LEGAL PROCESSING DIVISION
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**From:** Jeff LeClaire <jleclaire@ticinsurance.com>
**Sent:** Monday, March 16, 2015 12:17 PM
**To:** Notice Comments
**Subject:** Cadillac Tax Comments

I am a manager of employees benefits for over 1000 employers and also we are a large employer 150+ employees. In looking at this tax I see several areas that should be considered:

-This can be a tax on the employers that employ elderly populations. Premiums being a function of this lends to this issue. If we are an employer that employs an older population of workers the rates on our plans (experience rated of course) will be higher than those who employ younger populations. I could offer a $5000 deductible plan but have higher premiums than a group that offers a $250 deductible plan because of my populations average age. Larger groups down have the 1-3 ratio on premiums so this is a real concern. This is not the intent of the Cadillac Tax is it? Two groups with the same plan designs and contributions one could be a Cadillac Plan and one could not?? That doesn't make sense. So penalize those that hire elderly or unhealthy people when we aren't supposed to ask about health anyway?

-This can also be a tax on the larger groups that happen to have bad health history. Again, just like the example above, we have employer groups with high deductible plans that have rates much higher than average due to the health history of that group. So the Cadillac tax in essence is penalizing employers and groups for insuring unhealthy populations. This is not the intent of the Cadillac Tax is it?

-I believe a true "Cadillac Tax", if needed at all, should be based on the plan design of the group and cost not one or the other. Also, should contributions be considered in this law? If an employer has a great plan but only pays 50% of the premiums can it ever truly be considered a Cadillac plan? When looking at what is "Cadillac" shouldn't you be looking at out of pockets, premium contributions, access to care, etc?

-Including H.S.A., FSA, And HRA into the equation? Many employers are trying to help employees with higher out of pocket costs due to the rising cost of health care. In the future this will be even more of an issue. Why would you penalize an employer who does this?

-What is the true intent of this tax? If it is to penalize those that have "too good" of plans what is the purpose of that? If we as a country are trying to improve health care of its citizens this does the very opposite of that.

-Cadillac Tax in my opinion is something that will definitely divide vs unify. I don't see any reason for it other than raising revenue. It doesn't align with the mission of the ACA at all. If we need something like this to pay for the ACA then we didn't write the plan correctly in first place.

-Instead of focusing on paying for this law with things like the Cadillac Tax I think more emphasis should be put on how to get overall cost of care down. Where are the cost saving measures on the cost of care? The cost of premiums have not gone down with the exception of those getting subsidized. That is not true cost containment. It is a transfer of the same costs. Cost containment measures need to address: RX costs, transparency amongst providers, discounting methods of insurers, malpractice, charges for services beyond reasonable and customary, those who are uninsured accessing the system, etc. Where is this in the law?

God Bless America,

Jeff