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Taxing Americans' health care coverage will drive up health costs

"Proposals to tax health coverage takes money out of the hands of working families and into the hands of the government while making more individuals shop for their own insurance," said **James A. Klein**, president of the **American Benefits Council**. "This disproportionately hurts those in rural and other areas where health care is more expensive. 'Capping' workers' tax exclusion for employer-provided coverage is just a code word for raising income taxes on many of the [180 million](#) Americans who receive health coverage from an employer. That will push more people into the individual health insurance market where it is more expensive and not subsidized by employers," added **Klein**.

"If the government taxes workers on their employer-sponsored health coverage the math doesn't add up. That's because for every dollar of foregone tax revenue, employers are currently spending on average \$5.36," said **Klein**. "So it would cost families far more if they had to buy coverage in the individual insurance market and cost the federal government far more if it had to provide the same level of financial protection directly through expanded public programs," **Klein** noted.

"Again and again, proposals like this have proven deeply unpopular with Americans. [Unraveling](#) America's health care system is a losing proposition—especially for Republicans. Bad policy, bad politics – taxing health coverage is a lose-lose situation. The Alliance to Fight for Health Care strongly opposes proposals to tax Americans' health coverage and urges policymakers to disavow this misguided idea," **Klein** concluded.

The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. Together, we are working to ensure that employer-provided coverage remains an available and affordable option for working Americans and their families.

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