



June 7, 2012

The Honorable John Boehner, Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi, Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, DC 20515

Dear Speaker Boehner and Minority Leader Pelosi:

Representing the country's largest, oldest and most-respected small business associations, which have spent more than a decade working to improve access to and affordability of private health insurance, the Small Business Coalition for Affordable Healthcare (the Coalition) supports the passage of H.R. 436, the *Health Care Cost Reduction Act of 2012*, which would repeal harmful tax increases in the Patient Protection and Affordable Care Act and assist small businesses and their employees with the chronic problem of rising healthcare costs.

Specifically, the bill would repeal the new 2.3 percent tax on medical devices. According to the Centers for Medicare and Medicaid Services Office of the Actuary, this tax will be passed through to consumers in the form of higher health insurance premiums. Repealing this tax will prevent adding to the increased health care costs of small businesses and their employees. Additionally, the legislation would repeal the prohibition on using tax-preferred funds from Health Savings Accounts and Flexible Spending Arrangements to purchase over-the-counter medications. This prohibition, which began in 2011, drives up health care costs because it forces individuals to seek out more expensive prescription medication and/or visit physician offices for routine medical care that could have been treated with more affordable treatment options.

The Coalition appreciates the House of Representatives' continued attention to the negative impact of rising healthcare costs on small business and looks forward to continuing to work with Members of Congress as this important effort continues to unfold. Specifically, the Coalition encourages the House to add to the positive step being taken today with a floor vote on H.R. 1744, the *American Job Protection Act*, which would repeal the employer mandate, another provision that discourages economic growth and job creation.

Sincerely,

American Farm Bureau Federation ®

American Foundry Society

American Hotel & Lodging Association

American Rental Association

American Supply Association

Associated Builders and Contractors

Automotive Aftermarket Industry Association

American Veterinary Medical Association

Farm Equipment Manufacturers Association

International Housewares Association

Motor & Equipment Manufacturers Association

National Association for the Self Employed

National Association of Wholesaler-Distributors

National Club Association

National Federation of Independent Business

National Restaurant Association

National Retail Federation

National Roofing Contractors Association

National Tooling Machining Association

NPES The Association for Suppliers of Printing, Publishing and Converting Technologies

Petroleum Marketers Association of America

Precision Machined Products Association

Precision Metalforming Association

Printing Industries of America

Service Station Dealers of America and Allied Trades

Small Business & Entrepreneurship Council

Specialty Equipment Market Association

Textile Rental Services Association

Tire Industry Association

U.S. Chamber of Commerce

Western Growers