

August 17, 2017

Dear Members of Congress:

We the undersigned organizations are writing to express support for bipartisan legislation that will ensure continued funding for the cost-sharing reduction (CSR) payments under the Affordable Care Act (ACA) and that will take other steps to reduce health care costs and increase affordability for the 177 million Americans that rely on employer-provided health care benefits. Continued uncertainty surrounding CSR payments will have a negative impact on millions of people in the individual market, which could shift significant costs to employers and other private-sector payers as well as the federal government. Employer-provided health benefits remain the largest source of coverage today, though affordability issues challenge these benefits as well, especially in the small group insurance market.

As you proceed with developing health care reform legislation, please consider these bipartisan policy recommendations that are important to the stability of the individual market and are key to ensuring the future of affordable employer-provided health care benefits.

- **Fund the CSR payments to improve affordability in the individual market.** Without this funding insurers will likely raise premiums by an additional 19 percent in 2018, which would increase the cost of providing premium tax credits, and/or cause millions of Americans to drop coverage.
- **Repeal the ACA's 40 percent "Cadillac Tax" on employer-sponsored health plans and refrain from imposing any new taxes on employee health care benefits.** Fully repealing the seriously flawed and deeply unpopular Cadillac Tax has broad bipartisan support in Congress. Other cost-generating ACA taxes, including the health insurance tax, should also be repealed.
- **Enable Employers to Innovate with Health Savings Accounts.** Congress should encourage innovation and coverage for lower-income employees and their dependents, including eliminating the minimum deductible requirement for secondary preventive services, disregarding all "excepted benefits" from the definition of "other coverage," and expanding qualified medical expenses.
- **Protect ERISA as state flexibility increases.** The Employee Retirement Income Security Act (ERISA) and its role in enabling employers to offer uniform low-cost health care benefits to employees and their dependents no matter where they live or work is crucial. Increasing state flexibility and innovation should not disrupt ERISA, which is essential to the continued success of the employer-based system.

As health care reform moves forward, federal legislation should help stabilize the individual market and improve the affordability of employer-provided health care benefits. We look forward to working with Congress on these issues.

Sincerely,

American Benefits Council
The ERISA Industry Committee
HR Policy Association
National Association of Wholesaler-Distributors

National Retail Federation
Retail Industry Leaders Association
Society for Human Resource Management
U.S. Chamber of Commerce