



February 7, 2019

**To:** House Committee on Health Care  
**From:** Anthony K. Smith, State Director, NFIB Oregon  
**Re:** NFIB Testimony for HB 2010

**Chair Greenlick, Vice-Chairs Hayden and Nosse, and Members of the Committee,**

On behalf of Oregon's thousands of small-business members of NFIB, I would like to share with you some of our concerns with House Bill 2010. Please keep in mind that NFIB represents small businesses in every industry of Oregon's private sector, and although 90 percent of our members have fewer than 25 employees – and 70 percent have fewer than 10 employees, the small businesses we represent account for over 60,000 Oregon jobs.

Tax increases and rising health care costs are consistently two of the top concerns for Oregon small business owners. They make up 99% of all Oregon companies, and employ more than half the state's private-sector workforce, according to the U.S. Small Business Administration. Most small businesses want to offer competitive compensation packages to their employees to attract and retain a productive workforce, including health care benefits.

HB 2010 not only continues the health insurance premium tax first enacted in 2017, but raises that tax rate from 1.5 percent to 2 percent through 2026. And although this bill adds stop loss to the types of health care coverage that are subject to the premium tax, there still exists a fundamental unfairness in raising premiums on business owners and employees enrolled in group plans to hold down premiums for those Oregonians enrolled in an individual plan. For those whose premiums are subject to the tax, this is a tax increase.

For larger employers subject to the employer mandate under the Affordable Care Act, this bill taxes the premiums that they are required to pay. For smaller employers that still choose to offer health care benefits to their employees on a voluntary basis, this bill drives up the cost of that coverage, potentially forcing more small employers to drop their group plans and enter into the individual market, leaving fewer group plan policyholders to fund the premium tax.

For these reasons, NFIB respectfully asks you to oppose this legislation and vote NO on HB 2010.

Thank you for your consideration,

Anthony K. Smith  
NFIB Oregon State Director