



Alaska

January 20, 2009

**The Honorable Bettye Davis
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801-1182**

RE: Senate Bill 10

Dear Senator Davis,

On behalf of the National Federation of Independent Business/Alaska, I wish to express our opposition to Senate Bill 10. 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, SB10 mandates specified coverage of medical care coverage during specified clinical trials 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

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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.

SB 10 is discriminatory against small employers as the mandate applies to those who provide coverage regulated by state insurance statutes, but not programs offered by the state and other governmental entities or large employers who typically offer ERISA programs. Thus it creates a less fair business environment for small employers.

Sincerely yours,

Dennis L. DeWitt
Alaska State Director

cc: Senate Finance Committee