

STOP THE HIT

September 6, 2017

The Honorable Lamar Alexander, Chairman
The Honorable Patty Murray, Ranking Member
Committee on Health, Education, Labor and Pensions
U.S. Senate
Washington, D.C., 20510

Dear Chairman Alexander, Ranking Member Murray, and members of the U.S. Senate HELP Committee:

As members of the Stop The HIT Coalition, which represents America's small business owners, their employees and the self-employed, we commend your efforts to address the ongoing challenges in the Exchange market that have exacerbated the cost and instability pressures facing our members.

The most challenging of these market issues has been the Health Insurance Tax (HIT), which has disproportionately harmed more than 29 million small business owners across the United States and the nearly 60 million workers they employ. With 2018 premiums and rates finalized later this month, there is an urgent need for policymakers to extend HIT relief to millions of small business owners and their employees.

Absent immediate Congressional action, our members as well as seniors, Medicaid beneficiaries, and individuals purchasing coverage on their own will face a \$14.3 billion tax hike, driving up the cost of coverage for those struggling to afford the cost of care. A recent report from Oliver Wyman estimates that the HIT will force families purchasing coverage in the small group market to pay an additional \$500 on average in premium costs next year.

Worse, more than half of the entire tax is paid by those with incomes between \$10,000 – \$50,000. This added cost burden poses a serious threat to long-term market affordability and sustainability, which is why the National Association of Insurance Commissioners [recently called on Senate leaders](#) from both parties to prioritize HIT relief as well as other market stabilizing measures as an immediate step to lower premium costs.

Advancing meaningful market stabilization reforms can only be complete with inclusion of HIT relief. We are encouraged by past Congressional efforts, including bipartisan action from nearly 400 Republicans and Democrats in the House and the Senate to suspend the HIT for 2017. This common-sense step provided important relief for small businesses around the country. We urge Congress to act now to protect millions of hardworking Americans who will shoulder the burden of the HIT when it returns in 2018.

Sincerely,

Stop The HIT Coalition