



February 4, 2021

The Honorable Nancy Pelosi
 Speaker of the House
 United States House of Representatives
 1236 Longworth House Office Building
 Washington, D.C. 20515.

The Honorable Chuck Schumer
 Majority Leader
 United States Senate
 322 Hart Senate Office Building
 Washington, D.C. 20510

The Honorable Kevin McCarthy
 Republican Leader
 United States House of Representatives
 2468 Rayburn House Office Building
 Washington, D.C. 20515

The Honorable Mitch McConnell
 Republican Leader
 United States Senate
 317 Russell Senate Office Building
 Washington, D.C. 20150

**RE: State-based Marketplaces Perspectives on the American Rescue Plan
 Helping Non-Employer Covered Consumers with Health Care Costs is Best Possible
 Targeted Stimulus**

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

Thank you for your ongoing leadership as the nation continues to grapple with the devastating effects of the COVID-19 pandemic and the health and economic challenges it has wrought on millions of Americans throughout the country. As State-based Marketplaces, we represent and serve states in every part of the nation and across the political spectrum. Whether “red, blue, or purple” we have worked for years to understand and support the needs of the millions of Americans who do not have access to employer-based health coverage but who earn too much to qualify for Medicaid. Recently, we have also served as a much-needed safety net to millions of Americans who have lost jobs, lost income, or otherwise need the protection of health insurance coverage during the worst health and economic crisis the United States has faced in modern history.

The President’s proposals to expand federal subsidies and eliminate the subsidy cliff in the individual market are two of the most effective policies Congress and the Administration can advance to have a direct and positive impact on the affordability of coverage at a time when it is needed most. We stand ready to implement these proposals.

Informed by our experience, we offer the following suggestions regarding President Biden's recently released "[American Rescue Plan](#)," specifically the President's proposal to limit the cost of health care coverage to 8.5 percent of income:

- **Increasing subsidies for those UNDER 400 percent of the Federal Poverty Level (FPL) targets lower income Americans who have been hardest hit by the recession.** Bigger subsidies for those earning less than 400 percent FPL would offer an immediate impact to those with most economic needs. We believe the benefit would be worth about \$100 per month to eligible Americans, which would be desperately needed income in a time of need while speeding economic recovery.
- **By providing help to those OVER 400 percent FPL, the policy recognizes the huge health care burden on Americans.** The policy would also have a very significant impact for Americans—those with incomes above 400 percent FPL—by eliminating the “subsidy cliff” and providing much needed federal financial help to lower costs for millions of Americans in the individual market for the very first time. Elimination of the “cliff” would also help millions who have been “priced out” of coverage get affordable insurance while the pandemic continues.
- **In addressing Americans' health care costs, providing a two-year program would promote continuity of care and coverage and extend this benefit into 2022 when the economy is rebounding.** While any expansion of subsidies will be helpful to millions of individuals, extending the policies at least through 2022 would immediately provide lower health care coverage costs and likely drive economic recovery and spur more enrollment, especially among those who are uninsured and earn an income above 400 percent FPL who may be less likely to avail themselves of coverage if subsidies are only briefly available. Carrying the program through 2022 would also allow for larger enrollment and healthier risk mix which will lower premium costs in the individual market.
- **State-based Marketplaces stand ready to implement these important policy changes and warrant federal assistance in doing so.** Although we are all self-sustaining, State-based marketplaces run on tight budgets as we recognize that our expenses are part of the health care expense born by consumers or the federal government. We believe it would be appropriate to provide funding to marketplaces for implementation.

As State-based Marketplaces, we are ready to work with Congress and the new Administration on this and other health policy proposals that may come before you in the 117th Congress and beyond. We look forward to working with you and your staff to put America on the road to recovery from the COVID-19 pandemic and to continue progress towards ensuring Americans can access health insurance coverage at a time when they need it the most.

Sincerely,

The Undersigned State-based Health Insurance Marketplaces



Carrie Banahan
Deputy Secretary
Cabinet for Health and Family
Services



Jeffrey Bustamante
Chief Executive Officer
BeWellnm



Marlene Caride
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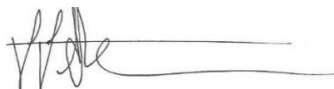
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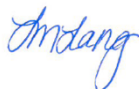
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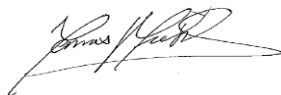
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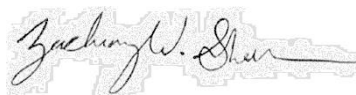
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