



Testimony
Division of Insurance
Re: Merged Market Health Insurance Rates for CY 2026

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The North Central Massachusetts Chamber of Commerce respectfully submits this written testimony in strong opposition to the proposed merged market rate increases for 2026. Representing close to 700 businesses that employ over 40,000 workers across 27 cities and towns, we speak for the small businesses that form our region's economic backbone and urge you to reject these excessive rate proposals that threaten their ability to continue providing good jobs and supporting our communities.

North Central Massachusetts is home to thousands of small businesses - manufacturing shops, retail establishments, professional services, and family restaurants - that have weathered economic storms while continuing to provide essential services and employment. These are local employers who know their workers by name, sponsor Little League teams, support local charities, and keep our communities vibrant. The proposed 13.4% average rate increase represents a major threat to these enterprises, particularly following years of similar double-digit premium hikes that have consistently outpaced business revenue growth, wage increases, and general inflation.

Small businesses in our region already operate under severe financial strain. Unlike large corporations with substantial profit margins, our member businesses typically operate with thin margins and limited cash reserves. The compounding effect of rising healthcare premiums has pushed many to the breaking point, while they simultaneously face escalating costs across the board: energy bills among the nation's highest, rising unemployment insurance premiums, increased labor costs, and mandatory programs like the Paid Family and Medical Leave Act. As healthcare premiums consume an ever-larger share of operating budgets, employers face an impossible choice between offering competitive benefits or maintaining business viability.

The burden extends beyond business owners to working class employees in essential positions. For these workers, healthcare premium increases translate directly into reduced take-home pay,

higher deductibles, or loss of coverage entirely. We're witnessing employees of small businesses abandoning employer-sponsored plans, seeking coverage through their spouses' employers or subsidized options through the Massachusetts Health Connector. This exodus makes small businesses less competitive in attracting quality workers, critical in our region's ever tightening labor market. While individuals often qualify for substantial taxpayer subsidies, small businesses receive no such relief, effectively penalizing employers for offering coverage.

We urge the Division to reject these excessive rate proposals and require insurers and providers to submit revised proposals that align more closely with economic growth. We also urge the Division to work towards looking providing transparency and accountability when it comes to levels of reimbursement increases and pharmaceutical costs that are driving premiums up. Additionally, we ask the Division to address market structure inequities by working with state leadership to restore small business rating factors, consider demerging the market, and allow the small group market to offer mandate-light and limited network options that could provide 20% or greater premium savings while maintaining ACA compliance and consumer choice.

The businesses we represent aren't seeking special treatment, they're asking for fair treatment. They want to continue providing good jobs, supporting families, and contributing to community vitality, but they cannot do so while bearing a disproportionate healthcare cost burden that bears no relationship to their ability to pay. Every percentage point of premium increase forces difficult decisions: reduce hours, eliminate positions, cut wages, or close entirely. Behind these decisions are real families losing income, real communities losing employers, and real erosion of the economic foundation that sustains North Central Massachusetts.

The Division of Insurance has both the authority and responsibility to reject excessive and unreasonable rates, and the proposed 2026 merged market rates clearly meet this threshold. We respectfully urge you to stand with the small businesses and working families of our region by rejecting these proposals and demanding realistic alternatives that recognize the economic realities facing our communities. The survival of our regional economy's backbone depends on your leadership at this critical moment.