

APR 15 2015

Public Comments on Notice 2015-16

April 8, 2015

CC: PA: LPD: PR (Notice 2015-16), Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station, Washington, DC 20044

Dear IRS Counsel or Other Interested Parties:

The Central Ohio Health Care Consortium (COHCC) was created in the 1990's to assist small municipalities with the rising healthcare costs. As of today, COHCC has ten member communities totaling approximately 750 employees plus their dependents.

As we try to understand and comply with the Affordable Care Act (ACA) requirements, we have countered some issues when it comes to implementing the Cadillac Tax as currently proposed. We are recommending the following changes based on Notice 2015-16:

1. *Types of coverage included in applicable coverage.* This section includes employer contributions to HSAs and Archer MSAs. We recommend exempting employer HSA contributions made in response to a workplace wellness program where an employee performs certain wellness function(s) and earns or is compensated by a contribution to their HSA account. This could be limited to a specific percentage of the annual HSA allowable contributions.
2. *Costs of applicable coverage.* This section includes certain adjustments to the annual statutory dollar limit. We recommend keeping adjustments for High-Risk Professions; age and gender adjustments; and the cost-of-living adjustments.

However, we also would like to recommend an adjustment that relates to an unhealthy population. As a health care consortium, we have noted that our costs significantly increase and therefore so do our insurance premiums when we have the following examples of disorders on our plan: (a) terminal illness (b) long-term diseases and (c) permanent handicaps. These disorders make it hard to maintain comparable plan costs even when the plan coverages are the same.

Thank you for the opportunity to give comments on the implementation of excise tax on High Cost Employer-Sponsored Health Coverage.

Sincerely,



Debra K. Miller, Board Member and Treasurer for COHCC