



The Employer Alliance for Affordable Health Care

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## **MEMORANDUM IN OPPOSITION**

**Bill Number: A.6519 (Silver)/S.4526 (Hannon): Amends the freelancers health demonstration program to allow for operation as a self-funded plan serving self-employed workers.**

### **WE OPPOSE THIS MANDATE FOR THE FOLLOWING REASONS:**

- Traditionally the Employer Alliance has supported programs that offer cost-effective options for our members. However, this proposal reduces health insurance costs for a subset of self-employed workers while increasing those costs for a majority of sole proprietors as well as small businesses. The US Census Bureau reports that there are 1,779,932 small businesses in New York State comprising 98% of the state's workforce. **By removing this group from community rating, the bill renders useless one of the controls used to spread the risk of health care costs for individuals who pay for their own health insurance and reduce the burden of health insurance premiums for ALL small businesses.**
- This bill lets the freelancers health program opt out from providing members with costly health insurance mandates. Legislatively mandated benefits account for an estimated 14% of annual cost of small business health insurance premiums. More importantly, it will exempt the plan from having to pay the various taxes imposed by the federal Affordable Care Act. Again, the result will increase the burden of those taxes on small businesses and sole proprietors who remain in the small group and individual community rated pool who will end up paying more.
- This bill is unfair to chambers of commerce and other professional organizations that provide a MAJORITY of small business health insurance coverage.
- Increasing health insurance cost for the majority of small businesses will accelerate the decline of New York's small business tax base. The Kaiser Family Foundation reports that in the past five years, the number of small businesses that offer health insurance has dropped by 9% because of rising costs.

**For these reasons, we ask you to OPPOSE A.6519/S.4526**

*The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in NYS - 3,000 businesses representing more than 150,000 working New Yorkers. Our members believe that everyone should have access to basic, affordable health insurance and oppose mandates that increase premium costs.*

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