



# COALITION ON HUMAN NEEDS

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The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Max Baucus  
Chair, Finance Committee  
U.S. Senate  
Washington, DC 20510

The Honorable Tom Harkin  
Chair, Health, Education, Labor & Pensions Committee  
U.S. Senate  
Washington, DC 20510

The Honorable Christopher Dodd  
Chair, Banking, Housing & Urban Affairs Committee  
U.S. Senate  
Washington, DC 20510

October 15, 2009

Dear Senator:

The Senate Finance Committee's vote brings us one step closer to achieving comprehensive health care reform. We are heartened that soon we may have a historic expansion of coverage for millions of Americans.

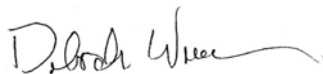
The Committees in the Senate have produced bills that to varying degrees improve our current health care system. We urge the Senate to develop and support final legislation that protects low-income and vulnerable people by making comprehensive and affordable insurance available to them. To this end, please:

- Expand Medicaid coverage to people with incomes up to 133% or higher, and align the start date of Medicaid with the start date of the tax credits. The Senate Finance Committee bill would delay the Medicaid expansion by one year, beginning in 2014 instead of 2013. Do not make the lowest-income people wait longer to obtain coverage.
- Maximize subsidies for low- and moderate-income families so that adequate coverage becomes a reality for them. Even with the improvements to the tax credits included in the Finance Committee bill, the cost of insurance under this bill for people below 200 percent of the federal poverty line would be as much as two to four times higher than under the HELP and House bills. Families with slightly higher incomes would also face more expensive premiums and out-of-pocket costs in the Finance Committee bill (see analysis by the Center on Budget and Policy Priorities: <http://www.cbpp.org/cms/index.cfm?fa=view&id=2922>). To guarantee greater affordability, adequate premium credits as well as cost-sharing protections must be included.
- Lift the five-year waiting period for legal immigrants in Medicaid, CHIP, and Medicare or at least assure access to affordable coverage in the exchange for this population. Removing the waiting period is the most effective way to protect the lowest-income legal immigrants.
- Allow all individuals, regardless of immigration status, the ability to purchase unsubsidized coverage in the exchange. It is fiscally prudent and morally responsible to permit all who are willing to pay their fair share to purchase health insurance in the exchange. The alternative is to impose the costs of emergency care on all of us for those unable to purchase insurance.

- Minimize employer disincentives to hire or retain low-income workers. The Finance Committee's "free-rider" provision only assesses charges on employers whose workers qualify for subsidies because the employers do not offer health insurance or offer unaffordable coverage. This creates a dangerous disincentive for employers to hire or retain low-income workers (for example, single mothers with children). Instead, employers' contributions should be based on the company's total payroll costs.
- Ensure that the Children's Health Insurance Program is adequately funded through 2019 so that this successful program continues to serve children effectively. All children need access to affordable, comprehensive and continuous health coverage; and
- Retain the Finance Committee bill's provision to allow children to obtain child-only policies in the exchange.

There is a historic opportunity to provide appropriate benefits and coverage at a cost families and individuals can afford without deepening the deficit. It is well within our grasp to achieve this goal, especially if the Senate considers fair revenue sources outside the health care system in addition to contributions by employers, consumers, and the health care industry. We are concerned that an unwillingness to consider such options will result in insurance that is unaffordable to the most vulnerable. The Coalition on Human Needs continues to support a menu of revenue options including a surcharge on wealthy taxpayers and applying the Medicare tax to non-work income. Including such options is far preferable to letting health coverage remain out of reach for people with modest incomes.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah Weinstein", with a long horizontal flourish extending to the right.

Deborah Weinstein  
Executive Director