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May 22, 2024

Representative Brian Lampton  
Chair, Ohio House Insurance Committee  
77 South High Street, 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Lampton:

I am writing on behalf of the nearly 21,000 governing members of the National Federation of Independent Business (NFIB) in Ohio to express our concerns with House Bill 130 as currently drafted. Thank you for the opportunity to submit comments.

By way of background, NFIB is a small business trade association founded 80 years ago that is dedicated to representing the interests of small and independent businesses across our state and nation. NFIB's mission is to promote the right of our members to own, operate and grow their businesses. NFIB members come from all industry sectors and each of the 88 counties across Ohio. Our average member has 20 or fewer employees and has less than \$2 million in annual gross receipts.

Per the LSC fiscal note, "the bill's provisions would likely increase HICs' and sickness and accident insurers' administrative costs by some uncertain amount." The note goes on to say, "If insurers' costs increase significantly, some portion of such costs may be passed through to enrollees and plan sponsors that contract with such insurers, e.g., local government health plans." The same will hold true for those enrollees and plan sponsors in the private sector, where NFIB members purchase their insurance.

As a member-driven trade association, we are frequently surveying our members on a host of business issues. Our Research Foundation publishes *Problems & Priorities*<sup>1</sup>, a quadrennial publication that poses a list of 75 different issues facing small business owners. It includes everything from taxation, to government regulations, to cost of fuel, etc. We ask our members to rank these issues based upon burden it creates. The higher the rank the greater the concern. Since 1986, "cost of health insurance" has been the top

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<sup>1</sup> <https://assets.nfib.com/nfibcom/NFIB-Problems-and-Priorities-2020.pdf>

problem. This is why our organization engages in legislation that could put upward pressure on health insurance premiums.

Additionally, last year, our Research Foundation conducted a health insurance survey<sup>2</sup>. A couple of highlights from the results I think are relevant to the discussion on the potential costs of House Bill 130. Just over half (56%) of member respondents indicated they offer health insurance. Not surprisingly 89% of employers with 30 or more employees offer health insurance while only 39% of those with fewer than 10 employees do. Over 60% of believe offering health insurance to recruit and retain employees is very important or moderately important. Nearly two-thirds (65%) of employers that do not offer health insurance indicated it is too expensive to do so. Almost half (49%) of small employers have taken a lower profit or suffered a loss to pay for health insurance premium increases over the last five years. Concerningly, almost all (98%) of small employers offering health insurance worry the cost of providing health insurance to their employees will become unsustainable in the next 5-10 years.

The Ohio General Assembly is limited with respect to what health insurance market segments it can impact. Public employee health plans, Medicaid, and the fully-insured markets are generally where state legislatures can make policy changes. Self-insured entities are exempt under federal ERISA law. Most NFIB members who do provide health insurance do so under fully-insured plans. When the General Assembly passes health insurance mandates or other laws that impact the health insurance marketplace, on the private sector side, it is small enterprises that bear all associated costs. These plans represent only 12 percent of the health insurance market.<sup>3</sup>

Over the past decade, the increase in premiums on family plans has outpaced inflation, 47% to 30%<sup>4</sup>. This reality forces employers into difficult decisions on how to offset these increased costs: increased employee contributions, move to a more affordable plan that may have higher co-pays & deductibles, or drop coverage altogether. We respectfully request that you carefully evaluate the financial impacts of any legislation that could add additional costs to the system and be passed on to our members via increased health insurance premiums.

Thank you for the opportunity to provide comments. Please feel free to contact me with any questions.

Sincerely,



Christopher J. Ferruso  
State Director

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<sup>2</sup> <https://strgnfibcom.blob.core.windows.net/nfibcom/Health-insurance-survey-NFIB.pdf>

<sup>3</sup> <https://insurance.ohio.gov/consumers/health/ohio-health-insurance-market>

<sup>4</sup> <https://www.kff.org/report-section/ehbs-2023-section-1-cost-of-health-insurance/>