



Chelsea Bardot Lewis

Executive Director, VBSR

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My name is **Chelsea Bardot Lewis**, and I am the Executive Director of **Vermont Businesses for Social Responsibility**. VBSR represents more than businesses across every region and industry in our state. Our members are leaders who are working to align their businesses with their values. **Our vision is a just, thriving economy that works for all people and the planet.**

I show up in rooms like this not because I claim technical expertise in health care policy, but because I believe leadership means standing with Vermonters in their hardest challenges. For employers across the state, **health care is one of those challenges**, and it is becoming increasingly destabilizing.

I'm here to roll up my sleeves with you and help Vermont businesses be part of the path forward.

I want to **applaud the Department of Financial Regulation** for its efforts to create relief for businesses. Their work on Association Health Plans reflects a genuine commitment to exploring every possible avenue to reduce costs and increase stability.

VBSR voluntarily dropped our AHP and advocated for creating a bigger exchange in 2018. However, volatility in the exchange is creating the need to look at a full range of solutions. It is worth exploring if we can bring more people into insurance coverage. Could an AHP be a solution for employers who aren't currently offering insurance for their employees or their employees families?

Health Care as a Business Challenge

Across our membership, employers consistently tell us:

- premium costs are rising faster than their ability to grow revenue,

- unpredictability is affecting long-term planning, and
- benefits, once a tool for competitive recruitment, can now feel like a vulnerability.

Most Vermont employers want to provide comprehensive benefits because it reflects their values. But the math simply isn't working.

Members Struggling Most Right Now

I want to speak directly to the businesses that are feeling the most acute strain in this moment.

1. Employers that went self-funded

Some VBSR members turned to self-funding as a strategy for controlling costs. But that model has become volatile, and for some employers, the results have been dramatic.

- **Lawson's Finest Liquids**, for example, is seeing a **48% increase** in their Cigna plan this year. Other self-funded employers have reported sudden spikes that create enormous financial pressure even for well-established companies.

2. Solopreneurs and very small employers losing enhanced premium tax credits

These are businesses who were able to access affordable coverage on the exchange through enhanced premium tax credits. For many, this was the only feasible path to obtaining or offering coverage. As those enhanced credits shift or phase out for some, these Vermonters are facing untenable choices.

3. Restaurant and hospitality employers

Finally, I want to explicitly name the **restaurant and hospitality industry**, a cornerstone of Vermont's identity, tourism economy, and downtown vitality.

These employers:

- operate on razor-thin margins,
- experience high seasonality and workforce volatility, and
- already struggle to compete with larger employers on wages and benefits.

When premiums rise or affordability mechanisms change, these businesses feel the impact immediately. Many have quietly shared that they fear they cannot keep up.

VBSR's Likely Eligibility

We are still closely reviewing the impacts of H.585. However, our initial legal guidance indicates that VBSR would **not qualify as a Pathway 1 Association Health Plan**, because **we do not meet the required “commonality of interest” test** under state and federal definitions.

This means that forming an AHP under either of the available pathways does not appear viable for our organization.

Closing

In the spirit of servant leadership, VBSR stands ready to be your partner. Our members—small businesses, restaurants, manufacturers, nonprofits, and entrepreneurs—love this state and want to stay here. They need a health care system that makes that possible.