

HJR

14

<TARGET><BILL>HJR 14</BILL><SUBJECT>HJR
14</SUBJECT><COMM>SHSS28</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 4/10/13

FURTHER:

DATE TURNED
IN TO OFFICE: 4/13/13

Health and Social Services Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 14(HSS)

HJR 14-DELAY IMPLEMENTING AFFORDABLE CARE ACT

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

and recommends:

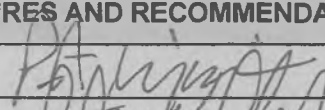
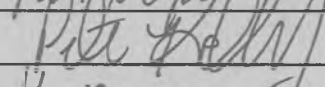
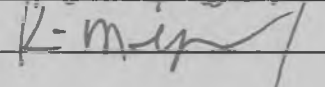

- be replaced with SCS CS HJR 14 (HSS) Same Title Technical Title Change
 New Title/SCR No. _____
- adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Micciche				
	Kelly				
	Mayer				
CHAIR: 	Stedman				

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:
Referred:**

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.

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

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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.

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version CSHJR 14(HSS)
 Fiscal Note Number 1
 (H) Publish Date 4/4/2013

Identifier (file name) _____ Dept. Affected _____
 Title Delay Implementing Affordable Care Act Appropriation _____
 Allocation _____
 Sponsor Representative Stoltze
 Requester House HSS committee OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates				
			FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES	FY14	FY14					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

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Estimated **SUPPLEMENTAL (FY13) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY14) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Paul Verhagen Phone _____
 Division Committee Aide Date/Time _____
 Approved by Representative Pete Higgins Date 4/4/2013
Chair, House Health and Social Services Committee

ALASKA STATE LEGISLATURE

Co-Chair:
House Finance Committee

Chair:
House Finance Subcommittees for;
Department of Public Safety
Department of Law
Alaska Court System

Member:
Legislative Council
Committee on Committees
Legislative Budget & Audit (alt)



BILL STOLTZE
STATE REPRESENTATIVE
Representative_Bill_Stoltze@legis.state.ak.us

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District:
600 E. Railroad Ave.
Wasilla, AK 99654
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Fax: (907) 376-4928
Toll Free: 1-866-465-4958

Sponsor Statement for House Joint Resolution 14

"Requesting the United States Congress and the Governor to take actions necessary to delay implementation of the Patient Protection and Affordable Care Act."

The passage of House Joint Resolution 14 calls on the United States Congress and the Governor of Alaska to delay the implementation of the Patient Protection and Affordable Care Act passed in Congress March 23, 2010.

This resolution highlights the drastic impacts the Affordable Care Act will have on Alaska; including increased demand for state spending, increases in insurance premiums, financial burdens on small businesses, and cost Alaskans jobs.

The Affordable Care Act provides for implementation over a period of years and will lead to federal government takeover of the health care industry, increase health care costs, result in higher taxes, destroy jobs, and impair the ability of businesses to grow, compete, and create jobs in the Alaska.

HJR 1 calls on the United States Congress to delay the implementation of the Affordable Care Act until a full analysis of the economic effects, including job losses in the state, can be clearly quantified.

This resolution requests the Governor to take actions necessary to delay the implementation of the Affordable Care Act in the state to protect Alaskans and the state's economy from the onerous taxes and regulations contained in the law.

I request your support of this resolution, and the call to delay the implementation of this onerous program that has already created great uncertainty among small business owners, slowed economic growth, and limited hiring opportunities for unemployed Alaskans and Americans.

Summary of HJR 14 opposing the implementation of the Patient Protection and Affordable Care Act (Obamacare)

The resolution calls on Congress and the President to delay the implementation of the Affordable Care Act until a full analysis of its economic impact and pending job loss in Alaska and businesses throughout the state can be clearly stated, quantified and evaluated.

The resolution also asks for the delay in implementing the Affordable Care Act until it can be shown that there is no significant increase to business costs or economic uncertainty about the future.

The resolution calls on Governor Sean Parnell to take actions necessary to delay the implementation of the Affordable Care Act, to protect Alaskans and our economy from the onerous taxes and regulations contained in the law.

The implementation of the Affordable Care Act will be devastating to Alaska Businesses, will cost Alaskans jobs and will result in higher insurance premiums for Alaskans.

