

National Coalition on | **BENEFITS**

March 18, 2016

The Honorable Tom Price, M.D.
Chairman
Committee on the Budget
U.S. House of Representatives
207 Cannon House Office Building
Washington, D.C. 20515

The Honorable John Kline
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairmen Price, Kline, Upton and Brady:

The National Coalition on Benefits (NCB) is dedicated to preserving the benefits of millions of Americans who receive health insurance through employers. The coalition is comprised of major employer trade associations, representing large and small employers. NCB also includes many large employers with employees and retirees in all 50 states. We are writing to urge your support for strengthening the employer-sponsored health care system.

We are united around one central principle: we support employer-sponsored coverage in America and the federal Employee Retirement Income Security Act (ERISA) law that protects and enables coverage. Employers want to continue offering coverage for many reasons; not only to retain employees, but also to provide them with the right tools to remain healthy and productive. Surveys have shown that employees, retirees and dependents favorably view employer-sponsored coverage. At the same time, we welcome the discussion in the Task Forces on ways to improve the health of our communities, and we believe that employers remain a key to that improvement.

As you evaluate health care reform alternatives, we want to emphasize three important messages on employer-sponsored coverage:

First, over **175 million** Americans are enrolled in employer-sponsored coverage; a growing number according to a recently-released report from the Employee Benefit Research Institute. Moreover, according to a Kaiser Family Foundation Survey, 88 percent of workers report that health benefits are “extremely” or “very” important.

We urge you to protect ERISA and its role in fostering employer-sponsored coverage. As you seek to improve the health system, we ask that you work with us to promote simplicity and flexibility in the offering of

employer-sponsored health benefits. We are eager to have a discussion regarding how employer plans can further the goals of transparency and portability.

Second, we believe the ACA's 40 percent tax on health benefits must be repealed. NCB does not support such modification to the tax treatment of employer-sponsored coverage. There is no consistent evidence that taxing health benefits will result in savings to the health system. Instead, changes in the tax treatment of employer-sponsored benefits that adversely affect employers and employees will have a widespread impact and particularly be felt by individuals whose employers have an older workforce, or a workforce with employees and family members with chronic illnesses, or a workforce with employees who live in high-cost areas of the country. Further, the political challenge of enacting health care reforms will not be eased by creating a *de facto* tax increase for many employees.

Finally, we believe that greater innovations in employer-sponsored coverage may help reduce health care spending. Employers are adopting new strategies to improve the delivery of health care and are empowering employees and their families with more tools to help them avoid preventable chronic illnesses. Some are providing employees with on-site – or access to mobile or nearby – clinics to receive screening and routine services. Others are driving greater performance in provider networks. These are all innovations that can improve each and every community where employees live.

We support your efforts to strengthen the individual health coverage system, but not at the expense of the employer-sponsored system that is highly valued by the majority of Americans who receive their health coverage through employers today and is a critical source of innovation necessary to improve the health of our communities.

In closing, NCB looks forward to working with you and your colleagues to continue supporting and encouraging innovations in employer-provided health care coverage and to lower health care costs for both employers and employees and the communities in which they live.

Sincerely,

National Coalition on Benefits

c.c.: The Honorable Paul Ryan
The Honorable Kevin McCarthy
The Honorable Steve Scalise