119TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
119–716

SMALL BUSINESS HEALTH OPTIONS AWARENESS ACT OF 2026

JUNE 29, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 5498]

The Committee on Small Business, to whom was referred the bill (H.R. 5498) to require the Administrator of the Small Business Administration to provide information to small business concerns on individual coverage health reimbursement arrangements, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

69–006

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Health Options Awareness Act of 2026".

SEC. 2. OUTREACH TO SMALL BUSINESS CONCERNS ON INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENTS.

(a) DISSEMINATION.—The Administrator of the Small Business Administration shall disseminate information developed by appropriate Federal agencies on individual coverage health reimbursement arrangements to small business concerns through—

(1) small business development centers; and

(2) district offices of the Administration.

(b) PUBLICATION.—The Administrator shall include the information described in subsection (a) in outreach and communications of the Small Business Administration, including social media, press releases, and publication on a website of the Administration.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE FEDERAL AGENCY.—The term "appropriate Federal agency" means a Federal agency, as determined by the Administrator of the Small Business Administration, and includes the Department of the Treasury, the Department of Health and Human Services, and the Department of Labor.

(2) INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENT.—The term "individual coverage health reimbursement arrangement" has the meaning given by the rule entitled "Health Reimbursement Arrangements and Other Account-Based Group Health Plans" (84 Fed. Reg. 28888; June 20, 2019).

(3) SMALL BUSINESS ACT DEFINITIONS.—The terms "small business concern" and "small business development center" have the meanings given, respectively, under section 3 of the Small Business Act (15 U.S.C. 632).

I. PURPOSE AND BILL SUMMARY

On September 18, 2025, Rep. Beth Van Duyne (R–TX), introduced H.R. 5498, the *Small Business Health Options Awareness Act of 2025*. H.R. 5498 directs the U.S. Small Business Administration (SBA) to disseminate information regarding individual coverage health reimbursement arrangements (ICHRAs), developed by relevant federal agencies, to small businesses through small business development centers (SBDCs), district offices, and SBA communication channels.

II. NEED FOR LEGISLATION

ICHRAs were created through agency rulemakings under the Trump Administration in 2019 and became available to employees in 2020. ICHRAs offer employers a flexible and tax-advantaged way to reimburse employees for health insurance they purchase on their own. However, low awareness of this option has prevented broader adoption. ICHRAs remain an innovative way for employers to have more affordable health coverage for their employees. This legislation leverages SBA's existing outreach programs to educate small businesses about ICHRAs as a flexible, tax-advantaged way to help employees pay for individual health coverage. H.R. 5498 ensures small businesses have the tools they need to offer competitive benefits, retain employees, and reduce costs.

III. HEARINGS

The Committee on Small Business held the following hearings examining matters related to H.R. 5498:

- On February 5, 2025, the Committee held a hearing titled "Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress."

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on May 20, 2026, and ordered H.R. 5498, as amended, to be reported favorably to the House of Representatives by a roll call vote of 13 ayes to 11 nos.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 5498, as amended to the House of Representatives at 4:19 PM.

The Committee considered the follow amendments to H.R. 5498:

- Chairman Williams offered an amendment in the nature of a substitute to H.R. 5498. This amendment was adopted by voice vote.

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)		
	Mr. Patronis (FL-01)	X	
	Mr. Fuller (GA-14)	X	
		13	
	Ranking Member Velazquez (NY-07)		X
	Mr. McGarvey (KY-03)		X
	Ms. Scholten (MI-03)		X
	Ms. McIver (NJ-10)		X
	Mr. Cisneros (CA-31)		X
	Ms. Morrison (MN-03)		X
	Mr. Latimer (NY-16)		X
	Mr. Tran (CA-45)		X
	Ms. Simon (CA-12)		X
	Mr. Olszewski (MD-02)		X
	Ms. Goodlander (NH-02)		X
			11
	Chairman Williams (TX-25)	X	
	TOTALS	13	11

COMMITTEE ON SMALL BUSINESS
119th Congress (*Second Session*)

Date: 5/20/2026

Time: 4:19 PM ET

Measure: **H.R. 5498** – Small Business Health Options Awareness Act of 2025 (As Amended)

Offered By:

Amendment #:

Result?	Agreed To: [X]	Not Agreed To: [ ]	Withdrawn: [ ]
Voice Vote	*Ayes*	*Nays*	*Present*
	13	*11*	

FC Vote #	15

VI. SECTION-BY-SECTION OF H.R. 5498

Section 1—Short title

This Act may be cited as the "Small Business Health Options Awareness Act of 2026."

