

SB623 AllAboutBenefits_SB 632_FAV.pdf

Uploaded by: Amber Hyde

Position: FAV

TESTIMONY IN SUPPORT OF SENATE BILL 632

Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies

Before the Senate Finance Committee

Amber Hyde, Employee Benefits Broker, All About Benefits LLC
1054 Carriage Hill Parkways, Annapolis, MD 21401

March 2, 2022

Chair Kelley and Members of the Senate Finance Committee, thank you for this opportunity to testify in support of Senate Bill 632, which would help small businesses learn about and be able to afford to offer health coverage for their employees. I have been an Insurance Broker for 22 years. I work with all size businesses implementing Employee Benefits, with a particular interest in the small group market. Maryland previously had a program for employers called the Maryland Health Insurance Partnership. The Partnership was a great program which helped many small businesses to be able to get health coverage, but unfortunately the program went away shortly after the Affordable Care Act. Although there is a federal tax credit available to some small businesses under the Affordable Care Act, it has not been enough to make coverage affordable for my clients. Most small businesses who offered coverage to their employees through the Partnership had to stop. Currently, Maryland provides funding to bolster the health insurance individual market through the reinsurance program and a new pilot program for young adult subsidies, but provides no extra funding for small employers. This program would help many in the small business community who want to offer health coverage to their employees but simply cannot afford it. This is more important than ever given the economic and health climate created by the COVID-19 pandemic. I urge a favorable report for SB 632.

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Testimony in Support of SB 632 UULM-MD Betty McGar

Uploaded by: Ashley Egan

Position: FAV



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>

UULM-MD c/o UU Church of Annapolis 333 Dubois Road Annapolis, MD 21401 410-266-8044,

www.uulmmd.org info@uulmmd.org www.facebook.com/uulmmd [www.Twitter.com/uulmmd](https://www.twitter.com/uulmmd)

2022 MGA - SB 632 - Maryland Health Benefit Exchange

Uploaded by: Barry Glassman

Position: FAV



BARRY GLASSMAN

HARFORD COUNTY EXECUTIVE

March 02, 2022

The Honorable 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 – SUPPORT

Dear Madam Chair:

Thank you for allowing me the opportunity to express my **SUPPORT** for **SB 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies**.

As introduced, this legislation will invest up to \$45 Million per year – primarily from available federal funds, including funds from the federal American Rescue Plan Act or 2021 (ARPA) – toward a 5-year state subsidy program for those small businesses and nonprofits with less than 25 full-time equivalent employees. This investment will assist these employers and nonprofits that will allow them to provide their employees with access to health coverage through the Maryland Health Connection. This program will also invest \$3 Million toward necessary outreach programs and activities to inform and advise qualifying employers and nonprofits of this program's availability.

The economic and medical impact the COVID pandemic has had on these small businesses and nonprofits – and especially the impact it has had on their employees – has been substantial over the past two years. As structured, this program (which will “sunset” in 2029) will provide a significant opportunity for these smaller businesses and nonprofits to attract – and retain – employees, and to help keep those employees healthy

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Your **FAVORABLE** vote on this legislation will help our small businesses and our nonprofits – mainstays in our communities – in their efforts toward overcoming this pandemic. This will also assist them to maintain and grow their operations and services, benefitting not only them, but the communities they serve and our constituents they employ.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Glassman', with a stylized, flowing script.

Barry Glassman
Harford County Executive

BeTheChangeBmore_FAV_SB632.pdf

Uploaded by: Betsy Krieger

Position: FAV

TESTIMONY IN SUPPORT OF SENATE BILL 632

Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies

Before the Senate Finance Committee

By Betsy Krieger, Co-Founder, Be the Change BMore

411 Hawthorne Rd

Baltimore, MD 21210

March 2, 2022

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 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>

SB0632_Small_Business_Subsidies_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0632

Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program

Bill Sponsor: Senator Hester

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0632 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

The goal of this legislation is to broaden the number of people in Maryland who have health insurance. Many Marylanders work for small businesses or small non-profit employers who do not have the resources to offer health coverage. Only 37% of small employers offer health coverage to their employees compared to 95% of large employers.

This leaves a lot of workers with no health coverage. This bill would invest \$45 million/year into a five-year state subsidy program for small businesses and nonprofits with fewer than 25 full-time equivalent employees so they can offer their employees health coverage through the Maryland Health Connection. Additionally, \$3 million/year would be allocated for outreach to notify small employers about the new program. The funding for the program will be made available from federal funds, so no state money is required.

This would help a lot of small businesses compete more successfully for employees against larger businesses, and against our neighbors in Virginia and D.C., since health coverage is a very large determining factor for prospective employees. It would also allow a lot more Marylanders to afford health coverage, which will result in better health outcomes.

Our members think this is a tremendous opportunity for their fellow Marylanders. We support this bill and recommend a **FAVORABLE** report in committee.

Letter supporting SB 632.pdf

Uploaded by: Daniel Doty

Position: FAV



Hamilton-Lauraville Main Street, Inc.
a 501(c)(3) community organization and
a Baltimore Main Streets Initiative
3015 Hamilton Avenue
Baltimore, Maryland 21214
bmoremainstreet.com
410.319.7150

via MyMGA Tracking

re: Support for Small Business and Nonprofit
Health Insurance Subsidies Program
(Senate Bill 632)

I write to express the support of the Hamilton-Lauraville Main Street organization (HLMS) for SBO632 Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program.

By way of background, HLMS is a not-for-profit program that has worked for over a decade to assist existing businesses, bring in new businesses, facilitate facade grants for business and commercial property owners, improve streetscaping, and support the communities and neighborhoods surrounding our Baltimore City Main Street, among many other activities. Our mission is to help Main Street businesses and our community thrive by creating opportunities for local businesses and providing quality of life experiences that retain residents and attract new neighbors.

We know that small businesses struggle to provide health insurance coverage for their employees, and often for their owners as well. We have seen estimates that less than 40% of small businesses offer health coverage, as compared with 95% of large employers, and we have been told by numerous small business owners that a major reason for not providing coverage is that the owners simply cannot afford it.

This disparity in coverage is particularly disheartening because of the number of small businesses on our Main Street and throughout Maryland that are minority and/or woman owned, which means that the failure to assist small businesses with health care coverage for their owners and employees is a missed opportunity to help address the profound health inequities by race and ethnicity that were made apparent by the COVID-19 pandemic.

HLMS urges you to help our small businesses – the lifeblood of our communities – by supporting this important bill to assist them in providing health care coverage.

