



May 13, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, and Minority Leader McConnell:

On behalf of the American College of Physicians (ACP), I want to offer our perspective on specific provisions of the Biden Administration's American Families Plan (AFP) which was announced on April 28th and during the President's State of the Union Address where we have established policy. We hope Congress will follow through in passing legislation to advance these key priorities over the coming months.

The American College of Physicians is the largest medical specialty organization and the second-largest physician membership society in the United States. ACP members include 163,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness. Internal medicine specialists treat many of the patients at greatest risk from COVID-19, including the elderly and patients with pre-existing conditions like diabetes, heart disease and asthma.

Of the many provisions in the AFP, we support efforts to: 1) make permanent the Patient Protection and Affordable Care Act (ACA) premium tax credits, as expanded and increased by the American Rescue Plan Act; 2) guarantee paid parental, family and personal illness/safe leave; and 3) provide additional assistance to low-income students by increasing the Pell grant award. The [AFP](#) references the President's goals of lowering prescription drug costs by allowing Medicare to negotiate prices, creating a public option and option for people to enroll in Medicare at age 60 (Medicare buy-in program) for Congress to consider which ACP supports.

Premium Tax Credits

The recently-enacted American Rescue Plan Act (ARPA) provided premium tax credits to lower insurance premiums bought through the health insurance marketplace. That law contains provisions to fully subsidize the health coverage of people earning up to 150 percent of the federal poverty level (FPL) under the ACA for two years. Enrollees who make over 400 percent of the FPL would become eligible for subsidies and have their premium costs capped at 8.5 of income for two years. The American Families Plan would make these premium reductions permanent.

ACP fully [supports](#) policies to eliminate the 400 percent FPL premium tax credit eligibility cap and to enhance the premium tax credit for all levels. The premium tax credit and cost-sharing subsidies have made nongroup coverage more affordable. While the ACA has extended comprehensive coverage to millions of persons, many remain uninsured or underinsured. The permanent extension will help many of these uninsured and underinsured low- to middle- class Americans achieve health care coverage.

National Paid Family and Medical Leave

The AFP would eventually guarantee 12 weeks of paid parental, family and personal illness/safe leave. The pay would be equal to two-thirds of the worker's average weekly wages, up to \$4,000 per month. Workers in the lowest wage cohort would have 80 percent of their average weekly wages replaced. The proposal would allow workers to bond with a new child, care for a seriously ill loved one, adjust to a military deployment, find safety from sexual assault, stalking or domestic violence, cope with their own serious illness or grieve the death of a loved one. It will also require employers to allow workers to accrue seven days of paid time off to seek preventive medical care for themselves or their family.

ACP [policy](#) is for Congress to pass legislation that provides universal access to family and medical leave for a minimum period of six weeks of paid leave that should be mandated and funded, with flexibility that allows for the caring of family members, as recommended in "Women's Health Policy in the United States".ⁱ Such paid family and medical leave should be flexible enough to accommodate care for a diverse array of family structures, including updating the Family Medical and Leave Act to include grandparents or in-laws. Legislative and/or regulatory action at the federal, state, or local level are needed to advance this goal.ⁱⁱ These benefits are especially needed after the devastating effects caused on families, the loss of their jobs and health following the COVID-19 pandemic.

Pell Grant Awards

Since Pell Grants have not kept up with the rising cost of college, they would be increased by \$1,400 to total \$7,745, and access to the award would be expanded to DREAMers under the AFP. Due to the COVID-19 pandemic and rise in higher education costs in general, the need is great for policy change to make college more affordable. ACP [urges](#) that Congress adopt legislation that would permit students with left over semesters of Pell Grant eligibility after

obtaining a bachelor's degree to receive a Pell Grant for the remaining semesters of eligibility during graduate and professional studies, such as medical school.

We also urge Congress to pass legislation consistent with the Administration's goals of lowering prescription drug costs through Medicare negotiations, implementing a public option for the purchase of health insurance and creating a Medicare-buy in program.

Prescription Drug Price Reform and Transparency

The cost of prescription drugs continues to rise, which greatly affects access to life-saving treatments for patients who are unable to afford high out-of-pocket costs. Therefore, Congress should pass legislation to improve access to prescription drugs by addressing their high cost through greater pricing transparency and providing authority to the federal government to negotiate prescription drug prices under the Medicare Part D program. As outlined in ACP's 2019 [position paper](#), *Policy Recommendations for Public Health Plans to Stem the Escalating Costs of Prescription Drugs*, the United States spends more on prescription drugs than other high-income country, with average annual spending of \$1,443 per capita on pharmaceutical drugs and \$1,026 per capita on retail prescription drugs. In a 2021 [study](#) by the Rand Corporation, prescription drug prices in the U.S. average 2.56 times those seen in 32 other Organization for Economic Cooperation and Development (OCED) nations. However, where drug pricing negotiations were allowed, a Government Accounting Office (GAO) [study](#) found that, on average, the Department of Veteran Affairs paid 54 percent less than Medicare on a sample of 399 brand and generic drugs by negotiating as a single health system and using discounts defined by law not presently available to Medicare.

