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## **Treasury Will Consider Request on Health Plan Fee for Tax-Exempt, Nonprofit Hospitals.**

Treasury Assistant Secretary for Legislative Affairs Alastair Fitzpayne has assured Rep. Tim Walberg, R-Mich., that Treasury will take into consideration his request to classify health plans owned by nonprofit, tax-exempt hospitals or hospital systems in the same category as other nonprofit, tax-exempt health plans.

July 31, 2013

The Honorable Tim Walberg

U.S. House of Representatives

Washington, DC 20515

Dear Representative Walberg:

Thank you for your letter regarding the annual health insurer fee under section 9010 of the Patient Protection and Affordable Care Act.

Proposed regulations on the annual health insurer fee were released through the Federal Register on March 1, 2013. Under the statute, the fee does not apply to the first \$25 million of net premiums written, and it only applies to 50 percent of the net premiums written for amounts between \$25 million and \$50 million. After application of this rule and in accordance with the statute, the proposed regulations provide that a covered entity exempt from tax under section 501(a) and described in section 501(c)(3) (generally, a charity), 501(c)(4) (generally, a social welfare organization), section 501(c)(26) (generally, a high-risk health insurance pool), or section 501(c)(29) (a consumer operated and oriented plan health insurance issuer), will be required to take into account only 50 percent of its remaining net premiums written that are attributable to its exempt activities.

We appreciate the concerns expressed in your letter regarding the way the fee will be applied. We will carefully consider all comments we receive on the proposed regulations, and we intend to continue to work with health insurance providers as the fee is implemented.

If you have any further questions, please contact Sandra Salstrom, Office of Legislative Affairs, at (202) 622-1900.

Sincerely,

Alastair M. Fitzpayne

Assistant Secretary for

Legislative Affairs

