Kentucky Chamber
Uniting Business. Advancing Kentucky.

April 9, 2015

Representative Brett Guthrie
2434 Rayburn H.O.B.
Washington, DC 20515

Dear Representative Guthrie:

The Kentucky Chamber of Commerce thanks you for introducing H.R. 1624, which would maintain the current definition of a small group market as 1-50 employees, and would give states the flexibility to expand the group size if the market conditions in their state necessitate the change. It is in the best interest of Kentucky employers and their employees that states determine the definition of their small group market. By repealing the ACA mandated expansion and returning to the state determination model will allow flexibility for employers and ensure a broad array of coverage options and mitigate premium increases.

The Kentucky Chamber feels that expanding the small group market to include groups up to 100 would at this time would reduce choice for this segment of the market. Your legislation will help small businesses keep their current plans because if not implemented, many groups size 51-100 will find they will not be able to keep their current insurer if they are required to buy coverage in the small group market.

Expanding the small group market to include all groups with under 100 employees would have an immediate impact on premiums due to new required Essential Health Benefits, and minimum actuarial value and cost sharing requirements. As the rates increase, mid-sized groups may drop coverage, or self-insure, which would lead to additional rate increases for the small group market. By allowing employees to keep their current coverage, H.R. 1624 will help mitigate premium increases.

We thank you for your leadership on this issue that will greatly help the business community in Kentucky, particularly small business.

We also ask your support on another ACA related bill, the Ax the Tax on Middle Class Americans Health Plan Act (H.R. 879), introduced by Congressman Guinta. H.R. 879 would repeal the 40 percent excise tax that is set to go into effect in 2018 on high-value, employer-sponsored health insurance benefits. Although the implementation of this provision is several years away, Kentucky businesses are already having to restructure their benefits to avoid this costly tax.

The majority of Kentuckians receive their health benefits through their employers, so this 40 percent excise tax will have a major impact on both employers and employees. Because of the structure of this tax, almost half of all large employers are expected to be subject to the tax by 2018 and this number will rise to 82 percent by 2023.

We thank you for your support of these critical pieces of legislation, which will greatly help the business community and employees in Kentucky. If we can be of any assistance to you please let us know.

Sincerely,

Dave Adkisson

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President & CEO

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