

Raise the Cap Coalition

The Honorable Henry Waxman
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Joe Barton
Ranking Member
House Committee on Energy and Commerce
2322-A Rayburn House Office Building
Washington, DC 20515

September 15 2009

RE: Provision to Eliminate Lifetime Limits on Private Insurance in HR 3200

Dear Chairman Waxman and Ranking Member Barton:

On behalf of the undersigned organizations and millions of Americans with chronic diseases and conditions, thank you for your efforts to reform our healthcare system so that there will be adequate, affordable health care for all Americans. We strongly support the insurance market reforms included in HR 3200, especially the elimination of lifetime and annual limits on benefits. However, we are concerned about the delayed implementation of this provision for existing plans, and urge you to expedite its implementation.

Lifetime limits on private insurance pose a considerable problem for individuals with chronic diseases and conditions. Many private insurers continue to set lifetime caps on health coverage at \$2-\$3 million; no additional coverage is provided once these limits are reached. A person with a high cost chronic disease or condition could exhaust their benefits in as few as 5 years, or even in one or two in the case of a medical crisis. Increasing or eliminating lifetime caps would result in savings for state and federal governments, since individuals with high medical costs would be able to maintain their private insurance rather than be forced onto Medicaid. Independent analysis by PricewaterhouseCoopers found that more than \$11 billion over ten years would be saved by raising lifetime caps.

HR 3200 eliminates lifetime caps in "qualified health benefit plans" offered through the Exchange or through new employer-based plans as of 2013; existing group plans are exempt from this requirement until 2018. Since most people with chronic diseases and conditions have employer-sponsored insurance plans, as it is often prohibitively expensive for them to secure individual market insurance, these people could be subject to lifetime limits for an additional 9 years. This is simply too long.

We respectfully request that you amend HR 3200 to implement the elimination of lifetime caps in the next plan year after the law is enacted, similar to the enactment of the language prohibiting insurance policy rescissions. Rescissions are similar to lifetime caps in that both are insurance company practices which penalize people who submit high-cost claims. Rescissions may have a more immediate impact since they occur following the submission of claims, but the end result is the same: a person with a serious medical condition loses insurance coverage. In both cases, people are forced to make difficult decisions about their jobs, residences and even family life to secure new coverage.

Alternatively, we propose an interim policy for lifetime caps following the path in HR 1085, the bi-partisan Health Insurance Coverage Protection Act. HR 1085 sets a minimum lifetime cap for

all plans at \$5 million in plan years one and two, and \$10 million for plan years three and four, with an inflationary update for subsequent plans years. The minimum lifetime cap could be in place until caps are eliminated in 2013 and 2018, as the bill currently sets forth. This approach of implementing an interim policy is similar to the approach that the Education and Labor Committee took with respect to pre-existing condition exclusions.

Individuals with chronic diseases and disorders must not be impeded in accessing necessary health care nor should they be impoverished with unreasonable lifetime limits on benefits. We respectfully ask that you implement the elimination of lifetime caps in the next plan year following enactment of the law, or at least provide an interim policy to phase-in the elimination of caps more quickly.

Sincerely,

Alpha-1 Association
Alpha-1 Foundation
American Cancer Society Cancer Action Network
American Heart Association/American Stroke Association
Arthritis Foundation
Autism Society
Baxter Healthcare Corporation
Brain Injury Association of America
Breast Cancer Network of Strength
Christopher and Dana Reeve Foundation
Committee of Ten Thousand
Cooley's Anemia Foundation
Crohn's and Colitis Foundation of America
CSL Behring
GBS/CIDP Foundation International
Grifols
Hemophilia Federation of America
Huntington's Disease Society of America

Immune Deficiency Foundation
Interstitial Cystitis Association
Kids With Heart National Association for Children's Heart Disorders, Inc
National Family Caregivers Association
National Gaucher Foundation
National Health Council
National Hemophilia Foundation
National Marfan Foundation
National MS Society
National Organization for Rare Disorders
National Patient Advocate Foundation
Patient Services Incorporated
Pediatric Stroke Network
Plasma Protein Therapeutics Association
Platelet Disorder Support Association
Prevent Blindness America
Pulmonary Hypertension Association
Scleroderma Foundation
Sjögren's Syndrome Foundation