

November 14, 2013

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Minority Leader Pelosi:

Health care coverage must be not only available and affordable but also adequate in order for consumers to have the health and financial protection they need from health insurance. The Affordable Care Act (ACA) was designed to ensure that, beginning in 2014, Americans would have access to health insurance that meets all three of these important objectives. Our organizations support these goals, and we are therefore opposed to H.R. 3350, legislation that would allow health insurers to continue to sell individual health insurance policies that are inadequate.

The number of people who are underinsured – meaning that their insurance does not provide adequate financial protection when they are sick – has been growing over the last decade. According to one study, the number of underinsured adults has increased 80 percent since 2003. More than 60 percent of all bankruptcies in 2007 were a result of illness and medical bills, and nearly 80 percent of those who filed for medical bankruptcy were *insured*. Many consumers with inadequate coverage do not realize how poor it is until they are diagnosed with a serious illness and the bills start rolling in. Only then do they find out that their coverage may have very low annual coverage limits or exclude coverage for important and costly services, such as those provided during a hospital stay.

The ACA includes a number of important protections in response to the large number of uninsured and to help guarantee that consumers have access to comprehensive coverage. The ACA minimizes bankruptcy risk and ensures that the full range of care consumers need in the event of a serious or catastrophic illness will be covered. We cannot afford to go another year without these protections. Among these protections that apply to non-grandfathered plans sold in the individual and small group markets are:

- A ban on annual limits on coverage. More than 105 million Americans no longer have lifetime dollar limits on their coverage because of the ACA, but health plans would still be able to sell plans with annual limits under this legislation.
- A requirement that plans cover 10 categories of essential health benefits, including doctor visits, hospital care, preventive care, maternity care, mental health care, prescription drugs, and rehabilitation services. Many of these critical benefits are not readily available in the individual market. For example, only 12 percent of health plans sold on the individual market cover maternity coverage, and only 6 percent in the states that do not have a mandate, leaving women without necessary coverage when they become pregnant.

- A cap on consumers' annual out-of-pocket spending for their health care to help the nearly 10 million Americans with health insurance who are unable to afford their medical bills.

In addition, many consumers who are uninsured or do not have access to an affordable, adequate health plan from their employer are also eligible for a premium tax credit to help them buy such coverage through the Health Insurance Marketplaces.

Our understanding of this legislation is that it would also allow insurers to continue to market and sell these plans to new consumers through 2014, without complying with the rules that take effect for other plans on January 1. In other words, insurers marketing these plans outside of the Health Insurance Marketplaces could continue to refuse to cover people with pre-existing medical conditions or charge them higher premiums because of their age or health status. As a result, younger and healthier people would be more likely to remain on or newly enroll in these plans, and plans sold through the Health Insurance Marketplaces would end up covering mostly older and sicker people. This would drive up health insurance premiums in the Marketplaces.

We very much sympathize with consumers who are receiving notices from their insurance companies that their policies are not being renewed for next year because they do not comply with the ACA's consumer protections. In at least some instances, these notices have been very alarming and misleading for consumers because they fail to let them know that they may have better, more affordable insurance options available to them. At least one insurer was fined by a Department of Insurance for a letter that regulators called "misleading." However, the solution is not to allow for the continued sale of inadequate policies, particularly now that more comprehensive coverage is available along with financial assistance to help make better coverage affordable. Rather, we must educate consumers about their new health insurance options and ensure that notices being sent by insurers clearly inform them of the shortfalls with their current coverage and explain *all* of their options for finding better coverage.

We look forward to working with you to help your constituents get information about their new options for fairer, more comprehensive, and more affordable health care coverage and to make adequate coverage more affordable to everyone.

Sincerely,

American Cancer Society Cancer Action Network
American Diabetes Association
American Federation of State, County and Municipal Employees (AFSCME)
American Heart Association/American Stroke Association
American Lung Association
American Music Therapy Association
The Arc of the United States
Association of University Centers on Disabilities

The Autistic Self Advocacy Network
Community Catalyst
Consumers Union
Families USA
Health and Wholeness Ministries, Disciples Center for Public Witness
Health Care for America Now
National Alliance on Mental Illness
National Association of County Behavioral Health & Developmental Disability Directors
National Council of Jewish Women
National Partnership for Women & Families
National Women's Law Center
Paralyzed Veterans of America
United Church of Christ, Justice and Witness Ministries