



Central Maryland Chamber

The Center of Intelligent Business

February 15, 2022
Honorable Shane Pendergrass, Chair
House Health & Government Operations Committee
6 Bladen Street
Annapolis, MD 21401

House Bill 709- Maryland Health Benefit Exchange- Small Business and Nonprofit Health Insurance Subsidies Program
Legislative Position: Favorable

Dear Delegate Pendergrass and Members of the Committee,

The Central Maryland Chamber of Commerce (CMC) was formed in 2017, a merger of two existing chambers- The Baltimore Washington Corridor Chamber (originally founded in 1948) and the West Anne Arundel County Chamber (originally founded in 1962). The CMC is a regional organization representing approximately 350 businesses in the Central Maryland corridor and exists to be the primary business resource and advocate as the area experiences exponential growth.

The Central Maryland Chamber is writing to support HB709.

HB0709 is necessary because small businesses and nonprofits need help to be able to provide health insurance to their employees. This is not only an employee benefit to those we employ, making small businesses as competitive as large, but it protects our valued employees and supports them health wise as well as financially.

Currently, only 37% of small employers in the State of Maryland offer health insurance to their employees vs 95% of larger employers. And in talking with our small businesses, it is not because of lack of trying or caring for their incredible staff members. The funding of a small business is just so much tighter and with the costs of insurance being so high, it makes it virtually impossible for our struggling small employers.

During one of the most challenging times in our history, our small businesses (the ones who were able to survive this economic crisis) have dealt with a pandemic, health challenges, supply chain issues, significant loss of revenue, fear of losing their business, as well as finding and keeping employees. We have small business owners who took second mortgages on their own homes just to be able to keep their staff on the payroll while their businesses were completely shuttered. HB0709 is a critical Bill that would go a long way into providing a solution to the issues facing small business owners when it comes to providing some form of affordable group health plan for their employees.

Although the Maryland Health Exchange provides funding for some programs, there is no funding for the Small Business and Nonprofit Health Insurance Subsidies Program. HB709 would invest \$45 million a year into a five-year state subsidy program for small businesses and nonprofits with fewer than twenty-five full-time employees. This program would provide subsidies to qualified employers and their employees for their health coverage through Maryland Health Connection, plus \$3 million/year for



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outreach to notify small employers about the new program. The program should be funded by available federal funding.

Please note that we recommend that an amendment be added to the legislation that would add a five (5) year sunset provision on the bill, so everyone can know what the landscape would look like after the subsidy ends, and companies can make future investment decisions, or conversely, the General Assembly could vote to extend the subsidy payment.

We join chambers of commerce from throughout the State of Maryland and urge you to vote FAVORABLY for HB0709 to support employers and employees in our small business community.