



Unitarian Universalist Legislative Ministry of Maryland

**SB 632 – Favorable Position
Small Business and Nonprofit Health Insurance Subsidies
Senate Finance Committee
March 2, 2022 at 1:00 p.m.**

We are Betty McGarvie Crowley and Chris Hager representing the Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) which is an advocacy organization, with members in 23 UU congregations throughout the state. Since its founding in 2005, health care issues have been a priority and we are a member of the Health Care for All Coalition. Part of the provisions of this legislation is a policy we began supporting as a priority issue in 2020.

This bill would extend health care coverage by investing \$45 million/year into a five-year state subsidy program for small businesses and nonprofits with fewer than 25 full-time equivalent employees. The bill would offer employees health coverage through Maryland Health Connection, plus \$3 million/year for outreach to notify small employers about the new program. The program should be funded through available federal funding.

SB 632 is important to UULM-MD as it addresses the impacts of anti-racism/anti-oppression policies which have historically marginalized communities and people of color. In Maryland small businesses and small nonprofits are less likely to offer health coverage than large employers. Only 37% of small employers offer health coverage to their employees compared to 95% of large employers in Maryland.¹ In addition, small businesses are more likely than large businesses to be owned by people of color.²

Many small nonprofits address the needs of people of color and who are marginalized. Health inequities by race and ethnicity were made more apparent by the COVID-19 pandemic. Providing better opportunities for small businesses and nonprofits to provide health coverage will improve health equity. Health coverage helps make employment opportunities more attractive to job seekers which is important in the current economic climate.

Under SB 632, eligible small businesses would receive up to two years of federal tax credits to help them purchase health coverage at Maryland Health Connection. The provisions of the Small Business and Nonprofit Health Insurance Subsidies Bill are crucial to overcoming inequities and would enable small employers who are having difficulty in providing coverage to provide health insurance for their employees.

More small employers would be able to offer additional options for quality, affordable health coverage through Maryland Health Connection to their employees if SB 632 is enacted. This legislation would help Maryland move closer to achieving health equity in health coverage access and help small businesses in MD attract employees, keep the workforce healthy and reduce the uninsured rates.

We urge a favorable report of SB 632. Thank you.

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.htm>

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