



## ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS OF COMMERCE

October 6, 2009

The Honorable Max Baucus  
Chairman, Senate Finance Committee  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Rangel  
Chairman, Ways and Means Committee  
United States House of Representatives  
Washington, D.C. 20515

Dear Chairman Baucus and Chairman Rangel:

I am writing on behalf of the Asia Pacific Council of American Chambers of Commerce (APCAC), which has 27 chapters in 21 economies across Asia and represents the interests of more than ten thousand American businesses in the Asia-Pacific region. I would like to bring to your attention a number of issues in the healthcare debate which will affect an increasing number of Americans who work and live outside the U.S. and who will not have the same rights to unrestricted coverage that citizens within the U.S. can expect to receive.

As the proposals are currently drafted, many of the estimated four million Americans living outside the U.S. who are not employed by a large U.S. firm that provides healthcare coverage for them and their family will not be eligible to benefit from the new U.S. programs. Perhaps unintentionally, but critically, they are also not currently exempt from the new requirements. As you know, the U.S. taxes its citizens on their worldwide income, so all Americans will be helping to pay for these new programs regardless of where they live and should therefore be treated fairly.

Specifically, we want to highlight four areas that should be addressed in any proposal that is adopted: right of residency for returning U.S. citizens, exemption from individual mandate provisions, worldwide healthcare insurance, and eligibility for Medicare coverage for overseas retirees.

**Domicile and right of residency affecting eligibility for coverage when Americans return to the U.S.** Currently, an American citizen who is working or living overseas and does not work for a large U.S. company that has a healthcare insurance plan is in an extremely vulnerable position should he/she develop a serious illness

before returning to the U.S. If such an American citizen returns to the U.S. for treatment for cancer, for instance, that person is virtually uninsurable because of the preexisting condition. This situation is made more difficult if the person does not currently have a declared state of domicile, and there may be a waiting period for eligibility before he/she has access to the state's protections for residents. We recommend that any healthcare proposal adopted by Congress include the right of return to a U.S. citizen's last state of domicile (unless otherwise designated) with immediate full rights of residency, and insurance companies be required to cover such individuals as they would if the person had never left the U.S.

**Individual mandates:** If an individual mandate on insurance coverage is proposed, we ask that an exemption be available to Americans who are working or living abroad, with the exemption limited to the time they reside overseas.

**Worldwide healthcare insurance:** There should be an option for U.S. citizens to obtain worldwide healthcare coverage for individuals and families. This would help those who travel to the U.S. during the time they are living overseas and might not otherwise have adequate health insurance coverage should they need medical attention while in the U.S. It is often the case that health insurance purchased abroad is based on the costs of the host country, which may be significantly lower than U.S. healthcare costs for the same procedure.

**Medicare coverage abroad:** Finally, we ask that Medicare coverage be available regardless of location to all Americans who have paid into the U.S. system during their working years, and would be otherwise qualified to receive benefits in the U.S. This is entirely possible now for retired military personnel under the *Tricare for Life* program administered by the Department of Defense. There are currently an estimated 425,000 American retirees living outside the U.S. who have paid into the system during their working lives.

Aside from fairness, the advantage to the U.S. economy of making some of these changes is that Americans now living abroad will not feel compelled to return to the U.S. to receive the benefits of the U.S. system at much higher cost than if they obtain healthcare services where they live outside the U.S. There are many companies currently providing healthcare insurance to Americans living and working outside the U.S. that could administer the new programs.

On behalf of the American businesses that APCAC represents in the Asia-Pacific region, we urge that you provide Americans returning from abroad with the same rights to unrestricted coverage that citizens within the U.S. can expect to receive, exempt Americans residing abroad from individual mandate provisions, and provide worldwide healthcare options and Medicare benefits to U.S. citizens regardless of their location.

We respectfully ask you to include consideration of Americans who do not automatically come under a large company's healthcare program and are working hard to sell U.S. products and services abroad to keep America competitive.

Sincerely,



Kristin Paulson  
Chair  
Asia Pacific Council of American Chambers of Commerce (APCAC)

CC: The Honorable Charles Grassley, Ranking Member, Senate Finance  
Committee, U.S. Senate

The Honorable Dave Camp, Ranking Member, Ways and Means Committee,  
U.S. House of Representatives

The Honorable Carolyn Maloney, Co-Chair, Americans Abroad Caucus, U.S.  
House of Representatives

The Honorable Joe Wilson, Co-Chair, Americans Abroad Caucus, U.S. House  
of Representatives