

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition** of House Bill 1283.

In our 2024 ND Economics and Employer Survey of our membership, when asked to name one thing state government could do to help your business, the top answer was to make healthcare more affordable.

Last fall, the Insurance Commissioner approved small group insurance premium increases between 6.3% and 15.3% for the 2025 plan year. Healthcare and prescription drug coverage mandates, when applied to the private sector, increase business burdens and costs. These increases leave employers with hard decisions when it comes to compensation packages. Do they continue offering employer-sponsored health insurance or do they provide cost of living raises to help employees pay for rent and groceries?

The bill's fiscal note validates our cost concerns with an estimated NDPERS premium increase of .5%, or \$4,070,000, in the 2025-2027 biennium. If this bill were only applicable to state employees, we would not have an issue. We will be the first to say that employers should have autonomy in developing compensation packages. However, this bill specifically includes a requirement that PERS draft a bill for the next legislative session applying this to the private sector.

As drafted, this could lead to increased costs for businesses by shifting them to the employer. It's important to note that there were 7 other bills that were proposed this session that either would be applied to the private sector or could be applied to the private sector in two years. As introduced, the fiscal notes of those bills totaled over \$77.6 million for 2 years for PERS alone. These costs add up, and they don't go away. One of our major health carriers spent over \$845 million on health insurance mandates imposed by the North Dakota State Legislature for years 2022-2024.

When considering a healthcare mandate that could be applied to the private sector, we ask that the committee also consider the benefits of a free market economy and the importance of a policy framework that enables that system, and our businesses, to thrive. We hope you will oppose this bill.