



THE GREATER BETHESDA
CHAMBER of COMMERCE

Smart Business, Bright Future

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SB527- HEALTH INSURANCE - POLICY OF GROUP HEALTH INSURANCE - ASSOCIATIONS

TESTIMONY BY

GINANNE M. ITALIANO, PRESIDENT, THE GREATER BETHESDA CHAMBER OF COMMERCE

BEFORE THE SENATE FINANCE COMMITTEE

February 19, 2020

POSITION: FAVORABLE WITH AMENDMENTS

On behalf of The Greater Bethesda Chamber of Commerce, this statement is in **SUPPORT of SB527-Health Insurance – Policy of Group Health Insurance-Associations**. This bill would allow chambers of commerce and labor unions to create eligible Association Health Plans as defined by the U.S. Department of Labor, enabling small businesses, owners and their employees to have access to better plans at lower rates.

My testimony today is twofold: first as the President of The Greater Bethesda Chamber of Commerce and our more than 550 member businesses and their 45,000 employees; and second, as president of a small employer doing business in Montgomery County and the State of Maryland.

On the back side of this testimony is a statement provided by the five largest chambers of commerce in Montgomery County in support of SB527. We believe that by enabling chambers and unions to provide their members the option for participating in association health plans, more businesses will be able to thrive and grow knowing that their employees are provided good affordable health care.

We are not looking for simplified or mandate-lite health insurance through AHP's but rather we would like to provide the employees of our members comprehensive health insurance plans that have competitive rates. The best way to do this is through AHP's.

Over the past decade our members have experienced first-hand the increasing costs of doing business in Maryland. This is partially due to numerous mandates imposed upon them, including sick leave, increased minimum wage, mandated health care and numerous tax increases. Given the large number of tax related bills that have been introduced this session, we realize that costs of business will continue to rise. We know that some of you have your own businesses and understand the problems our members face especially in trying to keep and help our employees deal with the increased costs of healthcare – and especially those who are over 40 years old.

Passage of this bill will not only help small employers that are struggling to stay in business, but will also send the message to those companies considering opening a new business or expanding here that the State of Maryland is business friendly and understanding of the issues small businesses face.

For these reasons, we request a **favorable report on SB0527**. Thank you.



**JOINT STATEMENT REGARDING
SB0527/HB0901 Health Insurance – Policy of Group Health Insurance - Associations
Position: Favorable
February 2020**

We respectfully submit this joint letter to ask you to **support SB0527/HB0901 entitled - Health Insurance - Policy of Group Health Insurance – Associations**. This legislation could potentially save our small businesses thousands of dollars and provide health insurance to hundreds of Marylanders.

Association Health Plans (AHPs) are group health plans that associations offer to provide employee health coverage for their members’ employees. They allow small employers to pool their employees to gain regulatory and economic advantages available to larger employers. **THESE ARE NOT SELF-INSURED PLANS**. The plan is provided and administered by an insurance carrier such as United Healthcare, Blue Cross/Blue Shield or Aetna.

Although allowed by the federal government, Maryland’s current law does not allow small businesses to pool their employees. SB0527/HB0901 changes the law for pooled employees in an AHP to be rated as a large group. The bill also allows for chambers of commerce and labor unions to offer AHPs to their members.

By allowing chambers of commerce and labor unions to create eligible Association Health Plans (AHPs) as defined by the U.S. Department of Labor (DOL), small businesses, owners and their employees will have access to better plans for lower rates. Since the publishing of the U.S. DOL’s final rule in June 2018, numerous chambers of commerce across the country have begun offering AHP plans and thousands of businesses are saving 20%-45% on their health insurance premiums.

Please consider the direct positive impact this legislation would have on our small businesses and their employees and give a FAVORABLE report on SB0527/HB0901. We look forward to working with you on this and other upcoming legislation that impacts our health of our workforce and our economy.

Thank you for your consideration.

Sincerely,

Ginanne Italiano
President and CEO
The Greater Bethesda Chamber of Commerce

Marilyn Balcombe
President and CEO
Gaithersburg-Germantown Chamber of Commerce

Marji Graf
President and CEO
Rockville Chamber of Commerce

Jane Redicker
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