

Conservative Groups Urge Lame Duck Action on Repeal of Health Insurance and Medical Device Taxes and Expansion of HSAs

December 6, 2018



The Honorable Paul D. Ryan
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515



The Honorable Mitch McConnell
Majority Leader
United States
Senate S-230, The Capitol
Washington, D.C. 20510



Dear Speaker Ryan & Leader McConnell:

We write to urge that Congress acts to repeal or delay existing Obamacare taxes during the lame duck period including the health insurance tax, medical device tax, and restrictions on Health Savings Accounts (HSAs).



First, Congress should act to repeal or further delay the Obamacare health insurance tax, which is scheduled to go into effect in 2020. The House has already put forward proposals to repeal and delay this tax, which should be taken up and signed into law by the President.

Insurers plan their prices months in advance so Congress must act soon to stop this \$16 billion per year tax from hitting American families.



More than 141 million consumers could be negatively impacted by the health insurance tax, including consumers in the individual market, large and small group plans, Medicare Advantage and Medicare Part D plans.

If it does go into effect, the tax will increase premiums by 2.2 percent per year, according to [research](#) by Oliver Wyman.



This could increase premiums by almost \$6,000 over the next decade for a typical family of four with small or large group insurance.

77 percent of registered voters [support](#) delay or full repeal of the Health Insurance Tax, according to polling released by Morning Consult.



Lawmakers should also expand tax advantaged health savings accounts. Today, 25 million American families and individuals save and spend their own money tax free on a variety of healthcare expenses — more than double the number of individuals that use Obamacare exchanges.



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The House has already passed legislation that would nearly double the contribution limit for an HSA from \$3,450 to \$6,650 for an individual and \$6,900 to \$13,300 for a family and allow individuals with a bronze or catastrophic health plan to be eligible for an HSA. The proposal expands access to HSAs by allowing working seniors enrolled in Medicare

Part A to contribute to an HSA and allows HSAs to be used to purchase over-the-counter medications and fitness expenses.

These HSA reforms draw a strong contrast to the top-down, command and control model of Obamacare by empowering individuals, lowering healthcare costs, strengthening retirement security, and further reducing taxes for middle class families.

Finally, lawmakers should further roll back the Obamacare medical device tax, which is scheduled to go into effect in 2020.

The medical device tax is imposed as a 2.3 percent excise tax on all manufacturers including the thousands of small businesses. Ultimately, this tax suppresses investment and costs jobs.

This is not hypothetical – research indicates that the tax reduced medical device investment by \$34 billion in 2013 and cost almost 22,000 jobs when it was in effect between 2013 and 2015.

When it was signed into law, Obamacare imposed a trillion dollars in new or higher taxes on the American people over a decade. These taxes including a tax on Americans facing high medical bills, taxes on health savings accounts, a tax on innovative medicines, and a tax for failing to buy health insurance. They have all caused significant harm to middle-class and low-income families across the country.

Over the long-term, lawmakers must continue working to repeal all one trillion in Obamacare taxes as part of reforms that increase access to care, lower costs, and get the government out of health care.

In the short term, Congress can take a strong step toward achieving this goal by repealing or delaying the health insurance tax, expanding HSAs, and rolling back the medical device tax.

Sincerely,

Grover Norquist
President, Americans
for Tax Reform

James L. Martin
Founder/Chairman, 60
Plus Association

Saulius “Saul” Anuzis
President, 60 Plus
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