National Coordinating Committee for Multiemployer Plans
Annual Conference

HEALTHCARE CONGRESSIONAL UPDATE

March 8, 2025/Kathryn Bakich

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Agenda

Executive Orders

Taxes, Spending, and the Budget

Pharmacy Benefit Manager Regulation/Transparency

Ongoing ACA Issues

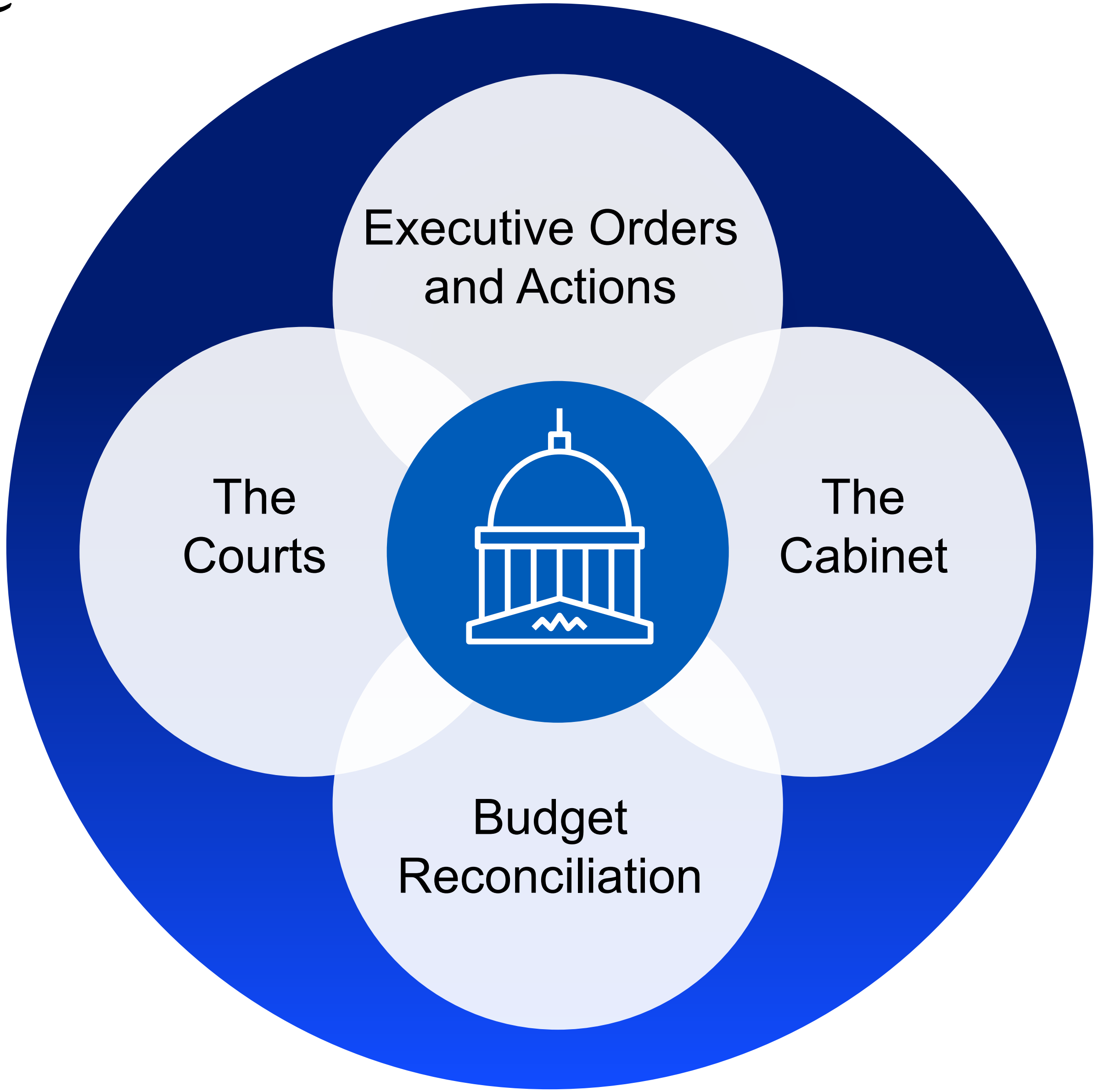
Medicare Part D and Medicare Advantage

Improvements to the No Surprises Act

Mental Health Parity

Family Policies

What We're Watching



What is an Executive Order?

- An executive order is a written directive, signed by the president, that orders the government to take specific actions to ensure the laws be faithfully executed
- An executive order cannot write a new statute or law
- It can direct federal employees how to implement a statute within the scope of authority of the executive branch
- An executive order cannot take power from Congress or the courts

Executive Orders that May Impact Group Health Plans

Regulatory Freeze Pending Review

No rules may be proposed or issued until reviewed and approved by a department or agency head appointed by the President after January 20, 2025

Initial Recissions of Harmful Executive Orders

Revokes 78 Biden-era executive orders, including:

- Revocation of Order 14070, which was designed to strengthen the ACA, lengthen the enrollment period, increase promotion of enrollment and help enhance subsidies.
- Revocation of Order 14087, which was designed to promote programs to lower drug costs. Specific programs included an initiative to establish a flat $2.00 copayment for Medicare Part D generic drugs and improve access to high-cost cell and gene therapy drugs

Executive Orders that May Impact Group Health Plans

Biological Sex (Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government)

- The federal agencies are directed to recognize only two sexes — male and female. Gender identity is to be excluded from any federal government policies. Previous orders that prevented discrimination on the basis of gender identity or sexual orientation are rescinded.
- The order challenges the US Supreme Court holding in *Bostock v Clayton County, GA*, which found sex discrimination included sexual orientation and gender identity discrimination.
- While ACA Section 1557 is not mentioned, that regulation is likely to be reproposed by HHS. In fact, most 1557 information has been removed from the HHS website, including model policies. Currently the regulation is enjoined to the extent that it involves gender identity, but not for other accessibility requirements.

