

June 6, 2022

The Honorable Charles P. Rettig
Commissioner
U.S. Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Affordability of Employer Coverage for Family Members of Employees; REG-114339-21;
Notice of proposed rulemaking; withdrawal of a notice of proposed rulemaking

Dear Commissioner Rettig:

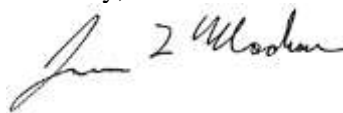
On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing to express the AMA's strong support for the proposed regulation by the Internal Revenue Service (IRS) entitled, "Affordability of Employer Coverage for Family Members of Employees," which was published in the Federal Register on April 7, 2022. This proposed regulation would fix the so-called "family glitch" under the Affordable Care Act (ACA), whereby families of workers remain ineligible for subsidized ACA marketplace coverage even though they face unaffordable premiums for health insurance coverage offered through employers.

In determining eligibility for premium tax credits under the current IRS rule, coverage for family members of an employee is considered to be affordable as long as employee-only coverage is affordable. The employee-only definition does not take into consideration the cost of family-based coverage, which commonly is much more expensive than employee-only coverage. As a result, family members of workers—primarily lower-income workers—are ineligible to receive premium and cost-sharing subsidies to purchase marketplace coverage, even though in reality they would likely have to pay well over 9.61 percent of their income for family coverage. The proposed regulation would fix the family glitch by extending eligibility for ACA financial assistance to only the family members of workers who are not offered affordable job-based family coverage. Eligible employees would remain only eligible for employer-sponsored coverage, not premium subsidies to purchase coverage on the ACA marketplaces.

The AMA has long called for eliminating the family glitch and we applaud the Administration for taking this important step that will result in an estimated 200,000 uninsured people gaining coverage and nearly one million people having more affordable coverage. We urge the Administration to finalize the proposed rule as soon as possible.

If you have any questions, please contact Margaret Garikes, Vice President of Federal Affairs, at margaret.garikes@ama-assn.org or 202-789-7423.

Sincerely,



James L. Madara, MD