

Congress of the United States

Washington, DC 20515

September 8, 2023

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20200

The Honorable Julie Su
Acting Secretary
Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Becerra, Secretary Yellen, and Acting Secretary Su,

As members of the Georgia Congressional Delegation, we are writing to express our concerns about specific provisions within a proposed rule that significantly impacts businesses in our home state, those who live and work in Georgia, and Americans across the nation. Specifically, we are referring to the Notice of Proposed Rule Making issued on July 12 by the Department of Health and Human Services, the Department of Labor, and the Department of the Treasury. This proposed rule seeks to modify “excepted benefits” and would significantly affect consumers' access to insurance products they used to insure themselves against risk associated with health care.

We share the administration's goal of ensuring consumer understanding and transparency of insurance products available in the market. However, we are concerned the proposed rule’s approach to supplemental benefits such as hospital and other fixed indemnity products is overly broad and not fully aligned with congressional intent.

As you are likely aware, millions of Americans, including a large population of Georgians, rely on these supplemental benefits and other fixed indemnity products to bridge financial gaps left by comprehensive health insurance during times of need. Even the most comprehensive healthcare coverage still exposes families to out of pocket costs and other expenses. These products are essential tools that enable families to maintain financial resilience while experiencing a health event. However, the proposed changes within the rule would restrict or permanently eliminate access to these important products.

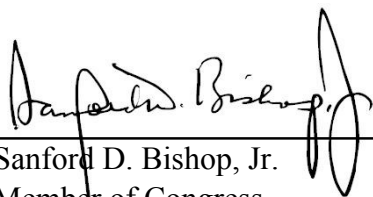
The proposed rule imposes new taxes on middle-income workers and small businesses for benefits received through their employer's cafeteria plans. At a time when businesses are already facing economic challenges, this proposed rule would only seek to disproportionately add further undue burden on America’s businesses like the ones in our home state of Georgia. The proposed changes inappropriately use regulations and not statute to upend a longstanding tax regime, which has remained stable for over six decades.

Congress intentionally “excepted” these types of products from the health coverage provisions in the Health Insurance Portability and Accountability Act of 1996. Congress has not changed the carefully crafted statutory requirements these products must meet to maintain their “excepted benefit” status, and as a result, Congress recognizes the enduring value these products offer to consumers seeking protection from medical debt.


We respectfully urge you to reconsider the potential implications of this proposed rule. We believe a more reasonable approach that safeguards the availability and understanding of these important supplementary insurance products is more appropriate.

Thank you for your time and consideration.


Sincerely,




Sanford D. Bishop, Jr.
Member of Congress




A. Drew Ferguson IV
Member of Congress



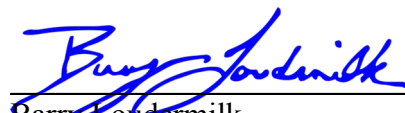
Rick W. Allen
Member of Congress



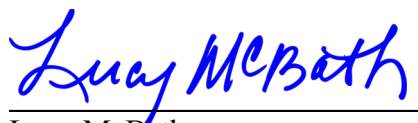
Earl L. "Buddy" Carter
Member of Congress



Henry C. "Hank" Johnson, Jr.
Member of Congress



Barry Loudermilk
Member of Congress



Lucy McBath
Member of Congress



Rich McCormick, MD, MBA
Member of Congress



Austin Scott
Member of Congress



David Scott
Member of Congress



Nikema Williams
Member of Congress