

Alliance to Fight for Health Care

April 7, 2020

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
2421 Rayburn House Office Building
Washington, DC 20515

Dear Majority Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy:

Thank you for your tireless efforts to mitigate the health and economic consequences of the COVID-19 virus. We appreciate your work to pass the CARES Act and the earlier stimulus packages. Despite this historic Congressional action, more help is needed to protect Americans, our health care system and our economy. As the “social distancing” requirements are extended, American families face deep economic uncertainty from reduced hours, furlough, or job loss—and along with it questions about the stability of their job-based health care coverage.

We need to prioritize keeping Americans enrolled in comprehensive health care coverage and ease concerns that the loss of a job may mean the loss of health coverage. According to the most recent economic forecast from the Congressional Budget Office, “the unemployment rate is expected to exceed 10 percent during the second quarter, in part reflecting the 3.3 million new unemployment insurance claims reported on March 26 and the 6.6 million new claims reported [April 2].” With job losses already mounting and expected to rise as a result of this pandemic, urgent action is needed as part of an effort to provide both economic and health stability for all Americans

Employer-provided health benefits are the largest source of health coverage for Americans. The employer system offers vital coverage that employees value and prefer. This coverage also provides a primary source of stable funding for our hospitals and health care providers—reimbursing our providers at market-based rates for the care and treatment they provide. We are seeking impactful, bipartisan policy solutions to prevent the loss of health coverage, protect against overwhelming Medicaid and other safety net programs, and offer stability to our nation’s health care system.

As you consider further legislation to mitigate the disruption caused by the global COVID-19 pandemic, **The Alliance to Fight for Health Care** stands ready to work with you to develop and support policies that must meet four critical needs:

- 1) Aid for Americans 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 Americans seeking coverage through the Federal or state-based Marketplaces
- 4) Promote policies that support our health care workers on the frontline of this crisis

We offer below a high-level overview of preliminary recommendations focused on meeting the four critical needs necessary to stem the tide of coverage losses and protect the health and financial wellbeing of millions of Americans and their families.

1) Continuation of health care coverage for employees experiencing job loss or furlough

- **Support for premium payments:** Many employers are seeking to provide support to employees by continuing to provide benefits while furloughing employees (rather than laying—off the workers) until normal operations resume. While this action helps employers and employees, it can also lead to economic distress and missed premium payments for employees who may not have the resources to cover their share of premium during furlough. The Alliance is asking Congress to:
 - Financially support employers that are making the employee’s share of premium payments on behalf of furloughed employees through a fund at HHS or Treasury similar to the early retiree subsidy.
 - Allow HSA balances to pay for health insurance premiums during a federally designated public health emergency
 - Consider other streamlined mechanisms to increase direct payments to cover premium costs for furloughed employees
 - Work with the Administration to create a qualifying special enrollment period (for group or individual market coverage) based on a federally designated public health emergency that would also allow employees to opt in and out of cafeteria plan elections including childcare and other elections
 - Encourage and support the continuation of other critical benefits such as life and disability coverage during the crisis.
- **COBRA subsidies:** With mounting job losses and furloughs, immediate action is needed to keep millions of American workers and their families on their employer-provided health plans. We can accomplish this using existing infrastructure and an approach for which there is precedent from the last major economic crisis. Continuation coverage referred to as COBRA coverage (the Consolidated Omnibus Budget Reconciliation Act (COBRA)) allows an eligible employee to continue health insurance coverage when that individual loses his or her job or experiences a reduction of work hours. The COVID-19 pandemic is making it difficult or impossible for employees to pay their COBRA premiums after job loss, as many businesses have been forced to shutter certain operations or facilities or vastly scale down their business. According to a [survey](#) of business owners, some 24% of employers plan to downsize if the outbreak worsens; another [survey](#) found that 21% of adults have already been laid off or their hours have been cut. It is essential that access to care not be curtailed as a result of people losing their insurance due to such financial challenges. The Alliance is asking Congress to:
 - Provide federal subsidies to help pay for COBRA premiums (and continuation of coverage for health plans not subject to ERISA, such as church plans) for persons who lose their job and also potentially their employer-sponsored health insurance due to the economic impact of COVID-19. Previous emergency legislation in 2009 subsidized COBRA coverage but did not provide sufficient financial support to allow employees to utilize the program. Based on lessons

learned from that experience, we recommend a subsidy of up to 100% -- and certainly no less than 90% -- of COBRA premiums. This mechanism will avoid the cost and burden of overwhelming our safety net programs and providers during a time of crisis.

