

The Alliance to Fight for Health Care

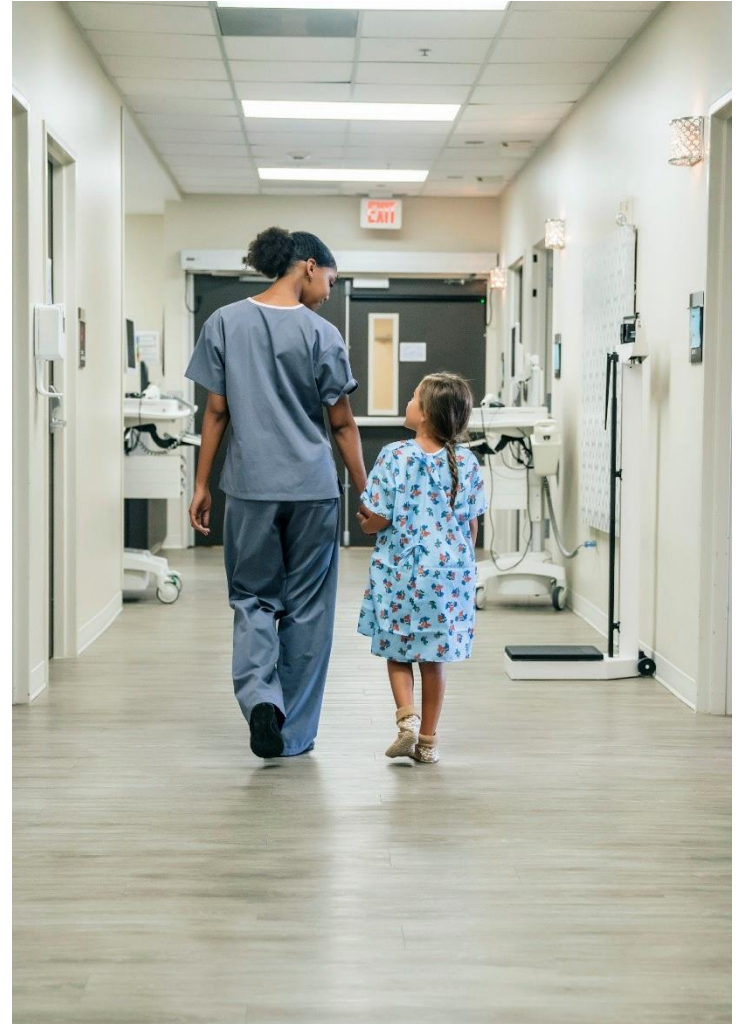
April 2020



The Alliance to Fight for Health Care

The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, local governments, health care companies, consumer groups and other stakeholders that support employer-provided health coverage.

The coalition (previously working as the **Alliance to Fight the 40**), led the successful effort to repeal the so-called 40% “Cadillac Tax” on health care coverage.



