



## MASSACHUSETTS

August 24, 2017

Mr. Louis Gutierrez  
Executive Director  
Massachusetts Health Connector  
100 City Hall Plaza  
Boston, MA 02108

Dear Director Gutierrez,

The National Federation of Independent Business (NFIB) is a non-profit, non-partisan organization and the state's largest small business advocacy group. In Massachusetts, NFIB represents thousands of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across our state. On behalf of those small and independent business employers in the Commonwealth, we stress the need to continue using Massachusetts-specific ratings factors to prevent premium spikes.

As you are probably aware, the cost of healthcare is of paramount concern for Massachusetts small businesses. Already facing annual double-digit premium increases, an ever-growing list of state-imposed mandates and a new health assessment tax to fund MassHealth, small business owners are being overwhelmed by the cost of healthcare.

In order to prevent extreme rate shock for many small businesses we request an extension of the already existing waivers regarding state-specific ratings factors. Keeping these in place would be beneficial for a small business community beleaguered by highest-in-the-nation healthcare expenses.

For example, the unique Massachusetts rating factor for size of business actually encourages job creation but is at risk of being phased out. More jobs ultimately help to lower premiums. It is paramount that size of business remains used for the sake of market stability.

One of the most important rating factors for small business was for cooperatives seeking to give small businesses buying clout. The experience in MA is that small businesses would prefer to work with their peers, associations and chambers of commerce to buy health insurance – more lives are insured in private cooperatives than were insured by the public cooperative, Minuteman.

The ACA forces small businesses with fewer than 50 workers to the buying clout level of individuals and we have the perverse incentive for small businesses to forego coverage and send workers to the individual market. Cooperatives that envisioned small businesses having the buying clout of large businesses should be encouraged, not put in survival mode.

The best way to prevent major disruptions in an already volatile market is to continue allowing these Massachusetts-specific ratings factors. If affordability is the stated goal of the ACA, eliminating the cost guardrails that prevent premium spikes is both counterproductive and damaging to small businesses across the Commonwealth. With the health assessment tax on the horizon for thousands of small businesses, lower cost is more important than ever.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris R. Carlozzi". The signature is fluid and cursive, with a small dot at the end of the last word.

Christopher R. Carlozzi  
State Director  
NFIB MA