

Notice 2015-16

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May 15, 2015

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

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Executive Vice President

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Secretary

Linda Vincent
Affiliated Health Funds
Treasurer

Douglas Rubbelke
National Labor Alliance
of Health Care Coalitions
Executive Director

On behalf of the National Labor Alliance of Health Care Coalitions (NLAHCC), we are submitting comments regarding Notice 2015-16 (the "Notice") issued by the Department of Treasury (Treasury) and the Internal Revenue Service (IRS). We are writing to support the more comprehensive comments submitted by the National Coordinating Committee for Multiemployer Plans (NCCMP).

The NLAHCC is a non-profit 501(c)5 national organization of labor management health and welfare coalitions representing purchasers of health services. We represent over 7 million covered lives belonging to twenty-four (24) member Coalitions and International Labor Unions throughout the United States and Atlantic Canada. Attached please find a listing of NLAHCC member coalitions.

Comments to Notice 2015-16:

Approaches for Determining Cost of Applicable Coverage – Similarly Situated Individuals

We support the position of the NCCMP that aggregation by benefit package should not be mandatory and furthermore, any disaggregation factors should be permissive as well.

Health Reimbursement Arrangements

The NLAHCC's member Coalitions are comprised of health funds with numerous HRA options. Varying coverage, cost and time periods should all be taken into consideration when determining the value of an HRA.

Dollar Limit Adjustments – High-Risk Professions and Geographic Differentials

The NLAHCC's membership is particularly weighted toward the construction industry, health care, hospitality and other service industries; industries which should be considered high-risk due to a higher than average incidence of injury. Our members are exposed to everything from hazards on construction sites to the risks of exposure to highly contagious illnesses. We recommend that high-risk employee categories be defined broadly.

Our members' premiums can vary significantly depending on where in the country they are located. A number of our Coalitions have members located in the northeast, the west coast and Alaska, areas of the country with very high costs of living and health care costs. We encourage Treasury and IRS to recognize that health care costs vary dramatically by state and region and to apply geographic differentials to the dollar limit thresholds.

Retirees – Costs and Dollar Limit Adjustments

The NLAHCC supports the NCCMP's assertion that "... plans should have the flexibility as to how to treat retirees."

Cost for Self-Insured Plans – Actuarial Basis vs. Past Cost Method

Both of the above methods should be permitted and changes should be allowed more frequently than the considered five (5) years. In addition, thresholds for valuation should be based not on the rate of inflation but on the rate of *medical* inflation, which increases at a much higher rate.

Determination Period – Potential Tax Liability Calculation

Health plans should be allowed the option to determine their tax liability (if any) using both actuarial methods suggested and both time periods to determine which is the most applicable.

Age and Gender Adjustments

We believe it is appropriate to create safe harbor tables in order to adjust the dollar limit thresholds.

Thank you for the opportunity to comment on this issue, one that could greatly affect our members. I am available to discuss any questions you may have regarding these comments and related issues.

Sincerely,



Bob Tessier

President, NLAHCC

Executive Director, Connecticut Coalition of Taft-Hartley Health Funds (CCTHHF)



NLAHCC Member Coalitions

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AEPC, Inc.

Affiliated Health Funds

Atlantic Canada HC Coalition Society

California Purchasers Health Care Coalition

Connecticut Coalition of Taft-Hartley Health Funds

Delaware Valley Health Care Coalition

Health Care Cost Containment Corporation of the Mid-Atlantic Region

Health Care Cost Management Corporation of Alaska

Health Care Payers Coalition of New Jersey

International Union of Operating Engineers

Labor Health Alliance

Labor-Management Health Care Coalition of Wisconsin

Labor-Management Health Care Coalition of the Upper Midwest

Massachusetts Coalition of Taft-Hartley Funds, Inc.

Midwest Employee Benefit Funds Coalition

National CooperativeRx and WisconsinRx

Nevada Health Care, Inc.

New York Labor Health Care Alliance

Northwestern Ohio Administrators, Inc.

Ohio Valley Health Care Coalition

Rocky Mountain Health Care Coalition

S.M.A.R.T

SEIU Affiliated Trust Funds

Western Health Care Coalition, Inc.