



April 28, 2016

The Honorable Kevin Brady
Chairman
Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Kline
Chairman
Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Tom Price, M.D.
Chairman
Budget Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Brady, Kline, Price and Upton:

On behalf of Associated Builders and Contractors (ABC), a national construction industry trade association with 70 chapters representing nearly 21,000 members, I am writing to express our strong support for the mission of the Task Force on Health Care Reform, which is to “modernize American health care with a patient-centered system that gives patients more choice and control, increases quality, and reduces costs.”

March 23, 2016, marked the sixth anniversary of the massive and complex Affordable Care Act (ACA). Six years later, it fails to lower health insurance premiums for hard working Americans and imposes costly new taxes, as well as costly and burdensome federal mandates on ABC member companies. Further, the Obama administration has faced dozens of lawsuits challenging the legality of certain provisions in the ACA, issued thousands of pages of complex regulations implementing the law and struggled to sufficiently educate businesses about the law’s employer provisions. The ACA continues to create uncertainty and confusion in the construction industry, making it difficult for the nation’s contractors to plan for the future and create jobs.

Providing quality health care benefits is a top priority for ABC and its member companies. However, by forcing employers to offer government-prescribed health insurance, ABC members no longer have the choice or flexibility to structure health care coverage options that meet the needs of their fluctuating workforce. The resulting increased costs jeopardize the ability of ABC member companies to maintain affordable coverage options for their employees and will force some to drop coverage altogether.

The ACA has only served to hurt employers and increase premiums for millions of Americans. ABC urges the Task Force on Health Care Reform to advance common-sense health care solutions that will provide greater choice and affordability. ABC supports the following initiatives:

- ✓ **Allowing Americans to buy insurance across state lines.** This would be particularly helpful to those who work in the construction industry, as the unique nature of construction work demands that benefits be portable.

- ✓ **A tax deduction for the self-employed and for employers.** ABC supports raising the self-employed health care deduction to 100 percent and maintaining the tax deductibility of health insurance premiums for all employers.
- ✓ **Small Business Health Plans (SBHPs).** SBHPs give small businesses the power to pool together to offer health care at lower prices—something many corporations and labor unions already are permitted to do.
- ✓ **Health Savings Accounts (HSAs).** HSAs are tax-free savings accounts for medical expenses that allow more small business owners to obtain affordable health coverage for themselves and their employees. ABC supports expanding access to high-deductible health plans and HSAs, as well as increasing HSA contribution limits.
- ✓ **Flexible Spending Accounts (FSAs).** FSAs, or “cafeteria plans,” allow employees to set aside money (pre-tax) each year to be used for medical expenses such as co-pays, deductibles and services not covered under their base insurance plan. ABC supports repealing the annual dollar limit on employee contributions to an FSA, which is \$2,550 for 2016.
- ✓ **Health Reimbursement Arrangements (HRAs).** Stand-alone HRAs allow small businesses to provide pre-tax dollars to their employees for the payment of individual market health insurance premiums or qualified medical expenses associated with insurance coverage. However, under the ACA, stand-alone HRAs are prohibited. In 2013, the Internal Revenue Service (IRS) issued Notice 2013-54 stating that employers that fail to offer a group health plan, but provide tax preferred dollars through an HRA for their employees to pay health insurance premiums or other direct medical expenses, will be subject to a \$100 per day penalty, per applicable employee. The \$100 per day penalty was effective on July 1, 2015 [*The guidance in IRS Notice 2013-54 applies for plan years beginning on or after January 1, 2014*]. ABC supports *the Small Business Healthcare Relief Act* (H.R. 2911), which would protect small businesses from the punitive fines and provide relief from rising health care costs.
- ✓ **Wellness Programs.** For the last several years, ABC members have embraced innovative approaches that encourage preventive health care, improve employee health outcomes, and reduce overall health care costs and premiums. These important benefits are increasingly valued by both employers and their employees. Although successful wellness programs are a “win-win” for both the employer and their employees, the Equal Employment Opportunity Commission has issued proposed rules that would find certain wellness programs in violation of the Americans with Disabilities Act and/or the Genetic Information Nondiscrimination Act, even though they are in full compliance with provisions of the ACA. ABC supports *the Preserving Employee Wellness Programs Act* (H.R. 1189), which would ensure that employers can continue to administer wellness programs for their employees without fear of undue government interference or litigation.
- ✓ **Health IT.** ABC supports advancing the widespread adoption of health information technology. Technology holds the promise of improving the quality of patient care, enhancing access to care, reducing medical errors and reducing health care costs.

ABC appreciates your attention to this important matter and looks forward to working with you on common-sense health care initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read "K Swearingen". The signature is written in a cursive, flowing style.

Kristen Swearingen
Vice President, Legislative & Political Affairs