



March 2, 2017

The Honorable Paul D. Ryan  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

Dear Speaker Ryan:

As Congress crafts legislation to repeal and replace the Affordable Care Act (ACA), the National Federation of Independent Business (NFIB) remains committed to advocating for health reform principles that prioritize affordability, increase flexibility, and ensure predictability. Small businesses were an afterthought when the ACA was considered and implemented, even though the cost of health insurance has been the number one problem facing small businesses for the past 30 years.

Under the ACA, small businesses' health insurance costs increased and benefit flexibility decreased, resulting in 25 percent fewer small businesses offering health insurance within five years of the law's enactment. Small businesses were so opposed to the ACA that NFIB challenged the constitutionality of the law as the lead plaintiff in *NFIB v. Sebelius*.

Repeal of the ACA will eliminate taxes that drive up the cost of health insurance and mandate penalties that inhibit job creation, providing important relief. However, repeal of the ACA is not enough; Congress must replace the law with proposals that lower health insurance costs and increase coverage options for small businesses.

To prioritize affordability, Congress must reconsider benefit mandates and health insurance requirements; amend tax laws to level the playing field for small businesses; and eliminate unnecessary compliance burdens. To increase flexibility, Congress must expand health insurance options for small businesses; permit innovative pooling arrangements; and improve Americans' ability to save and pay for healthcare with tax-favored health accounts. To ensure predictability, Congress must allow small businesses to keep the health insurance they currently enjoy and prevent disruption of the markets where small business owners purchase health insurance.

Multiple proposals contained within the *Better Way* agenda satisfy these goals. For example, H.R. 1101, the *Small Business Health Fairness Act*, creates an Association Health Plan option that allows small businesses to band together across state lines to

form larger risk pools with increased negotiating power and decreased administrative costs.

NFIB urges Congress to consider this legislation and other proposals that promote affordability, flexibility, and predictability for small businesses. Health reform that satisfies these goals will work for small business; health reform that works for small business will work for the rest of the country.

Sincerely,



Juanita D. Duggan  
NFIB President and CEO

Attachment:

NFIB Small Business Health Reform Principles

cc: The Honorable Kevin McCarthy, Majority Leader  
The Honorable Steve Scalise, Majority Whip  
The Honorable Virginia Foxx, Chair, Education and the Workforce Committee  
The Honorable Kevin Brady, Chair, Ways and Means Committee  
The Honorable Greg Walden, Chair, Energy and Commerce Committee