



The Voice of Small Business®

ALASKA

January 31, 2011

The Honorable Johnny Ellis  
Alaska State Senate  
State Capitol Building  
Juneau, Alaska 99801-1182

RE: Senate Bill 74

Dear Senator Ellis,

On behalf of the National Federation of Independent Business/Alaska, I wish to express our opposition to Senate Bill 74. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

Health-care costs have been the No. 1 issue facing small-business owners since 1986, and those concerns are growing, according to NFIB's members. As health-care costs go through the roof, small-business owners have very few choices when selecting insurance coverage for their employees. The tipping point is here, and small businesses are begging for solutions to rising health-care costs, lack of access and other issues.

For many small employers in Alaska insurance premiums for small groups or single coverage have increased by more than 82 percent since 2000, a jaw-dropping statistic. This is completely unsustainable over the long-term. Much of the increase is driven by the additions to coverage by state mandates

Unfortunately SB 74 mandates coverage for autism spectrum disorders that may not fit employee's needs but for which small employers providing health insurance bear the cost. Increased mandates force employers to consider whether they can afford to continue coverage or are forced by increased prices to eliminate health insurance for their employees. Mandates prevent small employers from providing affordable insurance programs tailored to its specific work force.

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SB 74 is discriminatory against small employers as the mandate applies only to those who provide coverage regulated by state insurance statutes, but not programs offered by the state and other governmental entities, unions, or large employers who typically offer ERISA programs. Thus it creates a less fair business environment for Alaska's small employers and favors outside business interests.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dennis L. DeWitt". The signature is fluid and cursive, with a large initial "D" and "L".

Dennis L. DeWitt  
Alaska State Director

cc: Health and Social Services Committee