May 19, 2026

The Honorable Chairman Roger Williams
House Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Williams,

On behalf of Main Street Alliance, a national network of small business owners advocating for equitable economic policies that allow Main Street businesses and workers to thrive, we write in opposition to H.R. 5498, the Small Business Health Options Awareness Act.

While the bill is framed as an effort to increase awareness of Individual Coverage Health Reimbursement Arrangements (ICHRAs), the practical effect of this legislation would be to direct Small Business Administration (SBA) resources toward promoting a healthcare model that undermines comprehensive, affordable coverage for workers and destabilizes insurance markets relied upon by small businesses.

Under H.R. 5498, Small Business Development Centers (SBDCs), SBA district offices, and SBA communication channels would be required to promote ICHRAs to small businesses. We strongly oppose using taxpayer-funded small business assistance infrastructure to market a healthcare arrangement that shifts risk and costs onto employees while weakening traditional employer-sponsored coverage.

ICHRAs fundamentally alter the relationship between employers and employee healthcare by moving workers from group plans into the individual insurance marketplace. While proponents claim this creates "choice," in reality ICHRAs often leave workers with fewer meaningful options, higher costs, and less stable coverage.

Most concerning for the small business community, ICHRAs contribute to healthcare discrimination against certain classes of workers. Existing federal rules allow employers to segment employees into different classes and offer different healthcare arrangements based on classifications such as full-time versus part-time status, salaried versus hourly employees, seasonal workers, employees in different geographic regions, or workers employed through staffing firms. This creates substantial risks that lower-wage, part-time, seasonal, or otherwise vulnerable workers could be pushed into less comprehensive coverage arrangements while higher-paid employees retain stronger employer-sponsored plans. Small businesses work hard to attract and retain employees in a competitive labor market, and policies that encourage unequal treatment in healthcare benefits only make that challenge more difficult.

Additionally, employees offered an ICHRA can lose access to subsidized marketplace coverage. Under current rules, if an employee is offered an "affordable" ICHRA, they are no longer eligible for premium tax credits on the marketplace unless their share of premiums exceeds 9.02 percent of household income. In practice, many workers lose critical financial assistance and are forced into an impossible choice: accept inadequate or costly coverage through an ICHRA or go uninsured altogether. This does not expand access to healthcare; it reduces affordability and financial security for working families.

Small business owners consistently tell us that affordable, stable, and comprehensive healthcare is one of the most important tools for building a strong workforce and sustaining local economies. Rather than promoting arrangements that fragment coverage and shift administrative burdens onto workers, there should be focus on policies that lower healthcare costs, strengthen the marketplace, and expand affordable coverage options for small employers and their employees.

For these reasons, Main Street Alliance strongly urges Congress to oppose H.R. 5498.

Sincerely,

Main Street Alliance