

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 14(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 4/13/13

Referred: Today's Calendar

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 United States Congress passed H.R. 3590, the
6 Patient Protection and Affordable Care Act (P.L. 111-148), a monumental expansion of
7 government in the United States; and

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

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

15 **WHEREAS** the Patient Protection and Affordable Care Act could cause 10,000,000

1 Americans who currently receive health insurance through their employers to lose this
2 coverage; and

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

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

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

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

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

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

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

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

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

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

31 **WHEREAS** Darden Restaurants, Inc., which operates Red Lobster, Olive Garden, and

1 five other restaurant chains, has transferred nearly 75 percent of the chain's employees from
2 full-time to part-time status in an attempt to limit the number of employees for whom health
3 insurance is mandated under the Patient Protection and Affordable Care Act; and

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

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

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

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

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

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

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

30 **WHEREAS** changes in employee benefits resulting from the Patient Protection and
31 Affordable Care Act will decrease health insurance benefits and coverage while increasing

1 employees' share of the cost of health insurance; and

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

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

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

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

14 **WHEREAS**, since the enactment of the Patient Protection and Affordable Care Act in
15 2010, more than 13,000 pages of federal government regulations have been adopted to
16 implement the Act; and

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

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

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

27 **WHEREAS** the projected cost for the state to establish and operate the health
28 insurance exchange program mandated under the Patient Protection and Affordable Care Act
29 will exceed the amount of revenue generated by the program and will require either additional
30 funding from the state general fund or increased fees to be paid by consumers; and

31 **WHEREAS** the Patient Protection and Affordable Care Act expands the role of

1 government and controls one-sixth of the nation's economy;

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

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

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

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

19 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
20 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
21 President of the U.S. Senate; the Honorable John Boehner, Speaker of the U.S. House of
22 Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of
23 Representatives; the Honorable Harry Reid, Majority Leader of the U.S. Senate; the
24 Honorable Mitch McConnell, Minority Leader of the U.S. Senate; and the Honorable Lisa
25 Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young,
26 U.S. Representative, members of the Alaska delegation in Congress.