

Opening Statement of Rep. Rick Allen (R-GA), Chairman
Subcommittee on Health, Employment, Labor, and Pensions
Hearing: “A Healthy Workforce: Expanding Access and Affordability in
Employer-Sponsored Health Care”
April 2, 2025

(As prepared for delivery)

The Subcommittee on Health, Employment, Labor, and Pensions will come to order. I note that a quorum is present. Without objection, the Chair is authorized to call a recess at any time.

Thank you to our witnesses for joining the Subcommittee to discuss today’s topic: A Healthy Workforce: Expanding Access and Affordability in Employer-Sponsored Health Care.

As the Committee of jurisdiction over employer-sponsored health care, Education and Workforce Committee members understand that employers want what is best for their employees.

Despite not being required to offer health coverage, small businesses often choose to do so in order to attract and retain top talent.

According to NFIB, 56 percent of small employers offer health insurance, and 89 percent of small businesses with more than 30 employees offer health benefits.

As a small business owner myself, I learned that investing in the health of my employees paid long-term dividends, both in productivity and the morale of the company.

Unfortunately, it is getting more challenging for businesses of all sizes to offer competitive health care benefits to their employees. I have often said that competition is the only way to bring down costs.

According to the Kaiser [KAI-zur] Family Foundation, premiums for family coverage for employees have increased 7 percent in each of the last two years.

Rising costs have a disproportionate impact on small businesses, as they are less able to absorb the impacts of rising health care costs.

Ninety-four percent of small employers find it challenging to manage the cost of their health plans, and 98 percent believe that the cost of their health plans will become unsustainable within the next decade.

The Biden-Harris administration's inflationary agenda, intent on tying the hands of employers with costly and burdensome regulations, contributed to the health care cost challenges that small businesses face today.

Fortunately, President Trump and House Republicans have commonsense solutions to give small businesses flexibility to expand access and affordability in their health care offerings.

The first solution is expanding access to Association Health Plans, or AHPs.

An AHP allows employers to band together to purchase health coverage. By combining purchasing power, small employers can negotiate more favorable rates, the same way that larger employers do.

In 2018, the Trump administration finalized a rule that expanded AHP availability to more businesses and to self-employed individuals. However, this rule was regrettably tied up in the courts and ultimately reversed by President Biden.

The results speak for themselves. While the Trump rule was in effect, new AHPs produced savings of up to 29 percent on average, while realtor AHPs, like the one Ms. Shields will speak about today, saw average savings of up to 50 percent.

Congress should ensure that AHPs are a viable option for small businesses and self-employed individuals for years to come, which is why it is important for Congress to pass Chairman Walberg's Association Health Plans Act.

Businesses of all sizes can use stop-loss or reinsurance to insulate themselves from unexpected high medical claims.

However, Democrat-led states have sought to overregulate self-insured health plans using reinsurance by artificially classifying these plans as fully-insured, with the intended result of removing small business' ability to innovate and contain costs.

Dr. Onder's Self Insurance Protection Act would clarify that self-insured health plans with reinsurance are still self-insured health plans.

As we will hear in testimony today, the COVID-19 pandemic created an opportunity for businesses to innovate by expanding telehealth coverage options.

Chairman Walberg's Telehealth Benefit Expansion for Workers Act would return to employers this important tool used to expand coverage options and lower costs.

Employers have also innovated by participating in direct contracts with providers, removing middlemen and bureaucracy, and allowing employers to customize their coverage options to meet their employees' health care needs. This hearing will examine expanding businesses' ability to use innovative coverage models like direct contracts.

Lastly, this Committee, on a bipartisan basis, has historically held ERISA preemption of state insurance law to be fundamentally important. ERISA preemption has allowed self-insured health plans the flexibility to design their plans in a way that works best for them for over 50 years.

We look forward to working closely with the Department of Labor to defend ERISA preemption.

I am hopeful that our Democrat colleagues will work with us to give businesses more options, more flexibility, and more opportunities to offer high-quality, affordable coverage to their employees.

I thank the Subcommittee members for joining this important discussion, and I look forward to our witnesses' expert testimony.

I now yield to the Ranking Member for an opening statement.