



May 15, 2024

The Honorable Virginia Foxx
Chair
House Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
House Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Foxx, Ranking Member Scott and Members of the House Committee on Education and the Workforce:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 68 chapters representing more than 23,000 members, I appreciate the opportunity to comment on today's hearing, "Examining the Policies and Priorities of the Department of Health and Human Services." Providing quality health care benefits is a top priority for ABC and its member companies. ABC advocates for policies that would ensure employer-sponsored coverage is strengthened and remains a viable, affordable option for millions of hardworking Americans and their families.

As a member of the Partnership for Employer-Sponsored Coverage, ABC encourages Congress and HHS to consider [principles and priorities](#) that are important for ensuring employment-based health coverage thrives, including:

- Preserving and strengthening employer-sponsored health coverage
- Addressing medical costs and challenges to help keep coverage affordable
- Upholding the current tax treatment of employer-sponsored coverage
- Providing employers with compliance relief from burdensome regulations governing health coverage
- Promoting innovations and diversity of plan designs and offerings for employees

Federal tax exclusions are vital to the sustainability of employer-sponsored coverage. Current tax code preferences exclude employer payments for employment-based health coverage from an employee's income, allow for the pre-tax payment of an employee's share of premiums for employment-based health coverage and enable employers to deduct the cost of health coverage as a business expense. Capping or eliminating these exclusions would increase the cost of plans and could lead some to abandon their plans all together, harming employees who rely on their employer-sponsored coverage.

Additionally, ABC supports compliance relief for employers by streamlining the reporting requirements brought on by the Affordable Care Act. Internal Revenue Service employer information reporting requirements generate undue compliance burdens and costs for employers while creating a more difficult process for employees. Similarly, altering the definition of an applicable large employer and flexibility in the definition of a full-time employee under the employer mandate would enable employees to pick up extra hours, provide consistent federal definitions across different laws and enable businesses to hire more employees and grow their operations. Employment growth increases the employer plan pool and provides increased stability and predictability to changing premium trends.

Employer-sponsored coverage should continue to be the foundation of our nation's health coverage system. ABC appreciates the committee's efforts to examine HHS priorities and urges the department to consider the business community as it seeks to improve the health and well-being of Americans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kristen Swearingen', written in a cursive style.

Kristen Swearingen
Vice President, Legislative & Political Affairs