

United States Senate

WASHINGTON, DC 20510

December 3, 2010

The Honorable Harry Reid
Majority Leader
522 Hart Senate Office Building
Washington DC, 20510

The Honorable Mitch McConnell
Minority Leader
361A Russell Senate Office Building
Washington DC, 20510

The Honorable Max Baucus
511 Hart Senate Office Building
Washington DC, 20510

The Honorable Charles E. Grassley
135 Hart Senate Office Building
Washington DC, 20510

Dear Senate Leaders,

We write to urge action this year to extend the Health Coverage Tax Credit (HCTC) provisions included in the Job Creation and Tax Cuts Act of 2010 (S. 3793). These provisions must be extended before December 31, 2010, to prevent the catastrophic loss of health care assistance to thousands of current HCTC recipients.

In a struggling economy, these provisions have provided a lifeline to individuals who lost their jobs and health coverage as the result of trade related business disruptions. They have also been critical to thousands of retirees who lost their health care along with their retirement security when the Pension Benefit Guarantee Corporation assumed responsibility for their hard-earned pensions.

A one-year extension of these provisions, which include increasing the level of the tax credit to cover 80% of the cost of qualifying coverage and deeming coverage offered through a Voluntary Employee Benefit Association (VEBA) as qualifying coverage, would respond in a fiscally and socially responsible manner to the reality that our economy has not yet stabilized. Until the economic hardship eases, extending the HCTC provisions is a means of preventing increased caseloads in Medicaid and providing affordable, continuous health coverage to individuals who had their earned health benefits stripped from them.

The timing of these extensions is urgently important. The current extension expires on December 31, 2010. Many HCTC-eligible individuals are in the midst of open enrollment

periods or are otherwise required to make coverage decisions now, and those decisions depend heavily on the size of the HCTC and its applicability to VEBA coverage.

For these reasons, we support providing a one-year extension to the HCTC which would cover 80% of the cost of qualifying coverage and deem coverage offered through a VEBA as qualifying coverage.

We therefore ask that you work on a bipartisan basis to prevent both early and other retirees, as well as displaced workers, from losing their private health coverage.

Thank you for your consideration.

Sincerely,



Debbie Stabenow
United States Senator



Roger Wicker
United States Senator



Sherrod Brown
United States Senator



Tim Ryan
United States Representative