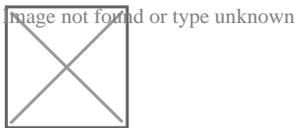


Texas Health Plans Urge State Congressional Delegation to Delay Health Insurance Tax

Description

October 30, 2019



Texas Health Plans Urge State Congressional Delegation to Delay the Health Insurance Tax

The Texas Association of Health Plans recently delivered the below letter to each member of the Texas Congressional delegation urging them to act swiftly to delay the Health Insurance Tax

TO: Members of the Texas Congressional Delegation

FROM: The Texas Association of Health Plans

Dear Senators and Representatives:

On behalf of commercial and public health plans operating in Texas, we strongly urge you to delay the Health Insurance Tax (HIT), which will directly

raise health care costs for millions of hard-working Texans and Americans across the country. As the trade organization representing the Texas health insurance community, we have an interest in protecting our members from the burden the HIT would impose upon Texan insurers and workers alike.

As you are aware, the HIT was initially created by the Affordable Care Act as an \$8 billion sales tax on the purchase of health insurance. In 2015, it increased to \$11.3 billion and is now projected to add an estimated \$16 billion to the costs of coverage for individuals, small businesses, families, and Medicare Advantage seniors.

Although it is messaged as a health insurance fee, the HIT is actually a hidden tax on small businesses. The tax applies to health care coverage purchased in the fully insured market, which is where 88% of small business owners shop. If the HIT is allowed to go into effect, fully insured large employers and their employees will see their premiums increase by \$465 in 2020, and smaller employees will experience increases of over \$501, according to research by Oliver Wyman. The National Federation of Independent Business Research Foundation predicts this could lead to a decline in the Texas GDP by up to \$2.5 billion over a decade. The tax delivers a direct blow to middle class families and seniors on Medicare Advantage.

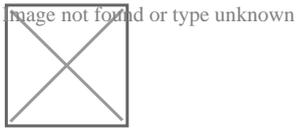
Health care costs are rising dramatically in the United States, and these costs directly translate into higher health insurance premiums for employers and consumers. As insurers consider future rate requests, they are already factoring in the unclear future of the Affordable Care Act and other uncertainties in the health insurance market. Today, half a million Texans are unable to afford health coverage. If the HIT goes into effect as planned, this number would continue to grow, leaving even more people without necessary access to care.

Twice before, a bipartisan effort has achieved a delay of this burdensome tax. We hope this tax can be stopped once again in order to prevent millions of Texans and Americans from experiencing the burden of higher health care

costs. Eventually, we hope for a full repeal of the HIT, but an immediate delay is of pressing importance as we draw nearer to 2020.

Thank you for your leadership in seeking this delay. We look forward to working with you to eliminate unnecessary health care costs in our present economy.

Sincerely,



Date Created

October 2019

Author

tahp