United States Senate
WASHINGTON, DC 20510

September 18, 2013

Mrs. Sylvia Mathews Burwell
Director
Office of Management and Budget
301 G Street, Southwest
Washington, DC 20024

Dear Director Burwell:

We write to urge that you not authorize the release of any regulations that will create a special carve out which benefits union workers at taxpayers' expense. We appreciate the September 13, 2013, letter from the Department of the Treasury to U.S. Senator Orrin G. Hatch which says President Obama will follow the law and not grant labor unions any premium assistance subsidies for their employer-sponsored health plans. However, we remain troubled that the administration has only made a commitment to not move forward with a rule through the IRS, but has left the door open for the Department of Labor (DOL) to issue a regulation favoring labor unions. This is particularly concerning given reports that the Office of Management and Budget posted and then removed from its website a proposed rule from DOL that would reportedly allow union workers to obtain premium subsidies. We request additional information about that proposed DOL rule.

On August 27, 2013, the trade publication *Inside Health Policy* reported, "the Office of Management and Budget previously showed on its regulatory review website that on Aug. 24 it received a Department of Labor Proposed rule on 'Health Insurance Premium Assistance Trust Supporting the Purchase of Certain Individual Health Insurance Policies.' The rule, which OMB said is [Patient Protection and] Affordable Care Act-related (ACA), also appears to deal with the exclusion from a definition of an employee welfare benefit plan, but this week the description disappeared."

We are also aware of a July 11, 2013, letter from three prominent labor union leaders to Senate Majority Leader Harry Reid and House Minority Leader Nancy Pelosi requesting a special accommodation allowing their members to receive taxpayer-funded premium assistance credits to purchase Taft-Hartley union health plans. The new health care law is clear that taxpayer-funded premium assistance credits are intended for low-to-middle income Americans without access to affordable insurance through an employer and who purchase health insurance through the new state-based exchanges. The fact is that Taft-Hartley union health plans are not exchange-based plans—rather, they are employer-sponsored health plans. Providing union members with a benefit not afforded to non-union employees is grossly unfair to every non-union worker in America who would receive no such special carve out from the health care law.

Finally, it is particularly troubling that the very same organizations that wholeheartedly endorsed passage of the health care law are now the ones asking for special deals and exemptions from its onerous and costly mandates that are driving up premiums and forcing plans to drop benefits and raise rates. Traditional employer-sponsored health plans, as well as Taft-Hartley union plans, across the nation are suffering the consequences of this law, but non-union employers are not asking for extra-legal handouts from taxpayers through special deals from regulators to help subsidize their escalating costs.

We stand willing to work with anyone who will help enact common-sense laws that could actually lower premiums and insure more people. However, asking for taxpayer bailouts and special exemptions is not acceptable.

Thank you for your time and consideration of this matter and we look forward to your prompt reply.

Sincerely,

Lamar Alexander

Orrin Hatch

John Thune

Mitch McConnell

Dan Coats

John Cornyn

John Boozman

Pat Roberts

Ron Johnson

Chuck Grassley

Dean Heller

Roger F. Wicker

John Barrasso

Michael B. Enzi

c.c.: Ms. Phyllis Borzi
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Mr. J. Mark Iwry
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