



**NCAPIP**  
National Council of Asian  
Pacific Islander Physicians

## NATIONAL COUNCIL OF ASIAN AND PACIFIC ISLANDER PHYSICIANS

July 16, 2009

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Fax: 202.225.4099

The Honorable George Miller, Chair  
House Education and Labor Committee  
Fax: 202.225.5609

The Honorable Pete Stark, Chair  
Subcommittee on Health, House Ways and Means Committee  
Fax: 202.226.3805

### **RE: Support H.R. 3200, America's Affordable Health Choices Act**

Dear Congressional Leaders and Members of the California Delegation,

National Council of Asian & Pacific Islander Physicians (NCAPIP) is pleased to support H.R. 3200 as proposed on July 14, 2009. NCAPIP brings together Asian, Native Hawaiian and Pacific Islander physicians to advocate for optimal health and well being for Asian American, Native Hawaiian & Pacific Islander communities. The mission is to enable quality health care, ensure appropriate safety net to cover the uninsured and underserved and promote a diverse and culturally competent health professional workforce.

H.R. 3200 would secure and expand quality, affordable health coverage for millions of AA and NHPI. It would prevent the cost shift from having significant uninsured in our health system, and provide other tools to contain health care costs. It would strengthen our economy and create jobs.

## **Affordability**

NCAPIP strongly supports the provisions of H.R. 3200 that assure affordable coverage with decent benefits for all Americans. We support:

- Expanding Medicaid to children, parents, and childless adults up to 133% of the poverty level is a long-sought and critical component.
- Providing affordability credits through the Exchange for individuals up to 400% FPL. The high cost of living in California requires that there are subsidies for both low- and moderate-income families.
- Scaling both the share of premium and the maximum out-of-pocket costs for coverage through the Exchange based on income, so that those who make less pay less.
- Allowing individuals who are offered unaffordable employer-based coverage to obtain coverage through the Exchange. If the law requires Americans to have coverage, then it must be affordable.
- Requiring essential benefits for employer-sponsored coverage, individual coverage, coverage through the Exchange, and public programs. What people pay in terms of premiums and out-of-pocket costs is only half the equation: we frequently deal with consumers who bought insurance but discovered it did not cover basic benefits like doctor visits, chemotherapy, x-rays, or the first day of hospitalization.

NCAPIP also seeks a blanket affordability exemption for anyone who is not eligible for subsidies and for whom the premium for qualifying coverage exceeds up to 8% of their income, on a sliding scale. While it is our hope that the insurance market reforms and expansions of coverage proposed in this measure will make coverage affordable for all Americans, and indeed all AA and NHPIs, we need the assurance that no one will be forced to buy coverage they cannot afford.

We urge you to seek to further lessen the premium and out-of-pocket cost burdens to low-income AA and NHPIs, and to maintain subsidies at least to 400% of the federal poverty level. In considering a similar health reform in California, Republican Governor Schwarzenegger agreed to a proposal that provided some subsidies for those over 400%, especially for those over 50 that would continue to have high premiums relative to their incomes.

## **Employer Contributions**

NCAPIP strongly supports shared responsibility, including the requirement for employers to participate in providing coverage or pay a fee. There is a strong correlation between levels of employer-sponsored coverage and the proportion with coverage: in AA and NHPI populations, there are more uninsured directly because people are less likely to get coverage on the job. Employers' contributions as not just part of "shared responsibility," but an essential financing and structural element of a health reform package.

An employer obligation that is scaled based on payroll has an impact on jobs similar to that of a modest minimum wage increase: that is to say, it is not a job killer. To the contrary, by eliminating job lock, enhancing productivity on the job, and creating jobs in health care, an employer obligation scaled to size of payroll as proposed in H.R. 3200 may well have a net positive impact on employment as well as on the economy.

Payroll is a far better indicator of the ability to afford coverage than the number of employees. A small firm that is a law firm, a doctor's office, a software firm, or an architect's office, can likely afford coverage for the professionals—and should assure affordable coverage for the clerical employees. In contrast, the egg roll truck, the family-owned and operated Asian ethnic and NHPI grocery store, and the one or two person shop just starting out have a small payroll and are least likely to afford coverage. H.R. 3200 appropriately distinguishes between the law firms or the doctors' office with several highly paid professionals and the egg roll truck or small family grocery with lower-wage workers.

