

July 21, 2009

The Honorable Nancy Pelosi,
Speaker
U. S. House of Representatives
H232 Capitol Building
Washington, D.C. 20515

The Honorable Charles Rangel
Chairman
Ways & Means Committee
2322-A Rayburn Building
Washington, D.C. 20515

The Honorable Henry Waxman
Chairman
Energy & Commerce Committee
2109 Rayburn Building
Washington, D.C. 20515

The Honorable George Miller
Chairman
Education & Labor Committee
2181 Rayburn Building
Washington, D.C. 20515

On behalf of the undersigned organizations, we want to express our strong support for enacting comprehensive health reform legislation this year that makes good on the promise that adequate, affordable health coverage and care will be made available to all Americans.

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 you 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. That is why this provision in the House bill is so important.

The House bill also recognizes other key elements of premium affordability. Some of the most important ones include:

- The bill limits premium rate differences based on age so that premium differentials are no higher than a two-to-one ratio.
- The subsidies in the bill ensure that lower-income families receive greater protection so that they pay lesser percentages of income in premiums.

- The bill exempts people from the individual mandate requirement if their economic circumstances make premiums unaffordable.
- The bill assures that health coverage at work includes standard benefits and meaningful contributions from employers and also includes protections for workers who cannot afford employer coverage.

Additionally, the House bill recognizes the importance of adequacy of coverage and the need for affordability of cost-sharing to protect families from catastrophic costs. A recent national study found that 62 percent of all bankruptcies were medical 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.

We strongly support some of the key attributes of the House bill that are designed to make the costs of health care affordable. In particular: (1) 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; and (2) lower-income people need premium subsidies based on plans with higher actuarial values so that they have adequate coverage protection, and they need the protection of lower out-of-pocket caps.

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 Federation of State, County and Municipal Employees
American Heart Association/American Stroke Association
American Medical Student's Association
American Public Health Association
Communications Workers of America
Community Catalyst
Consumers Union
Families USA
Health Care for America Now
National Education Association
National Partnership for Women & Families
National Patient Advocate Foundation
National Women's Law Center
PICO National Network
Service Employees International Union
United Food and Commercial Workers