Litigation ongoing

Executive Orders that May Impact Group Health Plans

Protecting Children from Chemical and Surgical Mutilation

- Establishes a federal policy prohibiting the funding, promotion, or support of medical interventions related to gender transition for minors, identified as individuals under 19. The order categorizes puberty blockers, hormone treatments, and gender-related surgeries as "chemical and surgical mutilation"
- Directs the HHS to review and replace medical guidelines influenced by the World Professional Association for Transgender Health (WPATH)
- Mandates that federal research and education grants cease supporting institutions that provide these treatments. Directs Medicaid, Medicare, and other federal programs to restrict funding and approval of gender-transition procedures. Requires the federal employee health plans to eliminate coverage for pediatric gender-transition care
- Justice Department is tasked with investigating deceptive practices surrounding these treatments and holding states accountable for supporting them

Litigation ongoing

Executive Orders that May Impact Group Health Plans

Ending Radical and Wasteful Government DEI Programs and Preferencing

- Eliminate DEI programs in government
- Terminate departments, positions, grants, and contracts associated with DEI
- Eliminate all DEI-related performance measures
- Conduct assessments of existing DEI-related committees, programs, services, and activities to determine if they have been “misleadingly relabeled” to maintain their diversity functions
- Gather lists of all DEI contractors and grantees that may have received federal funding for DEI

Preliminary injunction issued in part in *National Association of Diversity Officers in Higher Education et al v. Trump* on February 21, 2025

Executive Orders that May Impact Group Health Plans

Establishing the President's Make America Healthy Again Commission

- Redirect national focus in both the public and private sectors toward understanding and drastically lowering chronic disease rates and ending childhood chronic disease
- Ensure transparency and open-source data, gold-standard research into the root causes of illness, healthy, abundant and affordable food, and the flexibility for health insurance coverage to provide benefits that support beneficial lifestyle changes and disease prevention
- A Make Our Children Healthy Again Assessment within 100 days (i.e., by May 24, 2025)
- A Make Our Children Healthy Again Strategy within 180 days (i.e., by August 12, 2025)
- https://www.segalco.com/consulting-insights/executive-order-creates-health-commission

Executive Orders that May Impact Group Health Plans

Expanding Access to In Vitro Fertilization

- Ensure reliable access to IVF treatment, including by easing unnecessary statutory or regulatory burdens to make IVF treatment drastically more affordable
- By May 19, 2025, the Assistant to the President for Domestic Policy must submit to the President a list of policy recommendations on protecting IVF access and aggressively reducing out-of-pocket and health plan costs for IVF treatment

- https://www.segalco.com/consulting-insights/executive-order-on-ivf

Executive Orders that May Impact Group Health Plans

Making America Healthy Again by Empowering Patients with Clear, Accurate, and Actionable Healthcare Pricing Information

- The federal government will promote universal access to clear and accurate healthcare prices
- By May 26, 2025, Treasury, DOL and HHS must take all necessary and appropriate action to implement and enforce healthcare price transparency regulations applicable to both hospitals and health plans, including:
  - Require disclosure of the actual prices of the items and services, not estimates;
  - Issue updated guidance or proposed regulations ensuring pricing information is standardized and easily comparable across hospitals and health plans; and
  - Update enforcement policies

Taxing, Spending, and the Budget

Expiration of the 2017 Tax Cuts

- Tax policy is Congress's top priority because of the expiration of the tax cuts in the 2017 Tax Cuts and Jobs Act
- Congress may try tax reform through the budget reconciliation process – but reconciliation can only address tax, spending, and budget items. To fund other tax cuts and budget priorities, Congress may look to cut Medicaid, particularly the ACA Medicaid expansion funding, and Medicare
- First timeline is March 14, when government funding expires
- Speaker Johnson has said he would like to pass a simple CR that would fund the government through September 30, 2025 to avoid a shutdown

Reconciliation: One Bill v. Two

- House adopts one-bill strategy
  - On February 25, the House passed its budget resolution 217-215
  - The House GOP budget resolution includes a floor of $2 trillion in spending cuts, a $4.5 trillion cap on tax cuts, and a $4 trillion extension of the debt limit
    - The $2 trillion in cuts is focused on safety-net programs like Medicaid, food stamps and education funding, with $300 billion in increased defense and border spending
  - House budget plan instructs committees to find cuts
    - Energy and Commerce committee, which overseas Medicare, Medicaid, and the ACA instructed to come up with at least $880 billion in cuts
  - Specific cuts will be unknown until legislation is written

Reconciliation: One Bill v. Two

- Senate adopts two-bill strategy
  - On February 21, the Senate passed a budget resolution that would authorize $150 billion in military spending and $175 billion in border security spending over 10 years on party line vote (52-48)
  - Democrats offered multiple amendments on potential cuts to Medicaid, DOGE, tax cuts for billionaires and more
  - Bill does not contain “pay-fors” or tax cuts
  - Strategy is a fall-back in case House cannot pass a budget resolution, which would give an early win to the administration
  - Tax policy bill would be in a second bill later this year.

Ways and Means Committee Identifies Matters for Budget Actions

Repeal the ACA "Family Glitch" Final Rule

Allow enhanced ACA subsidies under COVID to expire after 2025

Reform ACA subsidies and Marketplace plan designs

Repeal Deferred Action for Childhood Arrivals (DACA) ACA subsidies

Recapture overpaid ACA subsidies

Medicare Site Neutrality

Telehealth Benefit Expansion for Workers Act

Telehealth-only COBRA option

Association Health Plans Act

Expand use of direct contracts and value-based care in employer-sponsored plans

Ways and Means Committee Identifies Matters for Budget Actions

Medicaid

- Remove temporary Federal Medical Assistance Percentage (FMAP) increase to non-expansion states
- Equalize FMAP for ACA expansion population
- Establish Medicaid work requirements
- Limit Medicaid provider taxes
- Repeal access to home and community-based services rule

Ban telehealth and other facility fees

Make it a prohibited transaction for employer-sponsored health plans to pay for Section 340B drugs above the discounted price

