RE: Health Care Reform Legislation

Dear Senator:

As you know, U.S. employers provide stable, highly valued health benefits to more than 177 million Americans – the largest source of health care coverage in the country. As you continue to consider health care reform legislation, it is critically important for Congress to recognize the importance of protecting and preserving these benefits. Misguided policy decisions could lead to circumstances that could ultimately disrupt and threaten these important benefits that the majority of Americans currently enjoy.

The HR Policy Association is the lead organization representing chief human resource officers of over 385 of the largest corporations doing business in the United States. The member companies, all of whom are large employers, provide health care coverage to over 21 million employees and dependents, and collectively spend more than $76 billion annually on health care in the U.S.

As you proceed with health care reform, please consider these two important policy pillars:

- The Employee Retirement Income Security Act (ERISA) and its role in enabling employers to offer uniform health care benefits to employees no matter where they live, work or receive medical care is crucial to maintaining the employment-based system in the United States. Strengthening ERISA preemption is needed to protect continued access to affordable coverage for millions of American families.

- For over 60 years, employer-provided health benefits have been excluded, without limit, from income and payroll taxes. Over time, this benefit emerged as a basic building block of our health care system. Making a substantial change to the tax treatment of employer-provided health benefits would cause a significant disruption to this longstanding system. We encourage you to protect the employer-sponsored system by fully repealing the ACA’s 40 percent “Cadillac Tax” and refrain from imposing any new taxes on employee health care benefits.

The HR Policy Association strongly encourages the Senate to pass the provisions in the Better Care Reconciliation Act of 2017 regarding employer-sponsored health insurance, and we look forward to working with you on health care reform in the future.

Sincerely,

Daniel V. Yager
President and Chief Executive Officer