

Statement of IBEW International President Edwin D. Hill On Labor's Discussions with the White House to Protect the Health Benefits of Working Americans

A team of leaders from across the labor movement spent many hours this week in intense negotiations with the Obama administration, while also in communication with Congressional leaders, to make sure that the final health care reform bill would not penalize those who currently have health care coverage. We believe that our efforts have yielded provisions that will allow health care reform to move forward while protecting the large body of middle-class Americans, both union members and those who do not belong to unions. The unions' talks with the administration reduced the impact of the excise tax on the middle class by a cumulative total of \$60 billion.

Among the provisions agreed to in the discussions are:

- The threshold of the cost of a health plan at which the excise would take effect has been raised to \$24,000 for family coverage and \$8,900 for individual coverage, up \$1,000 in each category.
- From 2010 through 2013, plans would be protected from rising costs by raising the threshold to keep pace by raising the taxation threshold to keep pace with inflation even if it exceeds projections.
- There will be adjustments to raise the threshold for plans that cover large populations of women and/or older employees, workers in higher risk occupations and those in high cost geographic areas.
- All plans covering employees of state and local governments as well as all health plans negotiated as part of a collective bargaining agreement will be exempt from the excise tax until January 1, 2018.
- Starting in 2015, all plans will be able to exclude their dental and vision coverage from the calculation of total plan costs.
- Starting in 2017, all plans, including Taft-Hartley plans, will be able to participate in the national (or regional depending on the final provision in the bill) health insurance exchanges to seek lower rates.

We fully expect that these provisions, combined with other cost-saving measures in the legislation will ensure that the quality of coverage for the vast majority of those who have health insurance will not be unduly affected by the tax. The fact that the bill will extend coverage to more Americans who currently do not have it will also reduce cost pressures on existing plans.

We look forward to working with the administration and Congress to complete the passage of this legislation which will mark a major milestone in the 60-year effort to enact comprehensive quality health care coverage for all Americans.