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June 6, 2023

The Honorable Virginia Foxx
Chairwoman
Committee on Education & the Workforce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Robert Scott
Ranking Member
Committee on Education & the Workforce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairwoman Foxx and Ranking Member Scott:

The National Federation of Independent Business (NFIB) thanks the Committee for holding a markup of several measures aimed at improving small business health insurance affordability. We support the legislation currently being considered that would increase health coverage choices and flexibility for small employers and employees while lowering health insurance costs.

For nearly 40 years, NFIB members have identified the rising cost of health insurance as their top concern. Rapidly increasing health costs have become unsustainable, and 98% of small employers are concerned that their ability to provide health insurance will become unsustainable in the next 5-10 years.¹

Small business owners often struggle to manage the cost of offering employer-sponsored health insurance, with almost half of the employers sacrificing a profit loss to be able to pay for health insurance premium increases over the last five years.² This jeopardizes small businesses' economic viability and undermines their ability to offer competitive benefits packages to attract and retain a talented workforce.

Specifically, NFIB supports the following legislation:

- **H.R. 2868, the *Association Health Plans Act*** – Association Health Plans (AHPs) provide an option that would help small businesses to offer more affordable insurance to employees. AHPs level the playing field between large employers and small businesses that are subject to more regulation and benefit mandates. By pooling their resources and leveraging the purchasing power of larger groups, small businesses can offer health insurance at a more affordable price. This will help them compete for talent and create jobs, ultimately contributing to economic growth. The *Association Health Plans Act* would protect and expand

¹ Holly Wade & Madeleine Oldstone, *Small Business Health Insurance Survey*, NFIB Research Center, March 2023, <https://strgnfibcom.blob.core.windows.net/nfibcom/Health-Insurance-Survey-2023.pdf>.

² *Id.*

the ability of small businesses to participate in AHPs. This legislation improves existing regulations to allow for industry-based and non-industry-based small businesses to establish a national AHP.

- **H.R. 2813, the *Self-Insurance Protection Act*** – This legislation seeks to foster an environment that supports and encourages small businesses to explore self-insurance as a viable option for providing their employees with affordable, flexible, and predictable healthcare coverage. Level-funded plans provide employers with flexibility in benefit design, resulting in more affordable and flexible plans. Bureaucratic red tape and regulatory burdens make accessing these plans challenging for certain employers. By ensuring that self-insured plans have access to appropriate and affordable stop-loss insurance, this legislation provides small businesses with the necessary protections, enabling them to offer competitive health insurance coverage to their employees.

NFIB remains committed to advocating for healthcare solutions that promote affordability, increase flexibility, and ensure predictability for small businesses. The *Association Health Plans Act* and the *Self-Insurance Protection Act* would help accomplish these goals. We urge lawmakers to support these measures and look forward to working with the Committee to advance policies supporting the success of America's small businesses.

Sincerely,

A handwritten signature in cursive script that reads "Kevin Kuhlman".

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB