

June 14, 2019

The Honorable Patrick Toomey
United States Senate
Co-Lead, Health Tax Task Force
248 Russell Senate Office Building
Washington, DC 20510

The Honorable Robert Casey, Jr.
United States Senate
Co-Lead, Health Tax Task Force
393 Russell Senate Office Building
Washington, DC 20510

The Honorable Michael Enzi
United States Senate
Health Tax Task Force
379A Russell Senate Office Building
Washington, DC 20510

The Honorable Mark Warner
United States Senate
Health Tax Task Force
703 Hart Senate Office Building
Washington, DC 20510

RE: BMA Comments Urging Long-Term Solution to the Health Insurance Tax

Dear Senator Toomey, Senator Casey, Senator Enzi, and Senator Warner:

As the Senate Finance Committee Health Tax Taskforce considers long-term solutions to temporary tax policy, the Better Medicare Alliance (BMA) appreciates the opportunity to provide input regarding the annual fee on health insurance providers, known as the Health Insurance Tax (HIT), which is due to be reinstated in 2020, unless Congress acts.

As the leading Medicare Advantage advocacy coalition representing 134 organizations providing care for the 22 million Medicare beneficiaries under Medicare Advantage, BMA advocates on policies that will further strengthen Medicare Advantage as a high-quality, cost-effective choice for seniors and individuals with disabilities. Delaying or permanently repealing the HIT is a top priority for BMA, precisely because failure to do so will lead to a spike in premiums for Medicare Advantage beneficiaries, many of whom cannot afford a nearly \$250 annual increase in health costs.¹

Given your leadership on the Health Tax Taskforce announced last month by the Senate Finance Committee Chairman Charles Grassley and Ranking Member Ron Wyden, we strongly urge that as you review health-related tax policies, you seek to permanently repeal or, at a minimum, delay the HIT through 2021.²

BMA supports S. 172, legislation that delays the HIT through 2021, and S. 80, legislation that permanently repeals the HIT. If Congress does not take timely action to suspend the HIT, millions of American seniors and others with health insurance coverage could face a major premium increase of more than \$20 billion³ when the HIT returns.

¹ "Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later," Oliver Wyman; August 28, 2018. [Web.](#)

² Grassley, Wyden Announce Taskforces to Find Long-Term Solutions to Temporary Tax Policy, Press Release, U.S. Senate Committee on Finance. May 16, 2019. [Web.](#)

³ "Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later," Oliver Wyman; August 28, 2018. [Web.](#)

As it is, many current and future retirees are at risk of not being able to afford the costs of health care in retirement. Nearly half of Medicare Advantage enrollees live on less than \$24,000 per year.⁴ According to a recent analysis, 62% of retirees age 65+ years old, as well as about three out of four non-retired adults age 50 to 64, have less in total retirement savings than what experts recommend saving for health care costs alone.⁵

For these reasons and more, America's seniors are increasingly choosing Medicare Advantage. They appreciate the focus on prevention and disease management and the offering of enhanced benefits and services, such as vision, hearing, fitness and wellness, and dental coverage, as well as the cap on out-of-pocket costs. These beneficiaries rely on Medicare Advantage for the high-value, integrated care it provides, offering the right care in the most appropriate setting.

We appreciate the decision Congress made to delay the HIT for 2019, but the threat of the HIT remains. According to a recent analysis, without the delay of the HIT for 2019 the nationwide annual premium could have increased from \$393.05 in 2018 to \$612.09 in 2019, or 55.7%.⁶ Had Congress allowed the HIT to take place in 2019, the result could well have been an alarming spike in premiums, causing severe financial hardship for the millions of Medicare beneficiaries who rely on Medicare Advantage.

Delay or permanent repeal of the HIT is one of the most direct ways for Congress to provide financial relief for seniors and individuals who are eligible for Medicare due to disabilities, while maintaining access to the quality, affordable health care they have chosen.

It is our hope that the Health Tax Taskforce will address the HIT swiftly and move to permanently repeal or, at a minimum, delay this harmful tax. BMA understands that the Taskforce is interested in hosting listening sessions with stakeholders over the coming days and weeks. **BMA would appreciate an opportunity to participate in any such discussion and to further engage on this critical issue.**

Thank you for your consideration of our views on the HIT. Should you have any questions or need further information, please do not hesitate to contact our Director of Government Affairs, Lisa Hunter, at lhunter@bettermedicarealliance.org or (202) 758-3157.

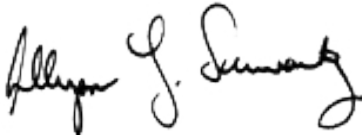
⁴ Analysis of 2016 Medicare Current Beneficiary Survey (MCBS) data, provided by Anne Tumlinson Innovations, LLC.

⁵ "Preparing for Health Care Costs in Retirement: An America's Health Rankings Issue Brief," United Health Foundation and Alliance for Aging Research; May, 2017. [Web](#).

⁶ "New Analysis: How the 2019 Moratorium on the ACA's HIT Kept Medicare Advantage Premiums Down," Oliver Wyman; January, 16, 2019. [Web](#).

BETTER MEDICARE
ALLIANCE

Sincerely,

A handwritten signature in black ink that reads "Allyson Y. Schwartz". The signature is written in a cursive style with a large initial "A".

Congresswoman Allyson Y. Schwartz
President & CEO
Better Medicare Alliance

CC: U.S. Senate Finance Committee Chairman Charles Grassley
U.S. Senate Finance Committee Ranking Member Ron Wyden