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COMMITTEE ON
APPROPRIATIONS

TIM RYAN
CONGRESS OF THE UNITED STATES
17TH DISTRICT, OHIO

December 14, 2010

Sander M. Levin, Chairman
Committee on Ways & Means
1102 Longworth House Office Building
Washington D.C. 20515

Dave Camp, Ranking Member
Ways and Means Republican Office
1139E Longworth House Office Building
Washington D.C. 20515

Dear Mr. Chairman and Ranking Member:

We write to urge you to extend the current Health Coverage Tax Credit (HCTC) provisions by including them in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. These provisions, which passed as part of the American Recovery and Reinvestment Act, must be extended before December 31, 2010, to prevent the catastrophic loss of health care assistance to thousands of current HCTC recipients.

An extension of these provisions, which increases the level of the tax credit to cover 80 percent of the cost of qualifying coverage and deems coverage offered through a Voluntary Employee Benefit Association (VEBA) as qualifying coverage, would respond in a fiscally and socially responsible manner to our current economic conditions. 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.

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 (PBGC) assumed responsibility for their hard-earned pensions. This was most recently witnessed in the restructuring of the automotive industry, when thousands of Delphi retirees suffered severe reductions in their health care and pension benefits. These retirees have undeservedly endured the very worst in this restructuring. The extension of this tax credit will help these retirees as they struggle for financial security in their retirement.

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The timing of these extensions is urgently important. 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 an extension to the HCTC which would cover 80 percent of the cost of qualifying coverage and deem coverage offered through a VEBA as qualifying coverage.

These provisions have bipartisan support and we therefore ask that you prevent retirees and displaced workers from losing their private health coverage.

Thank you for your consideration.

Sincerely,



Tim Ryan
Member of Congress



Christopher Lee
Member of Congress