

TESTIMONY BEFORE THE UNITED STATES CONGRESS  
ON BEHALF OF THE  
**NATIONAL FEDERATION OF INDEPENDENT BUSINESS**



Statement for the Record of Tyler Dever  
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United States Senate  
Committee on Finance

The Rising Cost of Health Care: Considering Meaningful Solutions for  
all Americans

November 19, 2025

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November 17, 2025

The Honorable Mike Crapo  
Chairman  
Committee on Finance  
United States Senate  
219 Senate Dirksen Office Building  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
219 Senate Dirksen Office Building  
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Wyden,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading voice for America's small business owners, thank you for holding this critical hearing on steps Congress can take to make health care more affordable, flexible and patient-centered. For over 40 years, health care costs have been the number one problem identified by small business owners.<sup>1</sup> Unfortunately, for small business owners, this problem gets worse every year with no relief in sight.

Over the years, Congress has passed many legislative proposals aimed at making health care more affordable or to fix perceived problems. However, these interventions have not solved problems, but fueled and exacerbated the massive cost increases, reduced consumer choices and flexibility, and increased industry consolidation and mandates.

In fact, over the past two decades, small business owners' premiums have increased more than 120%, while options in the small group market have decreased.<sup>2</sup> Most small business owners want to offer health benefits to their employees, however the small group health insurance market has pitted them in between a rock and a hard place.

Small business owners are desperate for Congress to create more affordable and flexible options. They know the US health care delivery system is broken, and the root causes must be addressed. Today, 9 out of every 10 health care dollars is paid by a third-party payer, be that the government,

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<sup>1</sup> Wade, Holly, and Madeleine Oldstone. Small Business Problems and Priorities: 2024. NFIB Research Center, National Federation of Independent Business, July 2024.

<sup>2</sup> NFIB. Addressing the Health Insurance Affordability Crisis for Small Businesses. National Federation of Independent Business, March 2025.

insurance company, etc. The health care consumer is almost entirely detached from the cost of care. It is no wonder that costs are exploding. Small businesses believe the solution lies in increasing competition and consumer options, reducing red tape and regulatory burdens, eliminating mandates and allowing market forces to work.

One option for Congress to accomplish these goals would be to enact S. 2875, the Custom Health Option and Individual Care Expense Act (CHOICE) Act. S. 2875 would write Individual Coverage Health Reimbursement Arrangements (ICHRA) into the tax code and make changes to the Section 125 Cafeteria Plans to allow for the purchase of individual plans on the marketplace. Ultimately this bill allows for a business owner to contribute pre-tax dollars to their employee, who can then freely shop both the private and ACA marketplace for the plan that best suits them and their family.

Creating this tax tool as an option for small businesses to seek an affordable option outside of what they have been used to paying with traditional small group plans will be game changing. This is a win-win for small businesses and their employees. Not only would these plans increase affordable options for small businesses, but they would allow their employees the opportunity to personalize a plan that meets their and their family's needs.

Congress can also increase small business and consumer choices in health care by reforming and expanding health savings accounts (HSAs). Currently, an individual can only have an HSA if they are enrolled in a high-deductible health plan. The HSA can only be funded for up to \$4,400 and there are restrictions dictating what qualifies as a medical expense. Congress must enact legislation that tears down barriers to HSAs and increase, or completely eliminate, the limit for HSA contributions. Expanding HSA use would allow Americans to put away money for health expenditures, particularly during emergencies or end of life care when utilization significantly increases with an aging population.

Expanding Association Health Plans (AHPs) provides another opportunity for Congress to increase the menu of options available to small businesses. The Department of Labor (DOL) issued a rule in 2018 that loosened some of the requirements for a business to join an AHP, such as commonality of interest and geographic location, allowing greater access for small businesses to join. By allowing small businesses to join together to purchase health insurance, AHPs give small employers similar negotiating power to that of much larger businesses. Congress should pass S. 1847, the Association Health Plans Act, to give small businesses regulatory certainty to utilize AHPs. This bill would build upon the 2018 DOL rule by further expanding access to allow for cross-industry AHPs to form.

Congress should also codify Short-Term, Limited-Duration (STLD) insurance plans and eliminate the time restrictions on these plans. These plans provide basic medical coverage and catastrophic-type protection. They are not regulated by the ACA, making them much less costly for an individual to purchase. This is one additional affordable option for small businesses and employees to utilize.

Small businesses could then pair these plans with a Direct Primary Care (DPC) membership to ensure robust and affordable coverage for emergencies and day-to-day healthcare needs.

Congress should also explore the possibility of either reforming or eliminating burdensome mandates that are fueling cost increases. Mandates like the Essential Health Benefits (EHB) requires all ACA plans to cover services such as maternity care and pediatric vision and dental, among several others. While some enrolled in ACA health plans may find these services beneficial, forcing everyone enrolled in plans to have a one-size-fits-all, heavily regulated structure is unnecessary and excessive. Other mandates like the Medical Loss Ratio (MLR) have fueled industry consolidation and harmed independent pharmacies in the process. These rigid, government mandates have not increased competition or reduced costs as promised and should be reformed or eliminated by Congress.

