

**Congress of the United States**  
**Washington, DC 20515**

May 26, 2021

To All Interested Parties:

We write today requesting information on design considerations for legislation to develop a public health insurance option. We believe bold steps are necessary in order to achieve universal coverage and lower health care costs. As we work to craft legislation, our priority is to establish a federally administered public option that provides quality, affordable health coverage throughout the United States. We request information on the public option's key design considerations, including how it can lower the cost of health care for American families and dramatically expand coverage.

Our goal in establishing a federally administered public option is to work towards achieving universal coverage, while making health care simpler and more affordable for patients and families. The Affordable Care Act resulted in historic gains, providing health coverage to approximately 20 million Americans.<sup>1</sup> The number of uninsured individuals decreased from about 46.5 million in 2010, to a historic low of approximately 26.7 million in 2016.<sup>2</sup> Beginning in 2017, the Trump Administration reversed these trends, and the number of uninsured individuals climbed to 29.6 million in 2019.<sup>3</sup> There were approximately 30 million uninsured individuals at the outset of the coronavirus disease of 2019 (COVID-19) outbreak.<sup>4</sup> While the Biden Administration has taken a number of steps to expand coverage, including opening a special enrollment period that enabled over one million people to sign up for coverage on the Federal Marketplace alone<sup>5</sup>, tens of millions of American still remain uninsured or underinsured.

In addition to expanding coverage, our goal is to develop a public option that lowers health care costs for American families. According to a survey by the Kaiser Family Foundation, 26 percent of U.S. adults struggle with paying for medical bills, and half of U.S.

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<sup>1</sup> Kaiser Family Foundation, *Key Facts about the Uninsured Population* (Nov. 06, 2020) ([www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/](http://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/)).

<sup>2</sup> *Id.*

<sup>3</sup> United States Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2019* (Sept. 15, 2020) (press release).

<sup>4</sup> Congressional Budget Office, *Who Went Without Health Insurance in 2019, and Why?* (Sept. 2020) ([www.cbo.gov/publication/56504](http://www.cbo.gov/publication/56504)).

<sup>5</sup> *Biden: 1 Million Americans sign up for Healthcare in Special Enrollment Period*, Reuters (May 5, 2021) ([www.reuters.com/world/us/biden-1-million-americans-sign-up-healthcare-special-enrollment-period-2021-05-11/](http://www.reuters.com/world/us/biden-1-million-americans-sign-up-healthcare-special-enrollment-period-2021-05-11/)).

adults reported skipping some type of health care due to the cost.<sup>6</sup> The same survey found that individuals with employer-sponsored insurance also reported experiencing difficulty affording their health care or health insurance.<sup>7</sup> According to another survey by the Commonwealth Fund, 43 percent of U.S. adults are inadequately insured, and half of uninsured or underinsured adults reported problems paying medicals bills or paying medical debt over time.<sup>8</sup> That survey found insured Americans also reported cost-related problems getting necessary care. Additionally, out-of-pocket costs and deductibles have grown faster than income, taking up a larger share of U.S. household incomes.<sup>9</sup> According to recent polling, nearly 80 percent of American voters believe reducing health care costs should be a high priority<sup>10</sup>, and seven in ten Americans support a public health insurance option.<sup>11</sup>

Health care affordability remains a challenge for many American families despite the fact that the United States spends more on health care than any other country<sup>12</sup>, and health care spending in the United States is nearly double the average amount spent by other comparable high-income countries on a per-person basis.<sup>13</sup> Additionally, there is not clear evidence that overall quality of care is as proportionally higher in the United States.<sup>14</sup> The United States

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<sup>6</sup> Kaiser Family Foundation, *Data Note: Americans' Challenges with Health Care Costs* ([www.kff.org/health-costs/issue-brief/data-note-americans-challenges-health-care-costs/](http://www.kff.org/health-costs/issue-brief/data-note-americans-challenges-health-care-costs/)).

<sup>7</sup> *Id.*

<sup>8</sup> The Commonwealth Fund, *U.S. Health Insurance Coverage in 2020: A Looming Crisis in Affordability* ([www.commonwealthfund.org/publications/issue-briefs/2020/aug/looming-crisis-health-coverage-2020-biennial](http://www.commonwealthfund.org/publications/issue-briefs/2020/aug/looming-crisis-health-coverage-2020-biennial)).

