



THE VOICE OF FOOD RETAIL

Feeding Families  Enriching Lives

November 15, 2013

The Honorable Patrick J. Tiberi
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Tiberi,

On behalf of the supermarket industry, the Food Marketing Institute (FMI)ⁱ supports H.R. 3489 to remove a fee to be imposed in 2014 on self-insured plans offered by many supermarkets in order to fund the Affordable Care Act's (ACA) transitional reinsurance program. If this "fee" is not addressed, many supermarkets would be forced to pay \$63 for every employee, spouse, and dependent covered in 2014, totaling hundreds of thousands of dollars in fees for small chains to millions of dollars for larger, regional chains. The supermarket industry operates at approximately a one percent margin, on average, so a fee of this size directly impacts supermarkets' operations, workforce, and customer prices.

The ACA's transitional reinsurance fee inadvertently penalizes employer-sponsored health coverage. Under the collection method formula to fund ACA's "transitional reinsurance program" (Sec. 1341 of the ACA), employers who self-insure the health coverage they offer will be charged \$5.25 per month (\$63/year) per participant in benefit year 2014 and similarly in 2015 and 2016. This fee is in addition to the considerable amount of money, time and resources that supermarkets have spent to ensure compliance with the various rules and regulations with the ACA's employer coverage mandates even though most supermarkets already offer quality, affordable coverage to their full-time associates. Since many supermarkets have been sponsoring and insuring individuals long before the ACA, they are not the direct beneficiary from a transitional reinsurance program while being charged for the program's funding.

FMI appreciates you and others who have stepped forward to introduce H.R. 3489 to address this pending new fee on self-insured plans before its negative impact is felt in the supermarket industry.

Sincerely,

Jennifer Hatcher
Senior Vice President, Government and Public Affairs
Food Marketing Institute

ⁱ Food Marketing Institute (FMI) proudly advocates on behalf of the food retail and wholesaler industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies, representing a combined annual sales volume of almost \$770 billion. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains, mixed retail stores, and food wholesalers. Food retailers and wholesalers employ 3.5 million full-time, part-time and seasonal workers—many operating under fluctuating work schedules in order to meet employee needs and varying consumer demand. For more information, visit www.fmi.org and for information regarding the FMI foundation, visit www.fmifoundation.org.