



MARYLAND LEGISLATIVE LATINO CAUCUS

Lowe House Office Building, 6 Bladen Street, Room 200 · Annapolis, Maryland 21401
Phone 410-841-3374 | 301-858-3374 · 800-492-7122 Ext. 3374 · Fax 410-841-3342 | 301-858-3342
latino.caucus@house.state.md.us · www.mdlatinocaucus.org

DAVID FRASER-HIDALGO, CHAIR
JOSELINE A. PEÑA-MELNYK, VICE-CHAIR
GABRIEL ACEVERO, TREASURER
JESSE T. PIPPY, SECRETARY
MADELIN MARTINEZ, EXECUTIVE DIRECTOR

TO: Delegate Joseline Peña-Melnyk, Chair
Delegate Ariana Kelly, Vice Chair
Health and Government Operations Committee Members
FROM: Maryland Legislative Latino Caucus
DATE: February 15th, 2023
RE: HB0107 Maryland Health Benefit Exchange – Small Employers – Special Enrollment Period and Marketing

The MLLC supports HB0107 - Maryland Health Benefit Exchange – Small Employers – Special Enrollment Period and Marketing, 2023

The MLLC is a bipartisan group of Senators and Delegates committed to supporting legislation that improves the lives of Latinos throughout our state. The MLLC is a crucial voice in the development of public policy that uplifts the Latino community and benefits the state of Maryland. Thank you for allowing us the opportunity to express our support of HB0107.

While there are around 620,214 small businesses in Maryland which employ over 1.2 million employees in the state, the Baltimore Sun reports that only about 37% of small businesses in the state of Maryland provide health coverage to their employees, compared to 95% of large employers who provide their employees with coverage.¹ Small employers with 50 or fewer full-time equivalent employees are not required to provide health insurance to their employees under the Affordable Care Act.² Offering health coverage is a good way to keep Maryland workers healthy, happy and productive,³ and also helps local companies compete with others for the best candidates.⁴ Additionally, small employers who provide health insurance to their employees may qualify for federal tax credits to lower costs on employee health benefits.⁵

In 2021, 43% of Hispanic business owners in the United States said they planned to hire new workers over the next 12 months as they recovered from the pandemic worker shortages.⁶ In 2018, Hispanic-owned businesses made up about 5.8% of all businesses, employing approximately 3 million people.⁷ In Maryland, there were more than 25,000 Latino-owned businesses in 2007, and this number has grown 300%, reaching over 100,000 in 2021.⁸ Prince

¹ Sklar, J. (2023, January 12). *Maryland's New Bill to Expand Healthcare for Small Business Employees*. State of Reform. <https://stateofreform.com/news/maryland/2023/01/marylands-new-bill-to-expand-healthcare-for-small-business-employees/>

² Maryland Health Connection. (2013). (rep.). *Small Business Health Options Program (SHOP): A New Option for Health Coverage for Maryland's Small Businesses and Their Employees*. https://www.marylandhealthconnection.gov/assets/mhc_smallbiz_english_r2.pdf

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Gonzalez, J. (2021, October 4). *Prince George's Hispanic-owned businesses continue to grow despite pandemic, here's why*. abc 7 News On Your Side.

⁷ [https://wjla.com/news/local/number-of-hispanic-owned-businesses-continues-to-rise-in-the-dmv#:~:text=According%20to%20Un](https://wjla.com/news/local/number-of-hispanic-owned-businesses-continues-to-rise-in-the-dmv#:~:text=According%20to%20United%20States%20Census.employing%20approximately%203%20million%20people)

⁸ Ibid.

⁸ Ibid.

George's County has the second-largest number of Hispanic-owned companies and businesses, behind Montgomery County.⁹ Regarding small businesses, as of 2020, Latino/Hispanic businesses make up about 8% of all the small businesses in Maryland.¹⁰ However, Hispanics in Maryland are five times more likely to be without health insurance than non-Hispanic Whites, as 38.6% of Hispanics in Maryland lack coverage.¹¹ The growing number of Hispanic-owned businesses hiring more employees in Maryland demonstrates the growing need for promotion of health insurance enrollment, especially for those with 50 or fewer employees, who lack the funding, time, online presence, and knowledge of resources to access.¹²

This bill requires the Maryland Health Benefit Exchange to open a special enrollment period for individuals who become employed by a small employer that does not offer employer-sponsored health benefit plans and for the individuals' dependents. It alters the amount of funds required to be appropriated to the Maryland Health Benefit Fund in certain fiscal years and requires certain funds to be allocated to a 5-year program for marketing and outreach to small employers and nonprofit employers and their employees to facilitate enrollment in health insurance coverage.

For these reasons, the Maryland Legislative Latino Caucus respectfully requests a favorable report on HB0107.

⁹ Ibid

¹⁰ U.S. Small Business Administration Office of Advocacy. (2021). (rep.). *2021 Small Business Profile*. <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30142529/Small-Business-Economic-Profile-MD.pdf>

¹¹ Office of Minority Health and Health Disparities, O'Malley, M., Brown, A., & Sharfstein, J., Hispanic in Maryland, Health Data and Resources (2013). Government of Maryland. <https://health.maryland.gov/mhhd/Documents/Maryland-Hispanic-Health-Disparity-Data.pdf>

¹² Walden University LLC. (2022). *Top-five-challenges-small-business-owners-face*. Walden University. <https://www.waldenu.edu/programs/business/resource/top-five-challenges-small-business-owners-face>.