

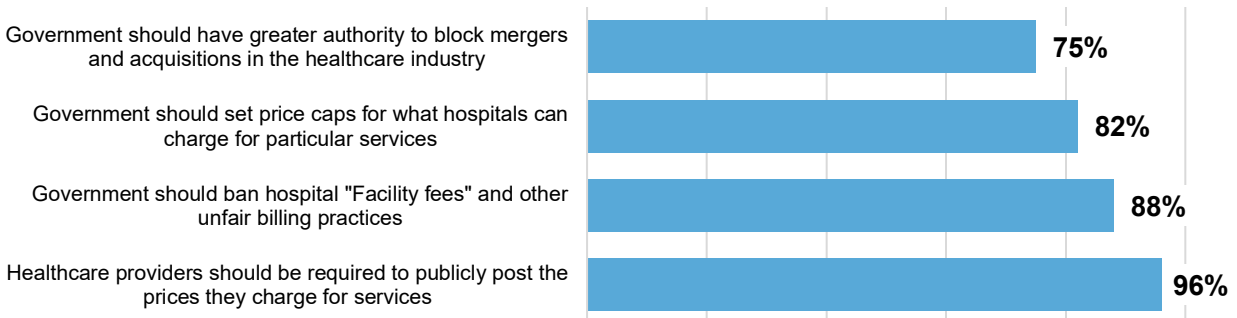
Price Transparency and Competition: Key Tools to Lower Healthcare Costs for Main Street

Access to affordable, high-quality healthcare is paramount to the sustainability and growth of small businesses nationwide, providing both a critical safety net for entrepreneurs and small business employees, while also acting as a valuable talent retention tool. However, only 32% of businesses with fewer than 50 employees offer health insurance to their workers, leaving millions of small business owners, self-employed entrepreneurs and small business employees across the nation to depend on the Affordable Care Act (ACA) Marketplace and Medicaid for access to affordable coverage options, with some forgoing coverage altogether.¹

While programs like the ACA and Medicaid have proved essential to the health of Main Street, recent cuts made through the enactment of H.R. 1 and the expiration of the ACA’s enhanced premium tax credits in 2025 have led to skyrocketing premiums and have placed millions at risk of losing coverage. Rising costs are forcing entrepreneurs and small business employees to either enroll in cheaper, high-deductible plans that increase their out-of-pocket costs for care or drop healthcare coverage altogether. As the cost of individual healthcare services continue to rise faster than inflation, small business owners and employees face significant barriers seeking care, putting more people at risk of medical debt and forcing many to delay necessary care simply because they cannot afford a doctor’s visit or medical procedure.

Small Business Majority research found that **two-thirds of small business owners said that increasing healthcare costs and premiums place a financial burden on their business**, with 47% describing it as a major financial burden.² Entrepreneurs cite challenges stemming from rising healthcare costs including struggling to invest in their business, difficulty attracting and retaining employees, and closing their business altogether to obtain health insurance through another employer. Meanwhile, small businesses that offer health insurance to their employees are often forced to adjust their plans when costs rise, which include increasing employee contributions, switching to plans that offer less coverage or dropping health insurance altogether. None of these options provide a sustainable path for small business owners who want to support their employees’ health but cannot afford coverage, leaving many to go without as medical prices reach historic highs.

Small business owners support policies that address the root causes of rising healthcare costs³



¹ "Percent of Private Sector Establishments That Offer Health Insurance to Employees, by Firm Size." KFF. <https://www.kff.org/state-health-policy-data/state-indicator/firms-offering-coverage-by-size>

² "Voice of Main Street: Small businesses support healthcare premium relief, immigration reform." Small Business Majority. November 13, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform>

³ "Opinion poll: Small businesses struggling with rising healthcare costs, support bipartisan policy solutions." Small Business Majority. February 21, 2024. <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-struggling-rising-healthcare-costs-support-bipartisan-policy-solutions>

Congress must tackle rising healthcare costs by strengthening price transparency and competition in the healthcare market

Main Street is counting on Congress to fix market failures in our healthcare system, lower costs for small businesses, and expand access to affordable, high-quality coverage. However, lawmakers must do more to address the root causes of the healthcare affordability crisis that continues to plague small businesses. In fact, **an overwhelming majority (78%) of entrepreneurs believe that policymakers have not been effective at all in addressing rising healthcare costs for small businesses.**⁴ Small Business Majority urges Congress to prioritize the following reforms to our nation's healthcare system that will increase transparency and competition, leading to lower costs and improved consumer choice for small businesses and their employees.