NCAPIP supports the scaling of the employer contribution based on hours worked as well as the option for an employer to provide coverage for full-time workers but to make a contribution to enroll part-time employees in the Exchange. This permits pooling of the contributions of employers toward the coverage of part-time employees while allowing employers to purchase coverage for full-time employees from commercial insurers.

Finally, we support an effective employer obligation because it helps to reduce the cost to the state and federal governments for Medicaid programs as well as the cost to the federal government of the Exchange.

### **Insurance Market Reforms**

NCAPIP strongly supports the insurance market reforms in the House measure. We support:

- Guaranteed issue
- Guaranteed renewal
- Modified community rating
- Age rating with a 2:1 age band
- Limits on marketing practices
- An end to rescissions
- A minimum medical loss ratio

We commend the House committees for applying these important protections to both individuals and employers. If we are going to require individuals and employers to purchase health insurance, it must be available to them.

In the individual market, the range between a healthy 20 year old and a less healthy but still insurable 60 year old may be as much as a factor of 10 or even 20: that is, a less healthy 60 year old would literally pay a premium for the same product that is twenty times as much as that paid by a healthy 20 year old. Community rating would help to level the playing field among employers regardless of industry or occupation. NCAPIP supports insurance market reforms for medium-sized and large firms.

NCAPIP also supports those provisions of the proposed measure that would allow states to continue consumer protections, including independent medical review.

## **Exchange**

NCAPIP strongly supports the creation of an Exchange to better regulate and standardize health coverage to help consumer navigate and choose the best possible plan for them.

We also support the Exchange being able to use its negotiating power to bargain for the best possible rates with insurers.

We commend the House committees for requiring that the Exchange to solicit bids and negotiate contracts. This puts the power of bulk purchasing to work on behalf of both the taxpayers and those consumers in the Exchange who will pay a share of the cost of coverage.

We also would want to assure that if employers pay into the exchange, that workers privacy is protected; that all employees have access to affordable coverage in the Exchange and that there are no arbitrary exclusions, and that dependents of employees have access to affordable coverage in the Exchange.

## **Public Health Insurance Option**

NCAPIP also strongly supports the inclusion of a public health insurance option among the choices offered by the Exchange. We know that within our communities and peoples the equivalent of the public option is often the only choice available to them.

## **Public Safety-Net Programs**

AA and NHPIs rely heavily on public programs to provide access to care. NCAPIP supports the expansion of Medicaid to adults without children at home.

We would also support the further expansion of Medicaid to 150% FPL for all adults. Medicaid provides better affordability protections and more extensive benefits than those contemplated in the Exchange. An individual making between 133% FPL and 150% FPL is equivalent to \$14,400 and \$16,245 a year.

NCAPIP is concerned by some of the implications of the elimination of the successful CHIP program, primarily because it has provided greater affordability protections for children than contemplated under the proposed bill. While we support an effort to integrate various health coverage programs, we would want an appropriate transition and other provisions to “hold harmless” children so in switching to coverage plans in the exchange that they don’t get plans of less value, in terms of benefits or cost-sharing.

## **Immigrants**

Immigrants are a vital part of our economy. Many AA and NHPI are immigrants and live in mixed status families in which some are plainly documented, others are in transitional status or unclear status and others may not be authorized.

NCAPIP would support improvements to H.R. 3200 to assure that all AA regardless of immigration status, have access to quality, affordable health care. Specifically, we support improvements that would remove exclusions in Medicaid for recent legal immigrants, and to include coverage of mixed-status families.

## Revenue Sources

NCAPIP supports the “shared responsibility” approach of this proposal, including seeking contributions from individuals and employers, which both take into consideration what they can afford.

As part of this shared responsibility, we also support the surcharge on high income individuals, to assure adequate financing of affordability for individuals as well as small businesses.

Sincerely,

A handwritten signature in black ink that reads "Dexter Louie MD". The signature is written in a cursive, slightly slanted style.

Dexter Louie, MD  
Chair

CC: The Honorable Charles Rangel, Chair, House Ways and Means Committee  
The Honorable Diane Feinstein, U.S. Senate  
The Honorable Barbara Boxer, U.S. Senate