

HEALTH CARE

Employer-sponsored insurance is the most common way Americans receive health insurance. It is imperative that Congress protect the more than 180 million Americans who receive insurance through an employer. Health care policies such as the “Cadillac tax”, Medicare for All, and single-payer would do irreparable damage to the employer-sponsored market and significantly change the way most Americans receive their health insurance. In addition, the Big “I” continues to believe that agents and brokers are best suited to help consumers through the important services they provide such as tailoring health plans to fit the needs of individuals and businesses and guidance in claims processing.

The Big “I” urges Congress to support the employer-sponsored health insurance system and S. 684/H.R. 748 which would repeal the “Cadillac Tax.”

The Affordable Care Act (ACA) included a 40% excise tax, the so-called “Cadillac tax”, on employer-sponsored health insurance plans exceeding certain costs. While the ACA’s “Cadillac tax” may imply the tax applies to a few individuals with luxury health coverage, the truth is it has much broader reach. In fact, according to a Towers Watson survey, 82% of employers expected their plans would be affected by the tax within the first five years of implementation. The 40% tax applies not only to the employer’s share of the insurance premium but also to the employee’s share. Furthermore, the tax applies to several benefits that help control costs including on-site medical clinics, certain wellness and employee assistance plans, health savings account contributions, health reimbursement arrangements, flexible spending accounts, and other pre-tax health benefits. Congress recently delayed implementation of the tax a second time until 2022. The delay is a good step, but the Big “I” continues to work with a diverse group of public and private sector employers, trade associations, unions and other stakeholders as part of “The Alliance to Fight the 40” to seek full repeal.

The Big “I” believes the ultimate impact of this tax will be a reduction in benefits and/or higher deductibles for employees across the country as employers are forced to find ways to avoid being hit with the tax. As a result, the Big “I” supports S. 684/H.R. 748, the “Middle Class Health Benefits Tax Repeal Act,” by Sens. Mike Rounds (R-SD) and Martin Heinrich (D-NM), and Reps. Joe Courtney (D-CT) and Mike Kelly (R-PA) to fully repeal the “Cadillac tax.”

The Big “I” asks Congress to oppose H.R. 1386, the ENROLL Act, and any other efforts to restore funding to navigators.

The ACA originally created the navigator program to help consumers enroll in federally-facilitated plans. The Trump Administration has significantly cut funding for navigators over the past two years. In fact, the Administration noted that navigators enrolled fewer than 1% of Americans who signed up for ACA coverage in 2018. H.R. 1386 by Rep. Kathy Castor (D-FL) would restore \$100 million in funding for navigators. The Big “I” has continuously advocated against funding navigators and believes agents and brokers are best suited to help consumers meet their health care needs.

