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Congress of the United States  
House of Representatives

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October 16, 2009

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable George Miller  
Chairman  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Henry Waxman  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Charles Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi, Chairman Miller, Chairman Waxman, and Chairman Rangel:

We write to urge you to include two provisions in the final version of H.R. 3200, the "America's Affordable Choices Act," that would lower cap on out-of-pocket costs for all Americans to no more than 2.5 percent of an individual or family's adjusted gross income, as well as streamline the distribution of affordability credits by requiring the Health Insurance Exchange to automatically distribute affordability credits to qualifying individuals. Inclusion of these vital initiatives will help achieve the President's dual goals of bringing efficiency to the health care system and providing meaningful access to health care for all Americans.

Access is not just limited to providing healthcare insurance. For example, high co-payments are a barrier to medical access in the current system. To remedy this situation, H.R. 3200 includes "cost sharing" subsidies. For families who are 400 percent below the Federal Poverty Level (FPL), the bill reduces out-of-pocket payments. Unfortunately, the application process introduces an unnecessary arduous step. Additionally, for those families slightly above the 400 FPL, the average middle class family, H.R. 3200 leaves them without any relief from the high cost burden of healthcare.

Research shows that cost sharing deters the use of care, including medically necessary care, particularly by people with limited income. Both Elizabeth Edwards of the Center for American Progress and Professor Karen Pollitz of Georgetown University's Health

Policy Institute noted the serious financial and wellness consequences of high out-of-pocket spending in congressional testimony earlier this year. Further, research produced by the Center for Studying Health System Change shows that when out-of-pocket spending for medical bills exceeds just 2.5 percent of family income, patients become burdened by medical debt, face barriers to accessing care, and have problems paying other bills.

The existing limits in the bill for cost sharing - \$5,000 per year for individuals and \$10,000 per year for families - are woefully insufficient and would place many Americans at risk for incurring medical debt or foregoing needed care. For example, a high school teacher making approximately 500 percent of FPL, or \$54,150, could pay up to 10 percent of his or her income on out-of-pocket costs under the current draft of H.R. 3200. The situation is similarly problematic for a family of three making 400 percent of FPL, or \$73,240. Such a family could pay up to 14 percent of its income on out-of-pocket costs.

As such, H.R. 3200 should be amended to ensure that no individual or family will have to pay more than 2.5 percent of its adjusted gross income on out-of-pocket costs. Coupled with the affordability credits already provided in the bill, this cap on out-of-pocket costs would ensure that individuals and families will not be subject to medical debt or medical bankruptcy as a result of using their plans to treat illness or injury.

Additionally, H.R. 3200 should be amended to ensure that affordability credits are automatically distributed to any individual that qualifies for the credits. With the individual mandate in the bill, we are placing a costly administrative burden on low-income consumers. To ensure that all individuals receive the credits they are due, qualifying individuals should not be required to apply for these affordability credits. Without this needed reform, qualified low-income individuals may lose out on the opportunity to benefit from these much needed credits.

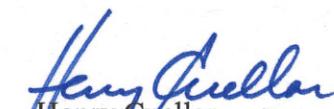
We look forward to working with you to ensure these two important accessibility protections are included in the final version of H.R. 3200.

Sincerely,

  
John Conyers  
Member of Congress

  
Diane E. Watson  
Member of Congress

  
Donna Christensen  
Member of Congress

  
Henry Cuellar  
Member of Congress

  
Elijah Cummings  
Member of Congress

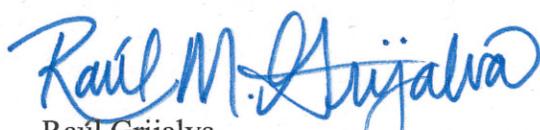
  
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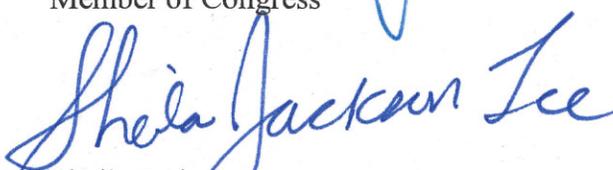
  
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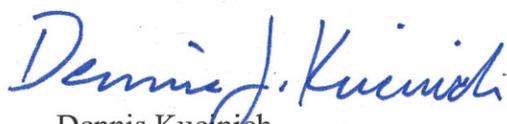
  
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