



Representative Meredith Craig
77th Ohio House District

Chairman Blessing, Vice Chair Roegner, Ranking Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on House Bill 133, which would authorize a nonrefundable tax credit for small employers who offer Individual Coverage Health Reimbursement Arrangements (ICHRA) to their employees.

The Individual Coverage Health Reimbursement Arrangement (ICHRA) was introduced in 2019 under the Trump administration as part of a broader effort to improve access to healthcare, especially for small businesses. Recognizing the challenges faced by smaller employers in providing traditional group health insurance, the federal government created ICHRA to allow employers to offer employees a pre-tax, fixed benefit to cover the cost of individual health insurance premiums purchased on the marketplace.

As of 2023, approximately 697,000 Ohioans remain uninsured, which is about six percent of the state's population.¹ With rising premiums and changes in Medicaid funding, offering new options to help people transition off Medicaid or obtain health insurance for the first time is critical. ICHRA can play a key role in addressing these challenges by providing a more flexible, affordable option for both employers and employees.

Under House Bill 133, the tax credit would be available to employers who meet the following criteria:

- Have between 2 and 50 employees
- Offer ICHRA to all or some of their employees
- Contribute at least \$400 per employee toward the ICHRA in a taxable year

Employers who meet these conditions would be eligible for a \$400 nonrefundable tax credit per employee covered by the ICHRA.

By incentivizing small employers to adopt ICHRA, this bill can help reduce the uninsured population, minimize healthcare costs to employers, increase employee satisfaction, and promote greater healthcare choice and accessibility across the Ohio. ICHRA have gained bipartisan support and have already been successfully adopted in several states, including Indiana, where similar legislation was recently passed.

Additionally, in the last month, two bills have been introduced in Congress. First, the Small Business Health Options Awareness Act of 2025 would require the Small Business

¹ [KFF Ohio Health Coverage and Costs](#)

Administration to provide more outreach and information about the availability of ICHRAs as a means for small businesses to deliver health care coverage for their employees.² Second, companion bills in the House and Senate would grant ICHRA the same legal designation as traditional group health plans for tax purposes and provide a federal tax credit for businesses offering ICHRAs.³

Again, as we approach a health insurance market that is changing and evolving beginning next year, it is important for the state to offer creative solutions to help support our employers and employees.

Thank you again for the opportunity to provide testimony on House Bill 133. I look forward to answering any questions you may have.

² [BILLS-119hr5498ih.pdf](#)

³ [S.2875 - 119th Congress \(2025-2026\): CHOICE Act | Congress.gov | Library of Congress](#);
[H.R.3799 - 118th Congress \(2023-2024\): CHOICE Arrangement Act | Congress.gov | Library of Congress](#)