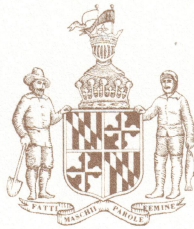


JOHNNY MAUTZ
Legislative District 37B
Caroline, Dorchester, Talbot,
and Wicomico Counties

Economic Matters Committee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 20, 2020

The Honorable Shane E. Pendergrass
Chair, Health and Government Operations Committee
Room 241
House Office Building
Annapolis, MD 21401

Re: HB1329 - Maryland Health Benefit Exchange - Establishment of Small Business Health Insurance Subsidies Program

Dear Delegate Pendergrass:

HB1329 would require the Maryland Health Benefit Exchange (MHBE) to establish a Small Business Health Insurance Subsidies Program for employers that purchase health insurance offered on the Small Business Health Options Program (SHOP) Exchange.

Accordingly, the Small Business Health Insurance Subsidies Program would be administered by the Maryland Health Benefit Exchange, which is also authorized by HB1329 to fund this new program through the creation of a new account within the Maryland Health Benefit Exchange Fund.

In order to create the Program, HB1329 would require the governor to appropriate funding in 2022 in the amount of funding determined to be unspent in year 2021. Thereafter, funding for the Small Business Health Insurance Subsidies Program would be determined by the amount of unspent funds from the previous year. Also, MHBE would be prohibited from transferring unspent funds to the General Fund in future years.

Preparation of this legislation was conducted in consultation with MHBE and Maryland Insurance Administration.

We feel this new program will create an opportunity for many small and independent businesses that are currently unable to retain affordable health care insurance and we ask for your favorable report.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Mautz", written over a horizontal line.

JOHNNY MAUTZ
Member – Economic Matters Committee