



Max Richtman, Chair

July 9, 2020

The Honorable Nancy Pelosi
H-222 Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
H-204 Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

We, the undersigned members of the Leadership Council of Aging Organizations (LCAO), applaud your attention to both the public health and economic challenges caused by COVID-19. We urge you to help workers who have lost their job-based health plans because of unemployment or a reduction in their work hours retain their job-based health plan, if doing so best meets their needs.

Providing time-limited federal help to Americans to keep their job-based health plans if they are unemployed or furloughed is particularly important to older Americans who are not yet eligible for Medicare. Older Americans have lost their jobs at an acutely high rate during the pandemic,^{1,2} and unemployment has hit women 55 and older especially hard.³ Older workers will also likely face greater challenges in finding new employment⁴ and, because of age, are more likely to be under treatment for medical conditions or to have preexisting conditions.⁵ These factors make the loss of a health plan a major disruption to older adults' health and access to

¹ "One surprise from the April jobs report was the surge in unemployment among older workers. The monthly unemployment rate at ages 65 and older reached 15.6 percent, the highest level since records began in 1948. It exceeded the unemployment rate for workers ages 25 to 54 by 3 percentage points, the biggest gap ever." Johnson, R. W. (2020, May). *As unemployment surges, older workers need more help* [Web log post]. Retrieved from the Urban Institute Blog Web site, Urban Wire: <https://www.urban.org/urban-wire/unemployment-surges-older-workers-need-more-help>

² U.S. Department of Labor, Bureau of Labor Statistics. (2020, June 5). *The employment situation—May 2020* [News release]. Retrieved from <https://www.bls.gov/news.release/pdf/empsit.pdf>

³ Singletary, M. (2020, May 22). Women 55 and older who lose their jobs in the pandemic face greater risk of long-term unemployment. *Washington Post*. Retrieved from <https://www.washingtonpost.com/>

⁴ Johnson, R. W., & Butrica, B. A. (2012, May). *Age disparities in unemployment and reemployment during the great recession and recovery* (Unemployment and Recovery Project Brief 03). Retrieved from Urban Institute Web site: <https://www.urban.org/sites/default/files/publication/25431/412574-age-disparities-in-unemployment-and-reemployment-during-the-great-recession-and-recovery.pdf>

⁵ Up to 86 percent of people ages 55 to 64 have a preexisting health condition. Centers for Medicare & Medicaid Services, Center for Consumer Information & Insurance Oversight. (n.d.). *At risk: Pre-existing conditions could affect 1 in 2 Americans: 129 million people could be denied affordable coverage without health reform*. Retrieved from <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/preexisting#:~:text=Up%20to%2086%20Percent%20of,had%20%E2%80%93%20a%20health%20condition%20increases>

health care. To ensure those who need it have continued access to job-based insurance, we urge you to include the provisions of “Worker Health Coverage Protection Act” (H.R. 6514) in the next legislative response to COVID-19. Because Medicare might be a more appropriate coverage option for some, we also urge you to also adopt the Medicare enrollment education and outreach strategies in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800).⁶ This provision would empower people who lose employer-based health insurance to make informed coverage choices.

Central to helping the tens of millions of unemployed Americans keep their job-based health plans is providing time-limited federal help to pay the full cost of Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) premiums for workers who lose coverage because they have lost their job or have been furloughed. COBRA permits laid off workers and others to maintain their job-based coverage for up to 18 months. Newly jobless workers and others who are qualified under COBRA must pay the full premium plus an additional 2 percent of the premium to cover administrative costs. For workers who just lost their jobs, a \$7,188 average yearly premium for single coverage, or \$20,576 average yearly premium for a family, can be out of reach. Federal help to pay all of the COBRA premiums would give unemployed workers and their families a real choice to stay on their existing health coverage.

Staying on the same health plan gives all workers, especially older workers who are not yet eligible for Medicare, peace of mind so they will not be forced to leave their provider networks, restart annual deductibles, or face a gap in their medications during the COVID-19 pandemic. For older workers who will likely face a longer time unemployed, a meaningful choice to keep their job-based health plan means avoiding more disruption and financial strain to their lives.

The program we are urging you to adopt would largely mirror the COBRA subsidies Congress enacted in 2009 to address coverage loss during the Great Recession. Funding the subsidies at 100 percent of the premium cost will increase take up by making coverage more affordable for working families. We urge you to protect workers in the unemployment tidal wave now taking place by providing them the lifeline they need to keep their work-based health care coverage.

COBRA is meant to provide stability in health coverage as a bridge for recently unemployed workers. We urge you to strengthen COBRA as this bridge by improving the transition from COBRA coverage to coverage under Medicare, for those nearing age 65, and to the Affordable Care Act and Medicaid. In addition, to facilitate and ensure stable coverage for all unemployed workers, we urge Congress to direct the U.S. Department of Health and Human Services to create, immediately, both a federal marketplace special enrollment period and a Medicare special enrollment period to respond to COVID-19. Opening and widely publicizing such enrollment periods would streamline enrollment and minimize confusion and administrative burden, connect people to coverage if they have lost coverage or are currently uninsured or underinsured, and ensure that individuals are not forced to spend down their resources during this economic crisis to obtain coverage through Medicaid.

⁶ Sec. 30312(a)(11)(A).

Sincerely,

AFL-CIO

AFSCME

Aging Life Care Association

Alliance for Retired Americans

AMDA The Society for Post-Acute and Long-Term Care Medicine

American Association of Service Coordinators

American Federation of Teachers

American Geriatrics Society

American Society on Aging

APWU Retirees Department

Association for Gerontology and Human Development in Historically Black Colleges and Universities (HBCUs)

Association of Jewish Aging Services

B'nai B'rith International

Center for Medicare Advocacy

Families USA

The Gerontological Society of America

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)

Justice in Aging

Medicare Rights Center

National Adult Day Services Association (NADSA)

National Adult Protective Services Association

National Association of Social Workers (NASW)

National Association of State Long Term Care Ombudsman Programs

National Committee to Preserve Social Security and Medicare

National Council on Aging

National Senior Corps Association

Service Employees International Union

Social Security Works

Women's Institute for a Secure Retirement

CC: The Honorable Robert C. Scott, Chair, and the Honorable Virginia Foxx, Ranking Member, House Education and Labor Committee

The Honorable Frank Pallone, Jr., Chair, and the Honorable Greg Walden, Ranking Member, House Energy and Commerce Committee

The Honorable Richard E. Neal, Chair, and the Honorable Kevin Brady, Ranking Member, House Ways and Means Committee