

United States Senate

WASHINGTON, DC 20510

June 20, 2019

The Honorable Patrick Toomey
United States Senate
248 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Robert Casey, Jr.
United States Senate
393 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Michael Enzi
United States Senate
379A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Mark Warner
United States Senate
703 Hart Senate Office Building
Washington, D.C. 20510

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

We write today to emphasize the urgent need for legislative action to suspend the health insurance tax for 2020. To accomplish this important goal, we have introduced bipartisan legislation, S. 172 the Health Insurance Tax Relief Act, which has been cosponsored by 25 of our colleagues.

Unless Congress takes action quickly, this tax will impose additional costs next year on families, seniors, small business owners, and state governments. Health insurers are already in the process of proposing premium rates for 2020. Without more certainty from Congress about the potential suspension of the health insurance tax, insurers will build the cost of the tax into 2020 premiums, which will raise costs for millions of Americans. To avoid this outcome, we need to pass our bipartisan legislation, in both the Senate and the House. Sending this legislation to the President's desk is one of the most effective steps we can take to provide relief from rising health care costs to the American people.

The uncertainty about whether this tax will return next year is a source of concern and frustration for American consumers and small businesses across the nation—as well as working families, seniors enrolled in Medicare Advantage plans, and state Medicaid programs.

In addition, an August 2018 Oliver Wyman analysis provides a clear picture of the economic burden associated with the health insurance tax. This study estimates that if the health insurance tax is allowed to resume in 2020, it would increase premiums next year on a per enrollee basis by an estimated \$196 for individuals in the non-group market, \$154 for individuals and \$479 for families in the small group market, \$158 for individuals and \$458 for families in the large group market, \$241 for Medicare Advantage enrollees, and \$157 for each enrollee covered by Medicaid managed care programs.

There is strong bipartisan support in Congress for suspending the health insurance tax and helping reduce premium costs for millions of Americans. We strongly urge you to ensure that this issue is addressed as soon as possible during the 2019 session.

Sincerely,



Cory Gardner
United States Senator



Jeanne Shaheen
United States Senator

cc:

Chairman Charles E. Grassley, Senate Committee on Finance

Ranking Member Ron Wyden, Senate Committee on Finance