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HOUSE MAJORITY LEADER

February 29, 2012

House Bill 2717
House Insurance Committee

Mr. Chairman and members of the committee,

I come before you today in support of HB 2717. As you are all aware, personal health insurance coverage is an issue of critical importance. While national legislation seeks to fundamentally alter the landscape of the healthcare and insurance industry, the bill before us today represents a modest, yet notable step for Kansans in providing affordable insurance coverage to small businesses and their employees.

Currently, small businesses, entrepreneurs, and farming operations not only face skyrocketing rates and premiums, but also restrictive rules regarding taxation of those policies and premiums. Today the number of employers providing group health plans is dropping as experience based costs make the plans unaffordable. When a company drops its group plan employees are forced to do without coverage or attempt to pay those costs without assistance. Older employees particularly face very expensive policies that may be impossible to pay for.

While the legislation before you may not be the ultimate solution for small businesses, it's an important start. Kansas has about 184,000 businesses with ten employees or less. I believe the growth of these small businesses, and similar start-ups are the key to overcoming unemployment in our great state.

By enabling businesses to attract employees and grow their companies, we not only improve the well being of the workers employed, but also bolster the state's economy. Kansas businesses operate in an incredibly competitive environment. The simple ability to provide an affordable healthcare package is an important determinant in recruiting talented workers that are universally critical to any successful business, large or small.

These are the businesses and individuals we need to be not only protecting, but also incentivizing. They represent organic job growth in Kansas, and they need the ability to provide adequate and affordable care to potential employees. HB 2717 allows the employer to make a defined contribution to the employee encouraging them to purchase individual policies that are not under the influence of the group experience. Both the employer and the employee have better control of their health care costs. When you add in a tax deduction for both the employer and the employee each is incentivized to engage in the health care market.

This legislation provides them with a rational tool to continue putting Kansans to work, and maintain reasonable rates for basic health care. I stand in support of this legislation and encourage each of you to vote yes on HB 2717.