



**Testimony of Jon Hurst, President
Before the MA Health Policy Commission &
Jt. Committee on Health Care Financing
2027 Health Care Cost Growth Benchmark
April 1, 2026**

The Retailers Association of Massachusetts (RAM) is a statewide trade association organized in 1918, with 4,000 member employers, including all types and sizes of stores, restaurants, and various consumer service providers. The typical RAM member operates out of one or two locations and has ten employees. The retail sector operates out of 70,000 locations across the Commonwealth and employs over half a million people.

Thank you for the opportunity to submit testimony on the 2027 Health Care Cost Growth Benchmark. RAM has participated in every Benchmark hearing with an unfortunate lack of success. For instance, in the last five years our testimony included the following requests:

For the 2022 Benchmark, we asked for a cut; you froze. For the 2023 Benchmark we asked for a freeze; and you increased it. For the 2024, 2025 and 2026 Benchmarks we asked for a cut; you froze. This year, we are again asking for a cut and a return to the 3.1% Benchmark. For the 20th Anniversary of Chapter 58, a Benchmark cut would be an important message that it is time to support small businesses, premium paying consumers, and our taxpayers.

The HPC should return to a 3.1% Benchmark for two reasons. First, the 3.6% Benchmark is being far exceeded by insurers and providers, and is unaffordable for consumers, taxpayers, and employers, particularly small employers. And secondly, under the current law, the existing Benchmark masks what is really happening in the commercial marketplace, particularly for small businesses and their employees when they are included in a growing and very large pool of government programs, which annually get far lower increases. The low government increase numbers dilute the results and gives providers far greater public policy cover to seek increases far higher than the Benchmark from our premium paying employer and consumer communities. That reality is not competitive or equitable for our employers and their workforces, and it tips the scales for a provider friendly financial environment.

Every Spring since 2006, we have surveyed our members on proposed health insurance premium renewal rates. The results should come as no surprise to anyone with an eye on health care trends in Massachusetts over the past two decades. The consistently high percentage premium increases almost every year show a definitive pattern of anti-competitive cost growth far above state economic growth, as well as patterns of marketplace discrimination, and perhaps unfair cross subsidies.

Most small businesses in Massachusetts renew their coverage between January and April. The March 2026 RAM member survey reported an average premium renewal increase of 13.62%. 61% were on high deductible plans, and 26% planned to increase employee premium cost sharing. Survey respondents were all MA based independents with 100 or fewer employees.

The five-year average increase for our membership is 11%. Over that same time frame, the Commonwealth saw an average rate of inflation of 3.94%, and a cost growth benchmark of an average of 3.5%. Given the high level of inflation since the COVID years, one can understand providers and insurers not meeting the

Benchmark every year; but small business premium increases of three times the inflation rate and the Benchmark are unacceptable, unaffordable, and extremely damaging to the competitiveness of the Commonwealth. Our families do not see incomes rise by 11% per year; far from it, and their take home pay and disposable income suffers from higher premiums and taxes related to healthcare. Small businesses are not seeing their sales rise at that level either; in fact, most sales are flat since before COVID. High health insurance increases and flat sales simply mean massive small business failure rates.

And it is important to point out as we reach the 20th Anniversary of Chapter 58 which taxed residents if they didn't purchase health insurance, the 20-year average premium increase for our members has been 11% ever since.

Something is wrong with the Benchmark, which is being flaunted. Something is wrong with state insurance law. Something is wrong with the market. Something is particularly wrong for small businesses and their workforces in the unique Massachusetts Merged Market which 20 years ago combined small groups with individuals.

As we have stated for many years, small employers need fairness and help on controlling health care and insurance costs. They compete every day with large employers to recruit and retain employees. Over the last decade there have been dramatic reductions in small group lives in our Merged Market risk pool, which is the combined non-group and small group market. Over 500,000 lives – about 60% of the total small group market – have left the small group market since 2007. Where did they go? Many small group employers have left the fully insured marketplace entirely, switching to offerings such as self-insured or partially self-funded plans. Government policies are incenting small businesses to go self-insured for two reasons. The first is to prevent unfair premium cross subsidies to individuals in the Merged Market—many of which are already getting generous taxpayer funded premium subsidies--particularly since Massachusetts lost our state rating factors which helped keep premiums fairer. And the other reason is to mitigate the cost of nearly 60 state mandates, which you can do under ERISA and federal law. Small businesses have become less attractive options for potential employees in the workforce and are looking for whatever solutions they can to stay in business, and to attract and retain employees.

High provider cost increases; unfair cross subsidies from small businesses to individuals due to risk pooling; the inability to lower premiums and control costs by incent healthier employee habits and better consumer choices of high value provider options; and costly public policy decisions such as the passage of over fifty state mandates, have all contributed to this marketplace exodus.

