

FEBRUARY 28, 2019

Dear Member of Congress:

As the leading Medicare Advantage advocacy coalition representing almost 130 organizations providing care for the 22 million Medicare beneficiaries under Medicare Advantage, Better Medicare Alliance (BMA) advocates on policies that will further strengthen Medicare Advantage as a high-quality, cost-effective choice for seniors. We write to you on behalf of our alliance and specifically the organizations that are listed below that are deeply concerned about the harmful effects of the Health Insurance Tax (HIT) that is due to be reinstated in 2020, unless Congress acts.

We strongly urge you to support S. 172 / H.R. 1398, legislation that will delay the HIT through 2021. If Congress does not take timely action to suspend the HIT, 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 and individuals with disabilities who depend on Medicare for health services, financial security, and peace of mind. This is especially critical to those living on fixed incomes, many of whom rely on Medicare Advantage for its high-quality care, affordability, simplicity and additional 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 seniors 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 couple² – a sum that far too many simply cannot afford.

Medicare Advantage is an important source of health coverage for beneficiaries, including many who are 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, over one in three Medicare beneficiaries – over 22 million – are enrolled in Medicare Advantage plans, including 48% of Hispanic and 38% of African-American Medicare beneficiaries.³

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

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

¹ "Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later," Oliver Wyman; August 28, 2018. [Web](#).

² *Ibid.*

³ BMA Analysis of CMS monthly Medicare Advantage enrollment files. [Web](#).

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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.⁴

For these reasons and more, 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 repeal or delay the HIT, millions of Medicare Advantage beneficiaries will be adversely impacted by increased premiums and reduced or eliminated enhanced benefits.

We appreciate the decision Congress made to delay the HIT for 2019, but the threat of the HIT remains. It is why we urge you to support S. 172/H.R. 1398 to delay the HIT through 2021. According to a recent analysis, without the delay of the HIT for 2019 the nationwide annual premium could have increased from \$393.05 in 2018 to \$612.09 in 2019, or 55.7%.⁵ Had Congress allowed the HIT to take place in 2019, the result could well have been an alarming spike in premiums, causing severe financial hardship for the millions of Medicare beneficiaries who rely on Medicare Advantage.

Delay of the HIT is one of the most direct ways for Congress to provide financial relief for seniors and Medicare beneficiaries, while maintaining access to the quality, affordable health care they have chosen.

Thank you for your consideration of our views on this important issue. Should you have any questions or need further information, please do not hesitate to contact our Director of Government Affairs, Lisa Hunter, at lhunter@bettermedicarealliance.org or (202) 758-3157.

Sincerely,

American Physical Therapy Association
Area Agency on Aging Palm Beach / Treasure Coast, Inc.
Association for Behavioral Health and Wellness
Better Medicare Alliance
ChenMed
Coalition of Texans with Disabilities
Commerce and Industry Association of New Jersey
Connecticut Association of Health Underwriters

⁴ "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](#).

⁵ "New Analysis: How the 2019 Moratorium on the ACA's HIT Kept Medicare Advantage Premiums Down," Oliver Wyman; January, 16, 2019. [Web](#).

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Consumer Action
Council for Affordable Health Coverage
Direct Primary Care Coalition
Einstein Healthcare Network
Greater Philadelphia Business Coalition on Health
Healthcare Leadership Council
International Council on Active Aging
Iora Health
MANNA
Martin's Point Health Care
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
National Hispanic Council on Aging
National Hispanic Medical Association
National Medical Association
National Minority Quality Forum
New Jersey State Nurses Association
Northwell Health
Nurse Practitioner Association New York State
Oak Street Health
Philadelphia Corporation for Aging
Pittsburgh Business Group on Health
Population Health Alliance
Prevea Health
Public Sector Healthcare Roundtable
SilverSneakers by Tivity
SNP Alliance
Summa Health System (Ohio)
Teachers' Retirement System of Kentucky
The Latino Coalition
Visiting Nurse Service of New York