

FOR IMMEDIATE RELEASE

December 1, 2009

Contact: Kate Cyrul / Bergen Kenny

(202) 224-3254

HARKIN: NEW REPORT UNDERSCORES THE NEED FOR PERMANENT HEALTH CARE FIX

WASHINGTON, D.C. – Senator Tom Harkin (D-IA) today reacted to a Families USA report showing that monthly COBRA payments will shoot up for millions of unemployed Americans. In February, President Obama signed into law the American Recovery and Reinvestment Act, which provided a 65 percent temporary subsidy for COBRA-eligible workers to continue their coverage. That subsidy expired today, raising the average monthly COBRA family premium to \$1,111, or 83.4 percent of the average unemployment check - leaving just \$222 for food, housing and other necessities.

“Temporary COBRA relief provided meaningful help to many desperate Americans in their time of need,” **Senator Harkin said.** “But its expiration is just another example of why we cannot continue to patch our broken system and need a permanent health care fix.

“The health reform legislation now being considered by the Senate will provide a long term solution by enabling laid-off workers to obtain quality, affordable coverage through a health insurance exchange, and by providing tax credits to lower and middle income people and families.

“But until that goes into effect, and especially in this economy, Congress must work to extend the COBRA subsidies as quickly as possible. This is needed action that could not come at a better time for working families.”

In Harkin’s home state of Iowa, the average monthly unemployment benefit is \$1,383. The average monthly COBRA premium with the Recovery Act subsidy was \$346. Today the average monthly COBRA premium jumped to \$989, costing an additional \$643 and leaving just \$384 for other essentials.

A full copy of the report can be found here: <http://familiesusa.org/>