



CC:PA:LPD:PR (REG-118315-12)
Internal Revenue Service
PO Box 7604
Ben Franklin Station
Washington, DC 20044

Submitted Electronically: <http://www.regulations.gov>

Re: Health Insurance Providers Fee

On behalf of the nation's small business owners, their employees and millions of self-employed Americans, the Stop the HIT Coalition is submitting comments to the Notice of Proposed Rulemaking (NPRM) on REG-118315-12, regarding the Health Insurance Providers Fee.

The NPRM states that the Treasury Department and the Internal Revenue Service are considering making available to the public information reported on Form 8963, "Report of Health Insurance Provider Information." The Treasury Department and the IRS invite comments on which reported information the IRS should make publicly available. The members of the Stop the HIT Coalition, made up of more than 37 organizations, would like to register our position in favor of requiring an itemized public disclosure of the effects of this fee down to the individual level.

This health insurance tax, or HIT, is a particularly punitive tax aimed at the small business community. This new tax falls solely on the fully insured market, which is the market from which 88 percent of small business owners purchase health insurance for their employees and themselves. It is a tax increase of \$8 billion in 2014, rising to \$14.3 billion in 2018, and continues to rise thereafter to reach \$101.7 billion over the first 10 years. Premiums will increase as early as this year's plan renewals to account for the tax. This increase is a major concern for our nation's small business owners and those providing health insurance.

As currently constructed, this tax on insurance providers will undoubtedly be passed on to small businesses, their employees and the self-employed. It will increase the cost of health insurance plans for small business owners and the self-employed and make offering affordable coverage or any coverage at all, to employees more difficult. In fact, the nonpartisan Joint Committee on Taxation (JCT) estimates the HIT will increase family premiums by 2.5% or \$400 in 2016.

To further illustrate the HIT's significant impact on small businesses and the local economies in which they operate, the National Federation of Independent Business Research Foundation recently released an updated study showing the significant number of jobs that will be lost by the HIT as a result of the PPACA. Using independent cost estimates, the Research Foundation's BSIM (Business Size Impact Module) predicts the rise in cost of employer-sponsored insurance stemming from the HIT will result in a reduction in private sector employment of 146,000 to 262,000 jobs by 2022, with 59 percent of the job losses coming from small businesses. This will amount to a reduction of U.S. real output (sales) by between \$19 billion to \$35 billion during the same time. A similar study

released in 2011 predicted a loss of 125,000 to 249,000 jobs and \$18 to \$30 billion in sales by 2021. The job loss and lost sales figures will continue to increase unless action is taken to remedy this destructive tax.

Clearly itemizing this fee on the Summary of Benefits and Coverage (SBC) will bring important transparency and openness to the HIT and give small businesses and their employees a better idea about what is causing their premium increases. The SBC document is an appropriate form to disclose the description and amount of the tax because health insurance issuers and group health plans are required to provide consumers with an easy-to-understand summary about a health plan's benefits and coverage. All health plans must provide an SBC to shoppers and enrollees at important points in the enrollment process, such as upon application and at renewal.

The members of the Stop the HIT Coalition thank you in advance for considering this very important issue.