

Notice 2015-16

MAY 21 2015



Perdue Farms Incorporated
P.O. Box 1537
Salisbury, MD 21802-1537

May 15, 2015

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

Perdue Farms' Vision is to be the most trusted name in food and agricultural products. Nowhere is this more evident than how we parallel that vision with the safety and well-being of our associates.

There are many ways that Perdue shows our most valuable resource, our associates, that we are committed to them and their families, one being the access to our On-Site Wellness Centers. Daily, our clinical providers and licensed staff help associates and dependents become as healthy as possible and, in keeping with this, offer the best medical care possible.

Our 19 occupational health offices and on-site Wellness Centers span into the most rural areas of Washington, IN to Perry, GA, servicing more than 20,000 associates. These clinics often enable associates to gain access to care which is often lacking due to shortages of medical providers in many communities, especially those in rural areas.

Currently, more than 60% of our associates utilize our Wellness Centers for clinical care at a more affordable co-pay than if they were to be seen by a community doctor. In some cases, these visits, depending on how chronic the condition and care required, are free to the associate. The associate also



A Family Commitment to Quality Since 1920™



Perdue Farms Incorporated
P.O. Box 1537
Salisbury, MD 21802-1537

benefits from the convenience of having that visit occur during paid work-time, breaking down any barriers for the associate.

In addition, our wellness centers are open to dependents to ensure that children are able to get the vaccinations and immunizations that are needed to start school, not only helping to establish our associates as vital members of their communities, but protecting them and the surrounding community against disease and thus, reducing medical expenses.

The services that we offer go beyond first aid and workplace injury, but also include acute, primary and disease management programs. These programs and follow-up are vital not only to the operation of our business, but to the healthcare system as a whole. As an employer, who currently pays about 80% of the associates' medical claims, the preventative services we provide through our centers impact the burden placed on healthcare in our country by keeping associates healthier and better informed.

Over 90% of our associates participate in our Health Improvement Program, a free program, in which associates partner with a nurse to follow-up with chronic conditions, such as diabetes, high blood pressure and cholesterol, as well as provide exercise and smoking cessation programs, tackling nationwide crises, such as obesity and cancer. These programs are direct referrals into the clinical care of our on-site centers, in which adherence regimen and treatment plans are coordinated.

With over 20,000 culturally diverse associates, in some cases, this is the only care available to them and their families in a trusted medical home, meeting the same goals as was the formation of the Affordable Care Act, to make healthcare coverage affordable and accessible for millions of Americans.

On behalf of Perdue Farms Inc., our associates and their families, and in light of



A Family Commitment to Quality Since 1920™



Perdue Farms Incorporated
P.O. Box 1537
Salisbury, MD 21802-1537

the above, we recommend that:

1. Onsite clinic services the offer services beyond "de-minimis" care should be excluded from the excise tax: Employers who sponsor onsite clinics as health and medical settings of care should not be not be penalized by being required to include the clinic's "value" in the calculation of excise tax.
2. Employer-sponsors of clinics should receive tax credits and be incentivized for supporting the ACA's Triple Aims.
3. The IRS should not create a separate definition of "onsite medical clinic" solely for purposes of Code section 4980I: This adds to the complexity and will result in confusion on how employers should comply due to the inconsistency that currently exists within various employer-focused laws and regulations.
4. The "de-minimis" term be removed from or redefined in the regulations: The evolution of onsite clinics since the term was first utilized in rules causes it's meaning to no longer be relevant to what clinics are doing.
5. The IRS should define "de-minimis" coverage in a way that does not distinguish between the efforts of large and small employers pursuing strategies that increase the receipt of high-value primary care.
6. If clinics must be included in the tax, the IRS should not list individual services, but allow a safe harbor for employers who offer services under a specific amount.
7. Individuals in a qualified HDHP with a Health Savings Account (HSA) should be allowed to use an onsite clinic under the same cost structure established by the clinic as those not in a qualified HDHP, regardless of where they are in meeting their annual deductible.



A Family Commitment to Quality Since 1920™



Perdue Farms Incorporated
P.O. Box 1537
Salisbury, MD 21802-1537

8. In light of the many areas of uncertainty, Treasury and IRS should exercise their discretionary authority to provide an enforcement delay in implementing the imposition of the excise tax.

We sincerely hope that you take these recommendations into consideration, as we all work toward the same goal.

Kerry L. Garman
Senior Vice President Human Resources,
Corporate Communications

Dawn Carey
Director of Corporate
HealthWorks



A Family Commitment to Quality Since 1920™