Very truly yours,

A handwritten signature in blue ink, appearing to read "D. Doty", is written over the typed name.

Daniel P. Doty,
Executive Director

daniel@hamiltonlauravillemainstreet.org

SB632_LLS_FAV.pdf

Uploaded by: Ernie Davis

Position: FAV



In Favor of SB 632

By Ernie Davis, Regional Director, Government Affairs
The Leukemia and Lymphoma Society

March 3, 2022

Thank you, Chair Kelley, Vice-Chair Feldman and distinguished members of the Senate Finance Committee for the opportunity to submit written support for the passage of SB 632.

At The Leukemia & Lymphoma Society, our mission is to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS exists to find cures and ensure access to treatments for blood cancer patients.

We come before you today requesting your full support of SB 632. SB 632 directs federal funding for the Maryland Health Benefit Exchange (MHBE) to use in pursuing strategies to improve access to affordable, quality health care for small employers and their employees. Only 37% of small employers in Maryland currently provide health coverage for their employees, compared with 95% of large employers.¹

This bill would not only improve coverage access for small business employees but allow small businesses to be more competitive in recruitment efforts for employees. Last year Maryland was named by CNBC as the most improved state for business² and in the top ten states for new, small business startups per capita in 2021.³

We appreciate the opportunity to offer support for SB 632 to ensure that all blood cancer patients and survivors, including those who own or work for small businesses, have the best possible access to affordable high-quality coverage options.

Sincerely,

Ernie Davis
Regional Director, Government Affairs
The Leukemia and Lymphoma Society

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 <https://www.cnbc.com/2021/07/13/infrastructure-makes-maryland-the-most-improved-state-for-business.html>

³ <https://www.simplybusiness.com/simply-u/articles/2021/09/states-most-new-small-businesses-capita/>

Nonprofit Montgomery Written Testimony in Support

Uploaded by: Franca Brilliant

Position: FAV



Nonprofit Montgomery 6010 Executive Blvd., Suite 200, Rockville, MD 20852
connect@nonprofitmoco.org nonprofitmoco.org

Written Testimony in Support of Senate Bill 632: *Maryland Health Benefit Exchange-Small Business and Nonprofit Health Insurance Subsidies Program*, Finance Committee

Franca Brilliant, Advocacy and Development Director, Nonprofit Montgomery 3.2.22

Thank you for giving me the opportunity to testify. My name is Franca Brilliant and I am the Advocacy and Development Director for Nonprofit Montgomery. We support our nearly 200-member nonprofit organizations with technical assistance, training and resources, and advocacy on issues of importance to the nonprofit sector. Health insurance costs are a major issue for our members and we are encouraged that the General Assembly is considering this legislation.

I have worked with nonprofit organizations for over 30 years and during my career have paid tens of thousands of dollars for health care, in some cases for packages which offered minimal coverage. I have been in jobs where I was offered coverage but the health insurance cost I paid out of pocket for my family was almost 20% of my salary. And I have seen numerous examples of small nonprofits that can't afford to pay for any insurance for their employees; 37% of small employers in Maryland offer health coverage compared to 95% of large employers because of the expense.

The vast majority of nonprofits in Montgomery County have fewer than 25 employees. What's more, smaller, community-based organizations are more likely to be led by people of color than well-established organizations with large staffs. This means that their employees, already doing the hard work of serving their communities for relatively small salaries, are also being asked to shoulder the burden of paying for their health care.

The COVID 19 pandemic has only heightened the importance of health insurance as a benefit that enables employers to attract talented workers and workers to get access to necessary health care. HB 709/SB 632 will help nonprofits and small businesses across Maryland address this deficit. It will create a 5-year subsidy program of \$45 million/year that will help organizations--nonprofit and for profit—with fewer than 25 full-time equivalent employees offer health coverage to their employees through Maryland Health Connection, plus \$3 million/year for outreach to help small organizations learn about the program. The program will subsidize the cost of premiums for employers, making health insurance a more affordable benefit.

The program established by HB 709 and SB 632 should be funded through available federal money. It will support nonprofits as well as small businesses and their employees, and will improve health equity in Maryland. It will help Maryland attract and retain entrepreneurs and talented workers, who want to ensure that they and their families are covered in case of serious health challenges.

Nonprofit Montgomery supports Senate Bill 632 and we urge you to give it a favorable report.

Thank you for your consideration.

SB632_CMEC_FAV.pdf

Uploaded by: Gary Gillespie

Position: FAV

TESTIMONY IN SUPPORT OF SENATE BILL 632
Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies
Before the Senate Finance Committee
By Central Maryland Ecumenical Council (CMEC)
4 E. University Parkways, Baltimore, MD 21218
March 2, 2022

Dear Chair Kelley and Members of the Senate Finance Committee,

We would like to thank you for this opportunity to offer testimony in support of Senate Bill 632.

Central Maryland Ecumenical Council represents Christian denominations across Maryland. We seek to advocate on behalf of any environmental, racial, social, and/or economic bills that affirm the imago dei of all persons. Supporting Senate Bill 632 is part of our mission to support the providing of affordable health care to all Marylanders. This bill will lift the quality of life for many business employees and owners.

SB 632 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. This legislation is needed because 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. This legislation will help employees of small businesses and nonprofits access quality, affordable health coverage which is especially critical as the COVID-19 pandemic continues.

This bill will also improve health equity. 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 make Maryland a more healthy and equitable state. We urge a favorable report for SB 632.

In the spirit of Christ,

Rev. Dellyne Hinton

President,

Central Maryland Ecumenical Council

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>

SB 632 to Sen FIN - Support - Small Business Hea

Uploaded by: Henry Bogdan

Position: FAV

March 2, 2022

Testimony on Senate Bill 632
Maryland Health Benefit Exchange - Small Business and Nonprofit
Health Insurance Subsidies Program
Senate Finance Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We urge you to support Senate Bill 632 to assist small businesses and nonprofit employers to provide health insurance coverage to their employees.

Small employers in general are less able than larger companies to be able to provide adequate health insurance options for their employees, and far fewer actually do. While many nonprofits try to provide adequate benefits to their employees, their financial capacity can be far less secure than their for-profit counterparts.

While nonprofits represent 13% of the state's private sector workforce, the great majority are small employers, struggling even more than others to recruit or retain staff. Our research during the pandemic, a survey of over 700 organizations, found that 65% percent of organizations reduced expenses, and 30% reduced staff hours and furloughed or laid off staff, to cope with the reductions in revenue. We also found these impacts were more significant at nonprofits that were led by persons of color.

