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September 18, 2009

VIA ELECTRONIC MAIL
Senator Max Baucus, Chairman
United States Senate Committee on Finance
511 Hart Senate Office Building
Washington, DC 20510

Re: Comments on *America's Healthy Future Act of 2009*

Dear Senator Baucus:

We appreciate your hard work over these many months to design a plan that expands access to quality affordable health care. The Chairman's Mark of America's Healthy Future Act moves the nation closer to passage of comprehensive health reform that will improve the health of all Americans.

The bill contains many significant advances. We would like to especially thank you for your support of a significant expansion of Medicaid, vigorous oversight of the private insurance industry, delivery system reforms that focus on coordination and quality of care, and requirements that hospitals provide more community benefits. We are also very pleased with the provisions that make prescription drug coverage mandatory in Medicaid and require pharmaceutical companies and medical device manufacturers to report payments they make to providers. In addition, the bill takes a positive step toward reducing the Medicare D donut hole by providing discounts to many beneficiaries.

We would like to call your attention to three areas where we believe the bill could be strengthened, specifically ensuring that people are not required to pay more for coverage than they can afford, expanding access for immigrants, and including a public option that can compete on a level playing field with private insurers.

Affordability

We applaud the inclusion of provisions that would make coverage more affordable for millions of low- and middle-income families by providing affordability tax credits and limiting out-of-pocket spending. In addition, we recommend the Committee:

- *Increase the tax credits.* Families earning up to 150 percent of the federal poverty level (FPL) already struggle to pay for basic necessities like housing and shelter, so they should be exempt from premiums. In addition, the sliding scale should be adjusted downward so that people at 400 percent FPL are paying no more than 11 percent of their income, with lower caps for individuals at lower incomes.
- *Lower limits on out-of-pocket expenses.* The proposed caps would leave many families at risk of underinsurance, and therefore more likely to forgo care or accumulate medical debt to get the care they need. Out-of-pocket expenses should be capped at five percent of income for families below 200 percent FPL and at 10 percent for families above 200 percent FPL.

- *Provide premium assistance to low-wage workers who are offered employer-sponsored coverage at an unaffordable price.* This assistance should reduce their premiums to the amount they would pay for subsidized coverage in the Exchange. Alternatively, these workers should be exempted from the mandate.
- *Narrow the age rate band allowed from 5:1 to 2:1 at most.* Allowing a rating spread of 5:1 would price many older Americans out of the insurance market.
- *Reduce the penalty for noncompliance with the individual mandate.* The current fines of up to \$3,800 per family may cause further financial hardship to those who cannot afford to buy insurance. The penalty should be no higher than the level in the HELP bill, as amended.

Coverage for Immigrants and Reduction of Disparities

We support the emphasis on reduction of racial and ethnic health disparities as part of a national quality improvement strategy and the requirements to standardize and expand collection of data on disparities. We recommend the Committee take these additional steps to ensure better access for immigrants and for Americans from all backgrounds:

- Eliminate the five-year waiting period for legal immigrants to qualify for Medicaid.
- Ensure that anyone legally present in the United States has access to affordability tax credits, if their income falls below 133 percent FPL and they do not qualify for Medicaid.
- Permit everyone residing in the United States to purchase insurance through the Exchange at full cost if they are not eligible for subsidies.
- Protect children in families with undocumented parents to ensure they can get affordable health coverage.
- Require all private and public insurers and providers to meet each of the 14 standards for Culturally and Linguistically Appropriate Services as enumerated by the United States Office of Minority Health.

Public option

We believe the proposal for cooperatives offers an opportunity to expand consumer control of health insurance and could enhance the choices available to consumers. However, we are concerned that co-ops are untested and will be too small to compete with private plans. We recommend that the Committee adopt a more robust public option that will provide consumers with a strong alternative to private coverage that will have the strength to compete on a level playing field with private plans to keep costs down.

Once again, we thank you for your leadership in moving the nation toward quality affordable health care for all. We hope that you will receive these suggestions as constructive contributions to your deliberations.

Sincerely,



Robert Restuccia
Executive Director, Community Catalyst