Providers keep pushing unaffordable medical inflation by pressing for higher commercial reimbursement rates, higher levels of taxpayer funding, and higher utilization through the expansion of state mandated benefits—which discriminate against fully insured small businesses vs. self-insured groups. Estimates put state mandates and assessments at 17-24% of a fully insured small business' premium. For a \$47,000 family policy—unfortunately a very real number this year-- that's \$8000-\$11,000 in state mandates. That's a direct hit to family disposable incomes, which could be going to housing, groceries, dining, clothing, vacations, and retirement savings.

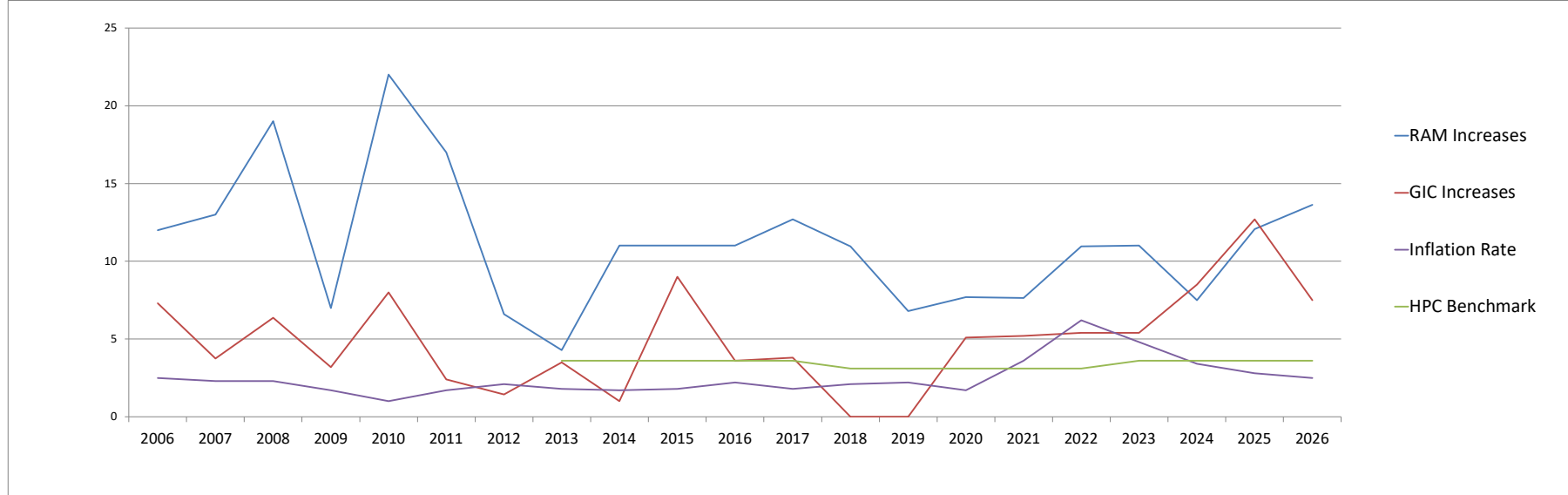
Twenty years after the passage of Chapter 58, it is time to recognize that we haven't put premium payers and taxpayers first. You do that by choosing a pathway to controlling costs: Either through price regulation, or through consumer choice. We really have neither in Massachusetts to protect consumers. RAM would argue that healthcare in Massachusetts would be far more affordable if the subscriber premium payer had the right to choose what coverages they want, need and can afford. Maybe they don't need name brand drugs; maybe they want to exclude high-cost providers; maybe they want to pay their primary care physician directly. Maybe they are working hard to stay healthy, to prevent and treat chronic conditions. These

choices should create lower cost health insurance. Decisions on healthcare, and insurance coverages, should be the choice of the subscriber, not the decision of the insurer, provider, politician or even the employer.

Premium payers working for all types of employers, and our state's taxpayers should be at least as important under public policy as the healthcare industry. After 20 years of mandatory health insurance, it is time for real steps on controlling costs and empowering those paying the bills. A good place to start is by sending a message with a reduction in the Benchmark. Thank you, and we look forward to working with you on these critical cost and fairness issues.

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Retailers Association of Massachusetts Annual Health Insurance Increases



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	AVG
RAM Increases	12	13	19	7	22	17	6.6	4.29	11	11	11	12.7	10.95	6.8	7.7	7.64	10.96	11	7.5	12.06	13.62	11.2
GIC Increases	7.3	3.75	6.37	3.19	8	2.4	1.43	3.5	1	9	3.6	3.8	0	0	5.1	5.2	5.4	5.4	8.5	12.7	7.5	4.91
Inflation Rate	2.5	2.3	2.3	1.7	1	1.7	2.1	1.8	1.7	1.8	2.2	1.8	2.1	2.2	1.7	3.6	6.2	4.8	3.4	2.8	2.5	2.49
HPC Benchmark								3.6	3.6	3.6	3.6	3.6	3.1	3.1	3.1	3.1	3.1	3.6	3.6	3.6	3.6	3.4