Notice 2015-16

CARROLLTON
TEXAS

May 15, 2015

Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

RE: Notice 2015-16 – Section 4980I - Excise Tax on High Cost Employer-Sponsored Health Coverage

We appreciate your invitation for comments regarding the excise tax on High cost Employer-Sponsored Health Coverage. While the IRS already acknowledges the value of onsite medical clinics, the proposed ACA rules onsite clinics are subject to the excise tax; however, these clinics support the goals of the ACA and should be exempt from the excise tax.

As a City Manager with 850 employees and 123,000 residents, it becomes a delicate balance to provide affordable, high quality healthcare for employees and their families with tax payer dollars. Having grown up without health insurance, I understand the importance of making healthcare affordable and have made it my mission to step outside the traditional healthcare box as an employer. In doing so, our employees and their families are offered coverage through a wide network of doctors. Employees who enroll and access one of the network doctors will pay 20% of the cost of the visit. To help reduce their healthcare expenditures, an on-site/near-site medical clinic at no cost is offered to our employees and their families. In staffing the clinic, a diligent search for a doctor who believed in providing quality medical care while educating employees (and their families) about healthy lifestyle choices was successfully completed.

Employees who visit our medical clinic can receive primary care services, health risk screenings, disease management and nutritional assistance five days a week. On-site/near-site medical clinics, like our own, are intended to reduce utilization of specialty and emergency care, lower costs and improve population health. The on-site/near-site medical clinic made available to our employees and their families has made healthcare more affordable and accessible than it has ever been.

With that said, employers should not be discouraged from offering onsite medical clinics to employees and their families, and should certainly not be penalized with an excise tax. I understand the importance of cost-neutralizing reform initiatives, but I urge you to differentiate between systems that are driving costly use of healthcare services and those that are serving as a model for a new delivery system. Should the excise tax go into effect, the cost of providing onsite health clinics should not be subject to it.

Sincerely,

Leonard Martin
City Manager, City of Carrollton, Texas