



COUNCIL FOR AFFORDABLE
HEALTH COVERAGE

June 1, 2023

Chairman Bob Good
Subcommittee on Health, Employment, Labor, Pensions
Committee on Education and the Workforce
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Good,

The Council for Affordable Health Coverage (CAHC) writes to express our support for H.R. 2813, the Self Insurance Protection Act (SIPA) because it will empower employers with additional choices to provide better coverage for their workers.

Employers want to offer health care benefits to their workforce and employees like and want to keep those benefits. Rising costs are forcing many small employers to stop offering health coverage. As a result, many workers' only option is government-run programs like Medicaid, where access to care is limited, or Obamacare, where out-of-pocket costs are three times more, on average. This trend can be reversed by making it easier for small businesses to offer self-funded plans, like their large corporate counterparts.

Level-funded plans allow employers to design their plans and shop for the best deals based on attachment points that make sense. Recognizing the savings and benefits of this model, 36 percent of covered workers at small firms reported enrollment in a level-funded plan in 2022.¹

Unfortunately, some states have started limiting small employers' ability to offer self-funded plans. While states lack authority over self-funded plans directly (which fall under ERISA and outside of state law in most circumstances), some have effectively eliminated small employer access by banning the sale of level-funded plans to certain size groups or making the sale of low attachment point plans illegal. SIPA would correct this by protecting small employers' right to self-fund their plans. This will lower health plan costs and encourage businesses to continue to

¹ Kaiser Family Foundation, [2022 Employer Benefit Survey](#), October 27, 2022.

offer coverage, which is often less expensive and provides more access to doctors, specialists, hospitals, and drugs than government-run programs.^{2,3}

To help small businesses nationwide, Congress should pass SIPA to protect choices for small businesses and their workers in every state.

Sincerely,



Joel C. White
President

CC: Chairwoman Virginia Foxx
Ranking Member Bobby Scott
Ranking Member Mark DeSaulnier
Members of the Education and Workforce Committee

² According to a [November 2021 MACPAC report](#), “Adults with Medicaid coverage were significantly less likely to report having a usual source of care than adults with private coverage. They were also significantly more likely to report not receiving or delaying medical care, prescriptions, and dental services compared to adults with private coverage.”

³ <https://www.gao.gov/assets/820/814141.pdf>