<sup>9</sup> *Id.*; Charles Liu, Karan R. Chhabra, John W. Scott, *Catastrophic Health Expenditures Across Insurance Types and Incomes Before and After the Patient Protection and Affordable Care Act*, JAMA Network (Sep. 24, 2020).

<sup>10</sup> *1 in 3 Americans worry about being able to afford health care*, NBC News/Commonwealth Fund survey says, NBC News (Feb. 27, 2020) ([www.nbcnews.com/health/health-news/1-3-americans-worry-about-being-able-afford-health-care-n1144426](http://www.nbcnews.com/health/health-news/1-3-americans-worry-about-being-able-afford-health-care-n1144426)).

<sup>11</sup> *About 7 in 10 Voters Favor a Public Health Insurance Option. Medicare for All Remains Polarizing*, Morning Consult (Mar. 24, 2021) ([www.morningconsult.com/2021/03/24/medicare-for-all-public-option-polling/](http://www.morningconsult.com/2021/03/24/medicare-for-all-public-option-polling/)).

<sup>12</sup> The Commonwealth Fund, *U.S. Health Care from a Global perspective, 2019: Higher Spending, Worse Outcomes?* (Jan. 30, 2020) ([www.commonwealthfund.org/publications/issue-briefs/2020/jan/us-health-care-global-perspective-2019](http://www.commonwealthfund.org/publications/issue-briefs/2020/jan/us-health-care-global-perspective-2019)).

<sup>13</sup> Peterson-Kaiser Family Foundation Health System Tracker, *How does health spending in the U.S. compare to other countries?* (Dec. 23, 2020) ([www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-spendingcomparison\\_health-consumption-expenditures-per-capita-2019](http://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-spendingcomparison_health-consumption-expenditures-per-capita-2019)).

<sup>14</sup> Peterson-Kaiser Family Foundation Health System Tracker, *How does the quality of the U.S. healthcare system compare to other countries?* (Aug. 20, 2020)

experiences worse health outcomes than other comparable high-income countries,<sup>15</sup> and, according to one study, the United States has the lowest life expectancy, higher suicide rates, higher chronic disease burden, and Americans visit physicians less frequently.<sup>16</sup> Yet in 2019, U.S. health spending had well over doubled to \$3.8 trillion from \$1.4 trillion in 2000, and health care spending growth has outpaced the growth of the U.S. economy.<sup>17</sup>

We request information on public option legislation that would expand quality coverage to more Americans, improve affordability for families, and lower health care costs. As we work to draft bold legislation, our goal is to ensure that every American has quality affordable coverage regardless of income, age, race, disability, or zip code.

In light of these goals, please respond to the following questions:

1. Who should be eligible for the public option? Should a federally administered plan be available to all individuals or be limited to certain categories of individuals (e.g., ACA Marketplace eligible individuals, private employers and individuals offered employer coverage)?
2. How should Congress ensure adequate access to providers for enrollees in a public option?
3. How should prices for health care items and services be determined? What criteria should be considered in determining prices?
4. How should the public option's benefit package be structured?
5. What type of premium assistance should the Federal government provide for individuals enrolled in the public option?
6. What should be the role of states in a federally-administered public option?
7. How should the public option interact with public programs including Medicaid and Medicare?
8. What role can the public option play in addressing broader health system reform objectives, such as delivery system reform and addressing health inequities?

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([www.healthsystemtracker.org/chart-collection/quality-u-s-healthcare-system-compare-countries/](http://www.healthsystemtracker.org/chart-collection/quality-u-s-healthcare-system-compare-countries/)).

<sup>15</sup> See note 12.

<sup>16</sup> *Id.*

<sup>17</sup> Peterson-Kaiser Family Foundation Health System Tracker, *How has U.S. spending on healthcare changed over time?* (Dec. 23, 2020) ([www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#item-usspendingovertime\\_2](http://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#item-usspendingovertime_2)).

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Thank you for your attention. Please direct responses and questions to Saha Khaterzai with the House Committee on Energy and Commerce at [publicoption@mail.house.gov](mailto:publicoption@mail.house.gov) and Colin Goldfinch with the Senate Committee on Health, Education, Labor, and Pensions at [publicoption@help.senate.gov](mailto:publicoption@help.senate.gov) by July 31, 2021.

Sincerely,



Frank Pallone, Jr.  
Chairman  
House Committee on Energy and  
Commerce



Patty Murray  
Chair  
Senate Committee on Health, Education,  
Labor & Pensions