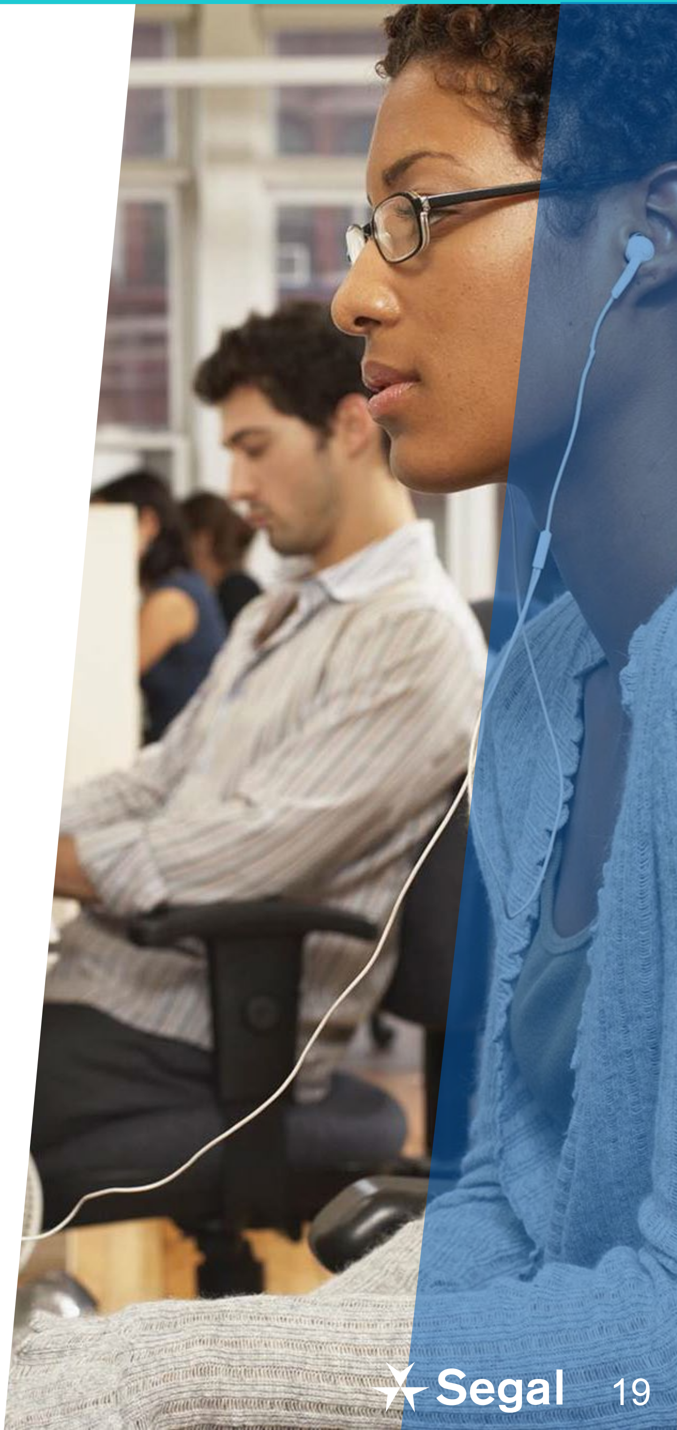
Increase penalties for transparency noncompliance

ACA Premium Subsidies

- The fate of the ACA enhanced premium subsidies, which expire at the end of 2025, will also be key in affecting how individuals obtain health coverage and could affect some group health plan sponsors.
  - The subsidies were successful in expanding coverage in the Exchange plans – if the enhanced subsidies are not renewed, Marketplace premiums could increase by an average of 79 percent and enrollment could drop from 22.8 million in 2025 to 18.9 million in 2026, according to an estimate by the Kaiser Family Foundation.

Eyes on the Employer-Based Health Coverage Tax Exclusion

- There are also likely to be renewed discussions about capping the tax exclusion for employment-based health coverage, as a means for paying for other priorities
- In 2024, the House Republican Study Committee recommendation capping this tax exclusion. Additional proposals could be made that are reminiscent of the so-called “Cadillac Tax” on high-cost health plans that was passed as part of the ACA and subsequently repealed in 2019
- In the context of a high-stakes tax and spending debate, the tax exclusion may be an important item to watch this year



Pharmacy Benefit Manger (PBM) Transparency Efforts

Spotlight on Prescription Drugs

- Congress may continue its focus on the PBM industry, including increasing transparency and regulation of PBM arrangements
- Significant changes could include requiring PBMs to disclose rebate information and pass through 100 percent of rebates and ban spread pricing, requirements for plan sponsors to ensure that PBM contracts contain certain disclosure requirements
  - The American Relief Act of 2025, which funds the government through March 14, 2025, did not ultimately contain new transparency requirements for PBMs — despite such requirements in earlier proposals
- States also continue to enact PBM regulations, making compliance difficult for plan sponsors with workers in multiple states

More to Come from the FTC?

In addition to congressional activity, the U.S. Federal Trade Commission (FTC) launched an inquiry into PBMs in 2022, and in July 2024 released an interim staff report called *Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies*.

A second interim report dealing with PBM contracting practices, *Specialty Generic Drugs: A Growing Profit Center for Vertically Integrated Pharmacy Benefit Managers*, was released on January 14, 2025.

While it is unclear what policies a Republican-led FTC would pursue, there is bipartisan interest in addressing prescription drug costs.

Ongoing ACA Issues

Repeal Efforts Not Expected

- While Congress will focus on tax, spending and prescription drug issues, the administration will have to closely evaluate how it will address the ACA.
- Despite previous rhetoric, it is unlikely that the administration or Congress will try to completely overturn the ACA because some of its provisions – particularly the elimination of preexisting condition exclusions and extension of coverage to dependents through age 26, are very popular.
- In addition, CMS recently announced that approximately 24 million people enrolled in Marketplace coverage for 2025 an all-time record.

Implementation Issues Remain

- However, there are continuing issues regarding ACA implementation that the administration may weigh in on, including coverage of preventive drugs (including contraceptives and PrEP for HIV, which has been challenged in court), coverage of over-the-counter medications and regulations concerning ACA out-of-pocket maximums that affect prescription drug copayment accumulator programs.
- Additionally, the U.S. Supreme Court has also agreed to hear the case of *Kennedy v. Braidwood Management* – which challenges whether plans have to cover preventive services that are recommended by the U.S. Preventive Services Task Force.

Becerra v. Braidwood Management

In *Kennedy v Braidwood Management*, plaintiffs objected to the ACA requirement that non-grandfathered health plans cover pre-exposure prophylaxis (PrEP) medications at no cost.

- Plaintiffs argued that the USPSTF structure violates the Constitution's appointments clause, which requires "principal" officers to be appointed by the president and confirmed by the Senate. Both the district court and the U.S. Court of Appeals for the 5^{th} Circuit agreed. However, the decision only applies to the plaintiffs at this time.
- The Administration appealed to the US Supreme Court, and plaintiffs agreed case should be heard. The Court accepted certiorari on January 10, 2025, for the 2024-2025 term.
- The Trump Administration just filed a brief with the USSC arguing that the 5^{th} Circuit decision was incorrect

Original Medicare, Medicare Part D, and Medicare Advantage

Site Neutral Payments

Congress has considered enacting legislation to create site-neutral payment reform, which aligns payment rates for certain medical services across the physical sites where patients receive outpatient care:

- Hospital outpatient departments, ambulatory surgical centers and freestanding physician offices.

Policies that support care delivery in lower-cost settings for both the Medicare population and group health plans are likely to be a significant factor in any proposed health legislation.

