

November 14, 2013

The Honorable Pat Tiberi
U.S. House of Representatives
106 Cannon House Office Building
Washington, D.C. 20515

The Honorable Daniel Lipinski
U.S. House of Representatives
1717 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Tiberi and Congressman Lipinski:

The below signed organizations are pleased to support your legislation to repeal the funding mechanism for the transitional reinsurance program, as established under Section 1341 of the Patient Protection and Affordable Care Act. The transitional reinsurance program requires a \$63 tax in 2014 on every employee, spouse, dependent, and retiree covered by a fully-insured or employer sponsored, self-insured group health plan. This tax is both costly and punitive to self-insured plans, which are not eligible for any benefits under the reinsurance program.

Our organizations believe strongly in providing high quality, efficient, accessible and affordable care for our plan participants. While we recognize the goal of the transitional reinsurance program, which is to stabilize the individual market as the health care exchanges are operationalized, we believe that the current funding mechanism will hurt employers' ability to provide affordable coverage, and threaten employer-sponsored health coverage, which currently serves as the source of health benefits for 175 million Americans.

Your legislation recognizes that this faulty funding mechanism needs to be changed, without eliminating the program itself. We commend you for your efforts, and look forward to working with you to advance this legislation in the coming months.

Sincerely,

American Benefits Council
Corporate Health Care Coalition
ERISA Industry Committee
Food Marketing Institute
International Franchise Association
National Business Group on Health
Self-Insurance Institute of America