

6277



## CONNECTICUT

TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS  
BY  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
OPPOSING HB-6277,  
AAC HEALTH INSURANCE COVERAGE FOR SMALL EMPLOYERS  
BEFORE THE  
INSURANCE & REAL ESTATE COMMITTEE  
FEBRUARY 5, 2009

*The National Federation of Independent Business (NFIB), Connecticut's and the nation's leading small-business advocacy association, respectfully submits the following comments opposing HB-6277, An Act Concerning Health Insurance Coverage for Small Employers:*

Over a year ago, NFIB launched "Solutions Start Here", an aggressive healthcare reform campaign to urge policymakers to deliver real and meaningful healthcare reform for small business. As part of this campaign, NFIB unveiled 10 Small Business Principles for Healthcare Reform. These 10 Principles support policy reforms to balance the competing goals of access to quality care, affordability, predictability and consumer choice.

One of the 10 Small Business Principles for Healthcare Reform is that any healthcare reform efforts must be "Unbiased". That is, laws should not push workers into employer-provided or government-provided insurance programs and hobble the market for individually purchased policies. Another of the 10 Principles is that any healthcare reform efforts must be "Affordable". This means healthcare costs to individuals, providers, governments and especially small businesses must be reasonable, predictable and controllable.

Healthcare costs are high and growing more rapidly than earnings. Healthcare uncertainties paralyze long-term financial and business planning. Rising health insurance costs are one of the top issues facing Connecticut's small-business owners today, and those concerns are growing according to NFIB members. Small-business owners continue to struggle with annual, double-digit insurance premium increases that make providing and maintaining coverage more and more difficult.

Employer mandates compound the problem, penalizing the most vulnerable firms and workers, including cutting-edge startups, lower-income workers striving to rise and companies operating in economically disadvantaged markets. These mandates can force a promising enterprise out of business, sweeping away jobs and future economic growth.

It is our concern that HB-6277 sets bad precedent and does not adhere to our principles of "unbiased" and "affordable" reform. Additionally, HB-6277 seems to be inconsistent with the federal definition of full time employees with respect to health insurance. Expanding the definition of "eligible employee" by reducing the number of hours by which an employee is eligible to participate in an employer-sponsored plan, pushes more workers into employer-sponsored plans at a time when many employers are already struggling to provide adequate coverage for their existing workers. Employer health insurance costs will become even more unaffordable. Some employers will be mandated to offer insurance to those who may not play a major role in their operation. As such, employers may be faced with the difficult choice of retaining employees at a higher cost or downsizing their workforce. During these harsh economic times, this additional burden on employers will only serve to reduce our competitiveness with other states.

National Federation of Independent Business — CONNECTICUT

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