Today they face the same workforce challenges as government and other private sector employers: recruitment, retention, wage competition and providing adequate benefits.

The subsidy program proposed in Senate Bill 632 would help small nonprofits to sustain their work serving communities across the state and improve health equity and outcomes for the families of their employees.

We urge you to give Senate Bill 632 a favorable report.

SB632_FAV_Jamal Lee.pdf

Uploaded by: Jamal Lee

Position: FAV

TESTIMONY IN FAVOR OF SENATE BILL 632
Before the Senate Finance Committee
By Jamal Lee, Executive Director of Breasia Productions
301 Compton Ave, Laurel, MD 20707
March 2, 2022

My name is Jamal Lee and I own a small business in Laurel, Maryland. As a small business owner, offering health coverage to my employees is one of my top priorities. I know how important it is and I know it attracts a high caliber of employee when health coverages are in place. Being able to offer health coverage to employees is more important than ever in the economic climate created by the COVID-19 pandemic. Because our employees know we value them, they will in turn create a better product made in America. Unfortunately, it can be a difficult expense to cover. Small business owners list rising health care costs as one of their biggest challenges.¹ I supported the creation of the Small Business Health Options Program under the Affordable Care Act. The federal tax credits were absolutely necessary to balance the playing field when purchasing health coverage. Every dollar saved is a dollar earned. Small business owners are the back bone of this country and we are being taxed and stretched in every way imaginable. I strongly urge the Committee to build on this program by creating a state subsidy program for health coverage for small businesses so that more employers like myself can offer benefits to their employees. I also urge the Committee to invest in outreach and education about the program. Our people perish from the lack of knowledge; too many small businesses in Maryland are unaware of the choices available to them under the Maryland Health Connection for Small Business Program.

As a small business owner building Maryland and contributing to the growth of our country I am hopeful that you will provide a favorable report to Senate Bill 632. Thank you for your consideration.

¹ Knoll, C., Thompson, J. As Congress Debates Social Spending Bill, National Survey Shows Small Business Owners Want Action to Combat Rising Healthcare and Prescription Drug Costs. Small Business for America's Future. November 8, 2021. <https://www.smallbusinessforamericasfuture.org/as-congress-debates-social-spending-bill-national-survey-shows-small-business-owners-want-action-to-combat-rising-healthcare-and-prescription-drug-costs>

SB 632_CEGardner_fav.pdf

Uploaded by: Jan Gardner

Position: FAV



JAN H. GARDNER
Frederick County
Executive

SB 632

**Maryland Health Benefit
Exchange – Small Business and
Nonprofit Health Insurance
Subsidies Program**

County Position: FAVORABLE

Date: March 2, 2022
Committee: Finance

Frederick County Executive Jan Gardner urges a **FAVORABLE** report for Senate Bill 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program.

Access to quality and affordable healthcare is key to the well-being of our residents and our communities. For many small businesses and their employees, this important and necessary resource is simply unaffordable and out of reach.

County Executive Gardner supports the provisions in the proposed legislation that:

- Establishes the Small Business and Nonprofit Health Insurance Subsidies Program and provides state funding for its operations;
- Assists small businesses and nonprofits in offering healthcare coverage to their employees, benefitting employees as well as employers as a tool for recruitment and retention;
- Supports equitable access to healthcare coverage, as small businesses in particular are more likely to be owned by people of color when compared to the ownership of large businesses; and
- Enables the State to leverage available federal funding in providing insurance subsidies to support qualified small businesses and nonprofit employers in offering healthcare coverage to their employees.

Frederick County Executive Gardner urges a **FAVORABLE** report for Senate Bill 632.

SB632_FAV_WISE.pdf

Uploaded by: Jessica Gorski

Position: FAV

TESTIMONY IN SUPPORT OF SENATE BILL 632

Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies

Before the Senate Finance Committee

Jessica Gorski: WISE Women of Maryland, Healthcare Huddle Facilitator

March 2, 2022

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>

WDC Testimony SB0632-2022_FINAL.pdf

Uploaded by: JoAnne Koravos

Position: FAV



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

P.O. Box 34047, Bethesda, MD 20827

www.womensdemocraticclub.org

**Senate Bill SB0632
Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance
Subsidies Program
Finance Committee - March 2, 2022
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2022 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges the passage of SB0632. This bill will create a state subsidy program to help more small employers including faith-based organizations and other non-profits afford to provide health insurance coverage through the Maryland Health Exchange for their employees. If nothing else, the pandemic has made it painfully obvious that all Marylanders need to have the ability to obtain affordable health insurance for themselves and their families.

Only 37% of small business groups offer health coverage to employees in Maryland due to the enormous costs. In one recent study small business employers say that lowering health care costs is a top priority and important to their business. The Covid-19 pandemic makes it even more important than ever for employers to provide health insurance benefits, so employees are protected from the high costs of getting sick. And because Maryland has the highest per capita rate of small businesses owned by people of color in the nation this is also a matter of equity.

In the long run, with or without Covid, subsidizing premium costs for employers will lead to more working people signing up for health insurance through the Maryland Health Exchange thus bringing down the cost of health insurance coverage for all. Employees are looking for jobs that include health insurance benefits. Employers would like to provide it. This is a win-win situation for all.

We ask for your support for SB0632 and strongly urge a favorable Committee report.

Respectfully,

Leslie Milano
President

BaltimoreCounty_FAV_SB0632.pdf

Uploaded by: Joel Beller

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JOEL N. BELLER
Acting Director of Government Affairs

JOSHUA M. GREENBERG
Associate Director of Government Affairs

MIA R. GOGEL
Associate Director of Government Affairs

BILL NO.: **Senate Bill 632**

TITLE: Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

SPONSOR: Senator Hester

COMMITTEE: Finance

POSITION: **SUPPORT**

DATE: March 2, 2022

Baltimore County **SUPPORTS** Senate Bill 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program. This legislation would establish a program in the State to provide subsidies to small business and nonprofit employers and their employees for the purchase of qualified health benefit plans on the Maryland Health Benefit Exchange.

The COVID-19 pandemic has shown that access to healthcare for all Maryland residents is crucial to personal and public health. Many small businesses cannot afford to provide private health insurance to their employees at the same rate as larger corporations. This leads many Marylanders to forgo health insurance, purchase personal plans at a high premium, or opt out of employment at smaller businesses altogether.

Senate Bill 632 creates a program to assist small businesses and nonprofits with providing healthcare to employees. By providing subsidies for employers and their employees to purchase health insurance, this bill brings Maryland closer to achieving equitable health coverage access for all residents and supports the development of small businesses and nonprofits as viable employment opportunities.

