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To: Notice Comments
Subject: Notice 2015-52

Please find my below input related to the excise tax on high-cost employer coverage that will apply in 2018.

The Federal government has already implemented one of the most cumbersome and expensive mandates put on employers with the mandated coverage and reporting requirements for the ACA. Through this law, my company alone not only has had to implement an insurance plan for numerous part-time (<40 hours/week) employees, variable hour, and transient workforces, due to the mandate, but we've also had to apply this coverage to people who, through collectively bargained agreements, opted out of bargaining for health insurance coverage. This employer mandate has already cost my company hundreds of thousands of dollars in the following aspects of the law: administration of the plans, reporting requirements, trying to track down elections of transient and variable hour workers, collecting premiums of transient and variable hour workers, cost of outside counsel. These figures do not even take into consideration the additional costs of paying claims out of our self-insured plan.

This excise tax portion of the law for "Cadillac coverage" imposed on companies that offer "too costly" of coverage is counter intuitive. An employer that has a healthy workforce (few claimants), but a very rich benefit plan (high coverage) could not be imposed a tax, since the tax is based on the costs (claims)... but a plan that offers very rich benefits to an unhealthy workforce could be imposed a tax if their claims are high enough to meet the thresholds. This penalizes those companies who are trying to take care of their employees, by offering plans that will help their employees seek the care they need to manage their conditions. In my opinion, a very rich plan removes the major barrier (cost) for employees to become healthy and manage their lifestyles, thereby contributing to less claims, and a more healthy population. If you are wanting to create a mandate that keeps cost down, you should mandate transparency in the Medical profession. Right now, you really can't go and compare doctors or pharmacy based on price, or whatever. Perhaps changing the way health care is priced and communicated could be a better option. If you are looking for a pay-for for all the administration of the ACA, since you need to make sure that companies and people are complying, perhaps reducing the mandate to something that is more reasonable that every company would want to comply with. Perhaps more of an incentive for companies to offer benefits, vs. the threat of a tax. Or just remove the employer mandate and thereby removing much of the administrative costs for both the IRS to police, as well as the costs for many companies to implement. Furthermore, lumping the cost of health coverage to FSA & HRA benefits even worsens the law, as these are tools that actually help people manage their health care costs, yet promote people taking care of themselves. By lumping these programs into the formula, you are dis-incentivizing companies to offer these types of useful and helpful programs. In addition, most of the benefits you are wishing to impose this tax upon affect middle class workers. So, you are going to penalize companies for offering too rich of health benefits, but on the other hand, it is very popular politically right now to push for the minimum wage to be increased... Maybe someone should take into consideration all benefits when looking at minimum wage, or the excise tax and determine a "total compensation package" requirement....

Good luck in trying to figure this one out. Thank you for time.

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