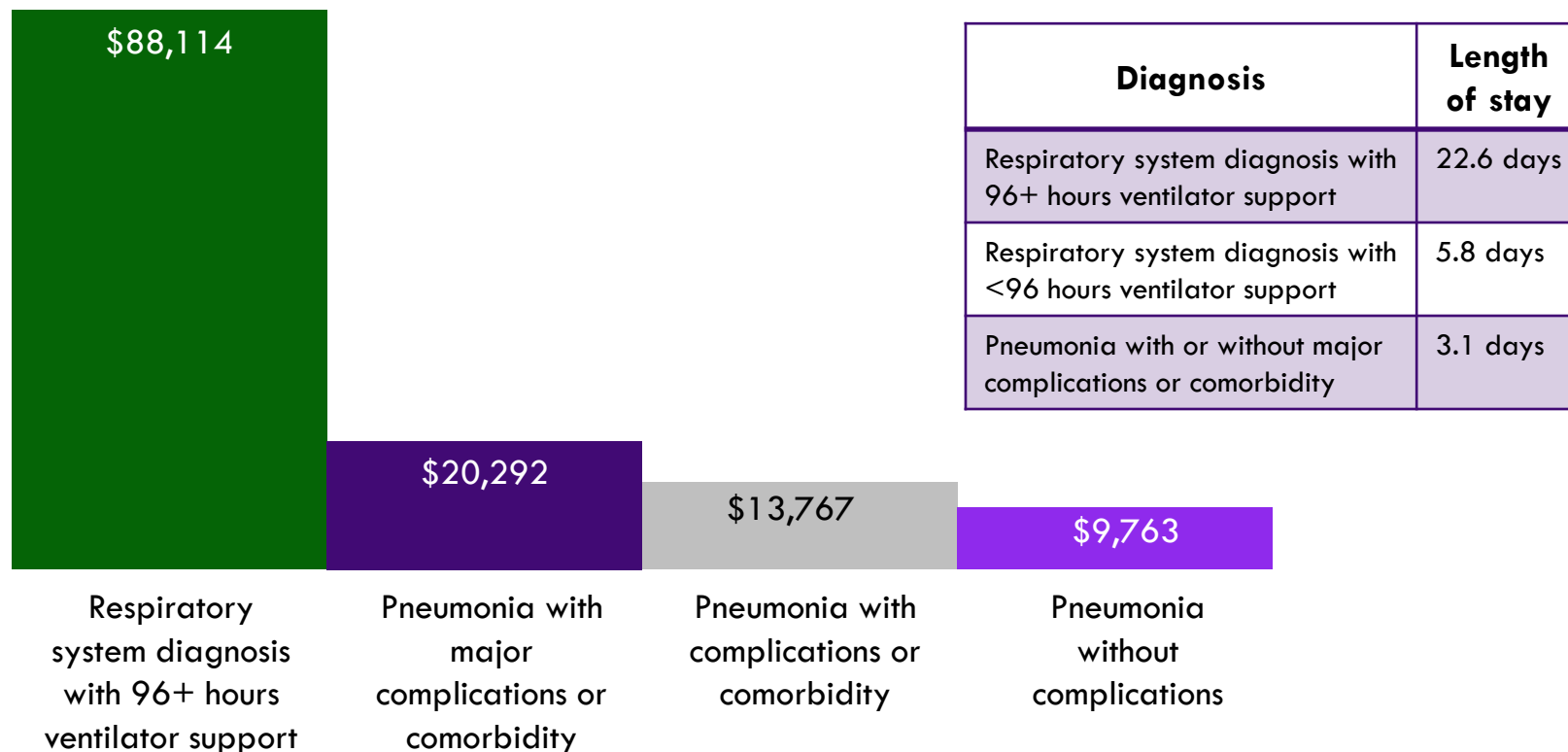
Key Policy Goals

The Alliance to Fight for Health Care stands ready to develop and support policies that must meet four critical needs:

- 1** **Aid for Americans** who have lost their jobs or been placed on furlough by covering the cost of continuing their health coverage.
- 2** **Support for financially struggling employers** and health funds to continue offering critical health coverage.
- 3** **Enhance availability and affordability of coverage** in the individual market for Americans seeking coverage through the Federal or state-based Marketplaces.
- 4** **Promote policies that support our health care workers** on the frontline of this crisis.

The new normal: Costs for inpatient COVID-19 treatment can exceed \$20,000; \$90,000 for extreme cases

Median total cost of treatment for an inpatient admission for respiratory conditions and treatment of pneumonia among large employer plans, 2018



Source: Peterson KFF Health System Tracker, "How health costs might change with COVID-19," April 15, 2020.

Potential annual health care costs for consumers, employers and insurers due to COVID-19 are staggering

\$34-251 B

One-year **PROJECTED COSTS** in the national commercial market for COVID-19 testing, treatment and care