Inflation Reduction Act

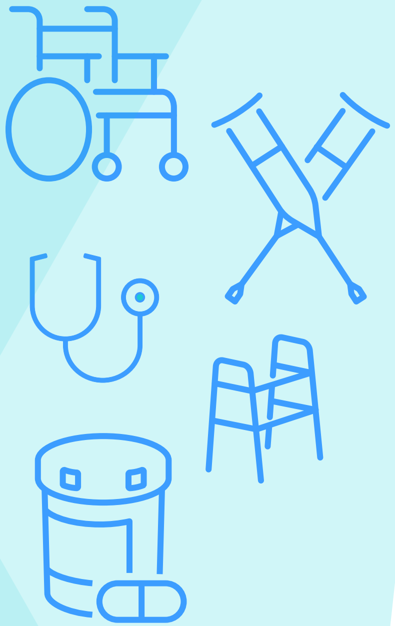
The Inflation Reduction Act has resulted in a significant restructuring of the Medicare Part D prescription drug benefit, including a $2,000 out-of-pocket maximum ($2,100 for 2026)

- Guidelines for 2026 Part D plans were released January 10, 2025, and will be finalized in April 2025
- For plan sponsors, the revised simplified determination methodology of calculating “Creditable Coverage” should be closely watched, as it may affect whether a group health plan’s prescription drug benefit is equal to or better than the Medicare Part D program

The Revised Simplified Determination Methodology of Creditable Coverage

- Under the proposed revised simplified determination methodology for 2026, group health plan coverage will be creditable if it meets the following standards:
  - Provides reasonable coverage for brand-name and generic prescription drugs and biological products
  - Provides reasonable access to retail pharmacies
  - Is designed to pay, on average, at least 72 percent of participants' prescription drug expenses (versus 60 percent under the previous methodology)
- If finalized, plans will need to use this method for creditable coverage testing, not the previous method
- https://www.segalco.com/consulting-insights/cms-proposes-simplified-creditable-coverage-determination

Part D Coverage



It will be important to examine how the new administration addresses the expansion in Part D benefits and continues efforts to ensure that Part D premiums remain affordable

- In July 2024, CMS announced a “premium stabilization demonstration” for Part D, which should cover at least three years. The 2026 program has not yet been announced, but some commenters are criticizing the program as too costly ($5 billion in 2025 alone)

Medicare Advantage, Rx Negotiation

- Similar challenges exist with respect to Medicare Advantage plans, which are popular options.
  - Revisions to reimbursement requirements are possible.
- Proposals have included making Medicare Advantage a default enrollment option for Medicare beneficiaries or increasing opportunities for plans to offer supplemental benefits.
- Additionally, for the first time in 2026, Medicare will negotiate prices for certain high-cost drugs.
  - The next set of 15 drugs was announced January 17, 2025, and includes Ozempic, Rybelsus, Wegovy
  - While the program may not be significantly changed for the first year, the new administration's policy priorities will likely impact the process for future years.

Improvements to the No Surprises Act

Regulations Expected

- The No Surprises Act, which limits when a patient can be balance billed for out-of-network care, has faced numerous implementation challenges, including an overburdened Independent Dispute Resolution (IDR) system and multiple lawsuits.
  - Regulations proposed to overhaul the process are not yet finalized
- Departments continue to review the multiple court decisions affecting payment methodologies.
- Congress is considering legislation that would impose significant penalties on health plans who lose IDR cases
- Other aspects of the law, such as the requirement to issue Advanced Explanation of Benefits forms, have not yet been implemented.

Family Policies

Issues Relating to Family Coverage and Support

- Congressional proposals have been made to offer caregivers a nonrefundable tax credit to cover certain qualified long-term care expenses
- House Bipartisan group on paid family leave recently issued draft legislative text of a bill to establish the “Interstate Paid Leave Action Network (I-PLAN)”

The Good News: Peak Bloom between March 23rd – 27th

Thank You

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The Alliance to Fight for Health Care
Advancing employer-provided coverage

National Coordinating Committee for Multiemployer Plans Annual Conference

Threats to employer sponsored insurance

March 8, 2025

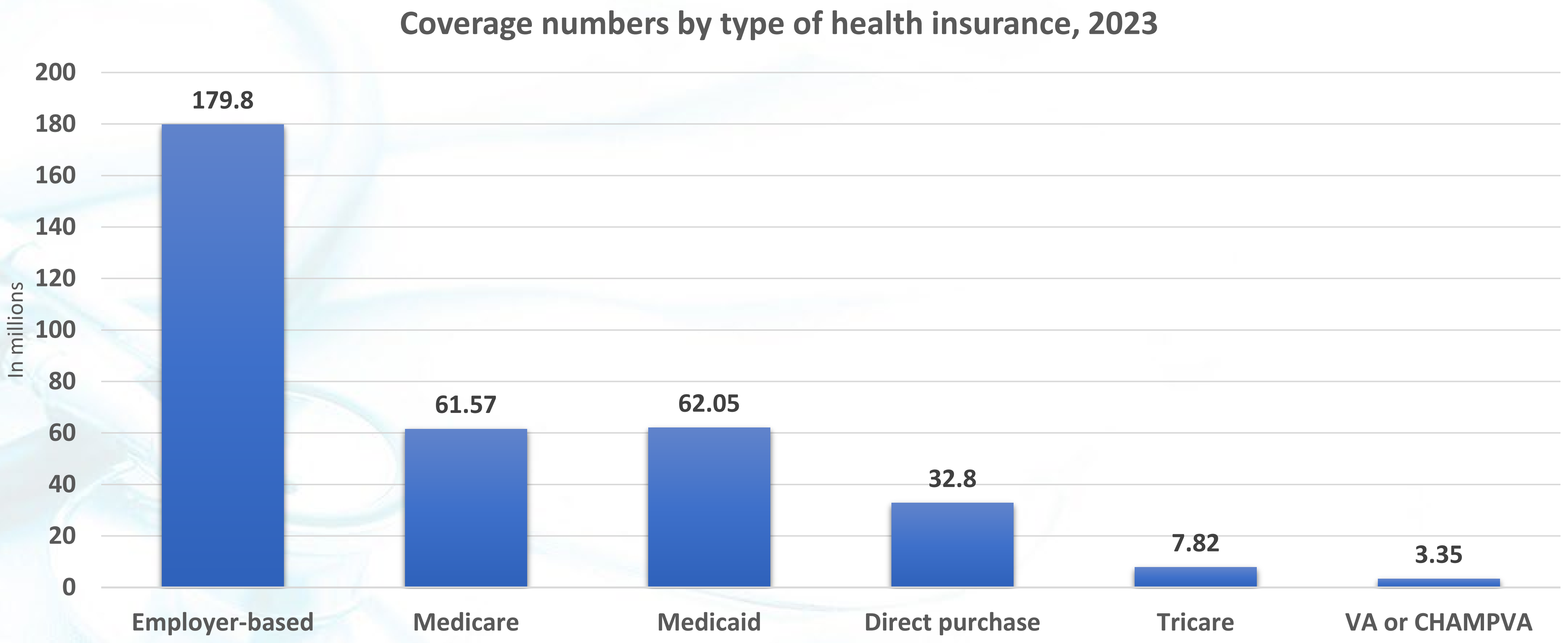
About the Alliance

The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage.

