



NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

Representing America's Finest

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WILLIAM J. JOHNSON

Executive Director

December 28, 2009

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

I am writing on behalf of the National Association of Police Organizations (NAPO) and the 241,000 rank-and-file law enforcement officers and over 1,000 police unions and associations from across the United States that we represent. As you consider the possible revenue sources for health care reform, we strongly urge you to reject imposing an excise tax on so-called "Cadillac" health insurance plans, as proposed in the Patient Protection and Affordable Health Care Act.

The health care plans of state and local public safety officers are not extravagant "Cadillac" plans that are filled with superfluous medical benefits. They are the good, comprehensive health benefit plans that you, members of Congress and the Administration are working to make accessible to all Americans. Despite the recognition in the legislation that the health care plans of public safety and other high risk professions are more costly than the average health care plan, NAPO is convinced that this tax would threaten the stability and security of these plans. As health care premiums rise faster than inflation, the congressional Joint Committee on Taxation estimates that the proposed excise tax would hit over 40 percent of all plans – individual and family plans - in ten years. Public safety plans would be the first affected.

The excise tax does not discriminate between true "Cadillac" plans and the comprehensive health benefits plans that cover our nation's public safety officers because it is based on total cost of the plan regardless of what it covers or why it costs so much. NAPO is deeply concerned that public safety employees will be forced to pay the excise tax in the form of wage cuts, higher premiums, increased out-of-pocket costs, and lower benefits, which would have serious implications on their livelihoods.

America's Affordable Health Choices Act, as passed by the House, includes sensible revenue sources to pay for health care reform. However, the inclusion of an excise tax on high cost health care plans would have serious and detrimental consequences for middle-class, hard working Americans, many of whom serve their country in public service.

Therefore, we urge you to reject the proposed excise tax on high cost insurance plans as a revenue raiser, or at a minimum, exempt high-risk professions from the tax and protect the benefits public safety officers, who risk their lives every day to serve their communities, have earned. If you have any questions, please feel free to contact me, or NAPO's Government Affairs Director, Andrea Mournighan, at (703) 549-0775.

Sincerely,

William J. Johnson
Executive Director