

April 22, 2014

Good morning, Mr. Chairman, ladies and gentlemen....

Thank you, members of the committee, for your service and for looking into this important issue, and thank you to the chairs for the opportunity to speak here today.

My name is Gregg Thompson and I am state director of the National Federation of Independent Businesses. Since 1986, our small business members have told us that healthcare costs are one of their top concerns. The sweeping changes that

are now occurring in our country's health care landscape have had, and will continue to have, significant effects on businesses and families in North Carolina.

The Affordable Care Act has severely limited businesses' flexibility and choice in terms of how to provide health coverage to their employees. The federal government has already delayed its own mandate on employers, so the full effects of the ACA have yet to be determined.

At the state level, North Carolina has 55 health coverage mandates – more than most states in our region. Just last year,

another 10 mandate bills were introduced in the North Carolina General Assembly. None became law, but several remain eligible for the upcoming 2014 session. NFIB – as well as other business organizations like the Chamber of Commerce and the Employers' Coalition – are asking the legislature not to enact any new mandates in 2014.

Mandates drive up the costs of health care and often hit small businesses the hardest. Since 2002, the average annual family premium for covered employees in small businesses increased 96 percent. Family coverage insurance premiums for small businesses increased from \$7,781

in 2002 to \$15,253 in 2012. Small businesses, on average, pay about 18 percent more for health insurance than their larger counterparts for the same group of services.

Now is **not** the time for our state to add even more mandates on top of those imposed by the ACA. Passing additional mandates would simply increase healthcare costs and government impositions on employers across North Carolina, at a time when businesses are still wrestling with economic recovery as well as with the unclear effects of the ACA.

Now more than ever, what North Carolina's employers need is stability and consistency? We need time to figure out how to deal with the added costs and regulatory burdens of the ACA. To that end, I would like to respectfully ask this committee to recommend a 24-month break on any new mandate laws or administrative changes. This break will give businesses a chance to fully understand the ramifications of the ACA – and it will give this committee an opportunity to continue working on its final recommendations. But in the short term, we ask you to recommend that any new mandates not move forward

until all the full impact of how more mandates will affect the cost of insurance to individuals and small businesses.

Thank you again for the opportunity to be here today, and for your service to the state.

Remarks by Gregg Thompson, State Director of NFIB/NC to the Joint Study Committee on the Affordable Care Act and Implementation Issues.

UNC Greensboro, April 22, 2014