

September 22, 2017

The Honorable Lindsey Graham
United States Senate
290 Russell Senate Office Building
Washington, DC 20510

The Honorable Bill Cassidy
United States Senate
520 Hart Senate Office Building
Washington, DC 20510

The Honorable Dean Heller
United States Senate
324 Hart Senate Office Building
Washington, DC 20510

The Honorable Ron Johnson
United States Senate
328 Hart Senate Office Building
Washington, DC 20510

Dear Senators Graham, Cassidy, Heller, and Johnson:

As you work to advance health care legislation, we urge you to include provisions to protect the health coverage of the 178 million Americans who get coverage from their employer. This coverage is in jeopardy because of two provisions included in the Patient Protection and Affordable Care Act (“ACA”), specifically, the 40 percent “Cadillac Tax” on employer-sponsored coverage and the health insurance tax on fully insured health plans. As you know, repeal of various ACA-enacted taxes has been a high priority for our organizations.

At a time when the purchasers of health insurance products and public policy makers are searching for ways to stabilize insurance markets and lower premiums, the health insurance tax threatens employers, workers and households with additional premium increases in the 3% - 5% range. The looming implementation of the “Cadillac Tax” threatens employees with higher out-of-pocket costs as well as the erosion of employment-based benefits as employers are forced to implement strategies to avoid triggering this tax. Currently, the Graham-Cassidy-Heller-Johnson legislation would neither repeal nor further delay either the health insurance tax or the “Cadillac Tax” – we strongly encourage you to address these taxes in the final bill.

We look forward to continuing to work with you and your colleagues on this important matter.

Sincerely,

American Benefits Council
American Rental Association
American Supply Association
Associated General Contractors
Auto Care Association
College and University Professional
Association for Human Resources
Council for Affordable Health Coverage

Employers Council on Flexible
Compensation
The ERISA Industry Committee
Home Furnishings Association
HR Policy Association
National Association of Health Underwriters
National Association of Home Builders
National Association of Manufacturers

National Association of Professional
Employer Organizations
National Association of Wholesaler-
Distributors
National Business Group on Health
National Club Association
National Council of Chain Restaurants

National Retail Federation
Retail Industry Leaders Association
Small Business & Entrepreneurship Council
The Society for Human Resource
Management
U.S. Chamber of Commerce

cc: Members of the United States Senate