Accordingly, Baltimore County requests a **FAVORABLE** report on Senate Bill 632. For more information, please contact Joel Beller, Acting Director of Government Affairs at jbeller@baltimorecountymd.gov.

SB632 Sponsor Testimony.docx.pdf

Uploaded by: Katie Fry Hester

Position: FAV

KATIE FRY HESTER
Legislative District 9
Carroll and Howard Counties

Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

March 2nd, 2022

Chair Kelly, Vice-Chair Feldman, and members of the Finance Committee, thank you for your consideration of SB632, which creates a \$45M, federally funded program to subsidize insurance coverage for small businesses, non-profits, and their employees.

Small businesses have historically struggled to offer competitive and comprehensive health benefits for their employees. As a result of their size, they are generally unable to bargain effectively with carriers and providers in the ways large businesses can. As a result, small businesses are restricted to smaller, less stable, and less healthy insurance pools. To put reliable and affordable healthcare within the reach of small business owners and their employees, the Affordable Care Act created the Small Business Health Options Program (SHOP). This program, administered by the Maryland Health Benefit Exchange (MHBE) provides small businesses access to a robust set of healthcare options, and provides federal tax credits to qualified participants to assist in covering the cost.

Additionally, the gap in coverage between small businesses and larger corporations is an issue of equity, as Maryland has the highest per-capita minority small business ownership rate in the country. The gap in healthcare coverage disproportionately and systemically hurts minority-owned businesses, and it is our duty as the General Assembly to reduce these disparities.

Despite the gains made by SHOP in Maryland, two significant obstacles prevent its full utilization:

- first, the federal tax credit alone does not fully cover the cost of healthcare benefits;
- second, MHBE is only able to spend a fraction of the amount on marketing this program as it does for individual marketplace outreach.

For example, in my district alone, MHBE projects roughly 4,000 businesses may be eligible; however, only a few hundred employers currently use the program statewide. This means that in just District 9, we're leaving more than \$9M of federal money on the table! SB632 would boost MHBE's outreach budget for the SHOP program to \$3M annually, and provide \$45M of tax credits each year, provided there is available federal funding.

The MHBE is excited to get this program up and running, and I have included some slides from them at the end of my testimony to explain three possible mechanisms for this program's implementation. While any of these mechanisms would work under this bill, it is important to understand how much work MHBE has already put into this, and how it could work in practice. With that I would refer you to quickly look at the 3 slides:

- Option A allows employers to provide traditional health plans while benefiting from a two-year federal tax credit and allows employees to receive tax-exempt health benefits.
- Option B allows employees to enroll directly into qualified health plans (QHP) through the MD Health Connection. This has the benefit of enabling them to access all of the federal and state credits & subsidies which they are eligible for, and allows them to keep coverage regardless of their employment status.
- Finally, Option C would allow employers to reimburse employees for QHP premiums. This would give employer contributions tax favored status, but would still allow employees to keep coverage regardless of employment status.

As we hopefully enter the closing stretch of the COVID-19 pandemic, we can directly address the obstacles that limit SHOP's growth and provide additional, high-quality health insurance options for small business, nonprofits, and their employees to take advantage of. For these reasons, **I respectfully request a favorable report for SB632.**

Sincerely,

A handwritten signature in dark ink, appearing to read "Katie Fry Hester". The signature is fluid and cursive, with the first name "Katie" being the most prominent.

Senator Katie Fry Hester
Carroll and Howard Counties

A. Employers provide traditional health plans

Employers:

- Purchase plans from authorized producers
- Provide pre-tax health benefits to employees
- Could be eligible for a two year federal tax credit

Employees:

- Receive tax-exempt health benefits

MHBE:

- Connects employers with authorized producers
- Provides plan comparison feature (already exists)
- Provides eligibility confirmation letters
- Could make a subsidy available to small employers and employees to reduce premiums, using eligibility and payment parameters established by the MHBE Board of Trustees

B. Employees enroll directly into QHPs through Maryland Health Connection (MHC)

Employers:

- Direct employees to MHC to enroll in individual market QHPs

Employees:

- Could access all federal and state tax credits and subsidies for which they are eligible
- Could keep their coverage regardless of their employment status

MHBE:

- Builds eligibility questions into the application process
- Provides open enrollment materials, access to open enrollment events, and other training and assistance
- Could provide a targeted state subsidy to reduce the premiums of small employers and employees enrolling in individual market plans through MHC (in addition to current federal and state tax credits and subsidies for which they may otherwise be eligible)

C. Employers reimburse employees for QHP premiums

Employers:

- Provide premium reimbursement to employees enrolled in QHPs on MHC through an Individual Coverage Health Reimbursement Arrangement (ICHRA)
- Tax favored status for employer contributions

Employees:

- Would not be eligible for federal tax credits
- Could keep coverage regardless of employment status

MHBE:

- Develops a tool for employers and employees to estimate ICHRA impact for this option (resource-intensive)
- Provide open enrollment materials, access to open enrollment events, and other training and assistance
- Build eligibility questions into the application process
- Could provide a targeted state subsidy to reduce the premiums of small employers and employees enrolling in individual market plans through MHC (in addition to current federal and state tax credits and subsidies for which they may otherwise be eligible)

sb632, small business, NFP subsidies on MD exchang

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony prepared for the
Finance Committee
on
Senate Bill 632
March 2, 2022
Position: **Favorable**

Madam Chair, members of the Committee, thank you for the opportunity to support access to health care in Maryland. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America, a faith community with three synods in every part of our State.

Our community has advocated access to appropriate and adequate health care for all people in the United States and its territories since 2003. Maryland has done a great deal to make health insurance, and so health care, more available and affordable. We thank this Committee for its contribution to the successes.

Small businesses and not-for-profits do not have the scale of purchasing power that advantages large workforces when shopping for health insurance. Currently just over a third of Maryland small businesses and nonprofits offer medical insurance to their employees, while ninety-five percent of large employers do. Cost seems to be a barrier.

Senate Bill 632 will invest \$45 million in a five-year program of subsidies on Maryland's Exchange targeted at small businesses/nonprofits. Accessing the Maryland Exchange in this manner makes the purchasing power of a large risk pool available to smaller businesses and nonprofits. Consequently, it should decrease the number of un- and under-insured workers, a public good all by itself.

Investing in this element of its business culture can be seen as good economic policy, since small businesses, and Maryland's not-for-profit environment, continue to be significant job generators. But it should also address health disparities, an interest of our community. Many Maryland small businesses are minority owned.

