



September 11, 2018

Dear Speaker Ryan et al,

On behalf of the National Association of Health Underwriters, representing 100,000 licensed agents and brokers who are engaged in the sale and service of health insurance and other ancillary products and serving employers and consumers around the country, I want to express our strong support for attempting to pass legislation that would change the ACA rules defining full time employment from 30 hours to 40 hours. Although undefined in the past except in the Department of Labor rules administering overtime, 40 hours has been the generally accepted employer standard for decades. This standard has allowed flexibility in hiring and maintaining seasonal workers, new workforce entrants and people who may have dropped out and want to return to work on a flexible schedule.

Under the 30-hour rule, much of this flexibility has disappeared due to the requirement that anyone working more than 30 hours must be offered health insurance. Changing the rule to 40 hours to coincide with the overtime rules makes sense and would restore employee work flexibility and ease employer operations.

NAHU has long supported repeal of the excise tax on health insurance due to its unwieldy structure and ineffectiveness in capturing so called high cost plans otherwise known as Cadillac Plans. Under current law, virtually all plans will be subject to the tax at some point and there nothing an employer will be able to do to avoid it. At a time when “Medicare for All” proposals are gaining traction, the looming excise on the horizon exacerbates the rise in cost shifting with increasing deductibles. This is causing people to drop out of the market because they do not feel they have adequate insurance coverage and this is reflected in polls with growing concerns about health care’s rising costs and support for single payer schemes.

Short of outright repeal, a longer term delay is necessary to stem current market trends. An additional one-year delay still keeps the implementation of the law within the five year time horizon and deductibles and other cost shifting measures will accelerate.

We stand ready to address these important issues as well as others to strengthen all private insurance markets.

Best regards,

Janet Trautwein  
Executive Vice President and CEO