Together, we are working to ensure that employer-provided coverage remains an available and affordable option for working Americans and their families.

The coalition, previously working as the **Alliance to Fight the 40**, led the successful effort to repeal the so-called 40% "Cadillac Tax" on health care coverage.

Nearly 180M Americans receive employer-provided coverage

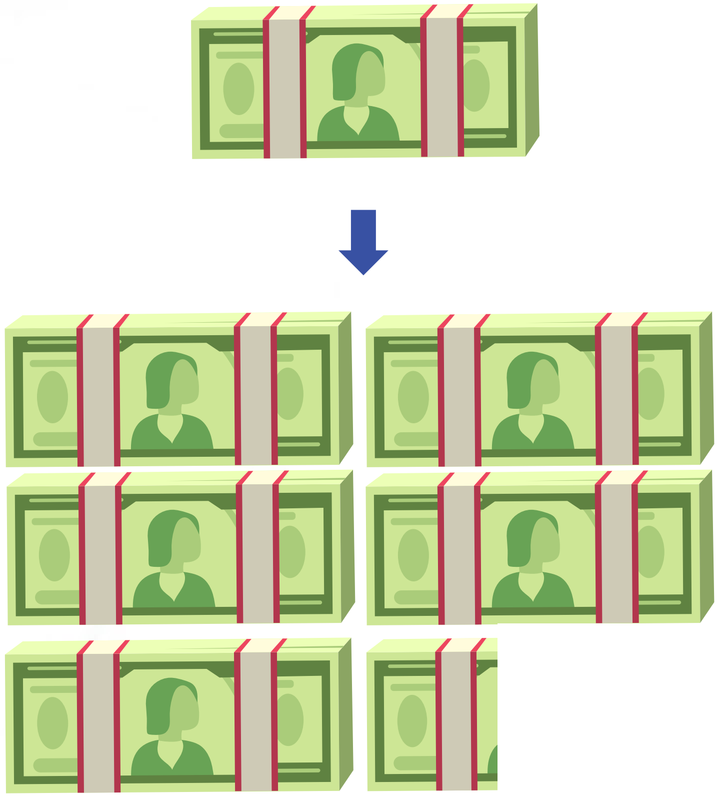


Note: Coverage numbers are not mutually exclusive. The individual market includes both on- and off-exchange coverage. Direct-purchase: Coverage purchased directly from an insurance company or through a federal or state marketplace. Source: U.S. Census Bureau, Health Insurance Coverage in the United States: 2023.

More than 5:1 return on tax exclusion for employer-provided coverage

For every **$1** of tax expenditure …

Employers paid **$5.36** to finance health benefits



Source: American Benefits Council (ABC).

A healthy workforce drives a healthy economy

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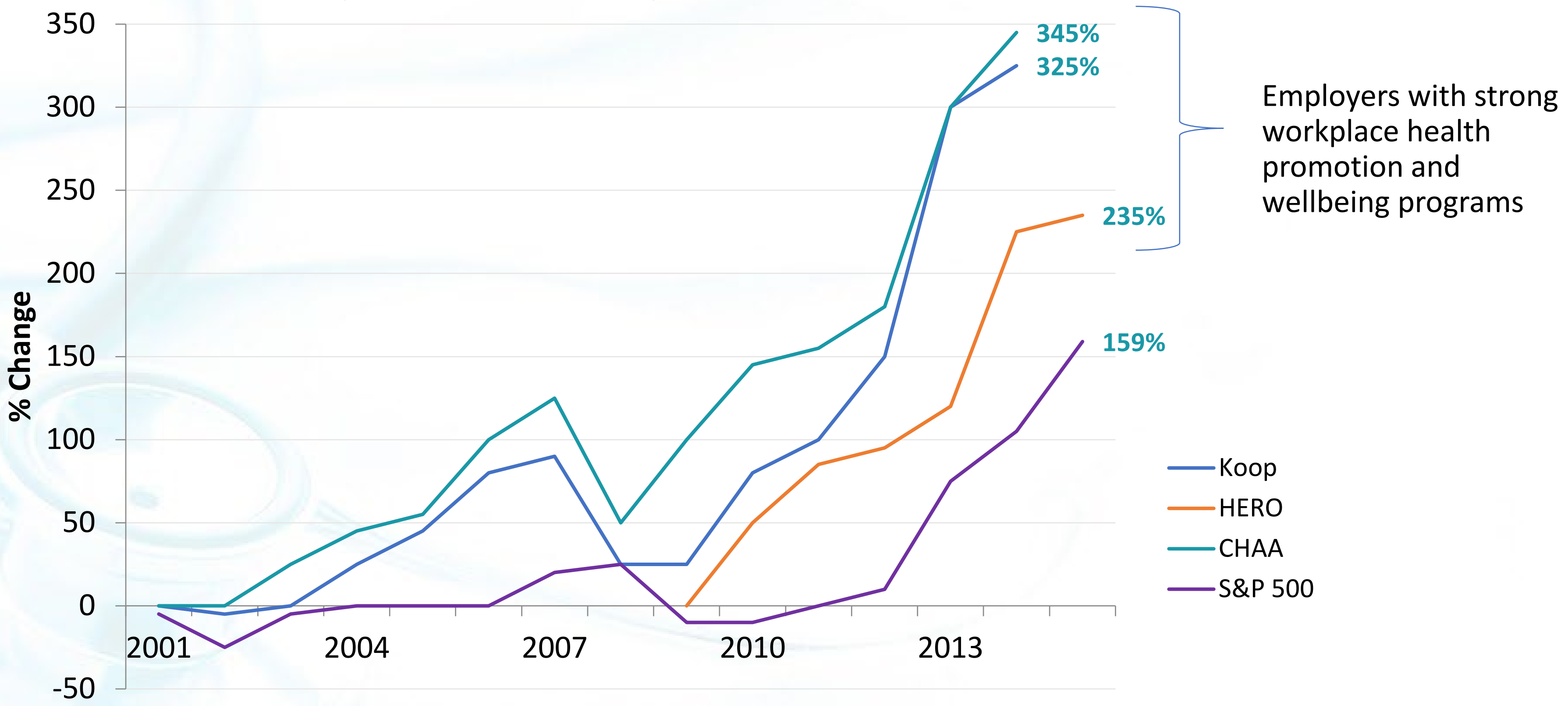
HERO scorecard "high scorer", Koop award winners, and CHAA "high scorer" stock performance compared to S&P 500