Patients increasingly face higher co-pays, more drug tiers and prescription drug deductibles, adding to the burden they face in affording high-cost medications. Patients may resort to cutting back or skipping doses of their medicines to save money, which can lead to more serious health complications. ACP supports the following bills that have been introduced in the 117th Congress:

ACP [supports](#) the following bills that have been introduced in the 117th Congress:

- *The FAIR Drug Pricing Act (S. 898)*, which would promote pricing transparency by requiring manufacturers to notify the Department of Health and Human Services (HHS) and provide a justification report 30 days before they increase the price of certain drugs.
- *The Empowering Medicare Seniors to Negotiate Drug Prices Act of 2021 (S. 833)*, which would allow the Secretary of HHS to negotiate directly with drug companies for price discounts for the Medicare Prescription Drug Program, thus eliminating a restriction that bans Medicare from negotiating better prices.

Improving Affordable Access to Health Care

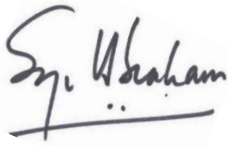
ACP has long [advocated](#) for policies to achieve universal health insurance coverage and supported passage of the ACA in 2010. Despite impressive improvements in insurance status, access to care, and economic security measures, the ACA still needs reform. ACP believes the ACA needs to be further strengthened and, in May 2019, ACP released a position paper entitled, "[Improving the Patient Protection and Affordable Care Act's Insurance Coverage Provisions](#)," as published in the Annals of Internal Medicine. ACP's paper calls for efforts to bolster the ACA, including stabilizing the health insurance market and increasing competition in the marketplace.

Under the ACA, some health exchanges had difficulty in attracting enough insurers and some patients may have had only one insurer from which to obtain coverage. Congress should enact a public option that would provide additional alternatives and increase competition in the marketplace. Several avenues exist to achieve a range of public options, including a buy-in program for traditional Medicare and Medicare Advantage, Medicaid, and other publicly funded health programs to offer real competition to private insurers in the marketplace. Congress should explore ways to promote a health insurance marketplace-based public option, including through the Section 1332 waiver process.

An option to increase competition and improve access and coverage which ACP [supports](#) is the development of a Medicare buy-in option for people age 55-64. Older adults would have the opportunity to enroll in the popular Medicare program while potentially improving both the Medicare and ACA marketplace risk pools and driving down premiums. Specifically, ACP recommends that: 1) a Medicare Buy-in Program must include financing that assures that premiums and any subsidies are sufficient to fully cover expenses without further undermining the solvency of the Medicare trust funds; 2) a Medicare Buy-in Program should include subsidies for lower income beneficiaries to participate; 3) eligibility for a Medicare Buy-in Program should include adults age 55-64 regardless of their insurance status; 4) enrollment in a Medicare Buy-in program should be optional for eligible beneficiaries and should include the full range and responsibilities of Medicare benefits (Parts A, B, Medicare Advantage and Part D); and 5) reimbursement for services, including evaluation and management services, should be no less than under the traditional Medicare reimbursement rates. Legislation (H.R. 2881, S.1279) has been introduced in the House and Senate to provide an option for individuals aged 50 to 64 to buy into Medicare and to provide for health insurance market stabilization.

We recognize that passage and implementation of the American Families Plan is a major undertaking. Bold measures are needed as Americans recover from a pandemic that has been catastrophic in its scope upon human life and economic stability. It has only deepened and exacerbated the many structural deficiencies and inequities in our health care system. We call on Congress to address the many problems our nation faces, and ACP believes legislation to address the ACA and health care deficiencies, rising prescription drug pricing, improving paid leave and expanding Pell Grants, is a good start. If you have questions about our policies, please contact George Lyons at glyons@acponline.org.

Sincerely,

A handwritten signature in black ink that reads "George M. Abraham". The signature is written in a cursive style with a horizontal line underneath the name.

George M. Abraham, MD, MPH, FACP, FIDSA
President

ⁱ 11 Daniel H, Erickson SM, Bornstein SS. Women's Health Policy in the United States: An American College of Physicians Position Paper. *Ann Intern Med.* 2018;168:874-875. doi:10.7326/M17-3344.

ⁱⁱ Serchen J, Doherty R, Hewett-Abbott G, Atiq O, Hilden D; Health and Public Policy Committee of the American College of Physicians. *Understanding and Addressing Disparities and Discrimination Affecting the Health and Health Care of Persons and Populations at Highest Risk: A Position Paper of the American College of Physicians.* Philadelphia: American College of Physicians; 2021.