

CS FOR HOUSE JOINT RESOLUTION NO. 14(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 4/4/13

Referred: Rules

Sponsor(s): REPRESENTATIVES STOLTZE, Gattis, Tammie Wilson, Johnson, Peggy Wilson, Isaacson, Keller, Reinbold, Lynn, Pruitt, LeDoux, Hughes, Millett

A RESOLUTION

1 **Requesting the United States Congress, the Governor, and the state's congressional**
2 **delegation to take actions necessary to delay implementation of the Patient Protection**
3 **and Affordable Care Act.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS**, on March 23, 2010, the President of the United States and the
6 Democratic majority in the United States Congress, voting mainly along party lines, passed
7 H.R. 3590, the Patient Protection and Affordable Care Act (P.L. 111-148), a monumental
8 expansion of government in the United States; and

9 **WHEREAS** the Patient Protection and Affordable Care Act provides for
10 implementation over a period of years; and

11 **WHEREAS** implementing the Patient Protection and Affordable Care Act will lead to
12 a massive takeover of the health care industry, increase health care costs, result in higher
13 taxes, destroy jobs, reduce the quality of health care, decrease the number of individuals
14 buying private insurance, and impair the ability of businesses to grow, compete, and create
15 jobs in the state; and

1 **WHEREAS** the Patient Protection and Affordable Care Act could cause 10,000,000
 2 Americans who currently receive health insurance through their employers to lose this
 3 coverage; and

4 **WHEREAS**, if the Patient Protection and Affordable Care Act is implemented, health
 5 insurance premiums for those currently receiving health insurance through their employers
 6 will increase by 10 to 13 percent; and

7 **WHEREAS** Alaska's two largest health insurance providers, Premera Blue Cross
 8 Blue Shield of Alaska and Aetna Life Insurance Company, both plan to increase premiums
 9 between 30 and 80 percent for individual policies if the Patient Protection and Affordable
 10 Care Act is implemented; and

11 **WHEREAS** the total estimated cost of the Patient Protection and Affordable Care Act
 12 is estimated to be at least \$2,600,000,000,000, nearly three times greater than the estimated
 13 cost originally stated by President Obama in 2009; and

14 **WHEREAS** it is projected that the Act will lead to the loss of 800,000 jobs in the
 15 United States by the end of the decade; and

16 **WHEREAS**, under the Patient Protection and Affordable Care Act, health insurance
 17 will cost individuals an average of \$2,500 a year more than the cost of insurance under the
 18 current system of traditional health insurance; and

19 **WHEREAS** the Patient Protection and Affordable Care Act will increase the overall
 20 cost of health care for families and employers; and

21 **WHEREAS**, since its enactment, the Patient Protection and Affordable Care Act has
 22 cost American employers and employees, including employers and employees in Alaska,
 23 billions of dollars in higher health insurance premiums; and

24 **WHEREAS** the new investment tax for employee-provided health insurance under
 25 the Patient Protection and Affordable Care Act, at the proposed rate of 2.9 percent, would
 26 lower household disposable income by \$17,300,000,000 a year; and

27 **WHEREAS** new taxes imposed by the Patient Protection and Affordable Care Act
 28 have eliminated jobs since the bill was passed and will continue to eliminate jobs in industries
 29 providing health insurance; and

30 **WHEREAS** taxes imposed by the Patient Protection and Affordable Care Act are
 31 burdensome to employers; and

1 **WHEREAS** Darden Restaurants, Inc., which operates Red Lobster, Olive Garden, and
 2 five other restaurant chains, has transferred nearly 75 percent of the chain's employees from
 3 full-time to part-time status in an attempt to limit the number of employees for whom health
 4 insurance is mandated under the Patient Protection and Affordable Care Act; and

5 **WHEREAS** McDonald's USA Corporation is considering many options, including
 6 reducing the number of its full-time employees, to reduce the effects of health care costs
 7 under the Patient Protection and Affordable Care Act; and

8 **WHEREAS** an executive with White Castle, Inc., and the National Restaurant
 9 Association told the Oversight and Government Reform Committee of the United States
 10 House of Representatives that uncertainty and the projected 28 percent increase in health care
 11 cost to the restaurant industry under the Patient Protection and Affordable Care Act has
 12 limited the industry's ability to create jobs; and

13 **WHEREAS** the Patient Protection and Affordable Care Act imposes 21 new or higher
 14 taxes on families and businesses in Alaska and nationwide, including 12 taxes on families
 15 making less than \$250,000 a year; and

16 **WHEREAS** the Patient Protection and Affordable Care Act includes a health
 17 insurance tax which is a tax on the net premiums for health insurance companies that will
 18 raise the cost to already struggling small businesses of providing health insurance because the
 19 tax burden will be passed on to the consumer; and

