



Health Coverage & COVID-19

THE ISSUE: The COVID-19 crisis has created a record tax burden on the U.S. healthcare system. With more than 180 million Americans receiving health insurance through their employers, tens of millions of employees face the risk of losing their coverage. For this reason, NAIFA has called on Congress to protect and expand high quality, affordable health care coverage for businesses and workers.

BACKGROUND: The COVID-19 pandemic has taxed our health care system and stressed the economy. Swift Congressional action has provided needed assistance to overcome the COVID-19 crisis. However, businesses need more support and workers need stable, secure health coverage. Congress should prioritize maintaining private health benefits for individuals and families, and to increase coverage options for those who are uninsured by:

- **Providing Employers with Temporary Subsidies to Preserve Health Benefits** – Many employers experiencing loss of revenue as a result of the economic downturn may choose to reduce benefits as one way to manage expenses. Congress could help employers by providing subsidies to offset the cost of preserving health coverage during this crisis.
- **Covering the Cost of Coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA)** – The COVID-19 crisis has already triggered significant job loss. Many individuals may have the option to maintain their job-based health coverage through COBRA but find the costs to be prohibitive, especially if they are facing a significant reduction in income. Congress could offset the full cost of coverage through COBRA to former employees through a direct subsidy.
- **Expanding Use of Health Savings Accounts (HSA)** – Currently, HSAs may only be used for certain qualifying expenses, which do not include premiums. Congress could temporarily lift this limit to provide individuals and families with access to additional resources to cover the cost of coverage.
- **Opening a Special Enrollment Period for Health Insurance Marketplaces** – The Health Insurance Marketplaces are an existing source of private coverage for many individuals and families, including those in self-employed households. While individuals who have recently lost employer-based coverage are eligible to enroll in the Marketplaces as a result of an existing Special Enrollment Period (SEP), Congress could create one-time additional open enrollment from now to May 31 for individuals to elect marketplace plans. NAIFA supports adjusting coverage retroactively to coincide with an applicant's loss of group coverage while allowing individuals to qualify for advance premium tax credits based upon their current income for 2020.
- **Increasing Eligibility for Federal Subsidies for the Health Insurance Marketplaces** – Some individuals and families make too much money to qualify for Health Insurance Marketplace subsidies but too little to afford premiums. Congress could increase access to individual market coverage by increasing eligibility for federal subsidies. NAIFA also recommend that Congress temporarily enhance financial assistance for individuals who already rely on the Health Insurance Marketplace for coverage by reducing the required contribution percentage to lower the cost of premiums.

NAIFA Position: NAIFA joins manufacturers, health care providers and employers calling for these immediate actions to help stabilize the economy, support businesses across the country, and secure quality health care coverage for millions of Americans.

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