Sources: MERCER 2015; Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard, 2016; The Stock Performance of C. Everett Koop Award Winners Compared With the Standard & Poor's 500 Index, 2016; Tracking the Market Performance of Companies that Integrate a Culture of Health and Safety, 2016

Employer-provided coverage delivers significant value

$1.5 trillion

ESI drives at least $1.5 trillion in social value annually beyond the cost of insurance borne by businesses, workers, and government tax exemptions

Source: Mulligan, C., "The Value of Employer-sponsored health insurance," National Bureau of Economic Research working paper, March 2021

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“What is past is prologue.”

William Shakespeare

The 2008 ad that 'unraveled' McCain's campaign: A tax on ESI

2010 meet the "Cadillac Tax"

"Cadillac Tax" timeline

- The Affordable Care Act's "Cadillac Tax" was a 40% deductible excise tax on the value of employer-sponsored health coverage that exceeds certain benefit thresholds
- 82 percent of employers expected their plans would have been affected by the tax within the first five years of implementation.

Timeline

ALLIANCE TO FIGHT THE 40

March 2010

Affordable Care Act signed into law

- Included the Cadillac tax - a 40% deductible excise tax on the value of employer-sponsored health coverage that exceeds certain benefit thresholds effective January 1, 2018

July 28, 2015

December 2015

Cadillac Tax delayed

- Obama signed into law a 2-year delay to the effective date from January 2018 to January 2020

January 2018

Cadillac Tax delayed, again

- President Trump signed into law a 2-year delay to the effective date from January 2020 to January 2022

December 2019

Cadillac Tax repealed

- Congress fully repealed the 40% excise tax on certain ESI set to take effect January 2022

Proposals to tax ESI

Is the "Cadillac Tax" coming back?

2025 tax reform debate creates new vulnerability for ESI

- Many of the business tax provisions in the 2017 Tax Cuts & Jobs Act (TCJA) are set to expire in 2025.
- CBO estimates that extending the major provisions of the TCJA will cost ~$4t/10 years and that Federal subsidies for employment-based coverage costs the government $5.3t/10 years.
- The tax writing committees are currently examining various aspects of the tax code to prepare for tax reform in 2025 and have noted the challenges of finding ways to pay for extending the TCJA provisions—recognizing major tradeoffs may be negotiated in exchange for maintaining the lower corporate rate.
- Capping the exclusion could provide some revenue to pay of other tax reform priorities.
- Health economists also believe capping the exclusion will place downward pressure on health care costs.

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2025 policy environment: Anti-ESI sentiment

“Tax Super Bowl 2025”

Tax preferences for employer-provided coverage the largest payfor per CBO

Portability Proposals

Concerns for portability and overcoming "Job Lock"

“We must modernize the tax treatment of health insurance to mitigate the inflationary pressure created by the exclusion for employer sponsored insurance (ESI) premiums.”

– House Republican Study Committee Budget, March 20, 2024

“Federal subsidies for health insurance over the 2024-2033 period totals $5.3 trillion.”

– Congressional Budget Office

“Tax and health policy would be significantly improved by capping the exclusion, which we propose to do at 125 percent of the average value of an employer plan.”

– Brian Blase, President of Paragon Health Institute and former Special Assistant to President Trump for Economic Policy

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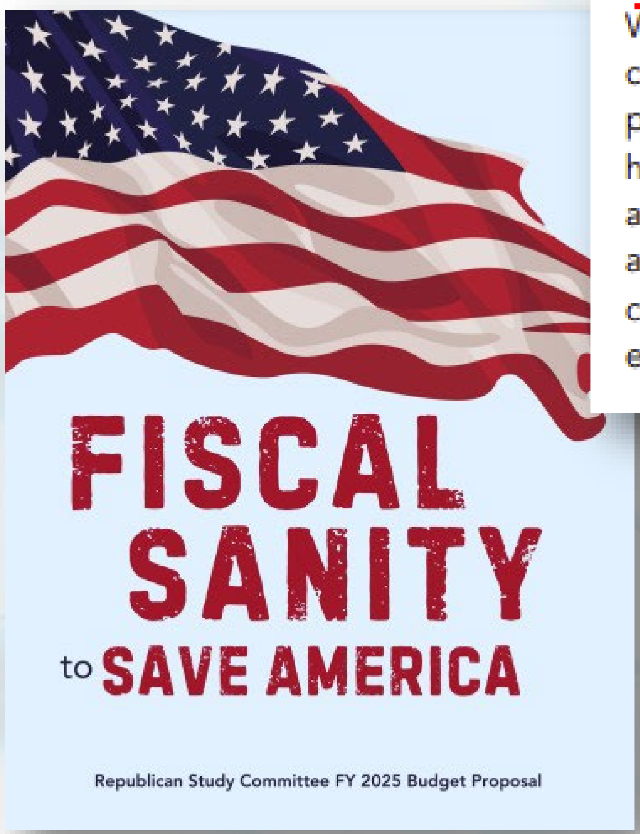
RSC FY 2025 Budget Proposal tax on individual's ESI coverage



Modernizing the Tax Treatment of Health Insurance

We must modernize the tax treatment of health insurance to mitigate the inflationary pressure created by the exclusion for employer sponsored insurance (ESI) premiums. The ESI exclusion is the primary reason why the U.S. has developed its unique health care system, in which the government has artificially made it cheaper for employers and employees to lock people in their present jobs and have employers handle health care negotiations for individuals, instead of increasing wages and giving people increased freedom. This has prevented the organic development of a competitive, transparent, and accessible health care market. Instead, this tax preference has effectively turned each individual employer into its own balkanized health care market.

