



Delegate Pena-Melnyk
Chair Health and Government Operations Committee
Maryland General Assembly
223 Lowe House Office Building
Annapolis, MD 21041

Dear Committee Chair and Members,

I am writing to express my strong support for Bill HB0827, which mandates the Maryland Insurance Administration to conduct a comprehensive study of professional employer organizations (PEOs) within the state. This bill is a critical step towards ensuring that small businesses in Maryland can thrive by potentially providing them with more options and flexibility in offering health coverage to their employees.

The requirement for the Maryland Insurance Administration to review regulations, history, health plans, membership requirements, and regulatory structures in other states is a prudent approach to understanding the complex landscape of PEOs. By analyzing these aspects, the state can identify best practices and areas for improvement, fostering a more competitive and efficient market for small businesses seeking to partner with PEOs for employee health coverage.

Moreover, the exploration of the potential impact of proposed statutory changes relating to the offering of health coverage by PEOs on the small group market is of paramount importance. Small businesses are the backbone of Maryland's economy, and any legislative changes affecting their ability to provide affordable health coverage to their employees must be carefully considered. This study will provide invaluable insights into how such changes could influence market dynamics, potentially leading to more favorable conditions for small businesses and their employees.

The deadline for the Administration to report its findings to certain committees of the General Assembly by December 31, 2024, offers a timely opportunity to make informed decisions on the future regulatory framework governing PEOs. It is essential that policymakers have access to comprehensive and detailed information to guide their decisions, and this bill ensures that such information will be made available.

As the President of a small minority owned manufacturing business, I believe that the passage of Bill HB0827 is in the best interest of Maryland's small businesses and their employees. It represents a thoughtful and strategic approach to evaluating and potentially enhancing the role of PEOs in our state's economy.

I urge you to support Bill HB0827 and to consider the positive implications its passage will have on the small business community in Maryland. By doing so, we can work towards creating a more robust and accessible market for health coverage, ultimately benefiting small business employees.

Thank you for considering my views on this important matter. I am hopeful for your support of Bill HB0827 and look forward to the positive changes it will bring to our state.

Sincerely,

Ken Sanchez

Kenneth Sanchez
President