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Press Release

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State of Alaska Petitions for Delay in Implementation of FF-SHOP Insurance Program

In an effort to avoid undue hardships on Alaskans and Alaska's small businesses, the State of Alaska petitioned the U.S. Department of Health and Human Services for a one-year delay of the implementation of employee choice in the Federally-facilitated Small Business Health Options Program (FF-SHOP). FF-SHOP is the Affordable Care Act (ACA) exchange for employers with less than 50 full-time equivalent employees. Many small businesses already provide health insurance to their employees but are struggling with the cost of the plans since the enactment of the Affordable Care Act.

"Small businesses play a major role in Alaska's economy, and statistics show that nearly 95 percent of the private employers are the small group employers that would be severely impacted by the FF-SHOP," Commissioner of Commerce, Community and Economic Development Susan Bell said. "Any increase to the cost of their health care plans will have a deep effect on their financial stability and Alaska's economy as a whole."

Effective January 1, 2015, employers in states that do not seek delayed implementation to the FF-SHOP, would be required to allow their employees to purchase their healthcare insurance plan from any of the plans offered in the FF-SHOP. The implementation of this regulation is likely to increase the cost of healthcare insurance plan premiums.

"We will continue to monitor the financial impact of ACA to all employers and will continue to actively take steps to shield Alaska businesses from increased health care costs resulting from increased federal regulations," Commissioner Bell added.

The Division of Insurance regulates the insurance industry to protect Alaskan consumers. For more information, visit <http://commerce.alaska.gov/dnn/ins/Home.aspx> or call 1-800-467-8725. For additional information about DCCED, visit commerce.alaska.gov.

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