



United States Senate
Washington, DC 20510

Dear Senator:

On behalf of the American Cancer Society-Cancer Action Network, American Diabetes Association, and American Heart Association, we are writing to oppose the offset used in H.R. 4, the Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act, because it would make it harder for patients we serve to afford health insurance coverage. Collectively our organizations represent the interests of patients, survivors and families affected by four of the nation's most prevalent, deadly and costly chronic conditions, cancer, diabetes, heart disease and stroke.

We recognize that the 1099 reporting requirement will be burdensome on many small businesses and non-profit organizations, and we support repealing this requirement before it takes effect in 2012. We applaud the Senate for passing legislation earlier this year with overwhelming bipartisan support to repeal this provision and fully pay for the repeal by rescinding previously unobligated funds. However, we simply cannot support paying for the repeal of this provision on the backs of patients and families needing affordable health insurance as would be done by the enactment of H.R. 4.

The offset used in H.R. 4 would result in an estimated additional 250,000 Americans going uninsured. By significantly raising the repayment caps for many moderate-income families and eliminating the cap entirely for families with incomes between 400 and 500 percent of the poverty line, this ill-advised policy would discourage individuals and families from enrolling in health insurance coverage through state-based exchanges. Moreover, the policy could disproportionately affect people with chronic conditions like cancer, heart disease and diabetes for two reasons. First, in the exchanges, premiums will be age adjusted, and since people with chronic conditions are generally older, they will be paying relatively more. Thus, if they have to repay tax credits, the amount will be relatively large, and therefore, the fear of having to make a rebate will make them less willing to obtain the coverage they need. Second, some younger and relatively healthy people may also choose not to enroll and take subsidies because they fear a change in income may put them at risk of having to return a subsidy to the government. The loss of young, healthy people in the insurance pools undermines the overarching goal of universal coverage and raises the premiums of those who remain in the pools.

Thank you for your consideration of our views. We fully appreciate why a repeal of section 1099 is widely supported, but we believe very strongly that a different offset needs to be found—one that does not pay for the repeal by undermining the fundamental goal of achieving affordable, quality care for all Americans.

Sincerely,
American Cancer Society-Cancer Action Network
American Diabetes Association
American Heart Association