

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO/OAKLAND DIVISION**

THE STATE OF CALIFORNIA; THE STATE OF CONNECTICUT; THE STATE OF DELAWARE; THE DISTRICT OF COLUMBIA; THE STATE OF ILLINOIS; THE STATE OF IOWA; THE COMMONWEALTH OF KENTUCKY; THE STATE OF MARYLAND; THE COMMONWEALTH OF MASSACHUSETTS; THE STATE OF MINNESOTA; THE STATE OF NEW MEXICO; THE STATE OF NEW YORK; THE STATE OF NORTH CAROLINA; THE STATE OF OREGON; THE COMMONWEALTH OF PENNSYLVANIA; THE STATE OF RHODE ISLAND; THE STATE OF VERMONT; THE COMMONWEALTH OF VIRGINIA; and THE STATE OF WASHINGTON,

Plaintiffs,

v.

DONALD J. TRUMP, President of the United States; ERIC D. HARGAN, Acting Secretary of the United States Department of Health and Human Services; UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES; STEVEN T. MNUCHIN, Secretary of the United States Department of the Treasury; UNITED STATES DEPARTMENT OF THE TREASURY; and DOES 1-20,

Defendants.

NO. 4:17-cv-05895

DECLARATION OF ANDREW BUSZ

1 I, Andrew Busz, declare as follows:

2 1. I am over the age of 18, have personal knowledge of all facts and matters herein,
3 and am competent to testify to the matters below.

4 2. I have been the Policy Director, Finance with the Washington State Hospital
5 Association (WSHA) since 2008. My position requires thorough understanding of Commercial,
6 Medicare, and Medicaid payment issues and the effect of the Affordable Care Act (ACA) on
7 payment and access to health care. Prior to working at WSHA, I have over 25 years' experience
8 in health plan finance and reimbursement for both commercial and publicly-funded products.
9

10 3. WSHA has a membership of 106 hospitals and health systems and was a key
11 supporter of Washington State's adoption and implementation of the ACA including both the
12 Medicaid expansion and establishment of the health benefits exchange marketplace.
13

14 4. Because of the ACA, the Washington State uninsured rate dropped by more than
15 half over the course of three years, from about 14 percent of the population in 2013 to the current
16 rate of about 6 percent. Much of this was a result of the Medicaid expansion, but a significant
17 portion was through patients who previously had no affordable source of coverage enrolling in
18 one of Washington's qualified health plans through the health benefits exchange.
19

20 5. With the enactment of the ACA, hospitals continue to take payment cuts to the
21 fund the health coverage expansions through the expansion of Medicaid and subsidies for
22 consumers who purchase individual insurance coverage on the Health Benefits Exchange. Over
23 the next 10 years, hospitals in Washington State will take about \$4 billion in cuts through
24 Medicare rate reductions, as well as Medicare and Medicaid Disproportionate Share Hospital
25 payments. These cuts were contained in the ACA with the understanding that more people would
26

1 have health coverage to help offset the targeted cuts. Hospitals are very concerned about the
2 Cost-Sharing Reductions (CSRs) not being funded and the increase in the number of uninsured
3 individuals that will result.

4 6. CSRs are the federal subsidies that lower out-of-pocket costs such as deductibles,
5 copays, and coinsurance for low income exchange plan enrollees. These are critical to making
6 health coverage affordable. Having coverage at an affordable premium does little good if patients
7 delay or avoid needed care due to concerns about out-of-pocket costs. CSRs are critical to
8 ensuring true access to care, encouraging patients to seek and receive the right care at the right
9 time and right place (such as primary care rather than the emergency department) rather than
10 delaying care until the condition becomes worse and more expensive. Uncertainty regarding
11 CSR payments increases the likelihood that low income patients face unaffordable premiums or
12 out-of-pocket costs. The loss of CSRs would cause health plans to withdraw from providing
13 coverage or cause premiums to rise to a rate unaffordable for low-income patients, causing the
14 rate of uninsured to increase.

15
16
17 7. Currently about 70,000 Washington residents receive about \$64 million in CSR
18 subsidies, an impact of about \$900 per eligible patient. Loss of CSRs will increase the number
19 of uninsured patients and those who need charity care, discourage appropriate utilization of
20 services and reduce the health of our communities.

21
22 I declare under penalty of perjury that the foregoing is true and correct to the best of my
23 knowledge and belief.

1 DATED this 13th day of October, 2017, at Seattle, Washington.

2
3 

4 _____
5 ANDREW BUSZ
6 Policy Director
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26