



August 11, 2010

Office of Consumer Information and Insurance Oversight  
Department of Health and Human Services  
Attention: OCIO-4150-IFC  
P.O. Box 8016, Baltimore, MD 21244-1850

RE: 45 CFR Parts 144, 146, and 147 Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 Under the Patient Protection and Affordable Care Act

Docket ID: HHS-OS-2010-0012

RIN: 0991-AB66

Electronic comments submitted through the Federal eRulemaking Portal

<http://www.regulations.gov>.

On behalf of the over 100,000 bipartisan members and donors of the American Association of University Women (AAUW), I write to share AAUW's comments in response to the Department of Health and Human Services, Department of the Treasury, and Department of Labor Interim Final Rule on Dependent Coverage of Children to Age 26, published in the Federal Register on May 13, 2010.

AAUW strongly supported the provisions that require offering children up to 26 years old coverage under their parent's health insurance plan. This was a part of both the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. We are pleased not only that this provision was slated for quick implementation, but also that, prior to the release of this interim rule, the Department of Health and Human Services worked to avoid gaps in coverage for individuals by encouraging early adoption of coverage among insurance companies. Ensuring young adults have access to health insurance through their parent's plan will make a difference to the potentially 1 million individuals who will gain coverage under this provision.<sup>1</sup>

#### **AAUW's Support for Healthcare Reform**

Since its founding in 1881, the American Association of University Women (AAUW) has believed that everyone is entitled to health care that is high-quality, affordable, and easily accessible. AAUW's 2009-2011 Public Policy Program advocates for, "increased access to quality affordable health care."<sup>2</sup>

As the Obama administration and Congress embarked on a year-long debate over comprehensive health care reform legislation, AAUW stressed the need for a new system that would provide access to quality and affordable health care for all Americans. Such a goal was especially important as the debate took place amidst the backdrop of a prolonged economic recession. Health care security is intrinsically tied to economic security. This relationship is particularly true for women, who earn less than men on average and are therefore less able to afford insurance or care. In March 2010, President Barack Obama signed legislation that produced a number of substantial changes to the

current U.S. health care system. AAUW believes that, although not perfect, many of the reforms included in the new law will improve the health of the American people.

While many Americans are in need of, and would benefit from, meaningful health care reform, the issue has particular resonance for women. They face a unique set of challenges when it comes to their own healthcare. Women earn around 77 cents for every dollar men earn,<sup>3</sup> but women also use more health care services than men do.<sup>4</sup> As a result of these two factors—less income, more costs—women face a high level of health care insecurity. These factors add up to many women having unpaid medical bills and long-lasting debt problems or women choosing to forgo critical health care services.<sup>5</sup> This has stark consequences for women and our society as a whole.

### **Young Adults Need Coverage**

Fortunately, health care reform will increase access to care for many individuals who are uninsured or struggling to maintain their coverage. For example, individuals who are under the age of 26 will now be offered health insurance through their parent's group or individual policy. Where many children were previously phased off of their parent's coverage based on their age, their tax status, or their status as a student, they will now be offered coverage up to age 26. And, thanks to the Health Care and Education Reconciliation Act, these same individuals can retain the coverage even if they are married, though their spouse will not qualify for coverage.

This is an important provision for young adults, and particularly for students and recent college graduates. Because student aid—and family incomes—have not risen at the same rates as college tuition, the dream of a college education has become more of a challenge in recent years, placing burdens on both students and their families.<sup>6</sup> Students and families increasingly have to borrow to finance a college education. From 1996 to 2008, average debt levels have nearly doubled for graduating seniors with student loans rising from \$12,750 to \$23,200.<sup>7</sup>

Loan repayment is an even more significant burden for women. AAUW's report, *Behind the Pay Gap*, found that college-educated women earn 5 percent less than men one year out of college and 12 percent less than men 10 years out of college, even when they have the same major and occupation as their male counterparts and when controlling for factors known to affect earnings such as education and training, parenthood and hours worked.<sup>8</sup> These findings suggest that sex discrimination not only continues to be a problem in the workplace, but that it affects the incomes of even the most educated women starting immediately out of college. Since women are more likely to borrow than men and will make less on average after graduation, female graduates are more likely to struggle with their loan debt.<sup>9</sup>

Needless to say, recent college graduates are in a difficult financial position. Add to that higher than average unemployment rates—around 18 percent—and affording health insurance is unattainable for many young adults.<sup>10</sup> We know that individual market coverage can be very expensive, as is the cost of going uninsured. Allowing children to

stay on their parent's health insurance plan until they are 26 years old will bring health care within reach for many who would otherwise not have coverage.

