

July 28, 2009

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Chuck Grassley  
Ranking Member  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Ted Kennedy  
Chairman  
Senate Health, Education  
Labor & Pensions Committee  
Washington, D.C. 20510

The Honorable Mike Enzi  
Ranking Member  
Senate Health, Education  
Labor & Pensions Committee  
Washington, D.C. 20510

Dear Senators:

On behalf of the undersigned organizations, we want to express our strong support for enacting comprehensive health reform legislation this year so all Americans have access to quality, affordable health coverage options. We commend your tireless efforts that are leading us towards this goal.

As the President and you have emphasized, America's families are most concerned about the affordability of health coverage and care. It is essential, therefore, that health reform result in families getting meaningful health care coverage at an affordable cost. As a result, our organizations consider affordability to be of paramount importance.

We commend the Senate HELP Committee for providing sliding-scale premium subsidies to families up to 400 percent of the federal poverty line. This is particularly important in rural and other areas where most residents have modest incomes and need assistance for coverage to be affordable. With family health premiums now averaging close to \$13,000 per year, premiums alone constitute a significant portion of income even for people at the upper end of this standard.

The HELP bill also recognizes other key elements of premium affordability, including:

- Limiting premium rate differences based on age so that premiums for older individuals are no more than twice the premium amount for younger individuals.

- Protecting lower-income families with subsidy and cost-sharing provisions that ensure they pay lower percentages of income on health care than higher-income families.
- Exempting people from the individual mandate requirement if their economic circumstances make premiums unaffordable.
- Assuring that health coverage at work includes protections for workers who cannot afford employer coverage.

Additionally, the HELP bill recognizes the importance of adequacy of coverage and the need for affordability of cost-sharing to protect families from catastrophic costs. We commend the HELP committee for prohibiting lifetime and annual caps on benefits. A recent national study found that 62 percent of all bankruptcies were related to medical costs in 2007 and that 92 percent of these bankruptcies had medical debts exceeding \$5,000 or 10 percent of family income, despite the fact that most had health insurance.

Beyond provisions already included in the HELP bill, we also strongly support steps to further ensure coverage is affordable. In particular, as in the FEHBP, it is important that there be reasonable limits on the total out-of-pocket costs patients must pay for their health care, including costs patients incur for care outside of the insurer's network.

Our organizations will work tirelessly together with you to support and strengthen these key provisions that are designed to make health coverage and care affordable.

Sincerely,

AARP  
AFL-CIO  
American Cancer Society Cancer Action Network  
American Diabetes Association  
American Federation of State, County and Municipal Employees  
American Heart Association/American Stroke Association  
American Public Health Association  
Community Catalyst  
Consumers Union  
Families USA  
Health Care for America Now  
National Education Association  
National Hispanic Medical Association  
National Partnership for Women & Families  
National Patient Advocate Foundation  
National Women's Law Center  
PICO National Network  
Service Employees International Union