

October 8, 2001

The Honorable James M. Jeffords

United States Senate

728 Hart Senate Office Building

Washington, DC 20510

Dear Senator Jeffords:

On behalf of the 115,000 physicians and medical students of the American College of Physicians-American Society of Internal Medicine (ACP-ASIM), I am writing to applaud your leadership on the issue of the uninsured. ACP-ASIM believes that "The COBRA Plus Action of 2001" will reduce the number of uninsured and provide relief to the many individuals and families who were affected by the tragic events of September 11.

The number of uninsured, as recently reported by the U.S. Census Bureau, was collected in the spring of 2000 when unemployment was low and the economy was strong. The number of uninsured is likely to be substantially larger due to: the loss of coverage by the families of the deceased or those seriously injured in the attack; those who lost jobs because of the economic slowdown, in general, and as a result of the attack specifically; and the double digit percentage increases in premiums that are expected next year.

Your bill will expand coverage by providing an extra nine months of COBRA coverage and an individual tax credit to help pay for coverage with a fifty percent premium subsidy. ACP-ASIM believes that it would be even more effective to provide 100 percent premium support for individuals at or below poverty, phasing out subsidies completely at 250 percent. Participation in COBRA depends on its affordability. The premium subsidy in your bill will be helpful to thousands of uninsured, but we believe that increasing the subsidy to 100 percent for low-income individuals will help tens of thousands more people who are unemployed and unable to afford their 50 percent contribution.

There are several important features of your individual tax credit that should increase participation in COBRA. It is refundable so those with no tax liability will still receive the credit, and it includes an advance payment option that allows the credit to be paid directly to the insurance company.

In addition to expanding COBRA, the ACP-ASIM urges Congress to consider a variety of other approaches to reduce the number of uninsured. Additional funding is needed to provide SCHIP coverage or Medicaid to parents; to simplify enrollment in both programs; and to provide transitional coverage for up to 24 months for Medicaid and SCHIP enrollees who experience improvements in their economic situation that could cause them to lose eligibility. The state of New York has taken similar but more limited steps to assist its residents and Secretary Thompson has pledged his support for those actions. Tax credits for the purchase of health insurance is another way to increase coverage and should be considered.

We are cognizant of the need to address the security needs of the nation, including the threat of bioterrorism. There is nothing more important. Still, the number of uninsured in this country presents a clear danger to our nation's health. Your bill makes a meaningful contribution to easing the hardship of the many Americans whose health is jeopardized by no health insurance coverage.

Sincerely yours,

William J. Hall, MD, FACP President