Small business owners know the status quo is not sustainable and the current system is breaking them, and the health of their employees. Small businesses understand Congress cannot continue to throw money at problems and expect a different result. To solve these long-term problems requires going after the root causes—the mandates, laws, restrictions—that are fueling the exploding costs, decreased competition, and restricting small business, consumer and patient options.

On behalf of small businesses across the country, we appreciate your willingness to discuss the root causes of exploding healthcare costs. We look forward to working with you to provide small businesses and their employees with more affordable and flexible options.

Sincerely,

A handwritten signature in black ink, reading "Tyler Dever". The signature is fluid and cursive, with the first name "Tyler" and last name "Dever" clearly distinguishable.

Tyler Dever  
Principal, Federal Government Relations  
NFIB

## APPENDIX

This appendix provides quotes from NFIB members on health care affordability:

*"Healthcare costs are becoming a huge burden on small employers. The 'narrative' in the media right now focuses more on those who are uninsured vs. those that are underinsured. In order to provide employee healthcare plans that they would then be considered not underinsured, the employer must front a lot of money. For our 24 employees, currently our healthcare costs are over \$25,000 per month. That plan also has a \$3000 deductible which is still quite costly for the employee. We cover the cost of the employee's premiums at 100% and we cover their dependents at 75%. We do not want to force the employees to force their family members into a different plan if they have another one available at their place of employment. We feel we must hold onto these benefits in order to retain the employees we currently have, and to attract well-qualified applicants. The healthcare system is at a tipping point in terms of availability and cost-effectiveness to employers and something definitely has to change. At this point, I am not looking at healthcare as a partisan issue- both sides need to figure something out because I think healthcare has taken a back seat to other issues but it should be the main issue right now."*

- **Jessica Zimmerman**, Zimmerman Machine  
Friedensburg, PA

*"As a business owner we are seeing a 19% increase in costs for this year on top of a 12% increase for every year since 2018. The increase in insurance costs is unsustainable. On top of the increase in costs the insurance companies are also raising deductibles and out of pocket max amounts by huge levels usually several thousand to each and really creating catastrophic plans. I would also add as a medical provider we have seen little to no increases in reimbursement over the last 8 years despite the rising insurance costs all while insurances have made record profits. Our legislators need to get out of the pockets of insurance companies and fix the issue. Allowing insurances any say in writing legislation that affects their bottom line is ridiculous and should have never been allowed. The ACA needs to be repealed, we need tort reform and we need to push the system to focus on wellness instead of illness."*

- **Carey Crill**, Integrity Mental Health  
Boise, ID

*"It is very important to me to be able to provide my employees with health insurance. Every year the costs go up and the coverage available to choose from gets worse. I currently pay over \$100,000/year for my 15 employees. The biggest problem I have every year is that there are no options. I get to choose between 2-3 plans that are very expensive and have high deductibles with higher and higher coinsurance requirements. Having options is incredibly important to be able to make sound business decisions. The landscape for small businesses is currently very difficult overall. Cost of employees, materials, and taxes are all up, we need to have some type of relief."*

- **Kris Bullinger**, Olympic Truck Service  
Olympia, WA

*"My husband and I own and operate a small construction company and have owned it since 2009. At that time, prior to Obama forcing ACA on America, we were able to purchase private health insurance for our family of 5 for less than \$500. Not long after that passed, our rates doubled, then tripled now are quadrupled! We are lucky to get a high deductible policy for our employees for \$550 per person! We absorb most of that cost and it is becoming a hardship. Our premium is now at \$30k per year for a group that hardly goes to the Dr!"*

- **Lisa Chumley**, Chumley's Paving and Grading  
Acworth, GA

*"I've been in business for over 30 years. We had a privately funded insurance plan, paid 100% for our employees and they had zero deductible. After Obama Care, my insurance plan was forced to fold because of strangling regulations and costs. Maryland wanted everyone to be in the same pool so they could dilute the pre-existing condition people with the healthy ones. Now, as prices continue to rise and coverage continues to go down, year after year, I'm forced to raise the deductible in order to try and keep the cost down enough so that I can continue to pay for 100% of their health insurance. After the crazy inflation during Biden's term, my rent has gone through the roof and now my health insurance is going up 7% across the board. I may have to go from a \$1,900 deductible to an \$8,500 deductible in order to afford it. This will be worthless insurance for my employees...my only other choice is to have them pick up a portion of it, and we don't want to do that. In addition, I have an employee that has Medicare. As a small business, I am not allowed by law to offer him a medigap policy which would be 25% of the cost of what I pay for him. This is because the government wants him to use Medicare as a Medigap policy and keep my insurance the primary...that's a bunch of BS and you should help change that law."*

- **Anonymous NFIB Member**  
Maryland