

# IAA Legislative Ledger



Q2-2017, June 28, 2017

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## Make Your Healthcare Opinion Known!

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### **I ASK YOU TO PLEASE REMIND YOUR CONGRESSMAN TO PROTECT THE GROUP INSURANCE MARKET.**

**Below are a few talking points prepared and endorsed by over 50 industry groups and shared with the Honorable Mitch McConnell, Majority Leader and the Honorable Charles E. Schumer, Democratic Leader last week.**

“...As you know, the Nation’s employers provide stable, highly valued health benefits to more than 177 million Americans, the largest source of health care coverage in the country.

As senators work to draft legislation to repeal and replace the Patient Protection and Affordable Care Act (ACA), it is of the utmost importance that legislation avoids any actions that could destabilize the employer-sponsored health care system. Chief among the threats to employer-sponsored coverage are proposals to tax workers’ health coverage, whether by preserving the ACA’s 40 percent “Cadillac” tax, or imposing new taxes on employee health care benefits.

Legislation that implements a tax on health benefits (“cap on the exclusion”) will result in a system that is worse than current law for workers and for employers, and failure to eliminate the Cadillac tax will raise coverage costs for American workers, their families and employers, and work against efforts to lower health care costs.

Employers sincerely appreciated that the 2015 reconciliation legislation (H.R. 3762, 114<sup>th</sup> Congress) fully repealed the Cadillac tax, and we applauded the 90 members of the U.S. Senate that voted for Senator Heller’s Cadillac tax repeal amendment (S. Amdt. 2882). We hope the 2017 reconciliation bill will also fully repeal this harmful tax that is leading to higher costs and less coverage. Protecting employer-sponsored health benefits by repealing the Cadillac Tax and not imposing new taxes on the health benefits of working families is critical to the viability of this country’s health care system.

We urge the Senate to also consider the other provisions in the American Health Care Act (AHCA) that would improve access and affordability for employees and businesses alike. These include full repeal of other ACA taxes that raised prices for health care consumers, such as the taxes on fully-insured health insurance plans, on branded pharmaceutical products, and on medical devices. It is critical that legislation maintain the AHCA’s elimination of employer mandate penalties, which will once again allow businesses to design benefits that best meet the needs of their workforce.

Additionally, AHCA made a number of changes to consumer-directed accounts that would help plan beneficiaries, including: linking the annual Health Savings Account (HSA) contribution limit to the maximum out-of-pocket limit, fixing the HSA catch-up contribution glitch, creating a grace period in between HSA-qualified plan enrollment and establishment of an HSA, eliminating the cap on Flexible Spending Arrangements

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(FSAs), and allowing the use of tax-preferred health accounts to purchase over-the-counter medications without a prescription. These provisions all will help reduce health costs for Americans, and should be preserved.

The Senate also has a critical opportunity to improve upon the House's legislation, in ways that can further reduce costs for consumers while improving the overall health care system. In this vein, we hope members will consider some of the following proposals:

- Ensure that an HSA-qualified health plan can offer first-dollar coverage, or waive beneficiary costs, for products and services likely to prevent catastrophic costs later. For example, if a plan chooses to cover diabetics' insulin before the deductible, or waive costs for a remote-monitoring device, this could benefit patients as well as the overall system by keeping beneficiaries healthy and out of the hospital;
- Completely wall-off excepted benefits from HSA-contribution eligibility. For example, if an individual has access to no- or low-co-pay Telehealth benefits or on-site clinic options, this should not prevent the enrollee from making HSA contributions; and
- Streamline rules for rollovers from other accounts (like HRA and FSA) to HSAs, and simplify rules relating to which dependents' costs can be covered from the primary insured's HSA.

Employers contribute tremendously to the health care system, including expertise,

innovation, significant resources, and coverage highly-valued by employees, retirees, and their families. We look forward to working with the Senate to ensure the next iteration of health reform legislation will help strengthen Americans' health insurance coverage options, improve the quality of health care, and take critical action to apply downward pressure on the real drivers of health care costs, without imposing new taxes on the health benefits of hardworking taxpayers."

## WHAT CAN YOU DO TO HELP?

It is important your Congressman hear from you directly. They often get their information from people that are not fully aware of the ACA's adverse financial impact to your business or they hear from Lobbyist making campaign contributions in return for special exemptions inserted into a bill. If you agree with any of the above letters positions and want to use (copy) any of this message, please do so.

While we wait for Congress to act, you can take action by implementing a Relative Value Reimbursement Option to your current health plan. Let me know if you need more information or would like to discuss other health plan cost reduction programs offered at IAA.

Sincerely,

*Thank you,  
Paul Kelly, President*