Getting more people access to adequate and affordable health care benefits all Marylanders and the Maryland business climate, because it manages health costs appropriately and efficiently. For all these reasons we support **Senate Bill 632** and ask your favorable report.

Lee Hudson

SB632_CalvinBall_FAV

Uploaded by: Maureen Evans Arthurs

Position: FAV



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013 Voice/Relay

Calvin Ball
Howard County Executive
cball@howardcountymd.gov

www.howardcountymd.gov
FAX 410-313-3051

March 2, 2022

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

Re: Testimony **IN SUPPORT** of SB 632: Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program

Dear Chair Kelley, Vice Chair Feldman, and Members of the Committee,

Last year, Howard County was awarded the National Culture of Health Prize from the Robert Wood Johnson Foundation. This prestigious award reflects the work our Administration has done to optimize the health and well-being of our residents. However, there is always more that can be done to remove barriers and expand access to healthcare for all.

I commend Senator Hester for introducing Senate Bill 632 and her consistent advocacy for small businesses and employees in our community. By leveraging state and federal funding, this legislation would provide subsidies to small businesses and nonprofits while decreasing their cost of providing health insurance for their employees. The COVID-19 pandemic has further exacerbated the need for accessible and affordable health care in our state.

Partnerships between government, public and private sector stakeholders will help Maryland residents receive the necessary medical care for themselves and their families. During the open enrollment period, more than 181,000 Marylanders enrolled in a Maryland Health Benefit Exchange (MHBE) qualified health plan, including 11,171 Howard County residents.

Our Administration will continue to promote initiatives that will expand access to healthcare and assist the small businesses and nonprofits that are essential to our communities. Dedicated funding from SB 632 would enable jurisdictions around the state to do the same.

I appreciate your partnership, consideration and urge a favorable report on SB 632.

All the Best,

Calvin Ball
Howard County Executive

SB 632 Maryland Health Benefit Exchange.pdf

Uploaded by: Michael Paddy

Position: FAV



Maryland
Hospital Association

March 2, 2022

To: The Honorable Delores G. Kelley, Chair, Senate Finance Committee

Re: Letter of Support – Senate Bill 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

Dear Chair Kelley:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 632. Broad-based, affordable, and comprehensive health insurance is integral to hospitals' ability to deliver high-quality care. It also is key to the state's success under the Total Cost of Care Model, which pushes accountability for whole-person care, including population health. Yet, we know many Marylanders remain uninsured, and even more are underinsured. The reinsurance program lowered premiums and contributed to individual insurance market stability. Similarly, a state subsidy program will expand access to more affordable coverage for consumers. Still, we urge the state and legislature to be thoughtful about using significant funding to subsidize the cost of insurance coverage for small subsets of Marylanders. We suggest the state consider how available funding may maximize the number of insured individuals under the most robust health benefit plans available.

We caution against continuous reliance on the reinsurance program and additional coverage subsidies to address long-term market stability. Rather, to ensure sustained viability of these markets, we must address high service utilization and improve the overall health of individuals covered through better insurer care management of the enrollees they serve. We urge policymakers to address the increasing consumer out-of-pocket costs included in commercial health insurance plans and focus on consumer health insurance literacy. High deductibles, increased cost-sharing requirements, and lack of transparency regarding coverage from health insurers resulted in unexpected financial obligations for patients who thought they were covered for much-needed services. From 2014 to 2018, the number of Marylanders in employer-sponsored plans who face high deductibles doubled, to 43%.¹ These high out-of-pocket costs create significant underinsurance for covered individuals, and most importantly, deter them from seeking appropriate health care, regardless of any premium discounts received.

For these reasons, we urge a *favorable* report on SB 632.

For more information, please contact:
Michael Paddy, Director, Government Affairs
Mpaddy@mhaonline.org

¹ State Health Access Assistance Center (SHADAC) analysis of the Medical Expenditure Panel Survey - Insurance Component. State-Level trends in employer-sponsored health insurance (ESI), 2014-2018.

SB632_MCM_Favorable.pdf

Uploaded by: Mikal McCartney

Position: FAV



**Microenterprise Council of Maryland
Community Development Corporation**

115 N. Second Street
P.O. Box 487
Oakland, Maryland 21550

TESTIMONY IN FAVOR OF SB632
Before the Senate Finance Committee
By Mikal McCartney, Microenterprise Council of
Maryland
March 2, 2022

My name is Mikal McCartney and I am the Executive Director of the Microenterprise Council of Maryland. Throughout my career, I have worked closely with small businesses throughout the state and helped them gain access to capital and other resources necessary to advance their companies' goals. Microenterprise is a category of small businesses that typically employ five or fewer employees. Most small businesses in Maryland are microenterprises.

Access to quality affordable health insurance coverage is a persistent challenge for the entrepreneurs with whom I have worked. While the Affordable Care Act has helped individuals gain coverage independently, small businesses need more help providing coverage to their employees. More affordable options and more readily available information about these options from trusted sources would be very helpful.

In my role on the board of the Garrett County Arts Council, I can also attest to the difficulties nonprofits face in ensuring that their employees are covered too.

This bill would expand access to subsidized health insurance coverage and dedicate resources for promotion and outreach so that small businesses in our state are aware of what is available to them. This is a great opportunity and a timely investment, given the impact of the pandemic on our small business community.

I support this bill and urge the committee's favorable review. Thank you for your consideration.

SB0632-FIN-FAV.pdf

Uploaded by: Natasha Mehu

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

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.

LWVMD-SB 632- Maryland Health Benefit Exchange.pdf

Uploaded by: Nora Miller Smith

Position: FAV



TESTIMONY TO THE SENATE FINANCE COMMITTEE

SB 0632: Maryland Health Benefit Exchange- Small Business and Nonprofit Health Insurance Subsidies Program

POSITION: Support

BY: Nancy Soreng, President

DATE: March 2, 2022

The League of Women Voters of Maryland (LWVMD) supports **SENATE BILL 632**, which would provide subsidies to help Maryland small businesses and nonprofits and their employees purchase qualified health benefit plans on the Maryland Health Benefit Exchange.

The League believes that every resident should have access to affordable, quality health care, providing essential services such as primary and preventative care, hospitalization and emergency treatment, reproductive health and perinatal care, pediatric care, rehabilitation therapy, and behavioral health and substance abuse treatment.

