RIP MEDICAL DEBT

June 6, 2022

Internal Revenue Service
Department of the Treasury
Washington, D.C. 20044

Submitted via www.federalregister.gov

Re: Docket No. REG-114339-21; Affordability of Employer Coverage for Family Members of Employees

Dear Secretary Yellen:

On behalf of RIP Medical Debt, I am pleased to submit the following comments regarding the Affordability of Employer Coverage for Family Members of Employees. RIP Medical Debt is a national nonprofit organization committed to lifting the burden of medical debt for thousands of people nationwide. Our unique debt abolishment model combines the generosity of donors with debt industry expertise to produce a high volume of debt relief return, mitigating significant financial and mental distress for millions of people. Our work also seeks to bring attention to the negative impacts caused by medical debt, to distill the causes of medical debt, and ultimately to use these findings to address its upstream causes.

We appreciate the opportunity to comment on the Affordability of Employer Coverage for Family Members of Employees. The proposed regulations would consider a worker's total cost of employer-sponsored coverage for themselves and their family members when assessing eligibility for marketplace premium tax credits (PTCs) and cost-sharing reductions (CSRs). This is a welcome revised interpretation of the Affordable Care Act (ACA) and would open access to affordable health coverage for millions of families. RIP Medical Debt strongly supports the proposed regulation. Specifically, we support:

- The revised interpretation that an eligible employer-sponsored plan is affordable for related individuals if the portion of the annual premium the employee must pay for family coverage does not exceed 9.5 percent of household income, is consistent with the ACA's goal of providing affordable coverage.
- The interpretation that the minimum value rule extends to dependents and support the new proposed regulations that an eligible employer-sponsored plan satisfies the minimum value requirement only if the plan's share of the total allowed costs of benefits provided to related individuals is at least 60 percent, similar to the existing rule for employees.
- The proposed regulations that require eligible employer-sponsored plans to include substantial coverage of inpatient hospital services and physician services.

The family glitch affects a broad spectrum of families. It is worth highlighting that nearly half of these families have incomes between 100 and 250 percent of the federal poverty level (FPL), or between $27,750 and $69,375 for a family of four.[1] Thanks to enhanced premium tax credits provided by the American Rescue Plan, these families and those with incomes up to 400 percent FPL would be able to access premium subsidies and, in some cases, cost-sharing reductions, making their health coverage more affordable.

At RIP Medical Debt, we hear from individuals and families about the burden of medical debt and for many people, their inability to pay their out-of-pocket costs. The proposed regulation to amend the interpretation of the ACA and address the family glitch is a critical step in fulfilling the promise of the ACA and making health coverage affordable and protecting families from the pain and stress of medical debt.

We appreciate the hard work by the Department of the Treasury and the Internal Revenue Service to develop a proposed rule to fix the family glitch. Thank you for the opportunity to submit this comment.

Sincerely,

Allison Sesso

CEO, RIP Medical Debt

[1] https://www.kff.org/health-reform/issue-brief/the-aca-family-glitch-and-affordability-of-employer-coverage/