
From: Leisa Hutcheson <LHutcheson@mail.ci.lubbock.tx.us>
Sent: Thursday, April 30, 2015 1:26 PM
To: Notice Comments
Subject: Notice 2015-16 City of Lubbock, TX comments on ACA's excise tax on *high-cost health coverage*

The City of Lubbock respectfully offers these comments of strong concern on the proposed excise tax from the Affordable Care Act.

The City of Lubbock is required by Section 175 of the Texas Local Government Code to offer retirees the same coverage offered to active employees.

Our actuary recently trended our healthcare numbers to determine if we would be affected by this tax and indeed, our pre-65 retirees will meet the definition of a Cadillac plan. This is based on the fact that we are self-funded and we have an unhealthy pre-65 population that utilizes the health insurance.

The active and post-65 groups have the same coverage, they simply don't cost as much. We have estimated that the City, if no changes are made to the plan, will be required to pay approximately \$500,000 in taxes for this group. This would create a very negative impact on the budget for a city of our size.

The City of Lubbock is required by state law to provide this coverage, and under the proposed rules, we would be punished by federal law.

We ask that you work with Texas cities and the State of Texas to remove this proposed punitive "tax" on cities, as it could force unintended consequences on future coverage of retired municipal employees.

Thank you for your consideration of our concerns. Don't hesitate to contact me if I can provide more information.

Respectfully,

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