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June 2, 2026

The Honorable Jodey Arrington  
1111 Longworth House Office Building  
Washington, DC 20515

Dear Representative Arrington:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of H.R. 3269, the *Eliminating Thickets to Help Increase Competition (ETHIC) Act*. This bill will reduce healthcare costs for small businesses by promoting greater competition among pharmaceutical manufacturers, while preserving incentives needed for innovative new drugs to come to market.

The rising cost of health care has been the number one issue for small business owners for the last four decades.<sup>1</sup> Small businesses are unable to absorb rising health expenses or negotiate lower costs with insurers and healthcare providers. As premiums and prescription drug costs continue to increase, small businesses are forced to make difficult decisions that can affect the growth of their business. Reducing unnecessary healthcare spending is critical to helping small businesses remain competitive and continue providing quality coverage to their employees.

In a recent NFIB member ballot, 81% of NFIB members agreed that Congress should rein in anti-competitive business practices in the health industry.<sup>2</sup> One such practice is called "patent thicketing," in which brand-name pharmaceutical manufacturers build large numbers of overlapping patents around their most profitable drugs. These patent thickets can prevent lower-cost generic and biosimilar competitors from entering the market, even when the additional patents represent little or no meaningful improvement to the original medicine. By delaying competition, patent thicketing keeps prescription drug prices artificially high and limits patient access to affordable treatment options.

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<sup>1</sup> Holly Wade & Madeleine Oldstone, Small Business Problems and Priorities, 2024 NFIB Research Center, 2024 <https://strgnfibcom.blob.core.windows.net/nfibcom/2024-Small-Business-Problems-Priorities.pdf>.

<sup>2</sup> *Mandate*, vol. 582, NFIB Member Ballot, March 2023, *Should Congress pass legislation to rein in healthcare consolidation and anti-competitive business practices?* (Yes: 81% No: 7% Undecided: 11%).

The *ETHIC Act* would address this abuse by limiting patent thicketing and fostering greater competition in the biosimilars market. Increased competition would help lower prescription drug costs, expand access to affordable treatments, and reduce overall healthcare spending.

For small businesses, these savings are especially important. Prescription drug costs are a significant driver of healthcare spending and insurance premiums. When lower-cost generic and biosimilar medicines are kept off the market, employers ultimately bear those costs through higher health insurance premiums.

The *ETHIC Act* will increase competition in the pharmaceutical marketplace and reduce health care costs for small businesses and their employees. NFIB urges Congress to pass H.R. 3269 to help lower prescription drug prices and curb anti-competitive patent practices.

Sincerely,

A handwritten signature in black ink that reads "Tyler Dever". The signature is written in a cursive, flowing style.

Tyler Dever  
Principal, Federal Government Relations  
NFIB