Though one method of reform would be to repeal the exclusion entirely and use the increased revenues to reduce tax rates across the board, this would cause immediate upheaval to the health insurance system that the exclusion has distorted for almost 80 years. Instead, the RSC Budget would reform the tax treatment of private health insurance in a revenue-neutral manner by providing a capped exclusion for all spending on health insurance by and on behalf of the tax filer, as well as for related dependents. This would include employer health insurance plans, as is the case now, as well as any such spending from an individual, charity, or family member. This would equalize the tax treatment of all health insurance products and allow the organic development of efficient health insurance products without forcing a change to the existing health insurance market that most Americans rely on. This would also allow any number of employers to freely work

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Paragon White Paper proposal to tax individuals' ESI

d. Cap the Tax Exclusion for ESI at a Percentage of the National Average

In a vacuum, the flaws of the tax exclusion for ESI are pronounced. When compared to the other major ways the federal government subsidizes health coverage and care — particularly in comparison to the PTC — it looks much better. Thus, if policymakers are willing to undertake a broad series of reforms that promote less reliance on government programs and/or conduct a systematic reform of the tax code, a cap on the value of the tax exclusion for ESI should be on the list. In the absence of larger reform, modifying the exclusion should not be a priority.

Place limits on distortionary subsides, including

1. Ending the enhanced premium tax credit (PTC),
2. Capping PTC benchmarks at 125 percent of the national average,
3. Appropriating cost-sharing reduction payments,
4. Capping the tax exclusion for employer sponsored health insurance at 125 percent of the national average, adjusted for the age of the workforce, and
5. Applying the self-employed health insurance deduction to the self-employment tax and capping at 125 percent of the national average.

Heritage's Project 2025 cap on employer tax exclusion

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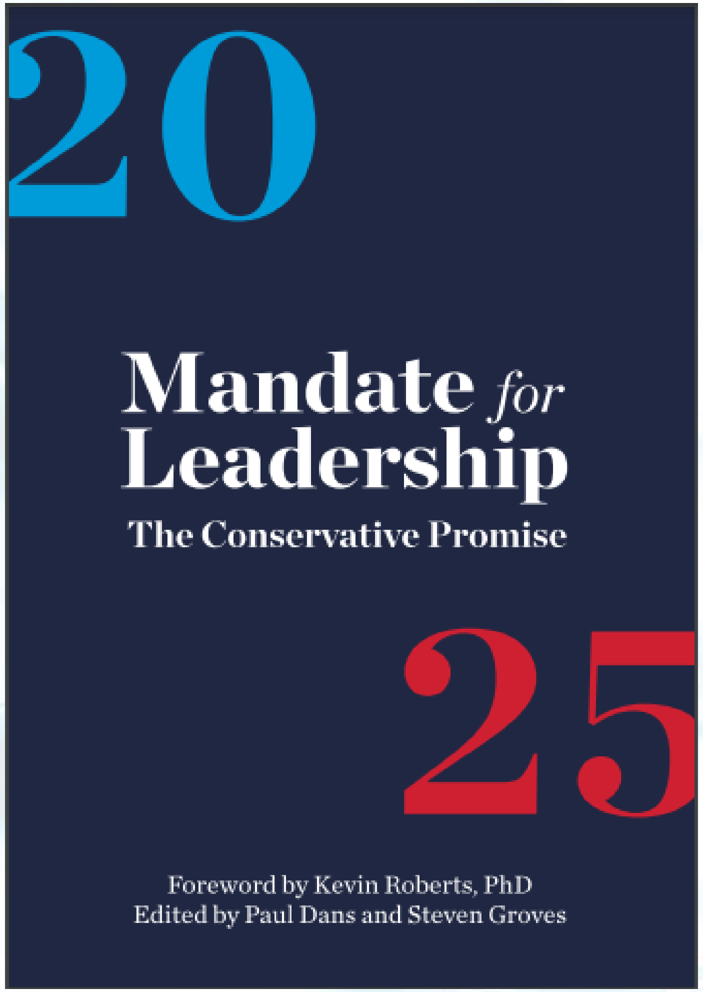


Wages vs. Benefits. The current tax code has a strong bias that incentivizes businesses to offer employees more generous benefits and lower wages. This limits the freedom of workers and their families to spend their compensation as they see fit—and it can trap workers in their current jobs due to the jobs' benefit packages. Wage income is taxed under the individual income tax and under the payroll tax. However, most forms of non-wage benefits are wholly exempt from both of these taxes.

To reduce this tax bias against wages (as opposed to employee benefits), the next Administration should set a meaningful cap (no higher than $12,000 per year per full-time equivalent employee—and preferably lower) on untaxed benefits that employers can claim as deductions. Employee benefit expenses other than *tax-deferred* retirement account contributions should count toward the limitation, whether offered to specific employees or whether the costs relate to a shared benefit like building gym facilities for employees.[25] *Tax-deferred* retirement contributions by employers should not count toward this limitation insofar as they are fully taxable upon distribution. Only a percentage of Health Savings Accounts (HSA) contributions (which are not taxed upon withdrawal) should count toward the limitation.[26] The limitation on benefit deductions should not be indexed to increase with inflation.[27] Employers should also be denied deductions for health insurance and other benefits provided to employee dependents if the dependents are aged 23 or older.

