[DATE]

The Honorable Charles Rettig

Commissioner

Internal Revenue Service

U.S. Department of the Treasury

P.O. Box 7604, Ben Franklin Station

Washington, D.C., 20044

**Re: Affordability of Employer Coverage for Family Members of Employees (REG-114339-21)**

Dear Commissioner Rettig:

Thank you for the opportunity to provide comments on the proposed rule, ‘*Affordability of Employer Coverage for Family Members of Employees.’* [INSERT INFORMATION ABOUT YOUR ORGANIZATION AND CONNECTION TO THIS ISSUE].The current interpretation of the Affordable Care Act (ACA) premium tax credit provisions of the Internal Revenue Code disregard the additional costs families must pay for employer sponsored insurance (ESI) to cover family members relative to an employee-only plan. Amending the current regulation, as proposed, would correct the “family glitch” that unnecessarily restricts eligibility for premium tax credits. **We strongly support the proposed regulatory interpretation of the statute and the corresponding approach to determining family members’ eligibility for premium tax credits**. The interpretation applied in this proposed rule is consistent with the primary goal of the ACA – to expand access to affordable coverage.

While Massachusetts has the highest health insurance coverage rate in the country, hundreds of thousands of residents remain uninsured. The change proposed in this rule would help connect many of the remaining uninsured – and insured families struggling with high health care costs – to affordable coverage. This affects an estimated 44,000 Massachusetts residents[[1]](#footnote-1) and as many as 5.1 million people nationally[[2]](#footnote-2) who are barred from obtaining premium tax credits because “affordable” coverage is based only on the cost to cover the employee. Many of the individuals currently barred from receiving tax credits remain uninsured because they cannot afford to enroll in the employer-offered coverage.[[3]](#footnote-3)

[Insert any stories of families that you know were affected by the family glitch –delete if you do not have one]

Furthering access to affordable health insurance is an equity issue. According to a 2020 MassINC Polling Group survey, Black and Latinx Massachusetts residents overwhelmingly (72% and 67% respectively) report affordability of health coverage being their top priority.[[4]](#footnote-4) The family glitch also has a greater impact on low-income families, but it is also a problem for middle-income families. Low-income families in Massachusetts with incomes under 300% FPL would also see significant savings in out-of-pocket costs through the state’s ConnectorCare program. ConnectorCare uses state funds to provide additional subsidies on top of federal premium tax credits and cost-sharing limits. Fixing the family glitch could mean thousands of dollars in cost-sharing savings for these families.[[5]](#footnote-5)

The proposed rule also addresses the cost-sharing associated with family plans making coverage more accessible. **We support the proposed definition and language changes clarifying that the minimum value requirement should, like the affordability test, be applied separately for employees and family members.** This clarification will ensure that family members are not barred from premium tax credits due to coverage that is affordable, but fails to provide minimum value with high deductible plans.

The IRS’s proposed rule will help expand access to affordable coverage to millions of families who will no longer be forced to choose between unaffordable employer coverage and unaffordable unsubsidized marketplace coverage. Families will be able to choose the coverage option that works best for them, whether that be to enroll in an employer plan or to obtain marketplace coverage, with financial assistance, for those family members for whom the employer plan would be unaffordable.

Thank you for this opportunity to comment.

[Signature]

1. Matthew Buettgens and Jessica Banthin, “Changing the “Family Glitch” Would Make

   Health Coverage More Affordable for Many Families,” Urban Institute, May, 2021, accessed at <https://www.urban.org/sites/default/files/publication/104223/changing-the-family-glitch-would-make-health-coverage-more-affordable-for-many-families_1.pdf> [↑](#footnote-ref-1)
2. Cynthia Cox, Krutika Amin, Gary Claxton, and Daniel McDermott, “The ACA Family Glitch and Affordability of Employer Coverage,” KFF, Apr. 7, 2021, accessed at <https://www.kff.org/health-reform/issue-brief/the-aca-family-glitch-and-affordability-of-employer-coverage/> [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. The MassINC polling Group, “ Massachusetts State Budget Issues Survey,” Jan. 13, 2021, accessed at <https://www.massincpolling.com/the-topline/state-budget-poll> [↑](#footnote-ref-4)
5. Dania Palanker and Christina Goe, “ACA “Family Glitch” Increases Health Care Costs for Millions of Low-and Middle-Income Families,” Commonwealth Fund*,* Apr. 22, 2021, accessed at <https://www.commonwealthfund.org/blog/2021/aca-family-glitch-increases-health-care-costs-millions-low-and-middle-income-families> [↑](#footnote-ref-5)