

November 26, 2018

Dear Member of Congress:

As organizations representing and providing care for Medicare beneficiaries, we work to ensure the health and welfare of older Americans. As advocates, we strongly urge you to support the extension of the delay in the Health Insurance Tax (HIT) through 2020. If Congress does not take timely action to delay the HIT for 2020, millions of American seniors and others with health insurance coverage could face a major premium increase of more than \$20 billion¹ when the HIT returns.

Access to health care is of paramount importance to American seniors who depend on Medicare for health services, financial security, and peace of mind. This is especially critical to seniors living on fixed incomes, many of whom rely on Medicare Advantage for its high-quality care, affordability, simplicity and enhanced benefits.

While much of the public's attention has focused on the HIT's harmful effects on individuals and consumers in the employer group markets, we want to share with you the serious negative economic effects of the HIT as it applies to senior and disabled Americans in Medicare Advantage. The return of the HIT in 2020 could equate to more than \$500 in additional annual premiums for the typical Medicare Advantage couple — a sum that far too many simply cannot afford.

Medicare Advantage is an important source of health coverage for low-income, female, and racial/ethnic minority beneficiaries. Fifty-seven percent of Medicare beneficiaries with Medicare Advantage coverage are women, and more than half of Medicare Advantage enrollees live on less than \$30,000 annually. Nationwide, one in three Medicare beneficiaries — more than 20 million — are enrolled in Medicare Advantage plans, including 48% of Hispanic and 38% of African-American Medicare beneficiaries.

At a time when Americans are looking for help to lower health care costs, the HIT is a multi-billion dollar increase in the cost of health coverage which will affect some of the most vulnerable beneficiaries. Most Medicare Advantage beneficiaries live on fixed annual incomes. Any increase in the cost for health coverage is difficult, if not impossible, to absorb.

As it is, many current and future retirees are at risk of not being able to afford the costs of health care in retirement. According to a recent analysis, 62% of retirees age 65+ years old, as well as about three out of four non-retired adults age 50 to 64, have less in total retirement savings than what experts recommend saving for health care costs alone.²

¹ "Analysis of the Impacts of the ACA's Tax on Health Insurance in 2018 and Beyond – Revised," Oliver Wyman; October 10, 2017. [Web](#).

² "Preparing for Health Care Costs in Retirement: An America's Health Rankings Issue Brief," United Health Foundation and Alliance for Aging Research; May, 2017. [Web](#).

Moreover, a recent Federal Reserve report underscores the fragile financial nature of many American households. The report found a significant number of American adults would be challenged by a modest unexpected expense. Specifically, the Federal Reserve cites that “four in 10 adults, if faced with an unexpected expense of \$400, would either not be able to cover it or would cover it by selling something or borrowing money.”³ Certainly, older Americans are among the most financially vulnerable.

America’s seniors are increasingly choosing Medicare Advantage. They appreciate its focus on prevention and disease management and its offering of enhanced benefits and services, such as vision, hearing, fitness and wellness, and dental coverage. These beneficiaries rely on Medicare Advantage for the high-value, integrated care it provides, offering the right care in the most appropriate setting.

Year-over-year stability in health costs is a vital component in ensuring that Medicare Advantage remains an accessible coverage option to Medicare beneficiaries. If Congress does not act to block the HIT for 2020, millions of Medicare Advantage beneficiaries could be adversely impacted by increased premiums and reduced or eliminated enhanced benefits.

We appreciate the decision Congress made to delay the HIT for 2019, and it is, again, the right decision for 2020. Extending HIT relief would be a meaningful step in helping keep Medicare Advantage premiums as stable and affordable as possible.

Delaying and suspending the HIT for 2020 is one of the most direct ways for Congress to provide financial relief for seniors and Medicare beneficiaries and maintain access to quality affordable healthcare they have chosen.

Thank you for your consideration of our views on this important issue

Sincerely,

Area Agency on Aging Palm Beach / Treasure Coast, Inc. (Florida)

Association for Behavioral Health and Wellness

Better Medicare Alliance

ChenMed (Florida)

Coalition of Texans with Disabilities

Commerce and Industry Association of New Jersey

³ “*Report on the Economic Well-Being of U.S. Households in 2017*,” Board of Governors of the Federal Reserve System, May, 2018. [Web](#).

Connecticut Association of Health Underwriters
Consumer Action
Council for Affordable Health Coverage
Einstein Healthcare Network (Pennsylvania)
Greater Philadelphia Business Coalition on Health
Healthcare Leadership Council
International Council on Active Aging
Iora Health (Massachusetts)
MANNA
Martin's Point Health Care (Maine)
Meals on Wheels America
National Association of Dental Plans
National Association of Health Underwriters
National Association of Hispanic Nurses
National Association of Nutrition and Aging Services Programs (NANASP)
National Hispanic Council on Aging
National Hispanic Medical Association
National Medical Association
National Minority Quality Forum
New Jersey State Nurses Association
Northwell Health (New York)
Nurse Practitioner Association New York State
Oak Street Health (Illinois)
Philadelphia Corporation for Aging
Pittsburgh Business Group on Health
Population Health Alliance
Prevea Health (Wisconsin)
Public Sector Healthcare Roundtable
SilverSneakers by Tivity (Tennessee)
SNP Alliance
Summa Health System (Ohio)
Teachers' Retirement System of Kentucky
Visiting Nurse Service of New York
The Latino Coalition