



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

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December 6, 2012

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Cc: Gene Sperling
Nancy Ann Min DeParle
Jeanne Lambrew

Dear Mr. President:

On behalf of First Focus, a bipartisan children's advocacy organization dedicated to making children and families a priority in federal policy making, I am writing to congratulate you on your re-election and to affirm our support for all of your efforts to make high-quality, health care affordable and accessible for everyone in America, especially children and families. First Focus offered its full support for the Affordable Care Act's (ACA) enactment and we have been pleased to lend our expertise as advocates for children to inform the development of effective regulations and guidance.

As the implementation process moves forward, I am writing today to urge you to finalize the pending provisions of the ACA related to the determination of coverage affordability, specifically the proposed methodology for calculating premium tax credit and Exchange eligibility for children and families (Notice of Proposed Rulemaking (NPRM) related to the Health Insurance Premium Tax Credit (26 CFR Part 1)). This is a key issue for many families and we appreciated that the final rule (issued on May 18, 2012) recognized our concerns and deferred final action pending further consideration. Affordability of family coverage is an essential element of the ACA and this issue must be resolved as quickly as possible if the promise of health reform is to be realized for those employees who are not offered an affordable dependent coverage option.

We urge you to finalize this provision of the Treasury regulation by making sure that premium tax credits and exchange eligibility are determined based on the cost of coverage for all family members not just the cost of employee-only coverage. Dependent children and spouses must be eligible for premium tax credits and exchange eligibility when an offer of employer-based family coverage is simply not affordable for the family.

It is clear that Congress's intent in drafting the ACA and the Administration's intent in signing this bill into law was to make coverage available to and affordable for every American family including every family member. We were disappointed that the Treasury Department's initial NPRM incorporated an interpretation of the law which suggests that if the cost of self-only coverage for an employee does not exceed 9.5 percent of the taxpayer's

household income then coverage would be considered affordable for the family, even if coverage for the entire family is actually unaffordable. This is particularly problematic given that employee-only insurance premiums average about \$5,615 per year, while annual employee-and-family premiums are nearly triple the cost, at \$15,073. The interpretation in the NPRM is not only contrary to the language of the ACA, it would result in serious coverage losses for children and spouses, and could lead to serious adverse outcomes, especially for children with special health care needs and pregnant women. To ensure the smoothest pathway toward meaningful coverage for every family in America, we urge you to follow Congress's intent to ensure that affordable coverage is available for entire families and not just employees.

We are sincerely thankful for your hard work on children's health care and look forward to continuing to advocate on behalf of children as ACA implementation moves forward. Please let us know if we can help you in any way.

Sincerely,

A handwritten signature in blue ink that reads "Bruce Lesley". The signature is written in a cursive style with a blue ink color.

Bruce Lesley
President