

NATIONAL COALITION ON BENEFITS

September 14, 2017

Submitted via email

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leaders:

As Congress works on health care legislation to stabilize the individual market, fund the Children's Health Insurance Program, and address Medicare "extenders," the National Coalition on Benefits (NCB) urges you to repeal the 40 percent "Cadillac Tax" on employer-sponsored health care benefits set to go into effect in 2020. The planning window for the 2020 health plan year will begin by mid-2018 and urgent action by Congress is needed to prevent detrimental changes to health plan designs imposed solely to avoid the tax. Absent repeal, recent surveys estimate that in 2020, 53% of large employers will have at least one plan hitting the tax and the percentage rises to 93% in 2026.¹

The NCB is comprised of industry trade associations representing large and small businesses, as well as employers with operations and employees in all 50 states. The Coalition has been a long-time supporter of ensuring all Americans have access to affordable health insurance coverage.

America's employers, both large and small, continue to support a full repeal of the 40 percent tax on health benefits. Absent repeal, the 40 percent tax will slow private sector health care innovation and erode the value of the employer-sponsored health care benefits upon which more than 177 million Americans currently rely. The National Coalition on Benefits strongly urges Congress to repeal the tax this year.

NCB looks forward to working with you and the entire Congress as you consider proposals addressing how best to achieve our shared goals and objectives for the U.S. health care system: lower costs, improved access, greater transparency and higher quality.

Sincerely,

The National Coalition on Benefits

cc: All Members of Congress

¹ National Business Group on Health, Large Employers' Health Plan Design Survey, August 2016.