February 11, 2013

The Honorable Rob Portman
United States Senate
338 Russell Senate Office Building
Washington, DC 20510

Dear Senator Portman:

The U.S. Chamber of Commerce, the world’s largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports S. 24, the “Small Business Health Relief Act of 2013,” and thanks you for your leadership to help protect America’s small businesses. As its name indicates, the Small Business Health Relief Act would provide some much needed relief to small businesses as they implement the health care reform law.

First, S. 24 would repeal the employer mandate provision of the Patient Protection and Affordable Care Act (PPACA), which would protect existing jobs and spur the creation of new jobs by removing much of the uncertainty employers are experiencing. The employer mandate discourages businesses from hiring additional employees because businesses with 50 or more full-time equivalent employees (FTEs) are required to offer coverage. Additionally, the employer mandate dissuades businesses from hiring full-time employees because the penalty, once triggered, is calculated based on the number of full-time employees.

Second, this legislation would overturn the “grandfather regulations” of the PPACA, which restrict the ability of employers to modify health plans in existence before the health care reform law. By voiding the grandfather regulations, the bill would preserve the original intent of the law by allowing people to keep the coverage they have.

In addition, the bill would repeal limitations that the health reform law placed on various health savings arrangements, such as flexible spending accounts, health savings accounts, and health reimbursement arrangements. Specifically, it would repeal the restriction placed on over-the-counter medicines, as well as the annual cap placed on such accounts.

Lastly, S. 24 would help make insurance more affordable by repealing the health insurance tax, which is estimated to increase premiums by as much as 3%, or nearly $5,000 per family, over a decade. Repealing this provision alone could lower the cost of the average annual family health insurance premium in 2016 by $350 to $400, according to the non-partisan Joint Committee on Taxation.
The Chamber supports S. 24 and applauds your focus on helping small business by providing some relief from the destructive fees and mandates that were enacted in the name of health reform.

Sincerely,

R. Bruce Josten