



SENATE BILL 227 – GROUP PLAN CLAIM INFORMATION

PROPONENT TESTIMONY

OHIO HOUSE INSURANCE COMMITTEE

NOVEMBER 14, 2018

Chairman Brinkman, Vice-chair Henne, Ranking-Member Bocchieri and members of the Ohio House Insurance Committee, my name is Chris Ferruso, and I am here on behalf of the nearly 22,000 governing members of the National Federation of Independent Business in Ohio to lend our support for Senate Bill 227. I would be remiss if we did not thank Senator Huffman for introducing this bill.

By way of background, a typical NFIB member employs 20 or fewer and has less than \$2 million in annual sales. Our members come from all industries, and we look like any Main Street in your legislative districts.

Health insurance continues to be the top issue of concern for small business owners. In fact, in the NFIB Research Foundation's quadrennial publication *Problems and Priorities*, cost of health insurance is the number one concern both in Ohio and nationally¹. This survey of small business owners poses 75 different business issues that our members may encounter in their operations. They are asked to rank the biggest problem or impediment facing their respective businesses.

While we acknowledge the impact from changes at the federal level are out of the control of this committee and the Ohio General Assembly, there are steps that can help provide some relief, while others can exacerbate upward pressures on health insurance premiums.

Providing health insurance has been a challenge for our members for decades. Their desire to provide this benefit is great, but unfortunately, economic realities sometimes serve as a major obstacle. According to the Kaiser Family Foundation, 38.2% of employers

¹ <https://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>

with 50 or fewer employees provide health insurance compared with 96.4% of those with more than 50 employees².

Given this struggle, our typical member needs to have the ability to ascertain as much information as possible to shop the health insurance marketplace competitively. We believe the transparency provisions in Senate Bill 227 serve to provide appropriate claims data, allowing meaningful shopping, all while balancing the privacy of employee health information.

We have heard directly from some of our members that have access to the information Senate Bill 227 allows to be shared. These members indicated the information is indeed helpful when shopping for a health plan(s) that best fits the needs of their employees. Senate Bill 227 aims to level the playing field and offer smaller businesses the opportunity to understand factors driving their health insurance premiums. Access to this information may allow the business owner or their authorized representative to negotiate a better plan and/or premium. While our preference is the as introduced version that allows all employers to request and be furnished with health plan information, we still believe Senate Bill 227 will be beneficial.

We feel Senate Bill 227 empowers small business owners with more useful information. We hope that the legislature is willing to consider, at a later date, allowing all group policyholders to receive the information in Senate Bill 227. Senate Bill 227 unanimously passed the Ohio Senate. We urge this committee for a favorable recommendation. Thank you for your consideration.

² <https://www.kff.org/other/state-indicator/firms-offering-coverage-by-size/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>