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American Health Policy Institute Participates in Panel on Health Care Excise Tax

Bipartisan Event at Hudson Institute to Discuss Controversial Tax

Washington, D.C. – On June 10, The Hudson Institute will host a conference bringing together supporters and critics of the Affordable Care Act’s excise tax—*The Health Care Excise Tax: A Bipartisan Discussion*. A diverse panel of experts, featuring Dr. Tevi Troy, President of the American Health Policy Institute; Bill Samuel, Director of Government Affairs at AFL-CIO; Paul Howard, senior fellow at Manhattan Institute; and Paul N. Van de Water, senior fellow at the Center on Budget and Policy Priorities, will discuss the implications of the excise tax for employer health plans in both the public and private sectors, as well as its impact on labor unions. Former U.S. Representative Robert E. Andrews (D-NJ) will moderate the discussion.

The excise tax will touch nearly every industry in America, and most negatively impacts for large U.S. employers. As set forth in the American Health Policy Institute's November 2014 study, *The Impact of the Health Care Excise Tax on American Employers and Employees*, the Affordable Care Act’s excise tax will impose on large employers an average of \$1.0 million in 2018, and an average of \$2.1 million per year from 2018 to 2024, or over \$2,700 per employee. In 2018, the excise tax is anticipated to hit 17 percent of all American businesses, and 38 percent of large employers. By 2031, the cost of the average family health care plan is expected to hit the excise tax threshold.

Tevi D. Troy, President of the American Health Policy Institute and a participant in the panel who opposes the tax, said “In an effort to avoid or minimize their exposure to the excise tax, employers are reducing the cost of their health care plans. As a result, employees will likely have to cover more of their health care costs out of pocket and find ways to reduce their own health care expenses. Unfortunately, cost sharing, benefit reduction, and other strategies used by employers to reduce their excise tax exposure threaten to make employer health plans unaffordable for many moderate to low wage employees and their families.” Joining Troy as a critic of the tax will be Bill Samuel of AFL-CIO.

Supporters of the excise tax, however, argue that tax would be beneficial as it would discourage the availability and purchase of extremely generous health insurance coverage that promotes excess health care utilization. Paul N. Van de Water from the Center on Budget and Policy Priorities and Paul Howard of Manhattan Institute will speak in support of the excise tax.

As outlined by the panelists, the excise tax is an element of the Affordable Care Act that has received criticism from both sides of the aisle in recent months as 2018, the year the tax takes effect, approaches. “Like any public policy issue, there are pros and cons from all angles. Bringing together such a diverse panel will hopefully call attention to the variety of opinions that need to be considered in our country’s health care policy making,” said panel moderator The Hon. Robert E. Andrews.

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To view the panel live on June 10, visit the Hudson Institute's homepage link: www.hudson.org

For more information on the panel, or to register for the event, please visit the following link: <http://www.hudson.org/events/1253-the-health-care-excise-tax-a-bipartisan-discussion62015>

American Health Policy Institute (AHPI) is a non-partisan 501(c)(3) think tank, established to examine the impact of health policy on large employers, and to explore and propose policies that will help bolster the ability of large employers to provide quality, affordable health care to employees and their dependents. The Affordable Care Act has catalyzed a national debate about the future of health care in the United States, and AHPI serves to provide thought leadership grounded in the practical experience of America's largest employers. To learn more, visit americanhealthpolicy.org.