

February 28, 2022

The Honorable Senator Delores G. Kelley
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

RE: SB 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

Position: **FAVORABLE**

Dear Chair Kelley and Members of the Committee:

On behalf the Washington County Chamber of Commerce, representing 575 member organizations with over 40,000 employees, I am writing in **Favor of SB 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program**. A majority our member organizations are small businesses and nonprofits.

SB 632 would invest \$45 million a year into a five-year state subsidy program for small businesses and nonprofits with fewer than 25 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 each year, for outreach to notify small employers about the new program. The program should be funded by available federal funding.

Although the Maryland Health Exchange provides funding for several good programs including the Medical Assistance Program, Senior Prescription Drug Assistance Program and the State-Based Young Adult Health Insurance Subsidies Pilot Program, there currently is no funding for the Small Business and Nonprofit Health Insurance Subsidies Program. Yet, there is clearly a major need to assist small businesses in providing health insurance assistance to their employees.

Currently, only 37 percent of small employers in the State of Maryland offer health insurance to their employees versus 95 percent of larger employers. During one of the most difficult times in our history, small businesses and nonprofits have had to deal with a major pandemic, loss of revenue, fear of losing their business, as well as finding and keeping employees. SB 632 is a critical piece of legislation that would go a long way into providing a solution to the issues facing small business owners and nonprofits when it comes to providing some form of affordable group health plan for their employees.

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 **FAVORABLE for SB 632, Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program**, and help to grow our small business community.

Sincerely,



Paul Frey, IOM
President and CEO