



May 19, 2026

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

The Honorable Nydia Velázquez  
Ranking Member  
Committee on Small Business  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Williams, Ranking Member Velázquez and members of the U.S. House Committee on Small Business:

As a leading representative of America's 36 million small businesses, Small Business Majority writes to express our opposition to H.R. 5498, the *Small Business Health Options Awareness Act*, which directs the Small Business Administration (SBA) to promote the availability of Individual Coverage Health Reimbursement Arrangements (ICHRAs) to small businesses.

Small businesses and entrepreneurs nationwide continue to struggle with skyrocketing healthcare costs, which strain their bottom line and impact their ability to hire and retain quality employees. While healthcare costs have long represented a challenge for small businesses, the expiration of the Affordable Care Act's (ACA) enhanced premium tax credits last year, paired with the drastic Medicaid cuts enacted through H.R. 1, have led to historic price increases across health insurance markets in 2026. In fact, 71% of small business owners report that their healthcare premiums have increased over the past year.<sup>1</sup>

Congress must prioritize expanding true, affordable coverage options for the small business community. However, certain employer-sponsored healthcare reimbursement plans, like ICHRAs, fall short of providing quality health insurance coverage options for the small business community. Expanding ICHRA uptake among small businesses would ultimately destabilize the individual marketplace by flooding it with higher-risk, part-time, and older workers, while simultaneously disqualifying more small business employees from the vital premium tax credits they rely on for affordable coverage. This shift is especially concerning given that roughly half of all ACA Marketplace enrollees are part of the small business ecosystem, and more than 90% of *all* ACA Marketplace enrollees claimed the premium tax credit in 2025.<sup>2</sup> Tasking trusted SBA resource partners, including Small Business Development Centers and district offices, with promoting these inadequate options to millions of small businesses will only deepen the larger healthcare affordability crisis facing small businesses and their employees across the nation.

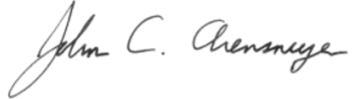
Despite urgent calls from the small business community to address rising healthcare costs, Congress continues to fall short of providing meaningful relief, turning instead to proposals like H.R. 5498 that will restrict the types of plans available to workers and drive premiums higher. Furthermore, this legislation saddles SBA district offices and resource partners with additional mandates at a time when their workforce is already being slashed, and the White House's FY27 budget proposal threatens to eliminate funding for resource partners entirely.

<sup>1</sup> "Voice of Main Street: Small businesses being strained by rising costs." Small Business Majority. March 25, 2026. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-being-strained-rising-costs>

<sup>2</sup> "About Half of Adults with ACA Marketplace Coverage are Small Business Owners, Employees, or Self-Employed." KFF. September 10, 2025. <https://www.kff.org/affordable-care-act/about-half-of-adults-with-aca-marketplace-coverage-are-small-business-owners-employees-or-self-employed/>

We strongly urge you to oppose H.R. 5498, as it endangers Marketplace stability and undermines affordable coverage for small businesses and their workers. Should you have any questions, please contact Connor Coursey, our Federal Government Affairs Manager, at [ccoursey@smallbusinessmajority.org](mailto:ccoursey@smallbusinessmajority.org).

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer". The signature is written in a cursive style with a large, sweeping initial "J".

John Arensmeyer  
Founder & CEO  
Small Business Majority