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For additional information:

Jason Hammersla
202-289-6700

Employer innovations in health care coverage rely on regulatory flexibility, smart tax policy

WASHINGTON, D.C. – “A uniform federal framework in place for over 40 years and the current tax treatment of employer-provided health benefits are the two pillars that supports the employer-sponsored health system that covers over 175 million Americans” said James A. Klein, president of the American Benefits Council, referring to the two health policy hearings held today in the U.S. House of Representatives.

Tresia Franklin, director - rewards and employee relations at Hallmark Cards, Inc. and a member of the Council’s board of directors, [testified today](#) at [a hearing on employer health plan innovations](#) held by the House Education and Workforce Subcommittee on Health, Employment, Labor and Pensions. “The freedom to make changes and constantly tailor benefits to a workforce’s present need is crucial to balancing an interest in providing vibrant health care coverage with the need to manage continued growth in health care costs,” said Franklin. “It is essential that policymakers continue to recognize the unique value of employer-sponsored plans, which significantly reduces burdens and costs on public programs and on individuals, to help ensure personal well-being.”

In discussing Hallmark’s innovations, Franklin described her company’s long tradition, dating back to 1923, of promoting wellness initiatives for its workforce. She also explained Hallmark’s decision to move to a private insurance exchange and its value to the company, its employees and their families. “The exchange has provided increased choice for employees and provided them with state-of-the-art decision-making tools,” she said.

Franklin commented extensively on the value of the federal uniform legal framework under the Employee Retirement Income Security Act, and for sound tax policy to support employer sponsored coverage. She also strongly urged Congress to continue the bipartisan effort to repeal the 40 percent tax on high-cost plans. "If Hallmark's plan triggered the Cadillac tax, it could seriously complicate our highly successful benefits and wellness initiatives," Franklin said.

The Cadillac tax and the exclusion of employer-sponsored coverage are the subject of [a hearing in the House Ways and Means Committee](#), where lawmakers and witnesses are expected to discuss curtailing or eliminating the tax exclusion.

Franklin's testimony is available online at:

<http://www.americanbenefitscouncil.org/pub/b6964a34-018c-ace2-611c-66f053c083cb>

For more information on the health policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council senior director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.