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November 29, 2022

Representative Scott Lipps  
Chair, Ohio House Health Committee  
77 South High Street, 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Lipps:

I am writing on behalf of our nearly 21,000 small business members in opposition to House Bill 608. This legislation will mandate coverage of biomarker testing fully-insured health, public employee benefit, and Medicaid plans. We are concerned the provisions of this bill could result in increased premiums for our members who purchase health insurance for themselves and their employees in the fully-insured marketplace.

The cost of health insurance is a major issue for small businesses. The NFIB Research Foundation's last Problems & Priorities has shown the cost of health insurance to be the top concern amongst members, a place this issue has held since 1986! Many of our members struggle to even offer this benefit. According to the Kaiser Family Foundation(KFF), 47 (down from 56 in 2021) percent of companies with 3-49 workers offer health insurance. Contrast that with the employers with 50 or more employees where 93 (down from 94 in 2021) percent are offering this desired benefit.<sup>1</sup> Similar to the data from KFF, a recent survey of our Ohio membership shows 31 percent of our members indicate cost as the reason why they do not offer health insurance. Additionally, for those that are providing, more than one-third indicate it is a "very-costly benefit." Further, over half of respondents indicate an increase in premium between 6-20 percent when they last renewed their policy(s).

As such, we are always concerned with legislation that may lead to additional costs, particularly when those bills impact, for the private sector, only the fully-insured market, leaving self-insured (typically larger companies) immune from the cost impacts. This inherent inequity saddles our members and others that purchase fully-insured products with the associated costs. The Legislative Service Commission fiscal note on House Bill 608 indicates a likely cost increase to public employee benefit plans and Medicaid. The same will likely hold true for our members as well. Of import to note, the public employee benefit plans and Medicaid plans are at least in part funded with taxpayer dollars. The same cannot be said for our members.

It is our understanding that many health plans provide coverage for some biomarker tests. What House Bill 608 will do is mandate coverage of any and all biomarker tests including those not yet developed, in perpetuity. This mandate will disrupt the evaluation by health plans of appropriate treatment and take away negotiating leverage to keep costs down.

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<sup>1</sup> <https://www.kff.org/report-section/ehbs-2022-section-2-health-benefits-offer-rates/>

There are any number of health insurance mandates debated each General Assembly, including provider, medical device, pharmaceuticals, and medical treatment/procedure coverages. All have the support of various constituencies who want state government to put into law coverage for their interest. What seems to get lost in these debates is the costs associated with provider, medical device, pharmaceuticals, and/or medical treatment/procedure coverages.

When talk of limiting costs arises, the proponents of these mandates demand that it be left to contractual negotiation between the provider and the health insurance plan. How convenient that proponents want to let their private contracts left alone concerning payment and reimbursement, but seek state government intervention when they are unable to secure coverage through the same process. But rest assured, if a mandate is passed, providers will be paid and health insurance plans will be paid. It will be the small businesses that will foot the bill.

As aforementioned, self-insured ERISA governed plans are exempt from any state health insurance mandate. While House Bill 608 does add public employee benefit plans and Medicaid, again funded at least in part with taxpayer dollars, there will be significant gaps in coverage in the private sector. If the coverage in House Bill 608 has risen to the level of a public health crisis, we suggest the state of Ohio pay for all of the associated costs so that every Ohioan will be afforded these benefits.

We urge this committee to thoroughly evaluate any legislation that puts upward pressure on health insurance premiums. These policies ultimately result in difficult decisions by small business owners with respect to providing healthcare coverage. Please do not move forward on legislation that will increase health insurance costs. Thank you for your consideration.

Sincerely,



Christopher J. Ferruso  
Ohio Legislative Director