AAUW's only concern with the interim final rule is the process by which young adults are notified about the changing availability of health insurance. Though the current policy holder, the child's parent, must be informed of the change, young adults should also be made aware of the changes. As many young people were excluded from coverage because they were no longer a dependent based on tax status, many may not share the details of their health care with their parents. This new option will necessitate they do, but to ensure as many young adults as possible take advantage of this coverage, a public education campaign through high school guidance counselors, college entry and exit counseling and orientation, and student health clinics would help ensure that more people under age 26 know they can stay on or go back on their parent's health insurance plan.

### **Conclusion**

AAUW is pleased to see the Department of Health and Human Services, Department of the Treasury, and Department of Labor quickly implement rules that will permit more uninsured individuals to become insured. Young adults already struggle to make ends meet. Loan burdens are higher than ever, the job market is unpredictable and, for many, health insurance seems like a luxury. When a major health problem strikes, these individuals face even larger debt and perhaps eventually even bankruptcy. Ensuring that access to health insurance for children up to age 26 is not based on being a student, on being a dependent, or even on a volatile job market means more insured individuals and more cost savings for everyone.

If you have any questions, please feel free to contact me at 202-785-7720 or Tracy Sherman, government relations manager, at 202/785-7730. Thank you for the opportunity to submit comments on these important regulations.

Sincerely,



Lisa M. Maatz  
Director, Public Policy and Government Relations

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<sup>1</sup> Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 Under the Patient Protection and Affordable Care Act.

<sup>2</sup> American Association of University Women. (June 2009). *2009-11 AAUW Public Policy Program*. Retrieved July 9, 2009, from [http://www.aauw.org/advocacy/issue\\_advocacy/principles\\_priorities.cfm](http://www.aauw.org/advocacy/issue_advocacy/principles_priorities.cfm).

<sup>3</sup> U.S. Census Bureau and the Bureau of Labor Statistics. (September 2009). *Annual Demographic Survey*. Retrieved September 18, 2009, from <http://www.census.gov/hhes/www/poverty/poverty08.html>.

<sup>4</sup> National Women's Health Center and The Commonwealth Fund. (April 2007). *Women and Health Coverage: The Affordability Gap*. Retrieved on December 4, 2008 from <http://www.nwlc.org/pdf/NWLCCommonwealthHealthInsuranceIssueBrief2007.pdf>.

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<sup>5</sup> National Women's Health Center and The Commonwealth Fund. (April 2007). *Women and Health Coverage: The Affordability Gap*. Retrieved on December 4, 2008 from <http://www.nwlc.org/pdf/NWLCCommonwealthHealthInsuranceIssueBrief2007.pdf>.

<sup>6</sup> The National Center for Public Policy and Higher Education. (2009). *Squeeze Play: The Public's Views on College Costs Today*. Retrieved September 24, 2009, from [http://www.highereducation.org/reports/squeeze\\_play\\_09/report.shtml](http://www.highereducation.org/reports/squeeze_play_09/report.shtml).

<sup>7</sup> Project on Student Debt and the National Center for Education Statistics. *Quick Facts About Student Debt*. Retrieved July 2, 2010, from [http://projectonstudentdebt.org/files/File/Debt\\_Facts\\_and\\_Sources.pdf](http://projectonstudentdebt.org/files/File/Debt_Facts_and_Sources.pdf).

<sup>8</sup> AAUW Educational Foundation. (2007). *Behind the Pay Gap*, by Catherine Hill and Judy Goldberg Dey. Washington, DC.

<sup>9</sup> Price, Derek V. (2004). *Borrowing Inequality: Race, Class, and Student Loans*. Boulder, CO: Lynne Rienner Publishers.

<sup>10</sup> Bureau of Labor Statistics. (June 2010). Current Population Survey.