



March 20, 2017

The Honorable Paul Ryan
Speaker of The House of Representatives
H-232 U.S. Capitol Building
Washington, D.C. 20510

Dear Mr. Speaker:

On behalf of the members of the National Restaurant Association, we write in support of the Small Business Health Fairness Act (H.R. 1101). As you know, this important legislation amends the Department of Labor (DOL) definition of Association Health Plans (AHPs) under ERISA and will broaden health care access and lower overall costs of employer- sponsored health insurance.

Restaurants employ nearly ten percent of the nation's workforce, or approximately 14.7 million Americans. With one million locations across the country, the \$798.7 billion in sales from the restaurant industry makes up four percent of the US GDP. Restaurant jobs provide opportunities for promotion. Nine of ten salaried restaurant employees started in hourly positions. The typical hourly restaurant employee who starts out at an entry-level wage receives a pay raise after six months, making restaurants a vital training ground for the American workforce. One-in-three Americans got their first job in the restaurant industry, and one-half of all Americans have worked in the restaurant industry at some point in their lives.

The National Restaurant Association is the leading voice for American restaurateurs on common sense reforms to the current health care law. Restaurant operators who can provide health insurance benefits to their employees often find these benefits to be critical tools in recruiting and retaining employees. However, since the enactment of the ACA and the law's employer mandate, restaurants have spent hundreds of additional administrative hours managing and delivering these benefits. The added time, money and resources have not improved the quality of health insurance that restaurants offer their employees. Alarming, the ACA requirements have often discouraged restaurants from expanding and limited the degree to which they can hire additional employees.

The Small Business Health Fairness Act will amend the current DOL definition for AHPs under ERISA, allowing small, independent restaurants to pool together across state lines through their membership in a trade or professional association, like the National Restaurant Association, to purchase health coverage for their employees and their families. Additionally, AHPs increase small businesses' bargaining power to help leverage discounts and to provide administrative efficiencies while freeing businesses from costly benefit structures. AHPs allow restaurants to balance administrative costs with their risk pools and ensure access to affordable health insurance. AHPs stand as a vehicle to lower the cost of employer-sponsored health insurance and better health for all employees.

Costly compliance issues, shrinking risk pools, and higher healthcare costs have made the current structure of ACA untenable for restaurants. We support passage of the Small Business Health Fairness Act and we respectfully encourage Members of Congress to support passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Cicely Simpson".

Cicely Simpson
Executive Vice President, Policy & Government Affairs
National Restaurant Association