Resolution Opposing Employer-Paid Health Care Mandates

Summary

A resolution in opposition to recent efforts by some state legislatures to mandate that private employers purchase health insurance for their employees. Research has shown that a recent example of such legislation would cost employers, in one state, an additional $11.4 billion per year, and would not fulfill its goal of providing insurance to the uninsured.

Model Resolution

WHEREAS, the American Legislative Exchange Council (ALEC) opposes interference in the labor market by burdensome regulations and mandates; and

WHEREAS, some states have mandated or proposed that employers pay for the majority of the health care costs for their employees, or else pay a fee to a state-operated insurance fund that provides insurance to the working uninsured; and

WHEREAS, mandates and proposals affect businesses of all sizes, including most small businesses; and

WHEREAS, ALEC has previously resolved that small businesses are disproportionately burdened by state mandates and has worked to remedy this situation through its Regulatory Flexibility Act and other initiatives; and

WHEREAS, these mandates represent an unfair burden on all businesses operating within a state; and

WHEREAS, such mandates amount to a significant new tax on entry-level employment and restrict the ability of businesses to hire new staff, leading to increased job loss for a state’s least skilled workers; and

WHEREAS, research has shown that only 35 percent of the uninsured will receive insurance under such legislative mandates, while 60 percent of the insurance spending will be for individuals who are already insured;

THEREFORE BE IT RESOLVED that because these legislative mandates fail to meaningfully address the problem of the uninsured while at the same time significantly increasing the cost of doing business, and increasing job loss, ALEC opposes employer-paid health insurance mandates.