

Congress of the United States
Washington, DC 20515

February 2, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
Washington, DC 20500

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear President Biden, Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

Thank you for your leadership in developing additional emergency coronavirus relief legislation to meet the urgent needs of the American people. As you negotiate this legislation, we write to urge you to prioritize lowering the cost of health care to those without job-based health insurance by expanding and increasing the value of advanced premium tax credits to lower or eliminate health insurance premiums, ensuring no one pays more than 8.5 percent of their income for coverage. We applaud the inclusion of this policy in President Biden's American Rescue Plan and supported its passage in the House of Representatives in the 116th Congress.¹ This policy was reintroduced this Congress as H.R. 369, the *Health Care Affordability Act of 2021*.

In the midst of a once-in-a-century health crisis, it is more important than ever to ensure that every American has affordable care. By increasing the size of and expanding eligibility for premium tax credits, the *Health Care Affordability Act* would reduce health insurance premiums and out-of-pocket costs for households across the United States, newly insuring millions of Americans and lowering premiums for millions more.

The anxiety felt by American families across the country due to unaffordable health care has been exacerbated by the COVID-19 pandemic: with the majority of Americans covered by

¹ President Joseph R. Biden. *President-elect Biden announces American Rescue Plan*. (January 2021). Available at: https://buildbackbetter.gov/wp-content/uploads/2021/01/COVID_Relief-Package-Fact-Sheet.pdf

employer-sponsored insurance (ESI),² job losses over the past year have threatened access to care for millions of people. The Commonwealth Fund estimated that as of June 2020, as many as 7.7 million workers lost jobs with ESI.³ Given that many of these workers' dependents were also covered through the ESI plan, 14.6 million Americans could have lost coverage in the early months of the pandemic.⁴ Although some unemployed people might become eligible for Medicaid, others will turn to the Marketplace for health insurance, underscoring the importance of ensuring that affordable Marketplace plans are available in every county across the United States.

More than 32 million Americans remain uninsured,⁵ and the vast majority report that the main reason why they are uninsured is the cost of coverage.⁶ Even among insured adults, premiums and out-of-pocket costs are placing significant financial strains on individuals and families.⁷ Currently, a benchmark plan could cost a family of four earning \$110,000 per year more than \$17,000 in annual premiums.⁸ In some markets, a 60-year-old couple earning \$80,000 spends more than 28 percent of their household income on insurance premiums.⁹ The American people are counting on us to deliver the relief they need.

Delivering on President Biden's American Rescue Plan by including the *Health Care Affordability Act* in a COVID-19 legislative package would increase the generosity of premium tax credits across all income levels, eliminating premiums for lower-income Americans, reducing net premiums by up to thousands of dollars per year for millions of Americans,¹⁰ and extending advanced premium tax credits to individuals and families with incomes above 400 percent of the federal poverty level (FPL) to ensure no one must pay more than 8.5 percent of their income for health insurance.

For the lowest-income adults whose income is above the threshold for Medicaid eligibility, the *Health Care Affordability Act* would reduce their Marketplace premiums to \$0 annually, while other households would see savings of thousands of dollars per year.¹¹ A 55-year-old single adult with an income of \$35,000 would save an extra \$119 per month on insurance premiums.¹² A typical family of four with an income of \$85,000 who currently qualifies for APTCs would see their premiums reduced by \$228 per month, and a typical family of four earning \$110,000 who currently does not qualify for tax credits could see their premiums reduced by more than \$660 per month.¹³

² Keisler-Starkey & Bunch: *Health Insurance Coverage in the United States: 2019*. United States Census Bureau (September 15, 2020).

³ Fronstin & Woodbury: *How Many Americans Have Lost Jobs with Employer Health Coverage During the Pandemic?* The Commonwealth Fund (October 7, 2020).

⁴ Ibid.

⁵ National Center for Health Statistics: *Health Insurance Coverage*. Centers for Disease Control and Prevention (Accessed on January 24, 2021).

⁶ Tolbert, Orgera, & Damico: *Key Facts about the Uninsured Population*. Kaiser Family Foundation (November 6, 2020).

⁷ Cox, Fehr, Pollitz, McDermott, Claxton, & Damico: *Affordability in the ACA Marketplace Under a Proposal Like Joe Biden's Health Plan*. Kaiser Family Foundation (September 28, 2020).

⁸ Calculations based on Centers for Medicare & Medicaid Services data.

⁹ Ibid.

¹⁰ Cox, Fehr, Pollitz, McDermott, Claxton, & Damico: *Affordability in the ACA Marketplace Under a Proposal Like Joe Biden's Health Plan*. Kaiser Family Foundation (September 28, 2020).

¹¹ Center on Budget and Policy Priorities calculations based on 2021 QHP landscape data.

¹² Ibid.

¹³ Ibid.

Including the *Health Care Affordability Act* in the next COVID-19 relief package would extend an affordable option to tens of millions of Americans who remain uninsured, and provide significant financial relief to millions of Americans who currently pay too much for health care.¹⁴ We urge you to include H.R. 369 in the upcoming relief package and we look forward to working with you to advance this critically important policy.

Sincerely,

Lauren Underwood
Member of Congress

Terri A. Sewell
Member of Congress

Juan Vargas
Member of Congress

Bill Foster
Member of Congress

Susan Wild
Member of Congress

André Carson
Member of Congress

Katie Porter
Member of Congress

Sanford D. Bishop, Jr.
Member of Congress

Lucille Roybal-Allard
Member of Congress

Earl Blumenauer
Member of Congress

Eleanor Holmes Norton
Member of Congress

¹⁴ Aron-Dine & Broaddus: *Improving ACA Subsidies for Low- and Moderate-Income Consumers Is Key to Increasing Coverage*. Center on Budget and Policy Priorities (March 21, 2019).

Steve Cohen
Member of Congress

Kim Schrier, M.D.
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