



NFIB New Hampshire
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April 16, 2026

The Honorable John Hunt, Chairman
Commerce and Consumer Affairs Committee
New Hampshire House of Representatives

Senate Bill 498 (Birdsell)

Dear Chairman Hunt and Committee Members,

The National Federation of Independent Business (NFIB) represents more than 1,700 small businesses across New Hampshire. Our members operate in every industry and support their communities through good-paying jobs, taxes, and charitable contributions.

While we recognize the seriousness of the behavioral health problems at issue in SB 498, we write to share our concerns about the impact of the proposed funding mechanism.

Affordable Health Coverage. For 40 years, the cost of health insurance has ranked as the number one problem in NFIB's *Small Business Problems & Priorities*, a quadrennial survey of 75 challenges facing small businesses.¹

Affordable health coverage is a key benefit for attracting and retaining workers. However, only one in three New Hampshire small businesses offer employee coverage – most do not because it is financially out of reach.² Annual silver plan premiums for a small business with just five covered employees can easily exceed \$60,000.³

Higher taxes on health insurance are passed onto premium payers and worsen the affordability problem for small businesses and employees.

Uncapped Tax. SB 498 funds youth behavioral health treatment through a new, uncapped tax on health coverage. Annual levy amounts are determined by an unelected board rather than the legislature. Small employers already have very limited control over the design and cost of small group plans. This proposal further diminishes their ability to find plans that meet the needs of their employees at a price they can afford.

Open-Ended Definition of Services. The bill's definition of "behavioral health services" is open to shifting interpretation and expansion by the board. The definition contains broad service categories and offers non-exclusive examples of covered services but no definite

¹ Wade, Oldstone, *Small Business Problems and Priorities, 2024*, NFIB.com, July 2024.

² Skinner, Amy, *How Rising Healthcare Costs Have Caused Small Businesses to Eliminate Benefits*, *TakeCommandHealth.com*, accessed 1/26/2026.

³ The Richards Group, *Fully Insured Small Group Market Comparison*, December 2025. The analysis provides estimated premiums for three types of silver plans for a group of five comprised of two employee-only plans (25 yo, 30 yo), a spouse plan (35 yo, 38 yo), an employee plus 3 children plan, and employee plus family (spouse, two children). Total annual premiums: \$60,600 (narrow network), \$70, 500 (HMO), \$85,000 (PPO).

explanation of what would be covered. The board's ability to expand the program – and increase the tax – without legislative approval is concerning.

Moreover, the ability of the board to determine the scope of services and provider participation raises concerns about transparency, competition, and innovation.

There does not appear to be any requirement for external review and auditing of claims by insurers or the state to ensure that payments align with services rendered.

Duplicates Existing Coverage Mandates. New Hampshire law currently requires insurers to cover biologically based mental illnesses (RSA 417-E:1), pervasive development disorder and autism (RSA 417-E:2), and mental and nervous conditions (RSA 415:18-a). Current law requires insurers to build a provider network that provides access to covered services, including these mandates, in each county in which a plan is offered.⁴

SB 498 requires similar coverage but does so through a government-created program (RSA 135-F) rather than private agreements between clinical providers and insurers regulated by the New Hampshire Insurance Department. This necessitates a more complex arrangement that circumvents the established competitive networking process for commercial plans by guaranteeing payment, through an uncapped tax, to specific providers without a clear plan for tracking the cost or quality of services.

Small Employer Burden. Most small employers offer coverage through the fully insured small group market. SB 498 proposes to tax both fully insured and self-funded plans (a segment dominated by large employers), but the ability of states to tax self-funded plans is limited under federal ERISA and may not survive a legal challenge.

A successful challenge blocking the application of the tax on self-funded employers would leave small employer plan sponsors shouldering a larger share of the burden and exacerbate the health coverage affordability gap for small businesses.

Respectfully, we urge the committee to find an alternative funding source that will not add to health coverage affordability challenges already facing small employers and employees.

Sincerely,



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⁴ N.H. Admin. Code § Ins 2701.04. "Each health carrier offering a network plan shall maintain a network of primary care providers, dental providers, specialists, institutional providers, and other ancillary health care personnel that is sufficient in numbers and types of providers to ensure that all covered health care services are accessible to covered persons without unreasonable delay. ... The basic access requirement in Ins 2701.04(a) shall be met in each county in which the health carrier is actively marketing a health benefit plan. "