



February 25, 2025

The Honorable Joseph J. Solomon, Jr., Chairman  
House Corporations Committee  
State House  
Providence, RI 02903

Re: H.5418, An Act Relating to Insurance – Small Employer Health Insurance Availability Act

Dear Chairman Solomon,

The undersigned members of the Rhode Island Business Coalition would like to express our opposition to H.5418, An Act Relating to Insurance – Small Employer Health Insurance Availability Act. This bill proposes to change the definition of a small employer for purposes of health insurance coverage to employers with less than one hundred employees.

Rhode Island law has consistently defined a small employer for health insurance purposes as employers with fewer than fifty employees. The federal Affordable Care Act and a subsequent federal law gave states the option to change this to fewer than one hundred employees. In 2015, the Office of the Health Insurance Commissioner (OHIC), health plans, and stakeholders studied this issue to determine if recommendations should be made to change the small employer market definition to fewer than one hundred employees.

This review showed that moving groups of fifty-one to one hundred employees into the small group market would apply all the strict marketing and rating rules of small group on to these larger employers, and from a premium and plan-type perspective negatively impact the affordability of their health insurance coverage. As a result of this review, OHIC issued guidance to keep the small group market at employers with less than fifty employees.

We appreciate the sponsor's intent to address the affordability of small employer health insurance and look forward to working with him on ways to address rising health insurance costs, however we do not believe this is the approach to address the issue. Affordability is a significant concern for Rhode Island small employers. An analysis of National Association of Insurance Commissioners (NAIC) data by the Rhode Island Business Group on Health, showed the Rhode Island small employer market has seen a 53 percent drop in covered lives from 2012 to 2022.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Thank you for your consideration of our position on this issue. For these reasons, we ask the Committee not to pass H.5418.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter

East Greenwich Chamber of Commerce

Rhode Island Builders Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Staffing Association

cc. House Corporations Committee members