Without adequate health insurance coverage, patients can be unable to access services they need, relying instead on overburdened hospital Emergency Departments for non-emergent care- thus potentially incurring unmanageable medical debt- or on clinics that may not have the capacity or funds to assist them. As we enter the third year of the Covid pandemic, it is clearer than ever that we must work on expanding access to health insurance, so that more Marylanders will get the health care they need.

Senate Bill 632 addresses that need. Only 37% of small businesses in the state provide health insurance for their employees. And, as Maryland has the highest per-capita rate of small businesses owned by people of color in the nation, improving this low percentage is a matter of equity.

The subsidies from the American Rescue Plan noted in **Senate Bill 632** would enable employees of small businesses who are currently uninsured to obtain coverage for themselves and their families. It would include funds for outreach that would notify small businesses of available subsidies. And it would support our small businesses and nonprofits by enabling them to offer benefits that would attract and retain excellent workers.

The League urges the committee to give a favorable report to Senate Bill 632.

Support SB 632 Wash. Co. Chamber.pdf

Uploaded by: Paul Frey

Position: FAV

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 of 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

Anne Arundel County _FAV_SB 632.pdf

Uploaded by: Peter Baron

Position: FAV

March 2, 2022

Senate Bill 632

**Maryland Health Benefit Exchange - Small Business and
Nonprofit Health Insurance Subsidies Program**

Senate Finance Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** Senate Bill 632 - Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program. SB 632 would establish a Small Business and Nonprofit Health Insurance Subsidies Program to provide subsidies to small business and nonprofit employers and their employees for the purchase of qualified health benefit plans on the Maryland Health Benefit Exchange. Small businesses and nonprofits with fewer than 25 full-time equivalent employees would be eligible to benefit from these subsidies.

In Maryland, only 37% of small employers offer health coverage to their employees, compared to 95% of large employers.¹ Health coverage makes employment opportunities more attractive to job seekers, which is especially important as small employers continue to recover from the economic impacts of COVID and work to find local employees. Small businesses are also 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 these subsidies would help improve health equity by expanding health coverage for small employers and employees.

Providing funding through subsidies to small business and small nonprofits would allow more Marylanders access to quality, affordable health coverage through the Maryland Health Connections, reduce the rate of uninsured and under-insured people in the State, and help ensure that our small employers can attract employees and keep a healthy workforce.

For all of these reasons, Anne Arundel County respectfully requests a **FAVORABLE** report on Senate Bill 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>

SB632_FAV_MdPHA.pdf

Uploaded by: Raimee Eck

Position: FAV



Mission: To improve public health in Maryland through education and advocacy **Vision:** Healthy Marylanders living in Healthy Communities

SB632 Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

Hearing Date: March 2, 2022

Committee: Finance

Position: SUPPORT

Chair Kelley and members of the Senate Finance Committee: The Maryland Public Health Association would like to express support for Senate Bill 632-Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program. This bill will increase health insurance coverage in Maryland by making it easier for small businesses in our state to provide coverage to their employees.

Access to affordable health insurance has improved in Maryland thanks your leadership on this issue. The creation of our reinsurance program and subsidies for low-income young adults have helped Maryland build on the Affordable Care Act, cut the rate of uninsured in our state in half¹ and resulted in a record number of insured individuals in the Maryland Health Connection.²

The next best step our state can take right now is to help small businesses. Small businesses have been hurt by the pandemic and are less likely to provide health care benefits than large companies.³ Health care coverage helps make employment opportunities more attractive to job seekers and will contribute to the state's public health goals. Like the subsidies for individuals and reinsurance, this bill will build on the Affordable Care Act's program for small businesses to provide additional subsidies and support.

Small businesses are more likely than large businesses to be owned by people of color⁴ and Maryland has the highest rate per-capita of businesses owned by people of color in the nation.⁵ There are also profound health inequities by race and ethnicity made apparent by the COVID-19 pandemic. Providing better opportunities for small businesses and nonprofits to provide health coverage will improve health equity. We ask your favorable report for SB 632.

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

Maryland Public Health Association (MdPHA)

PO Box 7045 • 6801 Oak Hall Ln • Columbia, MD 21045-9998

GetInfo@MdPHA.org www.mdpha.org 443.475.0242

¹ US Census Bureau (DEC 2019) Rate uninsured. Retrieved Feb 14 2022 from: <https://content.govdelivery.com/accounts/MDHC/bulletins/271e3ba>

² Maryland Health Benefit Exchange (JAN 2022) Press Release. Retrieved Feb 14 2022 from: <https://www.marylandhbe.com/wp-content/uploads/2022/01/Feb.-28-OF-Extension-Press-Release.pdf>

³ 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. Retrieved Feb 14 from:

<https://www.kff.org/other/state-indicator/firms-offering-coverage-by-size/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

⁴ Kelly, D. Majbouri, M. & Randolph, A. (May 2021) Black women are more likely to start a businesses than white men. Harvard Business Review. Retrieved Feb 14, 2022 from:

<https://hbr.org/2021/05/black-women-are-more-likely-to-start-a-business-than-white-men>

⁵ Mirabella, L. (2018) Maryland ranks no. 1 in US for minority and women businesses ownership. Retrieved Feb 14 from: <https://www.baltimoresun.com/business/bs-bz-minority-owned-business-maryland-20180418-story.html>

SB 632 testimony.pdf

Uploaded by: Richard Weldon

Position: FAV



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

Good afternoon, Members of the Finance Committee

My name is Rick Weldon, I'm the President/CEO of the Frederick County Chamber of Commerce and the Vice President of the Maryland Association of Chamber of Commerce Executives.

It's in that capacity that I'm here today, to encourage you to support SB 632.

We support Senator Hester's proposed solution to create a new incentive for small businesses and nonprofits to instead purchase health insurance from the MD Health Benefits Exchange.

Hundreds of small businesses would benefit from this bill by allowing the owners to offer health plans to their employees, which would then build loyalty between the worker and the business owners, while also increasing the number of covered lives AND expanding the reach of our Exchange. Further, nothing about this incentive undermines our carefully-crafted Small Group marketplace, something I know is important to this Committee.

Our small businesses across Maryland have been battered by the pandemic. Now, they're facing new challenges resulting from trying to rebuild a workforce. Senate Bill 632 will directly address that challenge, while expanding the number of working people who will be able to join the ranks of the insured in Maryland.

I had the good fortune to serve on the House Health and Government Operations committee from 2003-2009. During that time, I worked with members of this Committee to expand access to health insurance and to build one of the best small group markets in the Nation. I'm proud to continue that work as a Chamber executive, and commit to continuing that work in the years to come.

