



## TALKING POINTS MEMORANDUM

### Health Care

#### **The cost of health insurance has been the No. 1 small-business problem for 35 years**

Health insurance costs for small firms have risen 43 percent in the last decade, an increase outpacing wages and inflation. Rising health insurance costs have proved **unaffordable for many small-business owners** resulting in some owners terminating their employer-sponsored health insurance program, others delaying the benefit until reaching higher profitability, and priced out other firms from ever offering the benefit. — NFIB [Small Business Problems & Priorities](#) report.

#### **Just 31% of small businesses can afford to offer a health-care benefit to their employees**

Twenty years ago, almost half of our nation's small businesses offered health insurance to their employees. When the Affordable Care Act (ACA) passed in 2010, that number had fallen to just under 40%. Today, it stands at just 31% — [www.nfib.com/healthcare](http://www.nfib.com/healthcare).

#### **The increases in health insurance premiums show no sign of slowing down**

"Employer-sponsored insurance (ESI) is the primary source of health insurance coverage for individuals under age 65," according to the latest data available from the federal [Agency for Healthcare Research and Quality](#). "In 2021, average health insurance premiums were \$7,380 for single coverage representing a 3.2 percent increase over 2020. Average premiums for employee-plus-one coverage (\$14,634) and family coverage (\$21,381) also increased from their 2020 levels by 3.1 and 3.0 percent, respectively. From 2020 to 2021, premiums in small and large firms increased significantly ... ranging from 4.8 to 5.9 percent in small firms and an increase of 2.8 percent for all coverage types in large firms

#### **A single-payer or universal health-care system is not the answer**

"NFIB members overwhelmingly reject that approach with 75% indicating opposition to a single-payer solution in a recent member ballot. As multiple analyses have confirmed, single payer would be financially unsustainable for the federal government and lead to a costly tax system that small business owners cannot afford." — [NFIB letter to Congress](#). **In California, a legislative proposal creating a universal health-care scheme was defeated.** In the last session of the California State Legislature, Assembly Bill 1400 would have seized control of every aspect of health coverage – even federal programs – and put it under the total control of the state at a cost of between \$494 billion to \$552 billion a year. The total state budget is under \$300 billion.

#### **A common-sense approach to lowering health-care costs**

NFIB supports making health insurance more affordable by revising and expanding the Small Employer Health Insurance Tax Credit; expanding access to Health Savings Accounts (HSAs); and equalizing the tax treatment between employer sponsored health insurance and individual coverage. NFIB is in favor of increasing health insurance options as well as promoting affordability through transparency, competition, and innovation. — Check out [NFIB's Small Business Health Reform Principles](#).