

Congress of the United States

Washington, DC 20510

December 10, 2019

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

We write to request relief from the costly Health Insurance Tax (HIT) before it goes into effect January 1, 2020. Without Congressional action, the HIT will raise health care costs for consumers and small businesses across the country.

The Internal Revenue Service estimates that in 2020 alone this tax would impose a \$15.5 billion fee on health insurance plans. That fee would be passed down to families, small businesses, seniors, Americans with disabilities, and state Medicaid programs.

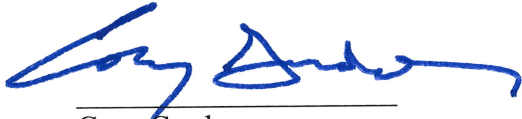
As costs continue to rise, Americans are being forced to spend an unbearable percentage of their income on health insurance premiums. A December 5, 2019 Centers for Medicare and Medicaid Services Office of the Actuary report on national health care spending demonstrates that when the tax was in effect for 2018 it was a main driver of rising health care costs. According to the report, the net cost of health insurance grew 13.2 percent in 2018, compared to only 4.3 percent in 2017 when the tax was not in effect.

According to the actuarial firm, Oliver Wyman, if the HIT went into effect for 2020 it would raise costs for approximately 142 million Americans. The price increases would particularly impact seniors and Americans with disabilities that utilize Medicare Advantage (MA). Oliver Wyman reports that had the HIT been levied in 2019, MA premiums would have climbed from \$393.05 to \$612.09—a 55.7% increase.

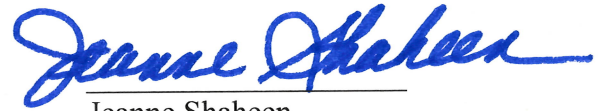
Congress worked together in a bipartisan fashion to suspend the tax for 2017 and 2019. Our bipartisan legislation, S. 172 and H.R. 1398, the Health Insurance Tax Relief Act of 2019, would delay this tax for two years, 2020 and 2021, and has support from 33 senators and 165 members of the House of Representatives.

At a time when increasing healthcare costs are a burden on American families, we urge continued bipartisan cooperation to ensure this costly tax does not go into effect.

Sincerely,



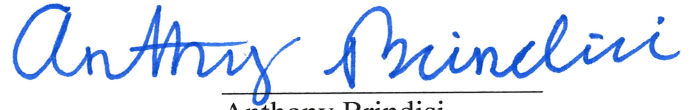
Cory Gardner
United States Senator



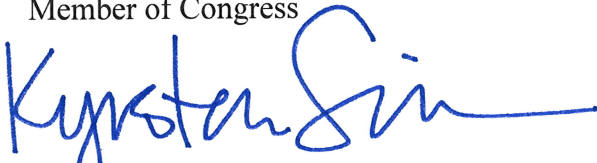
Jeanne Shaheen
United States Senator



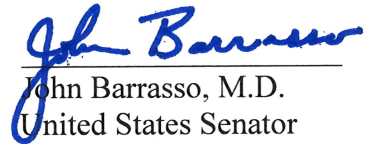
Ami Bera, M.D.
Member of Congress



Anthony Brindisi
Member of Congress



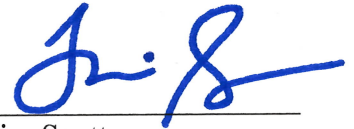
Kyrsten Sinema
United States Senator



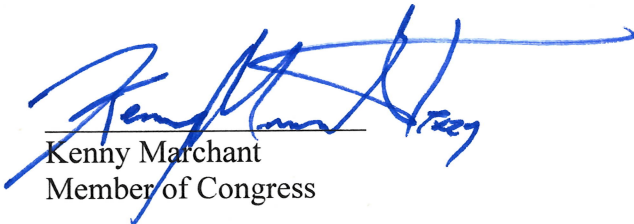
John Barrasso, M.D.
United States Senator



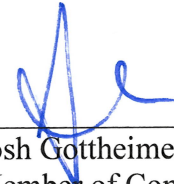
Doug Jones
United States Senator



Tim Scott
United States Senator



Kenny Marchant
Member of Congress



Josh Gottheimer
Member of Congress



Jackie Walorski
Member of Congress