



**HB 133 Testimony before the House Ways and Means Committee  
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Thank you, Chairman Roemer, Vice Chairman Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, for your consideration of this written testimony in support of House Bill (HB) 133. Oscar Health is a leading healthcare technology company and the largest payer focused exclusively on the individual market where individual coverage health reimbursement arrangements (“ICHRA”) are offered. Oscar has grown since 2012 to cover more than 1.8 million people in the individual market as of February 1, 2025. We believe every American deserves the choice of affordable, high-quality healthcare that fits their needs - we see ICHRA and HB 133 as critically important tools to deliver this for Ohioans.

HB 133 creates a non-refundable state tax credit for eligible small businesses that establish an ICHRA so that their employees can afford to purchase a health insurance plan on the individual marketplace. ICHRA are a way for employers – including small businesses – to put tax-free dollars directly into a special healthcare account for an employee. Working with a broker and/or an ICHRA Administrator, the employee is then empowered to choose their own health plan in the individual marketplace based upon their personal financial needs and health factors.

**The momentum for ICHRA as an insurance solution for small businesses is on the rise among state and federal lawmakers.** HB 133 is modeled after an Indiana bill that became effective in 2024<sup>1</sup>. Similar legislation has been proposed in Georgia<sup>2</sup>, Mississippi<sup>3</sup> and Texas<sup>4</sup> this year. Initiatives promoting ICHRA shopping platforms are also under consideration in Georgia<sup>5</sup> and Florida<sup>6</sup>, and we expect that Congress will take up pro-ICHRA legislation this year<sup>7</sup>.

HB 133 aims to be a catalyst to increase the number of Ohio small employers offering health insurance, many of which do not currently offer these benefits. According to the Bureau of Labor Statistics, there are approximately 1.2 million small businesses in Ohio, many of whom cannot afford to provide their employees with health insurance<sup>8</sup>. Only 23% of businesses with <10 employees and just 48.5% of businesses with 10 - 24 employees<sup>9</sup> offer insurance. ICHRA is a great solution for employers who have never offered health insurance, in fact, the largest cohort of new adopters of ICHRA, 84 percent, are small businesses who are covering health insurance for the first time<sup>10</sup>.

Of employers who do offer health insurance, most businesses (76%) only offer one health plan, forcing workers to take-it-or-leave-it<sup>11</sup>. With an ICHRA, employees can choose from hundreds of plans offered in the individual marketplace, which are more often affordable. Ohio small group rates for a Gold plan are on average 52% higher than individual rates. In Columbus, for example, employees would have a choice of

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<sup>1</sup> HB 1004 (2024)

<sup>2</sup> HB 341 (2025)

<sup>3</sup> HB 1667 (2025)

<sup>4</sup> SB 1949 (2025)

<sup>5</sup> <https://ssl.doas.state.ga.us/gpr/eventDetails?eSourceNumber=40800-DOI0000019&sourceSystemType=ps>

<sup>6</sup> FL HB 905 / SB 1034

<sup>7</sup> Rep. Hern ICHRA RFI for House Ways and Means, due January 3, 2025

<sup>8</sup> [https://data.bls.gov/cew/apps/table\\_maker/v4/table\\_maker.htm#type=16&year=2023&st=13&hlind=10&supp=0](https://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm#type=16&year=2023&st=13&hlind=10&supp=0)

<sup>9</sup> <https://datatools.ahrq.gov/meps-ic/>

<sup>10</sup> HRA Council 2024 Data Report <https://www.hracouncil.org/report>

<sup>11</sup> KFF 2024 Types of Plans Offered: <https://www.kff.org/report-section/ehbs-2024-section-4-types-of-plans-offered/>



163 plans through ICHRA<sup>12</sup>. Nationally, the median ICHRA member has access to five carriers, with some states offering up to 12<sup>13</sup>.

The purchasing power of an ICHRA allows consumers to pick the best network, specific providers, cost sharing, Rx coverage, and benefits for themselves. Examples would be access to personalized plans that are focused on chronic condition support (i.e. Oscar's Diabetes Plan), or tailored network plans associated with an anchor hospital system. If allowed by the employer, employees may use also ICHRA funds to help pay for qualified medical expenses<sup>14</sup> including certain medical, dental, vision care (including co-pays) and over-the-counter medicines and medical devices. The choice and flexibility provided by ICHRA is unmatched, and therefore helps employer recruitment and retention, crucial for small businesses to remain competitive in today's economy.

**We urge a favorable committee report for HB 133, and for Ohio to join the movement to empower small businesses with access to ICHRA, an affordable, but lesser known insurance option.**

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<sup>12</sup>Take Command Shopping Window for 430003 (Columbus county) for one 40 year old consumer.

<sup>13</sup> SureCo Enrollment Platform Data (January 2021-February 2025)

<sup>14</sup> See IRS Publication 502 for complete list. See also: <https://www.takecommandhealth.com/blog/hra-eligible-expenses>