



May 20, 2025

The Honorable Marvin L. Abney, Chairman  
House Finance Committee  
State House  
Providence, RI 02903

Re: H.5996 An Act Relating to State Affairs and Government – Rhode Island Individual Market  
Affordability Act of 2025

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition write in opposition to House Bill 5996, the Rhode Island Individual Market Affordability Act of 2025. This legislation is a result of a study HealthSource RI was charged with conducting to address affordability concerns in the individual health insurance market. We want to note that the recommendations from the work group were not unanimous with members of the business community expressing their concerns with the proposed approach.

While we understand and support efforts to improve healthcare affordability, we believe that the proposed bill introduces significant risks and concerns for Rhode Island's business community. Specifically, the bill's provisions for expanding the state's health insurance affordability programs could place undue financial burdens on businesses that are already managing rising operational costs, including healthcare for their employees.

Affordability is a significant concern for Rhode Island small employers as well. 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. A recent analysis of the Rhode Island health insurance market by Oliver Wyman conducted for the Office of the Health Insurance Commissioner (OHIC) showed significant decreases in membership in both the large and small group fully insured markets since 2020. The large group market experienced the largest overall decrease of 18.4% while small group saw an 11.1% during this period.

The proposed funding mechanisms for this program, which rely on additional assessments on the entire health insurance market, could adversely affect businesses in Rhode Island, particularly small businesses, who are already facing challenging economic conditions. We believe it is important to note that the language in the work group law requests several recommendations based on various funding levels from a lower end of \$10 million to a higher funding level of \$40 million. However, the language in H.5996 states that if the federal premium tax credits in place on January 1, 2026 are less generous than those in place on January 1, 2025, "the director shall set a total funding amount no lower than \$40 million." This would

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

seem to place the minimum at \$40 million with no clear understanding of what the maximum premium assessment would be to cover the costs of the program.

According to a March 2024 report from the Rhode Island Business Group on Health, Rhode Island has the fourth highest total state taxes, fees and assessments on commercial health insurance premiums.

It is clear there is a lot of uncertainty on the federal level as it relates to the continuation of the premium tax credits on the individual market. As members of the business community we appreciate this uncertainty and the potential impacts it may have on the affordability of coverage in the individual market. We believe it is important to recognize that our members continue to face the challenge of providing affordable health insurance coverage for their employees.

Additionally, we are concerned about the lack of clarity around the long-term financial sustainability of this program and its potential impact on the overall business climate in Rhode Island. Rather than imposing new burdens on employers, we believe that a more comprehensive approach, including exploring cost containment strategies in the healthcare system, would better serve the interests of both individuals and businesses.

We urge you to reconsider the provisions of H.5996 and work collaboratively with the business community to identify solutions that balance the need for healthcare affordability with the economic realities faced by employers in our state.

Thank you for your consideration of our position on this legislation. We look forward to continuing this important dialogue and working together to ensure that Rhode Island remains a prosperous state for businesses and workers alike.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

National Federation of Independent Business

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Subcommittee

Small Business Economic Summit Tax and Budget Committee

cc. House Finance Committee members