

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