- Create mechanisms that streamline how individuals elect and enroll in COBRA continuation coverage during the crisis and eliminate burdensome requirements for employees and the employers extending them coverage.
- Ensure that COBRA coverage counts as creditable coverage for those entering into Medicare and provide support for employer group waiver plans (EGWPs) during the crisis

2) Continuation of health care coverage for employers and health funds facing financial distress

- **New funds or business loans for retention of health benefits:** We thank Congress for modifying the CARES Act to provide forgivable loans for small employers seeking to maintain benefits and payroll. The Alliance encourages Congress to make similar funds available to large economically distressed employers and multiemployer funds to preserve access to employer provided health plans. The Alliance is asking Congress to:
 - Provide immediate financial support for both distressed employers and multiemployer health funds that are struggling to continue providing coverage. This could be accomplished using a variety of potential mechanisms including: creating a category of forgivable loans within the Treasury's existing Exchange Stabilization Fund created by the CARES Act; forgiving a percentage of payroll deferrals; creating refundable payroll tax credits; or, through new support or other tools
 - Protect employers and multiemployer health funds from devastatingly high claims costs through creation of stop loss, risk corridor or reinsurance programs
 - Monitor the size and effect of claims on both insured and self-funded health plans to assess whether further measures are needed to stabilize the market

3) Continuation of health care coverage in the individual market

As individuals enter the individual market, the Alliance is asking Congress to:

- **Improve access to individual market coverage:** Increase the number of individuals eligible for premium assistance by raising the income limits above 400% of the federal poverty level for coverage in the individual market.
- **Streamline enrollment process:** Reducing paperwork and unnecessary requirements for individuals seeking coverage during the crisis will help promote stability in the health care system.
- **Eliminate penalties for income variability:** Provide assurance that unpredictable income variability will not result in IRS claw backs for people electing individual market coverage during the crisis.
- **Special enrollment Period:** Permit uninsured individuals to access coverage in the Market place through a special enrollment period.

4) Supporting our health care workers on the front line

We believe in supporting our frontline health care workers in any way we can, and ensuring everyone delivering health services in clinics, specialty pharmacies, and in-home settings, has the resources needed to confront this epidemic to protect themselves, their families, and those in their care. We must come together as a united front to strengthen the health care ecosystem, including ensuring that all Americans have access to testing and treatment for COVID-19.

- **Hospital supplies and capacity:** The Alliance will support efforts to ensure hospitals have the supplies and capacity needed to confront this epidemic, including the provision of emergency funding and legislative and regulatory flexibilities to best serve those suffering with COVID-19 both in person and through innovative technologies.
- **Support frontline workers:** The Alliance is extremely grateful for the men and women serving on the front lines of this epidemic and the sacrifices they and their families make. We will support policies to ensure frontline workers have access to what they need to fight the epidemic and care for the health and wellbeing of their families including access to affordable childcare and health care coverage.
- **Testing and treatment for all populations:** The Alliance will support policies that enhance testing and treatment capabilities and payment for all populations – insured and uninsured – to ensure all Americans are provided adequate care and treatment amid this global pandemic and enable us to have a strong public health response to the suppression phase of this crisis that is inevitable once economic activity resumes.
- **Provider licensing and authority:** The Alliance will support policies to ensure providers are able to practice in hot-spot areas with the highest needs by removing licensing barriers that preclude many health care providers from applying their skills and training in service to patients in vital need of medical care.
- **Telehealth:** The Alliance will promote policies that encourage the use of telehealth and related technologies.

The employer-provided health care system delivers vital coverage to over 178 million Americans. We stand ready to support your efforts to develop legislation to protect the stability of our health care system and the health coverage of millions of Americans during this global pandemic. We look forward to discussing these ideas and working together to fight for health care for all Americans.

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 – and we continue our work through an enhanced voice as a COVID-19 Response Team. The Alliance COVID-19 Response Team efforts are designed to ensure 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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