



July 29, 2022

Sent via email

Re: Support for Key Health Provisions in the Reconciliation Package

Dear Members of the Washington State Congressional Delegation:

We are writing to encourage your immediate action to support strong health care provisions in the “Inflation Reduction Act” reconciliation package. Please act quickly to pass a package next week that: (1) extends Exchange premium assistance available under the American Rescue Act (ARPA), (2) addresses high prescription drug prices and benefit gaps in Medicare, and (3) improves equity by closing the Medicaid coverage gap.

For over twenty years, Northwest Health Law Advocates has worked to expand access to affordable, quality health insurance for all Washington State residents. Given this tenure, we recognize the significance of this moment: Congress has an opportunity to pass a reconciliation package next week that will make a lasting impact for millions of Americans who rely on public health insurance programs for their coverage and care. **We cannot let this opportunity slip from our grasp without addressing three critical health care issues:**

1. Continue ARPA Exchange Premium Tax Credits

If ARPA-enhanced premium tax credits expire at the end of 2022, millions of Americans will lose access to the affordable health insurance that has served as a lifeline during the pandemic. In just a short period, the ARPA-enhanced premium tax credits have improved the lives of thousands of Washington state residents. Our state-based Exchange, Washington Healthplanfinder, has seen [significant](#) increases in enrollment and affordability since ARPA was implemented in 2021, including:

- A record high number of open enrollment sign-ups, including nearly 60,000 new customers and new customers that were more likely to be younger, Black, or Hispanic.
- Dramatic improvements in affordability, as more than 42% of Exchange customers now paying \$100 or less per month for health insurance.
- ARPA has also been instrumental in supporting Washington’s first-in-the-nation public option, Cascade Care Select. With ARPA support, these plans will be available in 34 counties in 2023, up from 25 last year. That means 98% of Washington’s current Exchange customers will have access to the public option plan.

These improvements are working as intended to expand health care access. Based on the state’s [estimates](#), the number of Washington residents with coverage soared to an all-time high of ~95% just after ARPA was implemented. With measures like ARPA in place, we can finally get closer to covering all Washingtonians.

By contrast, if ARPA-level premium tax credits are not extended, tens of thousands of low and modest-income Washingtonians will see significant premium increases this fall, up to an estimated \$1,200 a month or more than \$14,000 a year. This would be particularly disastrous if the federal “public health emergency” winds down in the fall, leaving Washington residents who had Medicaid coverage during the pandemic without any affordable alternatives. Many will have no choice but to drop their health insurance coverage completely, running the risk of financial devastation in the event of a critical health emergency.

2. Address Medicare Prescription Drug Prices & Benefit Gaps in Medicare & Medicaid

As we celebrate Medicare’s 57th birthday on July 30th, there is no question that there are issues we need to address to ensure Medicare beneficiaries have access to important care. We strongly support provisions in the Senate Finance Committee package that would expand access to over [7 million](#) Medicare beneficiaries while managing excessive industry prices, including:

- **Allowing the Dept. of Health and Human Services to negotiate drugs for Medicare.** Allowing Medicare to negotiate drug prices could [save](#) an estimated \$288 billion over the next 10 years, expanding our ability to address other health care priorities. In KFF surveys, there is bipartisan public support for this change, as nearly [80%](#) of Americans think the cost of prescription drugs is “unreasonable,” and [86%](#) would like the government to negotiate with drug companies to lower drug prices for Medicare.
- **Cap out-of-pocket costs at \$2,000 a year for prescription drugs in Medicare Part D plans.** Currently, there is no limit on the out-of-pocket cost for prescription drugs paid by Medicare beneficiaries. After beneficiaries spend more than \$7,050 out-of-pocket for medicine, they must pay 5% of *all* subsequent costs, regardless of how high they are. In 2019, 3.8 million Medicare beneficiaries experienced out-of-pocket costs greater than \$5,000. It is time to address this unfair and unreasonable practice that jeopardizes the financial and health security of many older Americans.
- **Impose rebates on drug manufacturers that increase prices higher than inflation.** Half of all drugs covered by Medicare had price increases in 2019-2020 that were [higher](#) than inflation, making drugs unaffordable for many. It is time to prioritize health care over profit. If passed, the rebate would start in 2023, saving an estimated [\\$100.7 billion](#) over ten years due to both reductions and new revenue.
- **Expand eligibility for *full* Part D Low-Income Subsidies in 2024.** The proposal would protect low-income Medicare enrollees up to 150% FPL from most cost-sharing for prescription drugs. Today, beneficiaries receiving *partial* LIS benefits typically pay a portion of the Part D premium, standard deductible, 15% coinsurance, plus copays for drugs above the catastrophic threshold. The proposal would remove these access barriers for Medicare enrollees, leaving only modest copays through a full LIS benefit.

- Eliminate cost-sharing for adult vaccines under Medicare Part D and improve access to adult vaccines under Medicaid/CHIP. The proposed package would end co-pays and co-insurance for [4 million](#) Medicare beneficiaries, including more than [110,000](#) Washington residents who get vaccines. Under the provision, all Medicaid enrollees would also have access to the vaccines recommended by the Advisory Committee on Immunization Practices (ACIP). Currently, [half \(25\)](#) of states do not cover the ACIP-recommended vaccines. Vaccines are a critical component to high quality preventive health and helping to avoid serious health conditions.

3. Close the Medicaid Coverage Gap

We also write to express our strongest solidarity with the more than two million Americans who live in states that have not adopted the Affordable Care Act’s Medicaid Expansion. The final reconciliation package must include measures to close the coverage gap for [millions](#) of low-income Americans who still do not have access to comprehensive coverage a decade after the Affordable Care Act, including more than [one million](#) people of color and more than [800,000](#) women of reproductive age with incomes under 100% of the federal poverty level.

A reconciliation package without this issue will perpetuate years of inequity in southern states that have failed their own people. A recent [editorial](#) in The Hill called closing the Medicaid gap “the single most important step we as a nation can take to achieve greater racial equity in health.” By acting now to close the Medicaid coverage gap in reconciliation, Congress can help dismantle historic systems that have upheld racist practices for generations.

The *Dobbs* decision makes this a particularly critical time. The states that have failed to expand Medicaid are among those with the highest uninsured rates, the poorest maternal health outcomes, and the most severely restricted access to or outright ban of abortion. While we are fortunate in Washington state to have strong reproductive health care protections, that is not the case elsewhere. Closing the Medicaid coverage gap could help alleviate some of the lasting harm to health that can arise when people are forced to carry pregnancies to term.

Continue to advance future health care measures

Though this letter focuses on the most important elements of the current reconciliation effort, we remain hopeful that Congress will also act to revive other important health care improvements, including:

- Expanding Medicare to include vision, dental, and hearing benefits.
- Investing in in-home and community-based Medicaid services.
- Making the Children’s Health Insurance Program (CHIP) permanent.
- Supporting improvements to Medicaid, including care for people in the postpartum year and during periods of incarceration.

As a supporter of health care access, equity, and reform both in Washington state and across the nation, we ask that you strongly support critical health provisions in the reconciliation package next week. Thank you for your consideration and action.

Sincerely,

A handwritten signature in black ink that reads "Janet Varon". The signature is written in a cursive, flowing style.

Janet Varon
Executive Director