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August 29, 2023

Katie Merritt  
Director of Policy and Planning  
Office of Insurance Commissioner

*Delivered Electronically*

RE: Expansion of Essential Health Benefits Benchmark Plan

On behalf of the members of the National Federation of Independent Business (NFIB) in Pennsylvania, I am writing to express our organization's opposition to expanding the essential health benefits for residents enrolled in individual and small group health insurance plans.

NFIB is the nation's leading small business advocacy organization, representing nearly 13,000 members in Pennsylvania and about 300,000 members throughout the United States. Founded in 1943 as a nonprofit, nonpartisan organization, NFIB's mission is to promote and protect the right of its members to own, operate, and grow their businesses.

For context, the average NFIB business employs 10 workers. Typically, there is no in-house human resource department, accountant, or attorney on staff. They must outsource, at a cost, for many of these services. NFIB businesses are not smaller versions of large corporations. While the large multinational corporations have the economies of scale to absorb regulatory complexities, additional costs/taxes, and other mandates, small businesses struggle to keep up with the multitude of cost-drivers.

Health insurance is an important benefit that many small businesses offer for the care of their employees and as a tool to recruit and retain a qualified workforce. Unfortunately, small employers continue to face a severe challenge in providing affordable health insurance coverage. In fact, **for over 30 years, NFIB members have identified the cost of health insurance as the number one small business problem** with 50% ranking it as a critical problem. NFIB supports legislative and regulatory solutions that better meet the needs of Pennsylvania's small business owners as they purchase health insurance for themselves and their employees.

Twenty years ago, almost half of our nation's small businesses offered health insurance to their employees. When the Affordable Care Act (ACA) passed in 2010, that number had fallen to just under 40%. **Today, it stands at just 31%.** And those that can offer health insurance to their employees are forced to purchase plans for more money that provide less coverage.

The high cost of health insurance is driving small employers from offering this important benefit and hurting the ability of business owners to obtain coverage. Expanding the essential health benefits covered in a small employers plan will not equate to more individuals being covered, it will equate with **small employers eliminating their health plans** as a means of survival.

NFIB is advocating for small business owners and their employees to have **access to affordable health insurance**. As an organization, we are constantly working to support small businesses and create opportunities for them to grow and thrive in Pennsylvania. Unfortunately, since the COVID-19 shutdowns, it seems all the state/federal governments want to do is interject themselves into the business models of our mom-and-pop shops on Main Street.

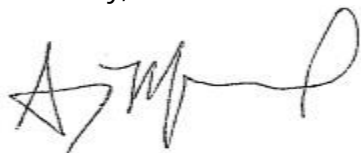
Additionally, NFIB has real concerns that unelected bureaucrats are attempting to expand benefits without explicit authority. This is a policy decision that is best suited for elected officials, where there is accountability. **It is NFIB's belief that the Insurance Department DOES NOT have the exclusive authority** to make ad-hoc policy changes and would request information related to the provisions the Department believes provide them authority.

Finally, democracy dies in darkness. The changes proposed by the Insurance Department, and the public comments submitted in relation to this proposal, should be **made public** so that constituents can weigh in and be allowed to view how other associations and organizations are approaching the topic.

NFIB appreciates the ability to comment on this important topic, and hopefully this is just the beginning of the conversation, rather than an exercise in futility based on an already determined conclusion.

**Leave this topic to the elected officials who are accountable to the public.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory B. Moreland', written in a cursive style.

Gregory B. Moreland  
NFIB PA State Director  
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