

TESTIMONY IN SUPPORT OF SENATE BILL 632

Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies

Before the Senate Finance Committee

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Chair Kelley and Members of the Senate Finance Committee, thank you for this opportunity to testify in support of Senate Bill 632. This bill would invest \$45 million/year into a five-year state subsidy program for small businesses and nonprofits to offer employees health coverage through Maryland Health Connection, plus \$3 million/year for outreach to notify small employers about the new program. Small businesses and small nonprofits are less likely to offer health coverage than large employers. In Maryland only 37% of small employers offer health coverage to their employees compared to 95% of large employers.¹ Cost is a major reason.

In addition to helping employees stay healthy, health coverage also helps make employment opportunities more attractive to job seekers which is important in the current economic climate. Small businesses are more likely than large businesses to be owned by people of color and Maryland has the highest rate per-capita of businesses owned by people of color in the nation.² Providing better opportunities for small businesses and nonprofits to provide health coverage will improve health equity.

We ask you to also consider Maryland has the highest rate per-capita of businesses owned by women in the nation. Health coverage helps make employment opportunities more attractive to job seekers which is important in the current economic climate. Helping small employers offer health coverage to employees will help female entrepreneurs.

We urge a favorable report for SB 632.

¹ Agency for Health Quality and Research. Table II.A.2 Percent of private-sector establishments that offer health insurance by firm size and State: United States, 2020. https://meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/state/series_2/2020/tia2.pdf (Accessed November 23, 2021)

² Mirabella, L. The Baltimore Sun. "Maryland ranks No. 1 in U.S. for Minority and women businesses ownership, study finds." April 18, 2018. <https://www.baltimoresun.com/business/bs-bz-minority-owned-business-maryland-20180418-story.html>