

House Health Care Committee, March 29, 2023

Betsy Bishop, Vermont Chamber of Commerce

- Thank you for taking up S.54, which will to keep the small group and individual markets separate for the duration of the federal premium tax credit expansion through 2025. We continue to support keeping the small group market separated from the individual market.
- In this instance, it's certainly a win all around.
  - Individuals benefit from the additional subsidies.
  - Small businesses benefit from not shouldering the added weight of subsidizing premiums for the individual market
  - The state wins by accessing more federal funds.
  - We rarely all get the opportunity to win.
- And while we can all bask in his reprieve; it doesn't fix the root problem. I know there's lots to be addressed in health care and costs top the list for every group, but businesses are in no better position to bear additional costs for health care than they are already paying.
- In 2021 when we first unmerged the markets, we saw the GMCB reduce rates for small businesses by more than 7%. Please keep that number in mind in the future. It proves the point that the small businesses are subsidizing the individual market.
- While S.54 is a simple solution for a few years, the actual problem of cost-shifting remains.
- Keep in mind, the small group market represents only 6% of the overall health insurance "pie." We need to be sensitive to shifting costs onto these businesses who have been through significant economic uncertainty of late.
- Thank you for supporting this solution and investing time to understand this program and its impact on all involved. Your support in this direction has been a big help to small businesses.
- I encourage all of us at the table – insurers, business, providers, the administration and legislators, to fully understand what re-merging the market means financially to small businesses and then work toward a plan to ensure they do not get burdened with the full cost of holding the individual market harmless in 2025.

### References

- [Study Committee Report](#)
- [S.54](#): The Treatment of Merged Insurance Markets