

# HEALTH CARE FOR AMERICA NOW!

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January 22, 2009

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
H-232, US Capitol  
Washington, DC 20515

Dear Speaker Pelosi:

Health Care for America Now is a national grassroots movement powered by millions of people working to win in 2009 a guarantee of quality, affordable health care we all can count on. We are writing to communicate our support for critical provisions of the American Recovery and Reinvestment Act of 2009 that will preserve access to health care for many of the millions who have lost, or will lose, coverage as a consequence of the recession.

This legislation increases access to COBRA protections and gives states additional options to extend Medicaid to unemployed and low-income families. It also safeguards the Medicaid program for current beneficiaries by providing much-needed fiscal relief to temporarily assist states in meeting the growing needs of their Medicaid programs. In addition, the legislation makes important investments in health information technology and comparative effectiveness research to improve the quality of care delivered.

We would like to express our strong support for measures in the bill that help unemployed workers and their dependents maintain health coverage through COBRA and allow older and tenured workers to access coverage through an extension of COBRA. Under the bill, workers who have been laid off since September 1, 2008 would be eligible for a 65% premium subsidy to maintain COBRA coverage for up to 12 months. Currently, its high cost makes COBRA a false hope for many unemployed workers who have lost their primary source of income. The premium subsidy in this bill would allow many workers to maintain coverage for themselves and their families.

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We also support the extension of COBRA for workers who are age 55 and older, or who have worked for an employer for ten years or more, until these workers become eligible for Medicare. Older and middle-aged workers without coverage through their jobs often find that they cannot obtain coverage at all on their own or can only qualify for coverage that is unaffordable and low quality. This bill would provide a new option for assistance.

We are enthusiastic that the bill would give states the option of offering coverage to unemployed workers and their families through Medicaid, with the federal government bearing the entire cost of benefits and administration of the program. We know from previous experience that providing coverage through Medicaid is an efficient and effective way to continue health care to those exposed to emergency circumstances.

This legislation provides \$87 billion in new funds for state Medicaid programs through September 2010 – a critically needed federal backstop for a health care safety net that is stretched to its limits. With unemployment at 7.2%, it is estimated that six million Americans have already lost their job-based coverage and that enrollment in Medicaid and the Children's Health Insurance Program (CHIP) will grow by more than 2.4 million. If – as leading economists predict – unemployment reaches 10%, 13.2 million Americans will lose their employer-sponsored health insurance, and Medicaid and CHIP will provide a safety net for 5.4 million. This bill will help the states cope with the rising tide of the uninsured and lessen the need to make cuts in eligibility and benefits.

The aid to state Medicaid programs in this legislation will also help lessen the depth and duration of the recession. According to Mark Zandi, chief economist for Moody's Economy.com, each federal dollar spent in aid to states for Medicaid and other programs generates \$1.38 in economic activity. Therefore, an increase in the federal Medicaid payment to states would not only preserve health care coverage but also stimulate the economy and keep workers employed.

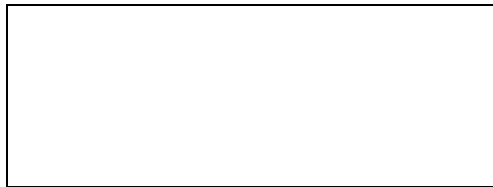
This legislation makes smart investments that will improve the safety and effectiveness of care while potentially reducing its cost. The additional funding for comparative effectiveness research is an opportunity to gather evidence and data on what treatments work best for all subpopulations and communities. And the investments called for to strengthen our community health centers, modernize the Indian Health Service facilities, and expand the supply and distribution of primary care providers will move the United States health care system one step closer to achieving equity in access to health care services across all communities.

Finally, the legislation invests \$20 billion in health information technology (HIT) infrastructure and Medicare and Medicaid incentives to encourage doctors and hospitals to use HIT to electronically exchange patients' health information. The broad adoption

of electronic health information technology will be pivotal to increasing the efficiency of the U.S. health care system, improving the quality of care provided, and significantly reducing medical errors. The Congressional Budget Office estimates that approximately 90% of doctors and 70% of hospitals will be using comprehensive electronic health records within the next decade if this legislation is enacted. It is also critical that strong federal privacy protections be retained in this legislation in order to strengthen the protection of private medical records from misuse.

The severity of this recession requires dramatic and substantial action by the Congress. We support these critical provisions in the American Recovery and Reinvestment Act of 2009, and we are directing the energies of the 30 million individuals represented by the Health Care for America Now coalition to encourage all Members of Congress to do so as well.

Sincerely,



Richard Kirsch

National Campaign Manager  
Health Care for America Now

cc: Chairman Charles B. Rangel  
Chairman Henry A. Waxman  
Chairman Dave Obey  
Chairman Pete Stark  
Chairman Frank Pallone