

The Honorable Charles Rettig
Commissioner
Internal Revenue Service
U.S. Department of the Treasury
P.O. Box 7604, Ben Franklin Station
Washington, D.C., 20044

Re: Affordability of Employer Coverage for Family Members of Employees (REG-114339-21)

Dear Commissioner Rettig:

On behalf of the more than five million people who stand to benefit from more affordable private insurance options when the “family glitch” is fixed, we thank you and the Biden administration for your proposed rule, “Affordability of Employer Coverage for Family Members of Employees” (RIN 1545–BQ16), published April 7, 2022.

We strongly urge you to move expeditiously, following the close of the public comment period, to finalize the rule so families newly eligible for premium tax credits may enter federal and state marketplaces during this fall’s open enrollment period to enroll in more affordable health care coverage for 2023.

A primary goal of the Affordable Care Act (ACA) is to expand access to quality, affordable coverage. The creation of health insurance marketplaces and the state option for Medicaid expansion have helped the country make great strides in increasing coverage. However, millions of people still do not have access to regular health care. They are forgoing cancer treatments, preventive care, mental health supports, well-child visits, prenatal care and more because they can’t afford the high costs of premiums. Millions more are low-wage earners who are paying hundreds of dollars a month for health insurance, neglecting other necessities so that they can access care without amassing medical debt.

The proposed rule will help dependent family members – mostly women and children – who are currently shut out of accessing care through a family member’s work insurance due to the high cost of coverage. One recent estimate by Third Way found that eliminating the “family glitch” would reduce annual health care costs for a family at 200 percent of the federal poverty level by more than \$4,000—nearly 10 percent of a three-person family’s income.¹ Further, of the millions of people this rule will impact:

- Over half are children;
- Half have incomes below 250 percent of the federal poverty level – \$23,000 for a family of three – and two-thirds are below 400 percent of the federal poverty level; and

¹ David Kendall, Ladan Ahmadi, and Kylie Murdock. “Capping Families’ Health Care Costs: Savings by State.” Third Way, April 13, 2022. <https://www.thirdway.org/report/capping-families-health-care-costs-savings-by-state>, accessed May 26, 2022.

- A disproportionate number work for small businesses with fewer than 200 employees or in the service sector, where premiums for family coverage are often high and many employees must cover the entire cost of family coverage or forgo coverage altogether.

As organizations committed to health equity and justice for low-income families, we support this proposed rule and its goal of reducing the costs of care that families in every community face. We look forward to the swift final adoption of the rule and to continuing our shared work to help all families access the resources and support they need to thrive.

Sincerely,

Community Catalyst
AIDS Foundation Chicago
Be A Hero
Center for American Progress
Center for Law and Social Policy (CLASP)
Children's Defense Fund
Families USA
First Focus on Children
Florida Policy Institute
Georgians for a Healthy Future
Health Care for America Now (HCAN)
Health Care Voices
HIV + Hepatitis Policy Institute
Justice in Aging
Kentucky Equal Justice Center
Maryland Health Care for All! Coalition
NAACP
National Association of Pediatric Nurse Practitioners
National Immigration Law Center
National League for Nursing
Oklahoma Policy Institute
Planned Parenthood Federation of America
Protect Our Care
RESULTS
Service Employees International Union
South Carolina Appleseed Legal Justice Center
The Children's Partnership
The Leadership Conference on Civil and Human Rights
Universal Health Care Foundation of Connecticut
URGE: Unite for Reproductive & Gender Equity
Virginia Organizing
Young Invincibles