trillion in uncompensated care over the next decade. In Iowa, the projected shortfall is equally bleak at nearly $2.7 billion. Our hospitals and clinics cannot provide this much care without fair compensation. Even more facilities will be forced to shrink their services or patient base, or close their doors altogether.

Not only does this result in an unacceptable lack of access to care for Iowa seniors, the negative impact this situation would have on our economy cannot be overstated. As of 2013, more than 7% of Iowa’s workforce was supported by hospital employment, and there were more than 68,000 full- and part-time hospital jobs in our state. If even a moderate portion of these jobs go away, it will mean real economic pain for not only the workers in question, but the families and communities they support as well.

Nationally, repeal of the ACA without a suitable replacement will lead to 2.6 million jobs lost in 2019, including 26,000 Iowa jobs, not just in health care, but also in construction, real estate, retail trade, finance, insurance, and the public sector. Absent congressional action, our state could see a gross state product loss of $14.7 billion between 2019 and 2023, as well as $29.1 billion lost in business output over the same time period.

Restoring Medicare hospital reimbursement funds is critical to not only the health and safety of all Iowans, but to the vitality of our economy as well. For the sake of all of your constituents, we urge you to fight for the restoration of these funds at the same time or immediately following any formal repeal of the ACA.

Sincerely,

Tim Coffey, Chair, Clear Lake Area Chamber of Commerce  
Lynn Olberding, Marshalltown Area Chamber of Commerce  
Blain Andera, Spirit Chamber of Commerce  
Mike Hofman, Orange City Chamber of Commerce