

# ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits



**For Immediate Release**  
**May 22, 2019**  
**Contact: Tara Bradshaw**  
**202-441-8255**

## **NATIONAL FAMILY, PATIENT, PUBLIC SECTOR, AND MULTIEMPLOYER GROUPS JOIN EFFORT TO PROTECT HEALTH CARE COVERAGE**

The **Alliance to Fight the 40 | Don't Tax My Health Care**, a broad-based coalition committed to repealing the 40 percent tax on employer-provided health benefits welcomes Families USA, Public Sector HealthCare Roundtable, the National Coordinating Committee for Multiemployer Plans (NCCMP), and the Sickle Cell Disease Association of America in the effort to protect the health care coverage upon which more than half of all Americans depend.

Repealing the “Cadillac Tax” has broad bipartisan support in Congress with 320 members in the House of Representatives and 37 Senators cosponsoring legislation in the current 116th Congress.

“These four new members are the latest voices to join the chorus calling on Congress to repeal the ‘Cadillac Tax’ and protect job-based health care for working families,” said James A. Klein, president of the **American Benefits Council**. A recent poll highlighted that 81 percent of voters oppose taxing employer-provided health care coverage as the “Cadillac Tax” would do.

“We cannot wait any longer to repeal this onerous tax that is driving up out-of-pocket costs and reducing health care choices for working families,” Klein said. “We are excited to welcome these new members to the Alliance to Fight the 40 as we continue the fight to protect working families from the consequences of taxing health care coverage.”

“We at Families USA have been fighting for almost 40 years to ensure the best health and health care are equally accessible and affordable to all,” said Frederick Isasi, Executive Director, **Families USA**. “We are proud to join this nonpartisan and broad coalition supporting repeal of the tax on employers that do the right thing and provide high value health insurance to their employees. At a time when almost half of our nation’s families report that they are forgoing needed medical care because they can’t afford it, we should make sure that employers doing the right thing and providing high value health insurance for their employees are supported and celebrated, not subject to an egregious tax.

“This ill-conceived tax presupposes that by exposing our nation’s families to even more financial vulnerability in their health care, families will manage to bring costs down,” Isasi continued. “That’s wrong-headed and it hurts people, particularly the most vulnerable. Our nation’s health care costs continue to increase absurdly. It’s the responsibility of policy makers, the health care sector, and the government to figure our way out of this. From the costs of prescription drugs and surprise medical bills to the costs of specialty care, more than 80 percent of the families in this nation – both democrat and republican - believe it’s the responsibility of the government to get control of out-of-control health care costs. Let’s get going!”

“Sickle cell disease (SCD) is a painful, chronic condition that thousands of Americans face,” said Beverly Francis-Gibson, President & CEO, **Sickle Cell Disease Association of America**. “Thankfully, there are no penalties for ‘pre-existing’ conditions in the employer market. Protecting this coverage is critical to the long-term management of the disease for workers with sickle cell. While we continue to fight for a cure, we will fight to repeal the ‘Cadillac Tax’ to help SCD patients live productive lives.”

“The so-called ‘Cadillac Tax’ will inflict harm not only on public sector employees, retirees and their dependents but the taxpayers who fund their benefits,” said Gary Harbin, CPA, Executive Secretary of the Teachers’ Retirement System of Kentucky and Chairman of the Board, **Public Sector HealthCare Roundtable**. “Our members - including teachers, police, fire fighters and many more – and their families will be forced to pay more for less if the tax comes into effect. This approach must be avoided to protect public sector workers, retirees and the American taxpayer alike.”

“Millions of active and retired American workers and their families rely on multiemployer plans for their health benefits,” said Michael Scott, Executive Director, **NCCMP**. “The ‘Cadillac Tax’ is harming our members and the more than 200,000 employers who jointly sponsor these health plans. NCCMP is pleased join to join the Alliance’s effort to repeal it.”

**Background.** The “Cadillac Tax” is a 40 percent tax on the cost of employer-provided health coverage that exceeds certain premium benefit thresholds – initially, projected to be \$11,100 for self-only coverage and \$29,750 for family coverage in 2020. More than just health plan premiums are counted when determining the “cost” of the plan. The cost of wellness programs, on-site clinics and other plan features designed to keep the workforce healthy and help reduce plan expenses are also taxed. The tax is designed to hit more plans over time so that virtually everyone in an employer-provided plan, including low income workers and families with chronic or catastrophic health conditions, will ultimately be affected.

**Families USA** combines its policy expertise with its state and national partnerships to bring forth non-partisan solutions that ensure all Americans have access to high-quality, affordable health care and improved health.

**The National Coordinating Committee for Multiemployer Plans** is dedicated exclusively to the advocacy and protection of multiemployer plans, their sponsors, participants and beneficiaries.

The **Sickle Cell Disease Association of America** advocates for people affected by sickle cell conditions and empowers community-based organizations to maximize quality of life and raise public consciousness while advancing the search for a universal cure.

**The Public Sector HealthCare Roundtable** provides a unique opportunity – for public health care purchasers of all sizes and program models – to work together to help ensure high quality health care benefits at the best value for the plan sponsors and participants.

*The **Alliance to Fight the 40|Don't Tax My Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, local governments, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. This coverage is the backbone of our health care system and protects more than 181 million Americans. The Alliance seeks to repeal the 40 percent “Cadillac Tax” on health benefits and prevent increased income taxes on workers, families and retirees who rely on employer-provided health coverage. The Alliance is committed to ensuring that employer-provided coverage remains an effective and affordable option for working Americans and their families.*

# # #