2-21 %

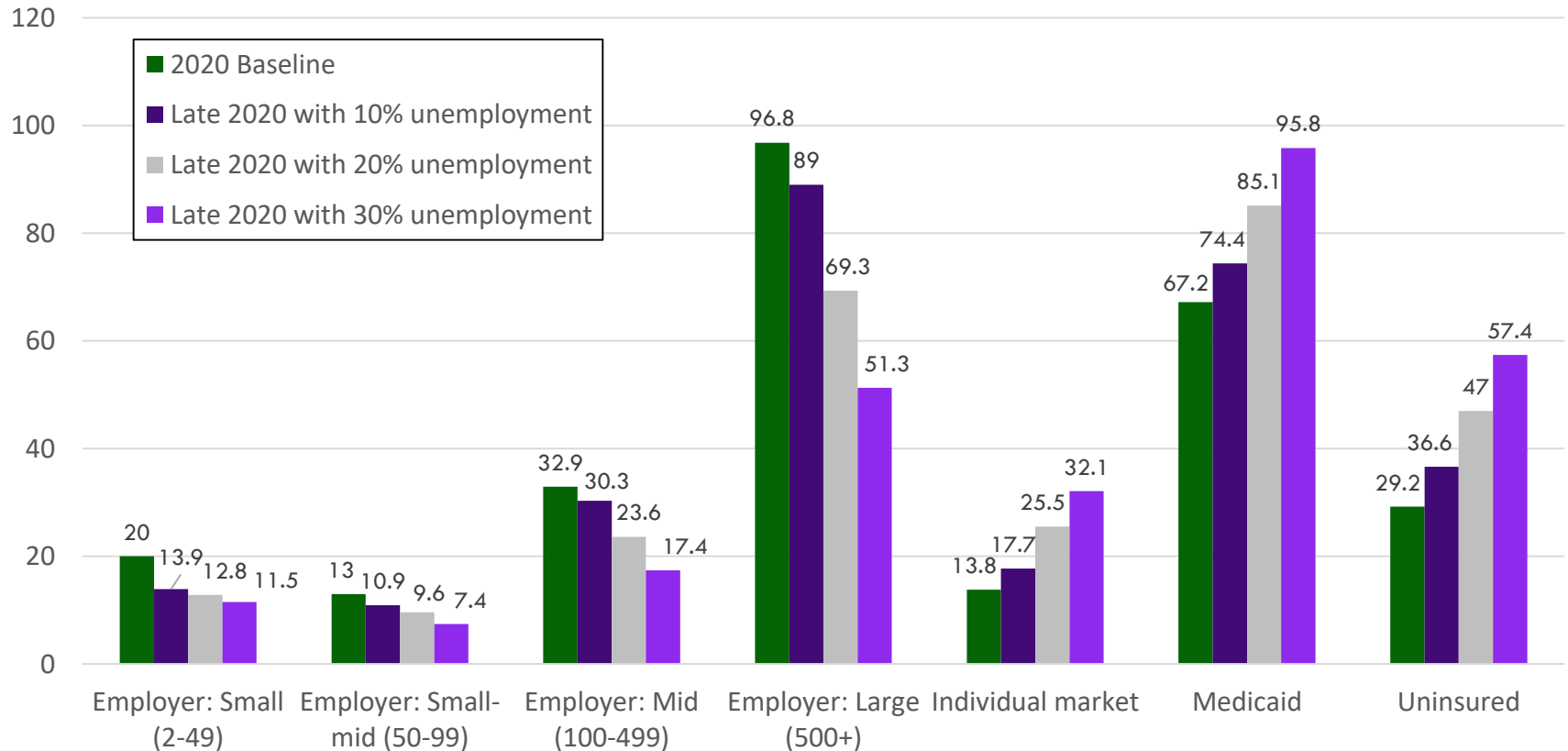
Potential **PERCENT OF PREMIUMS** due to COVID-19 costs for 2020 if the full first-year costs had been priced in

4-40%

Potential **INCREASE IN 2021 PREMIUMS** due to COVID-19 to individuals and employers

The COVID-19 economic downturn could substantially shift health care coverage away from commercial markets

Estimated impact to health insurance coverage due to COVID-19 economic downturn (in millions)



Source: US Census Bureau, Bureau of Labor Statistics, Kaiser Family Foundation, AHRQ, MarketScan, Medicaid.gov, Pew Research, Mercer, Oliver Wyman analysis.

AFHC's preliminary policy recommendations

Preliminary recommendations focused on meeting the four critical needs necessary to stem the tide of coverage losses and protect the health and financial wellbeing of millions of Americans and their families.

Continuation of health care coverage for employees experiencing job loss and furlough:

- COBRA subsidies and streamlining of election
- Support for premium payments for health care and other critical benefits

1

Continuation of health care coverage for employers and health funds facing financial distress:

- New funds or business loans to preserve access to employer provided health plans
- Protection from devastatingly high-cost claims

2

Continuation of health care coverage in the individual market:

- Improve access to individual market coverage
- Streamline enrollment process
- Create a new special enrollment period

3

Supporting front line health care workers:

