



His Excellency Charlie Baker
Governor
The Commonwealth of Massachusetts
State House, Room 280
Boston, MA, 02133

August 8th, 2022

Dear Governor Baker:

On behalf of the National Association of Insurance and Financial Advisors of Massachusetts (NAIFA-MA), a membership organization representing advisors and agents practicing in the fields of life insurance, annuities, health insurance, employee benefits, multiline, financial advising, and investments, we respectfully request that you **veto H.5123, An Act authorizing the Health Insurance Connector Authority to implement a 2-year pilot program to extend eligibility for premium assistance payments or point-of-service cost-sharing subsidies for certain applicants.**

Founded in 1890, the National Association of Insurance and Financial Advisors (NAIFA) represents the interests of more than 20,000 licensed insurance agents and financial advisers across the country. Ninety percent of NAIFA members serve middle-income clients and/or lower-income individuals and families. The NAIFA-Massachusetts Chapter has 438 members that serve our community.

NAIFA members are on the front lines every day with small and midsize businesses and nonprofits, as well as their employees, helping them take the appropriate steps to protect themselves and their families. Through our client work, we see first-hand that many of our most vulnerable state residents struggle mightily with the increasing costs. We fully support efforts to help residents of the Commonwealth to afford adequate health insurance. However, we also believe strongly in maintaining a robust, competitive employer-based marketplace for health insurance coverage. Our concern is that H. 5123 extends the safety net too far and would impinge on the well-established market for employer-based health insurance. At the same time, this legislation has the potential to drive more participants into the individual market through taxpayer-funded subsidies, thus significantly increasing the tax burden on residents here in Massachusetts.

We encourage a formal review and study by the Massachusetts Connector Board to gain a better understanding of how H. 5123 would impact the current employer-based market. When the Health Insurance Connector Authority was created in 2006, several initiatives were introduced to make health coverage more affordable and accessible. This included requiring employers to help support the expansion of health coverage through the Fair Share Contribution and the Free Rider Surcharge – both of which were later dissolved. While the Commonwealth's health coverage rose from 87% to 94% between 2006 and 2010, there was major concern about the increasing cost of all types of health coverage. Further, from 2016 and 2018, health insurance premiums and cost sharing in the Commonwealth increased so rapidly that many residents with private health insurance had to contribute a larger portion of their income toward health care.

Our organization welcomes a healthy public debate around these issues to help the Commonwealth lead the country with innovative solutions to this problem we all face. Unfortunately, we believe this legislation will lead our clients in the wrong direction. We respectfully request that you veto H. 5123.

Thank you for your time and consideration. Should you have any questions or concerns, please do not hesitate to contact me.

Joshua O’Gara, CLU, ChFC, CFP®

President

National Association of Insurance and Financial Advisors of Massachusetts