

# Alliance to Fight for Health Care

May 12, 2020

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
H-232 Capitol Building  
Washington, DC 20515

Dear Speaker Pelosi:

The **Alliance to Fight for Health Care** – a broad stakeholder group dedicated to protecting employer-provided health coverage – thanks you for including a provision in H.R. 6800, the HEROES Act, to cover the cost of COBRA coverage for workers who have recently lost their health insurance due to a job loss or furlough resulting from the COVID-19 crisis. Protecting this coverage is a top priority for the Alliance.

As the crisis continues and unemployment rises, the urgency grows to protect unemployed workers and their families. As you recognize in the legislation, it is very important that the COBRA subsidy cover the cost of this vital health coverage. On the two occasions in the past when COBRA subsidies were provided (2002 and 2009), the 65% subsidy was not sufficient to help anywhere near all those families who needed health coverage. For unemployed workers and their families, even paying the remaining 35% of the cost was unaffordable. A Treasury Department study of the 2009 legislation found that only about one-third of those eligible for the subsidy enrolled in COBRA.

As we all know, the magnitude of job loss is far more severe in the current crisis than in the past when partial subsidies were provided. So it is important to learn from prior experience and ensure that millions of people are able to continue the coverage that has been providing valuable and efficient financial protection.

Subsidizing COBRA is an important investment in four respects. First, it provides the peace of mind needed at this unprecedented time of a dual health and economic crisis. Second, enabling workers to remain on employer-provided coverage will mitigate the number of people requiring coverage from public programs, which would also involve cost to the government. Third, enabling workers to remain on their employer health plan will smooth the transition for them to be rehired. Fourth, if unemployed workers and their families are compelled to forgo needed health care services because they are uninsured, serious health conditions will worsen or go undetected. The result will not only hurt patients in the short-term but could also exorbitantly increase the cost of treating more serious conditions.

We hope Congress will work quickly, and together, to make sure individuals who lose their job and potentially their employer-sponsored health insurance due to the economic impact of the COVID-19 crisis have continued access to affordable health care coverage during the crisis. In this regard we also would like to commend the efforts of Chairman Bobby Scott and Rep. Steven Horsford for their focus in this legislation on ensuring continuing health care access for workers facing layoffs and furloughs. We look forward to working together on a bipartisan and bicameral basis to make sure that Americans can keep their job-based health insurance and their doctors during this incredibly stressful time for families.

The Alliance to Fight for Health Care stands ready to work with Congress to develop and support policies that meet four critical needs:

1. Aid for individuals who have lost their jobs or been placed on furlough by covering the cost of continuing their health coverage through the crisis
2. Support for financially struggling employers and health funds to continue offering critical health coverage
3. Enhance availability and affordability of coverage in the individual market for those seeking coverage through the federal or state-based Marketplaces
4. Promote policies that support our health care workers on the frontline of this crisis

Sincerely,

### **The Alliance to Fight for Health Care**

*The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, local governments, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. The Alliance is committed to ensuring that employer-provided coverage remains an effective and affordable option for working Americans and their families, especially during times of global health and economic crisis. The coalition (previously working as the **Alliance to Fight the 40**), led the successful effort to repeal the so-called 40% “Cadillac Tax” on health care coverage.*

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