



Alliance to Fight for Health Care

Supporting COBRA coverage could immediately help over 30 million Americans

Congress could immediately provide relief to more than 30 million Americans by supporting COBRA premiums (and similar continuation coverage)ⁱ for individuals facing layoff or furlough. COBRA continuation coverage allows an individual or family to stay on an employer's health plan after employment or plan eligibility ends, but the 102% premium cost of COBRA makes it unaffordable for most Americans who recently lost their jobs.

COBRA support is needed NOW to:

Provide vital coverage for individuals and families

COBRA can provide immediate relief for individuals facing health coverage losses during the pandemic. Nearly three quarters of votersⁱⁱ (74%) say losing their health coverage would have a major or some impact on their personal finances.

Reduce long-term government burden

COBRA coverage is temporary and creates a bridge until an individual returns to employment. When an individual pays COBRA premiums, the employer pays the cost of the health claims. This reduces the cost of providing health coverage – possibly on a permanent basis – through government programs where federal and state government pays the full cost.

Preserve states budgets

Individuals unable to afford COBRA coverage may turn to state Medicaid programs. States are already struggling with higher demands on their budgets and cannot afford to pay for millions of new Medicaid beneficiaries. COBRA saves states money.

Stop the deductible clock from starting over

COBRA allows people who have lost their job to stay in their current health care coverage with the deductibles they have already paid. Individuals won't have to restart with a new plan and new deductibles mid-year at a time when they don't have income to cover added costs. May 19th is the date by which most people with employer-provided coverage have satisfied their deductible. The average family deductible is \$4000 for a PPO and \$6000 for an HSA eligible plan for in-network care.ⁱⁱⁱ

Preserve access to a patient's doctors and current network coverage

COBRA allows people to keep their doctors by maintaining their current network coverage. Many employer-provided plans also have stronger mental health networks—which is critical while people are suffering from the stress of the COVID-19 pandemic.



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Protect coverage for pre-existing conditions

Employer provided health care coverage, unlike some short-term plans, includes coverage for pre-existing conditions. Americans with chronic conditions, or those in the middle of a health crisis, need to know that their coverage actually has them covered. COBRA does just that.

Historically, Congress has acted during times of economic crisis to stabilize the health care of workers by helping them afford COBRA coverage. With the devastating job losses due to the COVID-19 pandemic and tens of millions of people recently out of work, Congress must take immediate action to help Americans keep their health care coverage when they need it the most.

Tell Congress to pass COBRA coverage now!

*The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, 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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ⁱ Health insurance continuation coverage should be applied to both ERISA and non-ERISA plans, including church plans

ⁱⁱ Survey conducted May 07-09, 2020 by Morning Consult on behalf of the **Alliance to Fight for Health Care**

ⁱⁱⁱ See Kaiser Family Foundation, Deductible Relief Day: How Rising Deductibles are Affecting Families with Employer Coverage at <https://www.healthsystemtracker.org/brief/deductible-relief-day-how-rising-deductibles-are-affecting-people-with-employer-coverage/>

See 2019 [National Survey of Employer-Sponsored Health Plans](#) noting the average family deductible in a PPO for in-network services is \$4,000 and the average for out-of-network services is \$8,000. For families in an HSA-eligible (CDHP), the average in-network deductible is \$6,000 and the average for out-of-network services is \$10,400.