- **Pass the Patients Deserve Price Tags Act (H.R. 5582, S. 2355) to strengthen and expand price transparency regulations for hospitals and health plans:** While most industries publicly post their prices, healthcare remains a notable exception—leaving consumers in the dark about the true cost of care until the bill arrives. This prompts small business owners to question why they are expected to be transparent about the cost of their products or services while healthcare providers are not. **Our research finds that 96% of small business owners say that healthcare providers should be required to publicly post the prices they charge for services.** Pulling back the curtain on the true cost of health services will not only lower costs for patients and consumers through improved consumer choice and competition but will also provide small business owners with critical data that allows them to purchase more cost-friendly plan options that fit their employees' needs.
- **End unfair billing practices and enact site-neutral payment reform:** Hospital networks continue to reap the benefits of structural flaws that incentivize consolidation and drive-up costs for businesses, workers and consumers alike. For example, Medicare often reimburses higher rates for a service when it is delivered in a hospital outpatient facility rather than a physician's office. This creates an incentive for hospital systems to acquire physician practices and shift care to higher-cost settings where they can bill patients at the higher Medicare rate, plus tack on additional costs like facility fees. Small Business Majority urges Congress to enact site-neutral payment reforms, such as those included in the bipartisan **Lower Costs, More Transparency Act** passed by the House in the 118th Congress, to align Medicare reimbursement rates across care settings and ensure patients pay the same price for the same service regardless of where it is delivered.⁵ **Our research found that 78% of entrepreneurs agree that Medicare should reimburse providers at the same price, regardless of where the service was performed, while 88% agree that hidden fees like facility fees should be banned.**
- **Empower antitrust enforcement agencies with the resources to take on hospital mergers and acquisitions that don't improve care or lower patient costs:** Approximately 90% of metropolitan areas are now considered to have hospital markets that are highly concentrated, directly contributing to rising healthcare costs that burden small businesses and their employees nationwide.⁶ Antitrust enforcement agencies must prioritize investigations and enforcement against anti-competitive hospital mergers and acquisitions, while also developing comprehensive guardrails to ensure corporate transactions will benefit consumers through lower costs and increased availability of quality care.

⁴ "Voice of Main Street: Small businesses support healthcare premium relief, immigration reform." Small Business Majority. November 13, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform>

⁵ H.R.5378 - Lower Costs, More Transparency Act. <https://www.congress.gov/bill/118th-congress/house-bill/5378>

⁶ "HHS Consolidation in Health Care Markets RFI Response." U.S. Department of Health and Human Services. <https://www.hhs.gov/sites/default/files/hhs-consolidation-health-care-markets-rfi-response-report.pdf>

What small business owners say

"Rising health insurance costs and opaque hospital pricing—particularly facility fees—make it difficult for small medical practices to both sustain their operations and provide affordable, comprehensive coverage for employees and patients. Improved price transparency and limits on excessive facility fees are necessary to prevent surprise costs, reduce care avoidance, and ensure that higher healthcare spending actually translates into better health outcomes rather than administrative and pricing inefficiencies."

- Dr. Tony Gerk, Northeast Colorado Family Medicine, P.C. Associates, Sterling, CO

"I own and operate a security services company with over 50 employees. Over the past several years, the rising cost of health insurance has had a direct and significant impact on our business operations. As premiums continue to increase, small and mid-sized companies like ours are placed in a difficult position—trying to provide meaningful benefits to employees while remaining competitive in an industry where clients are highly price-sensitive."

In our field, clients often compare bids line-by-line against other companies that may reduce labor costs or limit benefits in order to offer lower pricing. When healthcare costs rise without clear transparency or predictability, it puts responsible employers at a disadvantage and ultimately affects wages, staffing stability, and long-term growth. Greater transparency in healthcare pricing and cost drivers is critically important for small businesses. We need clearer insight into what we are paying for, why costs increase year over year, and what options truly exist to manage those costs without sacrificing employee care."

- Felipe Monteiro, Founder and CEO, Guardian Capital Security, Wakefield, MA

"As a small business owner and employer, health insurance costs have risen faster than almost any other expense we face—with little predictability and no real negotiating power. Greater transparency can be part of the solution, but for small businesses like mine, information alone isn't enough. Any reform should recognize the time constraints and lack of leverage small employers face, and ensure transparency actually leads to lower costs, not just more complexity."

- Patrick Hall, Owner, Élan Flowers, New York, NY

"As a small organization leader, I've learned that passion doesn't pay surprise medical bills. Small businesses and nonprofits pour everything into serving people, yet we're often asked to commit to healthcare plans without clear, honest pricing. Knowing the real costs matters—it determines whether we can hire, retain staff, and keep our doors open. Transparency in healthcare isn't a luxury; it's a necessity. When we understand what we're paying for and why, we can plan responsibly, protect our teams, and continue serving our communities with integrity, stability, and trust."

- Triana Arnold James, JAJ LLC, Marietta, GA