

Congress of the United States
Washington, DC 20515

August 28, 2017

Dear Colleague,

As you travel around your district during this August work period, you will undoubtedly hear from your constituents about a variety of concerns. One issue, will be universal: rapidly rising health insurance premiums and a dwindling numbers of health insurers in marketplaces across the country. Fortunately, there exists legislation that, if passed, would lower these increasing costs and stabilize insurance markets.

Section 9010 of the Affordable Care Act levies a tax on health insurance premiums, commonly called the Health Insurance Tax, or HIT. The tax applies to all fully-insured health insurance coverage. The tax is ostensibly paid by insurers, but like any tax, the burden truly rests on consumers.

Consumers were spared the HIT's burden for 2017, thanks to a delay Congress included in the December 2015 appropriations bill. Unfortunately, because Congress has yet to act on extending the delay or permanent repeal, the tax will strike again in 2018, and at a higher rate.

The effect of the HIT's return will be even higher premiums for 2018. A new report from research firm Oliver Wyman estimates that the HIT "will increase premiums by 2.6% in 2018 and between 2.5% and 2.7% in subsequent years." In 2018, this amounts to \$500 per family in the small group market and \$540 per family in the large group market. The tax also affects seniors, with Medicare Advantage enrollees paying an estimated \$245 in 2018.

We are not alone in our concern about the effects of the HIT. Over 150 Members of the House have cosponsored our bill, H.R. 246, to repeal the harmful tax, but more support is needed. As we work to ensure the HIT does not return next year, we urge you to join us in committing to full repeal of the damaging Health Insurance Tax, and cosponsor H.R. 246.

For questions or to cosponsor, please contact Matt Hittle in Rep. Noem's office (matthew.hittle@mail.house.gov) or Michael Brownlie in Rep. Sinema's office (michael.brownlie@mail.house.gov).

Sincerely,



KRISTI NOEM
Member of Congress



KYRSTEN SINEMA
Member of Congress