What will happen is the Affordable Care Act is implemented:

- Alaska's two largest health insurance providers, Premera Blue Cross Blue Shield of Alaska and Aetna Life Insurance Company, both plan to increase premiums between 30 and 80 percent for individual policies
- It will cost an average of \$2,500 a year more for an individual to obtain health insurance than current traditional health insurance, increasing the cost of health care for families and employers
- New taxes imposed by Affordable Care Act, which will continue to kill jobs in industries as to cost of providing health insurance and related taxes are burdensome to employers, limiting the ability by the business community to create jobs
- Big businesses are already putting more workers on part-time status, removing nearly 75 percent of its employees from full time status, in an attempt at limiting the requirement to provide health insurance under the Affordable Care Act mandate
- 21 new or higher taxes on Alaskan and American families and businesses will be implemented, including 12 taxes on families
- An NFIB a survey of American businesses estimates that 30 percent of small businesses in the country anticipate dropping people from coverage
- The required expansion of Medicaid under the Affordable Care Act will cause an increase in the number of Alaskan's covered by the state funded program to increase by at least 30 percent
- The Obama Administration admits that tens of millions of Americans are at risk of losing their health care coverage, including as many as 8 in 10 plans offered by small businesses
- The total cost for the Affordable Care Act is predicted to be at least \$2.6 trillion, nearly three times greater than cost originally stated by President Obama in 2009

Sources

- **Congressional Budget Office**, *Estimates for the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision (July 2012)*.
- **Alaska Dispatch**, *Alaska health insurance providers warn that premiums may skyrocket* (January 14, 2013).
- **National Center for Policy Analysis**, *What Does Health Reform Mean to You?*, September 2012.
- **South Carolina Republican Party**, *Resolution Supporting the Repeal of Obamacare; Repeal and Replacement with Free Market Solutions*.
- **Associated Press**, *Darden Restaurants Tests Hiring Of More Part-Time Employees To Avoid Obamacare Costs*, October, 9, 2012.
- **Associated Press**, *Health Changes Spur Test of More Part-Time Workers*, October 9, 2012.
- **Oversight and Government Reform Committee, U.S. House of Representatives**, *Testimony by Jamie Richardson, White Castle Systems Inc.*, July 9, 2012.
- **National Federation of Independent Business**, *Stop the Hit: Support Small Business*; June 2012.
- **National Federation of Independent Business – Research Foundation**, *Small Business and Health Insurance: One Year After Enactment of PPACA*; September, 2011.
- **National Republican Party**, *2012 We Believe in America Republican Party Platform*, August 2012.
- **House Resolution 6079**, *An act to repeal the Patient Protection and Affordable Care Act and health care-related provisions in the Health Care and Education Reconciliation Act of 2010*. Passed by the U.S. House of Representatives July 11, 2012.
- **McKinsey and Company**, *McKinsey Quarterly: How US health care reform will affect employee benefits*, February 2011.
- **American Legislative Exchange Council**, *The State Legislators Guide to Repealing Obamacare*, ©2011, updated 2012.
- **State of Alaska Department of Health and Social Services**, *Health Insurance Exchange Planning Final Report*. June 2012.
- **U.S. House of Representatives Subcommittee on Health, Employment, Labor and Pensions Committee on Education and the Workforce**, *Representative Mike Kelly, R- Pennsylvania, at a hearing held in Butler, PA*, February 22, 2012.



The Voice of Small Business®

ALASKA

March 22, 2013

The Honorable Bill Stoltze
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Joint Resolution 14, Delay Implementing the Affordable Care Act

Dear Representative Stoltze:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Joint Resolution 14. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

Small businesses in Alaska may or may not be required to provide health coverage mandated by the Affordable Care Act, but if they currently provide employees health insurance, the effect on their premiums can still be staggering. A 40% to 50% increase in premiums is not unexpected. The types of coverage many small businesses can afford are becoming unavailable.

With the huge increase in premiums employers are forced to consider what other expenses they must curtail. Among the unfortunate choices are increasing the percentage of employee cost share, reducing the number of employees, or eliminating employer based health insurance. While these are not the preference of employers, economics cannot be ignored.

Your willingness to raise the concerns listed in HJR 14 will be greatly appreciated by small businesses in Alaska and their employees. While this may not solve all the problems caused by the Affordable Care Act, joining others in raising the problems it causes may bring attention to the needed relief. As the issues of concern are raised to the national discussion, there is hope of some relief.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dennis L. DeWitt", is written over a light blue horizontal line.

Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council
House Health & Social Services Committee