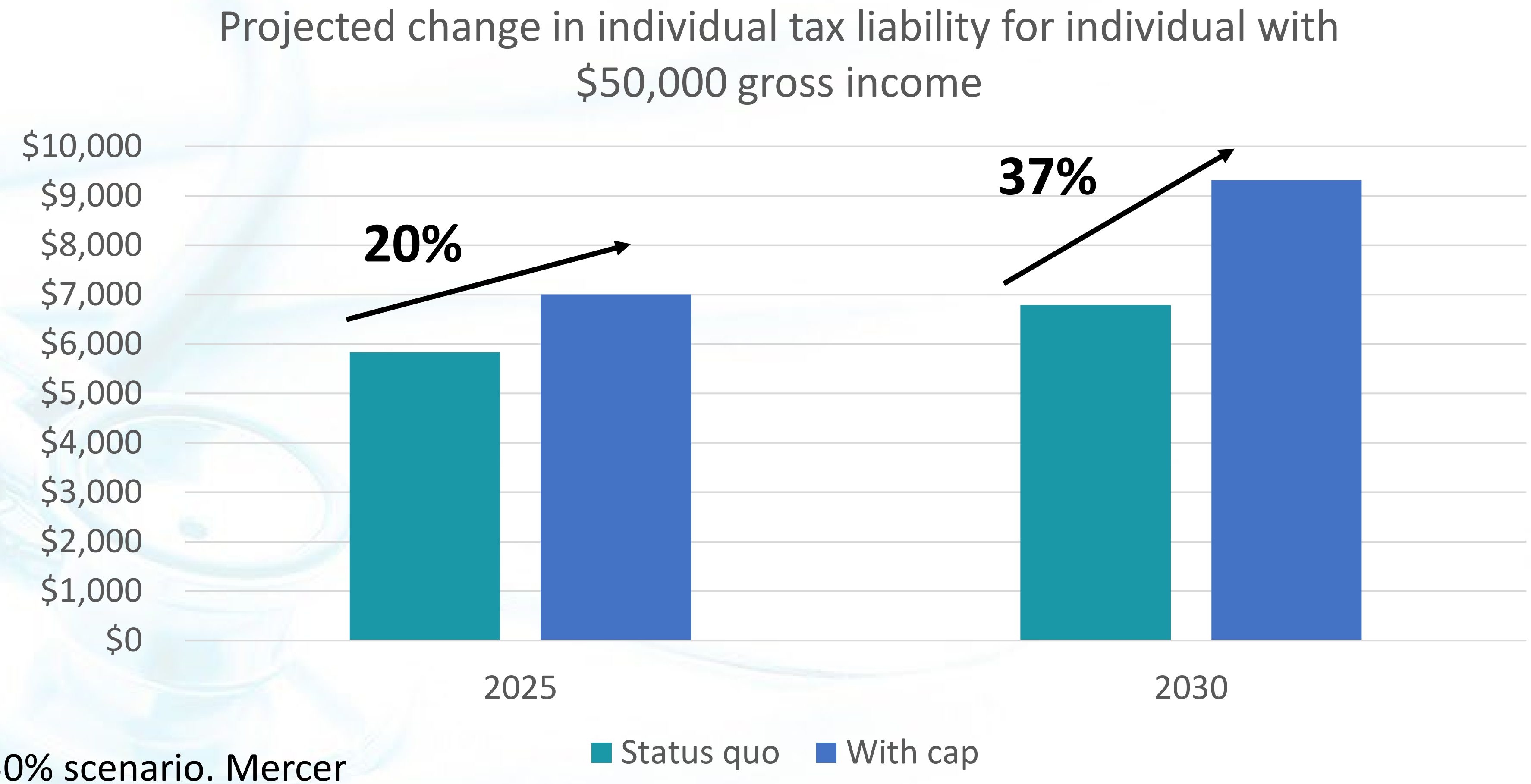
Bipartisan Policy Center

Paying the 2025 Tax Bill: Employer-Sponsored Health Insurance

By Andrew Lautz, Andrew Patzman Dec 12, 2024

"Capping the ESI exclusion would require considerable political will from Congress, but it could contribute to a more rational tax treatment of ESI and put downward pressure on insurance premiums. It could also help ensure that tax cut extensions or expansions do not add significantly to the national debt."

Cap on the exclusion nearly doubles tax liability growth over 5 years



The cap would push an individual earning $50K into the next tax bracket

CBO proposal 50% scenario. Mercer

93% of Voters want to keep ESI tax-free

Over nine in ten (93%) actual 2024 voters agree that employer-provided health insurance should remain tax-free.

Currently, employees are not taxed on the health care benefits they receive from an employer. Some policymakers have proposed taxing some portion of these benefits. Which statement do you agree with more, even if neither is exactly right…

93% Employer-provided health insurance should remain tax-free because it encourages employers to provide high-quality, affordable health care coverage.

…or…

6% Employer-provided health insurance should be taxed because it would raise federal revenue and discourage overuse of health care services.

PUBLIC OPINION STRATEGIES
turning questions into answers

METHODOLOGY: Public Opinion Strategies is pleased to present the key findings of a survey conducted nationwide. The survey was completed November 5, 2024 among 800 actual voters, and has a margin of error of ±3.46%. Interviews were conducted via phone.

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Advancing employer-provided coverage

Voters are satisfied with their ESI

How satisfied are you with your health insurance coverage?

78% of voters with employer-sponsored health insurance said they were satisfied with their insurance

19% of voters with employer-sponsored health insurance said they were unsatisfied with their insurance

THE WINSTON GROUP
making ideas matter™

METHODOLOGY: National survey of 1,200 registered voters, including 1,107 with health insurance, conducted June 19-22, 2024, for the Alliance To Fight For Health Care

Statements opposed to the proposal to tax employer-sponsored insurance as income *(Believe-do not believe, % don't know)*	Overall	Employer-insured
Working families are already stretched to the limit. They can't afford to pay even more for health care.	84-9 (7%)	84-9 (7%)
Employers should be encouraged, not punished, for providing quality health care for their employees.	81-11 (8%)	84-8 (8%)
Treating employer-sponsored health insurance benefits as additional taxable income will mean people will be paying more taxes without any additional income.	76-12 (13%)	77-12 (11%)
Taxing employer-sponsored health insurance plans would raise costs for employers covering health care, potentially leading to reduced or eliminated insurance coverage.	67-16 (16%)	70-16 (15%)
Treating employer-sponsored health insurance benefits as additional taxable income will push some people into higher tax brackets.	66-18 (16%)	64-20 (17%)
The employees that could be hurt the most by a tax increase on health care coverage are often the sickest.	57-19 (24%)	54-20 (26%)
Exempting employer-sponsored health insurance from taxes allows employers to negotiate health insurance options on behalf of their employees, often obtaining cheaper coverage options with broader networks than the coverage employees would have been able to get on their own.	56-19 (25%)	58-19 (23%)

Messaging

- Voters oppose proposals to tax employer-provided health care coverage
- People are satisfied with their employer-provided health care coverage
- Working families can’t afford to pay more for their health care
- Employers understand that a healthy workforce drives their bottom line
- Employer-provided coverage is a better investment for taxpayers that forcing Americans into the exchange or other government coverage

Ways the Alliance is working to support and protect ESI

- LETTERS: Drafted and recruited 70 diverse signatories on a letter to Congress urging protection of the tax treatment of health care, letter featured in Politico Pulse
- POLLING: New polling highlighting how important ESI is to workers and their opposition to proposals to tax ESI
- DATA: Working with Alliance members to finalize data demonstrating the impact of a cap on working Americans, modeling the RSC and Paragon proposals
- MEDIA:
  - Op eds jointly authored by business and labor
  - Op eds from local leaders in six states calling on Congress to protect employer-sponsored coverage and reject proposals to cap the tax exclusion, this engagement will also include limited radio tours
- Advocacy:
  - Champion building
  - Educational meetings about the tax treatment of health care and the [very negative] political history of this issue
- DIVERSE PARTNERSHIPS: Forming strategic alliances and partnerships with GOP influencers

Questions?

Thank you!

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