

Health insurance premiums are skyrocketing for small businesses, making it increasingly challenging for them to offer quality and affordable health insurance. Half of firms with 3-49 workers cannot afford to provide health insurance to their employees. The median proposed 2026 premium increase among small group insurers is 11%. For the ACA marketplace, that number is 18%.

These increases are largely driven by rising costs for prescription drugs. When insurers pay more for medications, those costs are passed directly to consumers through higher premiums. Nearly 25% of premium spending goes to prescription drugs. That's more than double what we spend on doctor visits. Just a few drugs account for most of prescription drug spending: brand-name drugs make up 7% of the drugs we buy but 87% of the dollars we spend.



The Average Dollar Spent on Health Insurance Premiums. Data compiled by America's Health Insurance Plans (AHIP)

Illinois should establish a Prescription Drug Affordability Board (PDAB) to address the burden consumers bear for the highest of these high-cost drugs. A PDAB will lower health insurance premiums and facilitate a healthier workforce by serving as an independent body authorized to set upper payment limits on excessively expensive medications. A PDAB will impact the entire supply chain, achieving lower costs for consumers. States like Colorado have already saved significant taxpayer dollars by setting upper payment limits.

Without a Prescription Drug Affordability Board, entrepreneurs, small business owners, and their employees will continue to overpay for or skip purchasing essential medications, driving up premiums and making prescriptions harder to afford, all while harming worker health.