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For additional information:

Jason Hammersla
202-289-6700

Halting ACA subsidies hurts employer plans, too *Weakening of individual market poses problems for entire health system*

WASHINGTON, DC – “We are disappointed and concerned by the Trump Administration’s decision to halt the payment of cost-sharing reduction (CSR) payments under the Affordable Care Act,” American Benefits Council President James A. Klein said today.

“If there is a silver lining, we hope that this will renew the urgency for lawmakers in Congress to reach bipartisan agreement that includes the appropriation of these important payments,” Klein said.

“**This is a big deal, not just for recipients of the subsidies but for everyone with health insurance,**” Klein said. “While the CSRs are designed to help stabilize the individual health insurance market, the absence of these payments could have cascading effects on the large group employer market that covers more than 178 million Americans.”

Employers rely on a healthy and viable individual health insurance marketplace, since an unstable market could result in further cost-shifting from health care providers to large employer plans. Additionally, erosion of the ACA exchanges would make individual market coverage a less viable option for part time workers, early retirees, and those who would otherwise elect to secure coverage through the individual market rather than sign up for, or remain on, COBRA.

“The move to cease CSR payments is a step back after the president’s inclusion of [increased flexibility for health reimbursement arrangements](#) in his October 12 executive order,” Klein said. “We look forward to working with policymakers to strengthen the employer market and fix the individual market so everyone can have access to affordable, quality health care.”

For more information on health policy matters, or to arrange an interview with Spangler, 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.