



**National
Business
Group on
Health**

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Creative Health Benefits Solutions for Today, Strong Policy for Tomorrow

November 14, 2013

The Honorable Patrick Tiberi
106 Cannon HOB
Washington, DC 20510

The Honorable Daniel Lipinski
1717 Longworth HOB
Washington, DC 20510

Dear Representatives Tiberi and Lipinski:

The National Business Group on Health writes in strong support of your legislation that would remove a significant fee that adds to the already high and growing costs for employer-sponsored plans and for the employees, families, and retirees enrolled in these plans who will not receive any of the benefits of the transitional reinsurance program.

The National Business Group on Health represents approximately 377, primarily large, employers (including 66 of the Fortune 100) who voluntarily provide generous health benefits and other health programs to over 55 million American employees, retirees, and their families.

As you know, the National Business Group on Health's recent 2014 Health Plan Design Survey found that 100% of responding employers plan to continue to provide health insurance for employees in 2014 and 97% wish to continue doing so in 2015.ⁱ However, confidence that employers will continue to offer coverage 10 years from now remains low (26%), suggesting that employers are uncertain about the years to come.ⁱⁱ Imposing an additional fee through the transitional reinsurance program unnecessarily increases costs for the vast majority of Americans (149 million or 56%) with employer-sponsored coverageⁱⁱⁱ. Additionally, the fee applies to every "covered life" under the plan including: employees, spouses, dependents and retirees which only drives up costs and hurts the ability of employers to continue to offer comprehensive, affordable coverage to these populations.

In the midst of ongoing economic uncertainty, lingering high unemployment, and complex changes in health benefits and rules brought about by the 2010 health care law, the federal government should be looking for substantive ways to lower labor costs rather than imposing unnecessary fees that raise costs for employers offering health benefits.

For these reasons, the National Business Group on Health strongly supports your legislation to assist employers' efforts to continue to provide high quality, comprehensive and affordable employer-sponsored coverage to our employees and their families. Please contact me or Steven Wojcik, the National Business Group on Health's Vice President of

Public Policy, at (202) 558-3012, if you would like to discuss our comments in more detail.

Sincerely,



Helen Darling
President and CEO

ⁱ National Business Group on Health. Large Employers' 2014 Health Plan Design Survey. August 2013, <http://www.businessgrouphealth.org/pub/57c7e143-782b-cb6e-2763-058e211f304f>

ⁱⁱ National Business Group on Health/Towers Watson, Inc. Employer Survey on Purchasing Value in Healthcare. 2013 Survey Report. 2013, <http://www.businessgrouphealth.org/pub/5c995ba6-782b-cb6e-2763-0d721d7e267d>

ⁱⁱⁱ The Kaiser Family Foundation. The Uninsured a Primer. October 2013, <http://kaiserfamilyfoundation.files.wordpress.com/2013/10/7451-09-the-uninsured-a-primer-e28093-key-facts-about-health-insurance1.pdf>