

United States Senate
WASHINGTON, DC 20510

March 4, 2022

President Joseph Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Secretary Xavier Becerra
United States Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

Acting Director Shalanda D. Young
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear President Biden, Secretary Becerra, and Acting Director Young,

As you work to finalize the President's Fiscal Year (FY) 2023 Budget Proposal, we encourage you to include a proposal adding a publicly administered health insurance option to the Affordable Care Act's (ACA) individual marketplaces. A public option would promote competition, improve health equity, and guarantee access to stable, low-cost, high-quality health insurance plans nationwide.

The ACA established health insurance marketplaces to make it easier for consumers to shop for health insurance and to drive insurers to compete on the price and quality of their plans. The marketplaces have been extremely effective at expanding access to affordable coverage. For example, the percentage of Americans without health insurance dropped from 16 percent in 2010 to 9.6 percent in 2021,¹ with coverage increasing across all racial and ethnic groups.² More recently, the American Rescue Plan Act expanded ACA plan premium supports, enabling even more people to access high-quality, affordable insurance through the ACA's exchanges.

¹ Statista. *Percentage of people in the U.S. without health insurance 1997-2021*. Jenny Yang, November 17th 2021. <https://bit.ly/3MebcWb>

² Kaiser Family Foundation. *Health coverage by race and ethnicity, 2010-2021*. Samantha Artiga, Latoya Hill, and Kendal Orgera, July 16th 2021. <https://bit.ly/346eVnm>

Unfortunately, 31.1 million Americans still remain uninsured, and coverage disparities persist among Hispanic, Black, Asian, American Indian, and Alaska Native communities.^{2,3} Many insured Americans also continue to struggle with health care costs. According to a 2021 Kaiser Family Foundation poll, 46 percent of insured adults in the United States have difficulty paying their out-of-pocket costs, and 27 percent report that their deductibles are not affordable. Furthermore, these high costs are disproportionately borne by Black, Hispanic, and low-income Americans.⁴

A public option would strengthen the ACA by expanding coverage to meet the needs of uninsured Americans and make health care costs more affordable. Federal action is the best strategy to achieve these outcomes, for various reasons.⁵ Unlike private, for-profit insurers, the federal government has no profit motive and thus has the tools to maintain low premiums and keep other out-of-pocket costs low for consumers. Establishing a public option would increase competition between plans without compromising access to services, which could drive down costs of both private and public insurance coverage, particularly in areas with few insurers such as rural counties. Public insurance programs, such as Medicare and Medicaid, have also been successful at lowering administrative costs compared to private programs administered by private insurance companies. By empowering the government to leverage its power to negotiate lower prices for all aspects of health care while maintaining access to robust provider networks, a public option could help increase access to care while also lowering its costs.

More broadly, adding a public option to the ACA's exchanges could help address longstanding inequities in our health care system. Streamlined and coordinated care could yield savings that the federal government could use to further reduce health care costs for all Americans, including the uninsured, low-income individuals, and people of color. A public option also presents the opportunity to design plans that include non-clinical services such as non-emergency transportation, which would reduce barriers to accessing care and thus improve long-term health outcomes among underserved individuals and communities.

There is growing support for a public option. Three states—Colorado, Nevada, and Washington—are in the process of implementing public option-style laws. Nationally, a March 2021 poll found that a public option is supported by 68 percent of voters, including the majority of Republicans and 80 percent of Democrats.⁶

³ National Center for Health Statistics. *Health insurance coverage: Early release of estimates from the National Health Interview Survey, January-June 2021*. November 2021. <https://bit.ly/3sHtVBE>

⁴ Kaiser Family Foundation. *Americans' challenges with health care costs*. Audrey Kearney, Liz Hamel, Mellisha Stokes, and Mollyanne Brodie, December 14th 2021. <https://bit.ly/3pvG2zY>

⁵ The Brookings Institution. *Designing a public option that would reduce health care provider prices*. Matthew Fielder, May 5th 2021. <https://brook.gs/3psBpqr>

⁶ Morning Consult. *About 7 in 10 voters favor a public health insurance option*. Gaby Galvin, March 24th 2021. <https://bit.ly/36JTJED>

The 2020 Biden-Harris presidential campaign committed to advancing a low-cost, high-quality public health insurance option.⁷ We urge you to use the President's FY 2023 Budget to honor this commitment by including high-quality, low-cost health insurance coverage in your budget proposal. We stand ready to work with you to ensure that quality affordable health coverage is available to all Americans regardless of their income, age, race/ethnicity, disability status, or zip code.

Sincerely,



Sherrod Brown
United States Senator



Sheldon Whitehouse
United States Senator



Michael F. Bennet
United States Senator



Tim Kaine
United States Senator

⁷ Biden-Harris 2020 Platform. *Health Care*. <https://joebiden.com/healthcare/>