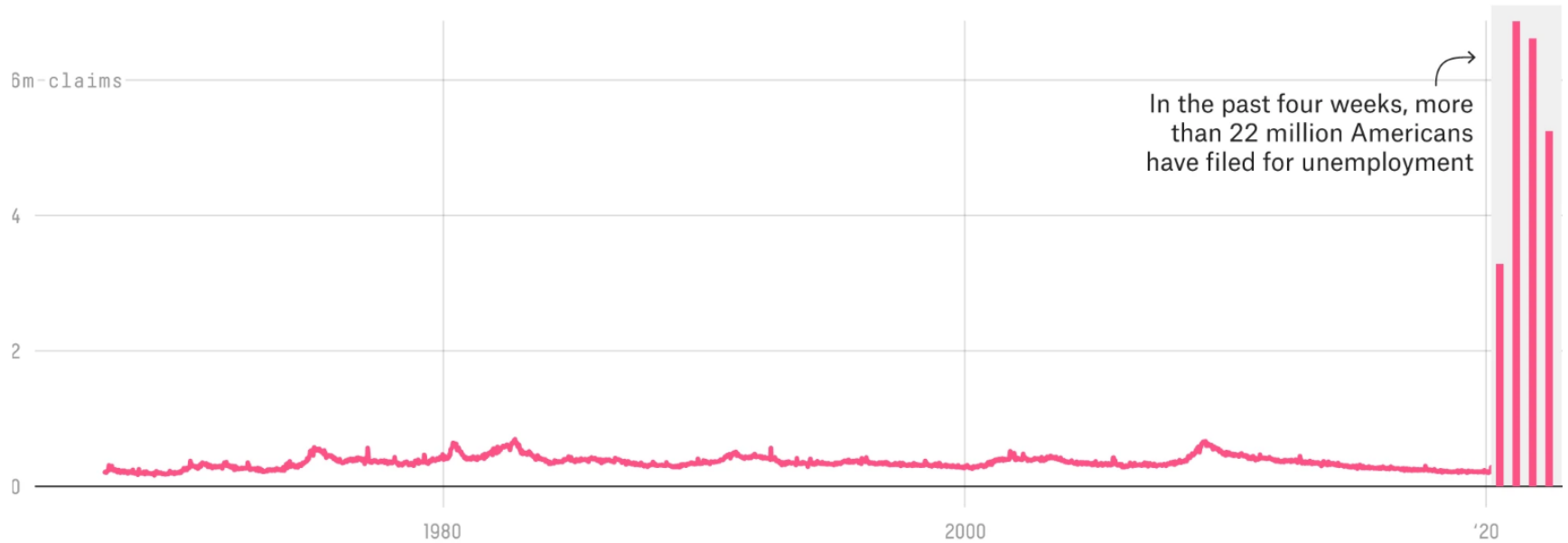
- Hospital supplies and capacity
- Testing for all populations
- Provider licensing and authority
- Promotion of telehealth