On behalf of the Maryland Association of Chamber of Commerce Executives, I urge a favorable report on SB 632, and thank Senator Hester for her sponsorship.

BMNCBV_FAV_SB632 1 Final.pdf

Uploaded by: Sandra Conner

Position: FAV

**Baptist Ministers' Night Conference of
Baltimore *and* Vicinity (BMNCBV)**

5405 York Road, Baltimore, Maryland 21212, (443) 386.4739



**TESTIMONY IN SUPPORT OF SENATE BILL 632
BEFORE THE SENATE FINANCE COMMITTEE**

**BY REV. DR. SANDRA CONNER, PRESIDENT, BMNCBV
MARCH 2, 2022**

Thank you for this opportunity to submit testimony for a very important health bill that will help small employers be able to afford to offer high quality health coverage to their employees. Baptist Ministers' Night Conference of Baltimore and Vicinity is an organization that strives to equip faith leaders with resources to do effective health ministries for its congregants, as well as health benefits for their employees

BMNCBV acknowledge that Maryland has some of the best health systems in the country. It is our understanding that it is ranked 5th in the nation for having the best healthcare system; and we applaud this achievement. However, we believe more can and should be done to improve access to healthcare/coverage and to reduce inequities.

Many small organizations, including faith-based organizations, have a hard time offering health coverage to their employees because of the cost. This is a matter of health equity, as Maryland has the highest rate per-capita of businesses owned by people of color in the country, and disparities in access in health coverage continue to persist by race and ethnicity. This health disparity, like many others, is discussed on an ongoing basis and solutions are continually researched to improve the quality of life for our members and the people of the communities we serve.

We believe this bill, SB632, will make some improvements in health coverage and access to healthcare for not only the small business owners we serve, but also our employees. BMNCBV will support this bill to create a small employer health insurance subsidies program one of our top priorities for the 2022 Maryland General Assembly session. We pray that our legislators will heed our call.

We thank you in advance for your actions towards SB 632.

Rev. Dr. Sandra Conner

revdrconner@gmail.com

MCBV SB 632 FAV Final.pdf

Uploaded by: Sandra Conner

Position: FAV

MINISTERS' CONFERENCE OF BALTIMORE AND VICINITY



TESTIMONY IN SUPPORT OF SENATE BILL 632 BEFORE THE SENATE FINANCE COMMITTEE

BISHOP REGINALD KENNEDY, PRESIDENT

MINISTERS' CONFERENCE OF BALTIMORE & VICINITY, (MCBV)

March 2, 2022

Dear Committee Members:

We appreciate having this opportunity to submit testimony for a very important health bill that will help small employers be able to afford to offer high quality health coverage to their employees. The Ministers' Conference of Baltimore & Vicinity (MCBV) is an organization comprised of more than 150 congregations whose focus is shifting more and more on caring for the "holistic" needs, in particular health care, for its members and the people of the communities it serves.

We acknowledge that Maryland has some of the best health systems in the country; however, we believe there is still a need to make greater investments to improve access to health coverage and inequities. Many small organizations, including faith-based organizations, have a hard time offering health coverage to their employees because of the cost. Maryland has the highest rate per-capita of businesses owned by people of color in the country, and disparities in access in health coverage continue to persist by race and ethnicity. To effectively "do ministry" and serve its congregation and people of its communities, many faith leaders are not able to attract adequate staff or ensure those who are employed have health coverage to stay healthy and come to work.

MCBV believes many of our member congregations will benefit from the passing of SB632; for this reason, we will support this bill to create a small employer health insurance subsidies program and will make it one of our top priorities for the 2022 Maryland General Assembly session. We pray that our legislators will heed our call.

We thank you in advance for your actions towards SB632.

Bishop Reginald Kennedy, Bishop@GTBCBaltimore.org

Rev. Dr. Sandra Conner, revdrconner@gmail.com; MCBV Correspondence Secretary

Minsters' Conference of Baltimore and Vicinity
3100 Walbrook Avenue | Baltimore, MD 21216
Phone: 410.383.9393 | Email: ministersconferencebaltimore1@gmail.com

MCHI_FAV_SB632.pdf

Uploaded by: Vincent DeMarco

Position: FAV



MARYLAND CITIZENS' HEALTH INITIATIVE

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TESTIMONY IN SUPPORT OF SENATE BILL 632

Maryland Health Benefit Exchange Small Business and Nonprofit Health Insurance Subsidies

Before the Senate Finance Committee

By Vincent DeMarco, President, Maryland Citizens' Health Initiative, Inc.

March 2, 2022

Chair Kelley and Members of the Finance Committee, thank you for this opportunity to testify in support of Senate Bill 632 which would help small employers be able to offer health coverage benefits to their employees. We especially thank Senator Katie Fry Hester, Vice Chair Brian Feldman, and Senator Joanne Benson for sponsoring this critical legislation.

Under your leadership, the Affordable Care Act has been a great success in Maryland, expanding health coverage to over 400,000 people and cutting our uninsured rate in half. But, there is still more work to be done. In Maryland only 37% of small employers offer health coverage to their employees compared to 95% of large employers,¹ largely due to cost. A national survey of small business owners found that lowering the costs of health care and prescription drugs was their top priority, with 73% saying it is important to their business.² The ability of employers to offer health coverage is more important than ever in the health and economic climate created by the COVID-19 pandemic.

Maryland used to have a program for small employers called the Maryland Health Insurance Partnership. However, this ended shortly after the Affordable Care Act took effect. Today there are state programs to bolster the individual market through the reinsurance program and a pilot program for young adult subsidies, but none to help small employers offer health coverage.

HB 709 would invest \$45 million/year into a five-year state subsidy program for small businesses and nonprofits with fewer than 25 full-time equivalent employees to offer employees health coverage through Maryland Health Connection, plus \$3 million/year for outreach to notify small employers about the new program. This would make a significant impact on small employers' ability to learn about and afford to offer health coverage to employees, which in turn would help small employers attract employees and keep a healthy work force. Because 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,³ this legislation would also improve health equity in our state.

