

AFL-CIO

LEGISLATIVE ALERT

February 9, 2021

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the AFL-CIO, we thank Chairman Bobby Scott of the Education and Labor Committee for securing inclusion of COBRA health care subsidies in the American Rescue Plan. We urge committee members to work with the chairman and House leadership to increase the level of this subsidy to 100 percent to ensure that millions of working families are not left behind by this important policy.

An 85 percent COBRA subsidy will force too many unemployed workers to leave job-based coverage because they will be unable to afford even the 15 percent portion of their premium. This is the unfortunate experience of worker health plans that have reduced enrollee contributions to as low as 10 percent of the premium during the pandemic, only to find that a substantial proportion of workers were unable to benefit.

A mid-range [estimate](#) suggests 14 million people could benefit from COBRA assistance – including 7 million who have lost their employment-based coverage and another 7 million who have been carried on job-based coverage even while unemployed. Losing this coverage would result in financial hardship for families that face high deductibles in alternative coverage and disruption of their health care if changing health plans means they must find new doctors that are in-network. It would also sever many workers' connection to full-time work, which has been shown to slow economic recovery.

Increasing the COBRA subsidy to 100 percent is a better way to help working families. We hope you will help us improve this crucial policy as you advance the American Rescue Plan.

Sincerely,



William Samuel, Director
Government Affairs