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January 13, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
The Capitol
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
The Capitol
Washington, DC 20510

Dear Speaker Pelosi and Majority Leader Reid:

Independent Sector, the nation's leading coalition of nonprofit and philanthropic organizations, commends you for your leadership in advancing meaningful health care reform that will help to reduce costs, remove barriers to access, and extend opportunities for coverage to all Americans. As you work with your colleagues to resolve differences in health care legislation passed by the House and the Senate, we urge you to address the needs of the millions of Americans employed by nonprofit organizations to provide critical services to communities by including the Senate small employer tax credit in the final bill.

Nonprofit organizations face the same escalating health insurance costs as small for-profit businesses, and they need assistance to make sure that their nearly 14 million employees have access to affordable health insurance. According to research from Johns Hopkins University, more than a third (36%) of nonprofits "offering health benefits reported increases of 11% or more in their total direct health insurance costs [during 2008]," which was twice the national average. Most of the 1.5 million nonprofit employers are small, with more than half having fewer than 10 employees (52%) and 65% of nonprofits employing fewer than 25 employees. Without these qualified employees, nonprofits could not deliver services to Americans when they are sick or hungry or poor and disadvantaged; conduct research to prevent and cure disease; organize volunteers and carry out programs to enrich our lives through the arts, religion, and other programs.

The *Patient Protection and Affordable Care Act* (H.R.3590, Section 1421) passed by the Senate provides a tax credit to help small employers – nonprofits and for-profits alike – maintain and extend health insurance coverage to their employees. The *Affordable Health Care for America Act* (HR 3962, Section 521) passed by the House would provide a tax credit to small businesses that would not be available to nonprofit employers.

Comprehensive health care reform must provide comparable treatment for all small employers, including nonprofit organizations and their employees. In providing a more inclusive small employer tax credit, the Senate legislation recognizes the important role that nonprofits and their employees play in our communities and in the economy, as well as the challenges these organizations face in helping their employees obtain quality health insurance. We strongly urge you to incorporate Section 1421 of the Senate bill that expressly extends the small employer tax credit to nonprofits in your final health care bill.

Sincerely,

A handwritten signature in cursive script that reads "Diana Aviv".

Diana Aviv
President and CEO
Independent Sector