



March 25, 2025

The Honorable Joseph J. Solomon, Jr., Chairman
House Corporations Committee
State House
Providence, RI 02903

Re: H.5568, An Act Relating to Insurance – Small Employer Health Insurance Availability Act

Dear Chairman Solomon,

The undersigned members of the Rhode Island Business Coalition are writing in opposition to House bill 5568 as currently drafted. This bill would exempt the members of the Greater Providence Chamber of Commerce from the small group health insurance premium rates established in state law.

In 2000, the General Assembly enacted the Small Employer Health Insurance Availability Act into law. The law established a community rating in the small group market with premiums being adjusted by several criteria. Two years later, the legislature exempted one organization from the small group law. Since that time, there have been no other organizations who have been able to offer health insurance coverage to their members outside of the rating requirements of the law.

The Coalition is concerned that this legislation is proposing to exempt just one organization from the rating requirements in the law. Should the legislature consider exempting additional organizations from the law, we believe this should be considered across the board.

Affordability is a significant concern for Rhode Island small employers. 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 a significant decrease in membership in the small group fully insured markets since 2020. In the past five years, the small group market experienced an overall decrease of 11.1%.

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

Small employers and the organizations that represent them are always advocating for initiatives that can address the rising cost of doing business in Rhode Island. If an exemption from the rating restrictions of the small employer law present an opportunity to save our members on their health insurance costs, we believe this should be provided to all organizations.

Thank you for your consideration of our position on H.5568. We look forward to working together to find solutions that strengthen the small employer health insurance market and the broader Rhode Island business community.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter
East Greenwich Chamber of Commerce
Rhode Island Manufacturers Association
Rhode Island Staffing Association
Small Business Economic Summit Regulations Committee
Small Business Economic Summit Tax and Budget Committee

cc. House Corporations Committee members