



30 WINTER STREET
BOSTON, MA 02108
TEL 617.338.6035
FAX 617.451.5838
WWW.COMMUNITYCATALYST.ORG

VIA ELECTRONIC MAIL

Senator Edward Kennedy, Chairman
United States Senate Committee on Health, Education, Labor and Pensions
317 Russell Senate Office Building
Washington, DC 20510-6200

Re: Comments on *The Affordable Health Choices Act*

Dear Senator Kennedy:

We are deeply appreciative of your continued leadership for the cause of guaranteed affordable health care for all. Judging by the initial working draft of the Affordable Health Choices Act, we are poised to move decisively as a nation into a new era of health security and improved quality.

The positive contributions to the health and wellbeing of U.S. residents that this legislation would make are too numerous to detail in a short letter. However, we would like to especially thank you for your continued strong support for a public insurance option, promotion of high quality care through the use of comparative effectiveness of research, and vigorous oversight of the private insurance industry.

We would also like to call to your attention a few areas where we believe the AHCA could be strengthened, specifically: Support for consumers in a reformed health care system, protecting moderate-income families from high out-of-pocket costs, reducing health disparities based on race and ethnicity, and reforming the private insurance market.

Consumer Support

We support the bill language that would modernize state eligibility and enrollment systems and promote web-based applications for health and human services programs. We also strongly concur with the proposals to establish consumer assistance help-lines and navigators. We believe, however, that there is – or should be – a central role for mission-driven, non-profit community-based organizations.

The population most in need of consumer assistance is likely to be currently uninsured and disconnected from trade or labor organizations. It is existing consumer support organizations (such as Health Care For All in Massachusetts) that have demonstrated both a commitment and an ability to provide that consumer assistance through programs such as the Health Care For All help-line and projects such as the Covering Kids and Families initiative. In that initiative, funded by the Robert Wood Johnson Foundation, non-profit organizations took the lead in building partnerships with employers, unions and others to reduce the number of people who were eligible for, but not enrolled in, Medicaid and CHIP. We have attached to this letter suggested language that would support non-profit consumer organizations in playing an important consumer assistance role as health care reform is implemented.

Affordability

Community Catalyst believes that a guarantee of affordable coverage is fundamental to the success of health care reform. We were pleased with the generally strong affordability protections in ACHA, including no premiums below 150 percent FPL and a sliding scale subsidy to 500 percent FPL. We are concerned, however, with the high level of out-of-pocket spending that moderate income families could face.

ACHA subsidies for people with income between 200 and 300 percent FPL (about \$20,000-\$30,000 for individuals), are set with reference to a plan that allows out-of-pocket costs of up to \$5,800 for individuals and \$11,600 for families. Based on information we have gathered from families and a review of the literature on underinsurance, we believe that this level of cost-sharing would constitute a significant financial hardship and deter some families from getting needed care. We note that in Massachusetts no deductible is allowed in Commonwealth Care plans (subsidized coverage for people below 300 percent FPL). We recommend that families with income below 300 percent FPL receive subsidies that are adequate to allow them to purchase a plan with more modest cost-sharing, such as described in Section 3111(a)(1) (c) (pg 80).

Health Equity

We applaud the committee for proposing a number of steps that would reduce health disparities and help ensure that people get the right care at the right time and right place, regardless of income, race, ethnicity or primary language. We are particularly pleased by the strong emphasis on public health initiatives that would address social determinants of health, and by additional funding for safety net hospitals and health centers. We recommend that the committee go further in some of these areas, and address a few additional areas of concern.

- **Access**

We are concerned that certain language and provisions in the bill might have the unintended consequence of reducing access to quality care, rather than expanding access. In particular, we fear that this wording on p. 94, "*Nothing in this Act shall allow federal payments for individuals who are not lawfully present in the United States,*" could preclude individuals from getting emergency care or critical public health services.

- **Quality improvement**

We support the provisions in the bill that would expand collection and analysis of data on race, ethnicity and primary language, and that would establish a national quality initiative with reducing disparities as one of its goals. We recommend that the committee instruct the Secretary of HHS to establish benchmarks for reducing disparities and for improving access for those whose primary language is not English. We also recommend providing financial incentives to providers and insurers who meet those benchmarks. We urge the committee to extend to private health insurance plans and providers the requirement for data collection on disparities.

- **Cultural and linguistic competency**

Given the ever-growing diversity of our nation, we recommend the committee explicitly require all public and private insurers and providers to meet all 14 standards for Culturally and Linguistically Appropriate Services as enumerated by the United States Office of

Minority Health. We also urge the committee to direct the Medical Advisory Council to include culturally and linguistically appropriate care as an essential component of the minimum benefit package for qualified Gateway plans.

- **Workforce development**

Finally, we support the committee's workforce initiatives, including the national commission, grants to support community health workers and grants to help retain minority health professionals as instructors and practitioners. We recommend that the committee increase support for recruitment and training of underrepresented minorities and bilingual individuals in all health professions through funding for higher education and targeted pipeline and career ladder programs.

Gateways/ Insurance reform

We applaud the proposed reforms to the individual and group insurance markets, which would limit rating adjustment to a small set of relevant factors. We also support your proposal to establish Gateways that help consumers to easily access quality, affordable coverage. Based on our experience with health care reform in Massachusetts, we offer some suggestions to further strengthen these provisions:

- We support limiting rating bands for age to 2:1, as you have proposed. We additionally suggest a limit of 1.5:1 for geography.
- We strongly support the broad scope of benefits you have proposed, in particular the inclusion of dental and vision benefits within pediatric services, but we urge the inclusion of durable medical equipment. We believe it is important to standardize plans as much as possible within tiers, both to enable easier comparisons and to maximize access to care. In Massachusetts, consumers still report difficulty comparing plans in the Connector based on equivalent actuarial value, and the Connector is considering narrowing the permissible degree of variability.
- Since maximizing enrollment through the Gateway would make insurance more affordable, we recommend the bill explicitly state that credits are available only for qualified health plans offered through the Gateways.

Once again, we thank you for your extraordinary leadership, not only past but current, as we work to realize our mutual and long held goal of 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