



July 10, 2014

The Honorable Sylvia Mathews Burwell  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

**Re: Annual Open Enrollment Periods**

Dear Secretary Burwell:

I represent H&R Block and I am writing to recommend the Department of Health and Human Services extend the annual open enrollment period to April 30.

H&R Block is the world's largest consumer tax services provider, filing more than 650 million returns worldwide since 1955. Last year, we filed more than 22 million U.S. individual income tax returns — about 15 million returns in our offices and another 7 million through our do-it-yourself offerings.

The Patient Protection and Affordable Care Act (ACA) has added tax complexity and we believe millions of consumers will seek assistance navigating the ACA's new provisions. As you know, the first few weeks of the filing season will overlap with open enrollment, a tremendous benefit for those consumers who are able to meet with a tax professional early in the season. For those who will not be able to meet with a tax professional before open enrollment ends, we believe further extending open enrollment through April 30th would do much to alleviate consumer frustration by helping them to avoid penalties and would support increased enrollment through affordability.

**Helping Consumers Avoid Penalties**

Our own research indicates that many consumers still do not fully understand the impact the ACA and their healthcare decisions have on their federal tax returns. Many consumers don't realize the penalty for not maintaining coverage increases in 2015 or that the penalty could be based on a percentage of their income rather than a fixed amount.

During the upcoming filing season tax professionals will be able to sit down and have face-to-face discussions with taxpayers to explain how the penalty is calculated and provide an estimate of the penalty that would be assessed.

Unfortunately, if consumers meet with a tax professional on or after February 16, they won't be able to use this information to make coverage decisions. This will be incredibly frustrating for those who discover they missed open enrollment by just days or weeks, especially if they



# H&R BLOCK®

assumed they would be able to enroll in coverage through April, as was the case in 2014. These consumers would be burdened with a penalty that may be far greater than they initially anticipated. Extending open enrollment through April 30 would create an overlap of the entire filing season and open enrollment, creating parity for all consumers who timely file their tax returns.

## **Supporting Increased Enrollment and Affordability**

Another issue facing consumers is the affordability of coverage and cash flow. Even with the availability of the premium tax credit, many taxpayers will still not be able to afford coverage premiums. The federal tax refund is the most significant financial transaction of the year for many taxpayers and may provide the funds they need to make premium payments. The average refund this past tax season was more than \$2,800.

If open enrollment ends on February 15, many taxpayers would still not know the amount of their refunds when making their coverage decisions, and they also may not have their refunds in time to make the first premium payment. Extending open enrollment would give consumers additional time to select a plan and help ensure they have the funds to pay their premiums.

We recommend extending open enrollment to April 30 for all benefit years. This will give consumers the additional time they need to make informed healthcare coverage decisions and pay coverage premiums.

Sincerely,

Mark Ciaramitaro  
Vice President, Healthcare