



Notice 2015-16

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deltadentalins.com

May 15, 2015

SUBMITTED VIA EMAIL

CC:PA:LPD:PR

Internal Revenue Service

Department of the Treasury

Room 5203

P.O. Box 7604

Ben Franklin Station

Washington, DC 20044

Notice.comments@irs.counsel.treas.gov

RE: Notice 2015-16, Excise Tax on High Cost Employer-Sponsored Health Coverage

To Whom It May Concern:

We are writing to offer comments in response to the Department of Treasury, Internal Revenue Service (IRS) Draft Notice 2015-16, Excise Tax on High Cost Employer-Sponsored Health Coverage ("the Notice"), which was issued on February 23, 2015. In particular, we are writing in support of the approach proposed by the agency in the Notice, under which self-insured limited scope dental and vision coverage that qualifies as an excepted benefit pursuant to the September, 2014 issued regulations would, like fully-insured coverage, be excluded from applicable coverage for purposes of the excise tax.

The Departments recognize that §49801 pre-dates the most recent changes to the excepted benefit regulations and thus the two are not in alignment. The Departments are considering regulations that would conform the dental/vision rules for purposes of the Excise Tax with the excepted benefit rules issued in September 2014. As the agency observed in the Notice, regulations were amended to clarify the conditions for self-insured dental benefits to be an "excepted benefit." Dental benefits are "excepted" if either: (1) the coverage can be declined; or (2) the claims are administered under a contract that is separate from the administration of other benefits under the plan. This clarification was intended "to achieve greater consistency between insured and self-insured coverage."

In the interests of consistency, we strongly support the agency's proposed approach under which self-insured limited scope dental coverage that qualifies as an "excepted benefit" would be excluded for purposes of determining the cost of "applicable" employer-sponsored coverage under Code section 49801. We appreciate the agency's consideration of these comments and ask that the agency implement the proposed approach in a future rulemaking.

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Please do not hesitate to contact me at jalbum@delta.org or by phone at 415-972-8418 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Jeff Album". The signature is written in a cursive, flowing style.

Jeff Album
Vice President, Public & Government Affairs