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SB 632

March 2, 2022

TO: Members of the Senate Finance Committee

FROM: Natasha Mehu, Director, Office of Government Relations

RE: Senate Bill 632 – Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program

POSITION: SUPPORT

Chair Kelley, Vice Chair Feldman, and Members of Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 632.

SB 632 would establish a state-funded subsidy program for small businesses and nonprofits to help them provide health care coverage to their employees through the Maryland Health Connection. The state would be required to fund that program at \$45 million per year for five years. Small businesses and nonprofits with fewer than 25 full-time employees would be eligible for the coverage. Additionally, the bill would require \$3 million per year to be used for outreach to notify eligible employers about the program.

The Affordable Care Act greatly improved access to and affordability of health insurance to Maryland residents. However, more can be done. Federal tax credits offered to small employers have not been sufficient enough to make coverage affordable and lack of awareness of the tax credits have limited their use. Past and existing state-run subsidies and pilot programs are helpful but not sufficient to meet the needs. Health care coverage is an important consideration for many when seeking employment and people employed by small businesses should not be left behind.

SB 632 would help ensure that more Marylanders employed by small organizations have access to affordable and quality health insurance coverage and help small organizations attract and employ a healthier workforce. And importantly, it will ensure Maryland moves ever closer to reducing health disparities and achieving equitable access to health care coverage for all.

For these reasons, the BCA respectfully requests a **favorable** report on SB 632.