Section 2—Outreach to small business concerns on individual coverage health reimbursement arrangements

This section requires the SBA to disseminate information developed by federal agencies, including the Department of Treasury, Department of Health and Human Services, and the Department of Labor, regarding ICHRAs to small businesses through SBDCs and SBA district offices.

This section directs the SBA to include information on ICHRAs in agency outreach and communication efforts, including social media, press releases, and publications on the SBA's website.

This section defines the terms "appropriate federal agency," "individual coverage health reimbursement arrangement," and incorporates the existing Small Business Act definitions for "small business concern" and "small business development center."

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any new or increased costs attributable to this legislation.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 5498, as amended, are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 5498 is to increase small business awareness of ICHRAs as a flexible, tax-advantaged health coverage option.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 5498 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee will adopt as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. MINORITY VIEWS

H.R. 5498 would require the Small Business Administration (SBA) to distribute materials on Individual Coverage Health Reimbursement Accounts (ICHRAs).

It is important to provide information to small businesses so they can better meet the health care needs of their workers. However, small businesses should have a complete view of all options available to them, not just ICHRAs. Over half of all the Affordable Care Act (ACA) Marketplace enrollees are small businesses owners, employees, or self-employed. By directing SBA to provide information only on ICHRAs, without requiring information on the ACA Marketplace, creates a significant gap in the guidance available to small businesses.

With that said, ICHRAs are problematic in that they lead to health care discrimination against certain classes of workers. While nondiscrimination provisions were included in the original rule to protect employees from being targeted based on age, health status, or other features, ICHRAs could be offered to specific classes of workers to reduce group health plan costs, and better coverage could be offered to top executives.

ICHRAs will also make the marketplace risk pool sicker and increase premiums. A Brookings Institution analysis found that allowing employers to offer ICHRAs alongside a traditional group health insurance plan could increase marketplace premiums by 16% to 93%. If employers shift high-cost or high-risk workers onto the individual market, the adverse selection will drive up premiums in the individual market.

ICHRAs leave small business employees worse off for healthcare coverage. If an employee is offered an ICHRA, the employee is not eligible for subsidized marketplace coverage, unless their share of the premium is more than 9.96 percent of household income. For many low-wage workers, they may be better off without an ICHRA and use the marketplace premium tax credits for more generous and affordable coverage.

Aside from the underlying policy concerns, it makes little sense at this time to require the Small Business Development Centers (SBDCs) to disseminate information about them while President Trump's budget eliminates their funding, and the SBA is withholding funds. Expanding responsibilities while reducing resources is not only unsustainable, but it is the textbook definition of an unfunded mandate. Moreover, several agencies are already required to educate individuals and employers about ICHRAs, making additional SBDC dissemination on ICHRAs duplicative.

Small businesses—already squeezed by Trump's tariffs—are getting squeezed by Republicans' health plan. Get less, pay more. And it means higher costs and worse health for working Americans. To help with the affordability crisis, we should ensure small businesses and their employees have a comprehensive slate of health care information to make informed decisions. Doing so would mean the very survival of the operation. That is why Democrats supported an amendment offered by Rep. Hillary Scholten (D–MI), which would require the SBA to publicly post information about all health care plans, and supported an amendment offered by Rep. Kelly Morrison (D–MN) requiring a notice that ICHRAs could limit an individual's eligibility for the ACA premium tax credits. The amendments were defeated by Republicans.

NYDIA M. VELÁZQUEZ,
Ranking Member.

○