20 **WHEREAS**, to implement and enforce mandated health insurance coverage under the
 21 Patient Protection and Affordable Care Act, the role of government will be expanded through
 22 the creation of 159 new federal bureaucracies and the hiring of 16,000 new government
 23 agents; and

24 **WHEREAS** 12 percent of small business employers have either had their health
 25 insurance plans terminated or have been told that their plans would not be available in the
 26 future because of the Patient Protection and Affordable Care Act; and

27 **WHEREAS** one survey has found that 20 percent of small employers that currently
 28 offer health insurance coverage to their employees expect to change their benefits packages
 29 significantly, including raising the employee share of health insurance costs, the next time
 30 they renew their health insurance plans; and

31 **WHEREAS** changes in employee benefits resulting from the Patient Protection and

1 Affordable Care Act will decrease health insurance benefits and coverage while increasing
2 employees' share of the cost of health insurance; and

3 **WHEREAS** small businesses, by employing tens of millions of workers, make up the
4 backbone of the economies of the state and the nation; and

5 **WHEREAS**, because small employers create the vast majority of jobs, placing
6 additional burdens on small businesses hampers expansion of the economy and the job
7 creation needed to allow our economy to recover and grow; and

8 **WHEREAS** the Obama Administration admits that tens of millions of Americans are
9 at risk of losing their health care coverage; and

10 **WHEREAS**, of the tens of millions of Americans at risk of losing their health care
11 coverage as a result of the Patient Protection and Affordable Care Act, 80 percent work for
12 small businesses under insurance plans at risk of being lost; and

13 **WHEREAS**, before the Patient Protection and Affordable Care Act was enacted, a
14 survey of American businesses found that approximately 30 percent of small businesses in the
15 United States anticipated dropping people from coverage if the Patient Protection and
16 Affordable Care Act became law; and

17 **WHEREAS**, since the enactment of the Patient Protection and Affordable Care Act in
18 2010, more than 13,000 pages of federal government regulations have been adopted to
19 implement the Act; and

20 **WHEREAS** regulations implementing the Patient Protection and Affordable Care Act
21 have already caused great uncertainty, slowing economic growth and limiting hiring
22 opportunities for approximately 13,000,000 unemployed Americans; and

23 **WHEREAS** the Patient Protection and Affordable Care Act places an additional
24 burden on small business owners by requiring them to file additional tax information for each
25 vendor from whom they purchase goods and services each year; and

26 **WHEREAS**, beginning in 2016, the penalty for an individual with health insurance
27 that does not meet the currently undefined "minimum essential coverage" required by the
28 Patient Protection and Affordable Care Act will be \$695 or 2.5 percent of the individual's
29 annual income, whichever is greater; and

30 **WHEREAS** the projected cost for the state to establish and operate the health
31 insurance exchange program mandated under the Patient Protection and Affordable Care Act

1 will exceed the amount of revenue generated by the program and will require either additional
2 funding from the state general fund or increased fees to be paid by consumers; and

3 **WHEREAS** the Patient Protection and Affordable Care Act expands the role of
4 government and controls one-sixth of the nation's economy; and

5 **WHEREAS** the Patient Protection and Affordable Care Act expands Medicaid
6 without any significant reform, leaving the state to assume an unsustainable financial burden;
7 and

8 **WHEREAS** the required expansion of Medicaid under the Patient Protection and
9 Affordable Care Act will cause the number of Alaskans covered by the program to increase
10 by at least 30 percent;

11 **BE IT RESOLVED** that the Alaska State Legislature calls on the United States
12 Congress to pass legislation to delay the implementation of the Patient Protection and
13 Affordable Care Act until a full analysis of the Act's economic effects, including job losses in
14 the state, can be clearly quantified; and be it

15 **FURTHER RESOLVED** that the Alaska State Legislature calls on the state's
16 Congressional delegation to introduce, sponsor, support, and vote to pass legislation in both
17 houses of the United States Congress that will delay the implementation of the Patient
18 Protection and Affordable Care Act until a full analysis of the economic effect of the Act on
19 Alaskans and Alaska can be clearly quantified; and be it

20 **FURTHER RESOLVED** that the Alaska State Legislature will not support
21 implementation of the Patient Protection and Affordable Care Act until it can be shown that
22 the Act does not significantly raise business costs and does not create considerable economic
23 uncertainty; and be it

24 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
25 Governor to take actions necessary to delay the implementation of the Patient Protection and
26 Affordable Care Act in the state to protect Alaskans and the state's economy from the onerous
27 taxes and regulations contained in the law.

28 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
29 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
30 President of the U.S. Senate; the Honorable John Boehner, Speaker of the U.S. House of
31 Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of

1 Representatives; the Honorable Harry Reid, Majority Leader of the U.S. Senate; the
2 Honorable Mitch McConnell, Minority Leader of the U.S. Senate; and the Honorable Lisa
3 Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young,
4 U.S. Representative, members of the Alaska delegation in Congress.