4

COVID-19 Unemployment

Coronavirus has led to historic unemployment numbers

Weekly seasonally adjusted initial unemployment insurance claims, 1967-2020

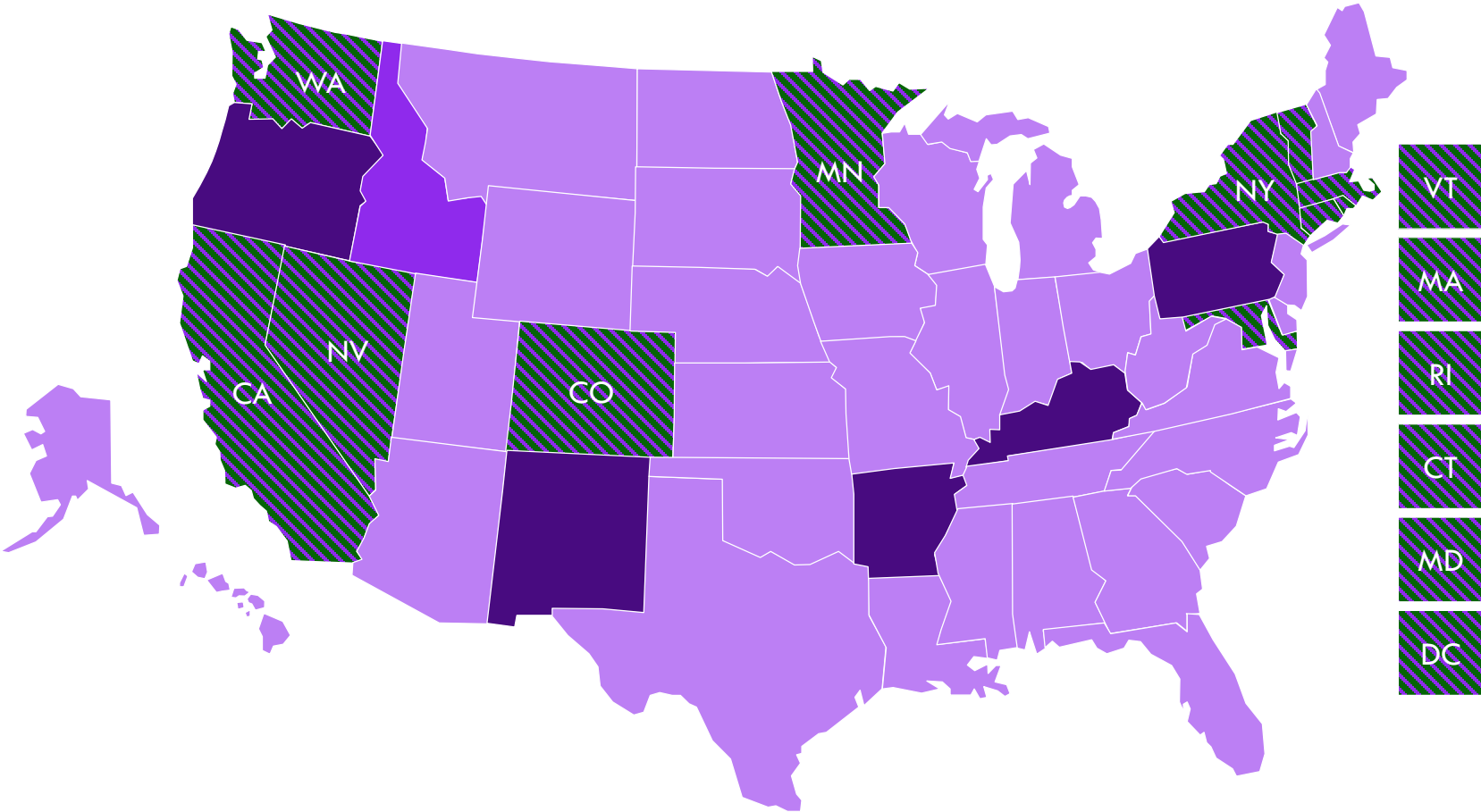


Appendix

ALLIANCE
TO FIGHT **THE 40**
Stop the 40% tax on health benefits



Only 12 States with Marketplace SEPs



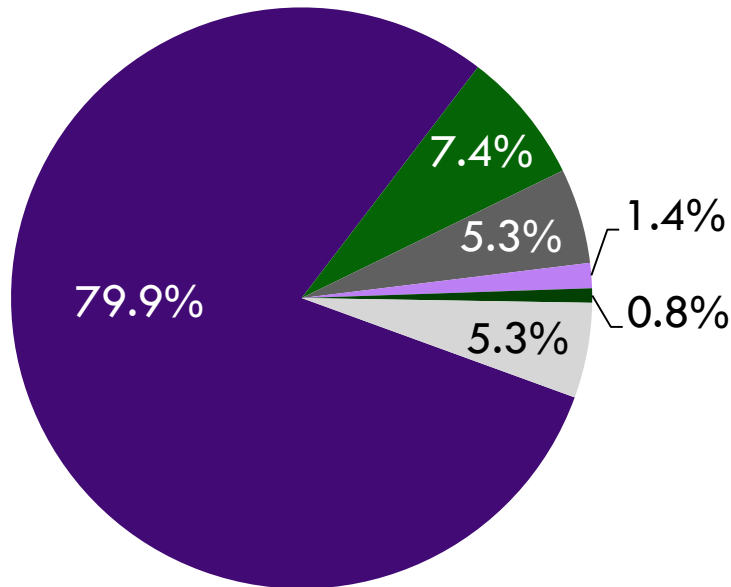
- Federally-facilitated marketplace
- State-based Marketplace
- State-based Marketplace with COVID-19 Special Enrollment Period (SEP)
- State-based Marketplace-Federal Platform

Source: Kaiser Family Foundation, "State Data and Policy Actions to Address Coronavirus," April 13, 2020; Kaiser Family Foundation, "State Health Insurance Marketplace Types, 2020."

Review of COBRA Subsidy in ARRA

To help workers who lost their jobs involuntarily during the “great recession” of the late 2000s, the American Recovery and Reinvestment Act (ARRA) provided a 65% subsidy for premium payments to most COBRA-eligible people who experienced a job loss between September 2008 and May 2010. Without a subsidy, workers are responsible for up to 102% of the full premium under COBRA.

Reasons for not enrolling in COBRA, according to COBRA-eligible workers provided the ARRA subsidy



- Too expensive
- Had coverage from a spouse, partner or parent's plan
- Had other coverage
- Expected to find a new job soon
- Didn't understand how to enroll

ARRA subsidy's impact on COBRA take-up

