

March 31, 2014

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable John Boehner  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Dear Leader Reid and Speaker Boehner:

The undersigned organizations support Section 213 of the Protecting Access to Medicare Act of 2014, a bipartisan proposal that would repeal the Affordable Care Act's (ACA) statutory cap on deductibles for health plans in the small group market. We encourage you to retain this provision in the final bill sent to the President as it will encourage employers to continue to offer coverage to their employees by protecting small businesses and their employees from unnecessary plan upheaval and premium increases.

The ACA caps the maximum deductible for small group health plans at \$2,000 for individuals and \$4,000 for families. This limit applies only to small group plans, driving up health costs relative to those of large employers and individuals.

If the cap is imposed, small businesses would be forced to raise premiums, increase copays, or strip benefits to comply with the cap. An independent analysis commissioned by the Council for Affordable Health Coverage found that:

- Maintaining the cap would increase premiums for 27 percent of covered workers.
- Enrollment in small group bronze plans would be 17 percent higher without an ACA deductible cap.
- Repeal of the cap will translate to 56,000 fewer workers needing government subsidies on the ACA's health exchanges.

The Administration has invoked its rulemaking authority to waive implementation of the cap in 2014 and 2015. Statutory removal of the deductible cap provision would both formalize a direction HHS has already endorsed, while at the same time give employers and consumers certainty that they can fully count on the savings that deductible cap relief will provide. This is good for the market and creates stability for employers and their workers.

Our organizations support your efforts to bolster employer health coverage. We encourage you to retain Section 213 in the final SGR bill.

Sincerely,

American Rental Association  
Associated Builders and Contractors, Inc.  
Associated General Contractors  
Automotive Aftermarket Industry Association

Blue Cross Blue Shield Association  
Blue Shield of California  
Communicating for America  
Council for Affordable Health Coverage  
Evolution 1  
Healthcare Leadership Council  
National Association of Health Underwriters  
National Association of Manufacturers  
National Association of Wholesaler-Distributors  
National Federation of Independent Business  
National Patient Advocate Foundation  
National Restaurant Association  
National Retail Federation  
Small Business & Entrepreneurship Council  
U.S. Chamber of Commerce  
Western Growers