Thanks to your leadership, Maryland has one of the top five health care systems in the entire nation, and SB 632 will help us continue to lead. 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 Small Business for America's Future. As Congress Debates Social Spending Bill, National Survey Shows Small Business Owners Want Action to Combat Rising Healthcare and Prescription Drug Costs. <https://www.smallbusinessforamericasfuture.org/as-congress-debates-social-spending-bill-national-survey-shows-small-business-owners-want-action-to-combat-rising-healthcare-and-prescription-drug-costs> (Accessed Feb. 10, 2021)

³ 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>

NAACP_SB632 .docx.pdf

Uploaded by: Willie Flowers

Position: FAV



NAACP

Maryland

STATE CONFERENCE

TESTIMONY IN FAVOR OF SENATE BILL 632

Senate Finance Committee

Willie Flowers, President, NAACP Maryland State Conference

March 2, 2022

Chair Kelley and Members of the Committee, thank you for the opportunity to testify in favor of SB 632 which would help more small employers in Maryland be able to afford to offer health coverage to their employees. Though the Affordable Care Act has reduced disparities in access to health coverage, African Americans in Maryland are still uninsured at higher rates than white Marylanders. Providing better opportunities for small employers to provide health coverage could help close this gap. This is more important than ever as the COVID-19 pandemic continues to expose health disparities by race.

SB 632 creates an opportunity for small business owners to retain staff and build their business in a way companies have not been able to in the past. As you know, African Americans and other minority groups who run businesses, non-profit organizations and start-ups do not always have the capacity to sustain their businesses and this bill will stabilize their service to the community. This bill is an important step to both grow businesses for the state and retain staff.

As an executive director of a community-based agency in Baltimore City, I can not only explain the challenges that come with not being able to offer health coverage but I can offer a narrative on being an agency who was on the front end of Affordable Care Act funding to do outreach and enrollment with staff or outreach workers. Despite that funding, my agency was not able to offer health coverage for workers who were organizing in some of the toughest communities to enroll families into the Affordable Care Act.

1992 when Universal Healthcare was the expectation, the excitement was cut short because of backlash from small companies because it was assumed they would be run out of business. We know what happened since then. SB 632 is an opportunity for proponents and small business people together to expand health coverage for as many people in our state as we can.

We encourage a favorable report for SB 632.

NAACP

Maryland State Conference

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SB 632_MAHU_FWA.pdf

Uploaded by: Bryson Popham

Position: FWA

Bryson F. Popham, P.A.

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March 2, 2022

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

Dear Chair Kelley and Members of the Senate Finance Committee,

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

My name is Bryson Popham and I appear today on behalf of the Maryland Association of Health Underwriters (MAHU) requesting amendments to Senate Bill 632.

MAHU is a Maryland trade association whose members are small businesses throughout the State who are licensed health insurance producers. They assist businesses and individuals who are seeking to obtain health insurance, and they also provide essential services in connection with maintaining health insurance coverage.

In 1993 I also had the privilege of representing MAHU, many of whose members then remain active today. That was the year that Maryland completely reformed its small group health insurance market, with the passage of House Bill 1359. We – all of us – have constantly sought to improve that law. The small group market grew to approximately 500,000 enrollees by the late 1990s. Today, approximately 250,000 Marylanders obtain health insurance from various insurers through the small group market.

The world changed again beginning in 2011, when Maryland began the process of implementing changes required under the federal law known as the Affordable Care Act. That law led directly to the establishment of the Maryland Health Benefit Exchange. It is important to note that Maryland's unique method of distributing small group health insurance through the use of third party administrators (TPAs) was singled out for praise by MIT Professor Jonathan Gruber, who conducted a study of our small group market in preparation for ACA implementation. These TPAs ("intermediaries") in the Gruber report, "have developed robust infrastructure, technical capabilities and customer service centers that are used by brokers, employers and health carriers to provide a center point of access and streamline administrative services for the non-group and small group markets." "A Health Insurance Exchange for Maryland?" copyright 2020 page 26.

The Exchange got off to a rocky start in 2014, but under current Executive Director Michele Eberle, it now runs smoothly and effectively.

Another phenomenon in this market has been the growth of self-funded (ERISA) plans. Many employers, if eligible, have chosen such plans for cost and plan design reasons. The result has been a further reduction in enrollment in traditional Maryland small group coverage.

Both the federal law and the Exchanges created under it were intended to primarily serve the individual health insurance market. These are persons who were and are unable to procure individual health insurance at an affordable cost. Again, the Exchange did a good job in Maryland achieving this goal, and this General Assembly has assisted with such legislation as Senate Bill 729 - Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program.

A small portion of the ACA was devoted to an even smaller portion of the health insurance market: employer groups of 10 employees or less with certain other restrictive characteristics. Again, this program – the Small Business Health Options Program (SHOP) program – was intended to serve only a narrow range of small businesses that had difficulty procuring coverage in the regular health insurance market.

With that background, it is possible to evaluate the potential impact of Senate Bill 632 on the Maryland health insurance market a whole.

First, note that Senate Bill 632 offers an extremely generous funding formula - \$45 million in annual subsidies – to potential participants. This immediately creates a potential conflict between the more than 35,000 employers currently offering coverage to 250,000 individuals through Maryland small group, and those eligible for subsidies under the provisions of this new legislation. To qualify for the subsidies, employers must obtain their policies through the Exchange. Given the minuscule enrollment in the SHOP program to date, this would be a massive shift in small group distribution.

As noted below, a public policy that provides subsidies to some, but not all, small group employers and employees is inherently unfair to those not eligible for the subsidy. In addition, the question is raised whether insurers in the small group market must take subsidies into account when calculating rates for that market. Would there be a rating impact? Senate Bill 632 does not address that issue.

Other issues are immediately obvious as well. For example, the substantial amount of annual subsidies under Senate Bill 632 is subject to available funds. What will happen should those subsidies need to be reduced or eliminated? It is worth remembering that the health care tax credit available under the SHOP program is only for two consecutive tax years. For an employer whose employees participate in premium payments for a health plan, it will be an unpleasant surprise if these subsidies are reduced or eliminated.

Additionally, upon implementation of this new program, there may be an immediate, and potentially substantial, disparity between the premiums paid under the program and those paid in the standard small group market. This raises obvious questions of fair treatment of similarly situated businesses. In other words, businesses currently insured through the Maryland small group market may be subject to higher insurance costs than other, similarly situated businesses that choose to participate in the program under this bill.

That, in turn, may severely damage the viability of the existing Maryland small group market. Businesses that are not eligible for subsidies will have no choice but to remain in Maryland small group, which will become a shrinking and less attractive risk group for insurers to pursue. In the insurance industry such a phenomenon is commonly known as a “death spiral,” in which policy holders eligible for superior coverage flee their risk group for that coverage. The ones who are not eligible end up paying more for the coverage they retain – sometimes much more. Maryland small group has been a success story in our State since it was enacted 30 years ago. We should be careful to build upon that record of success.

There are other reasons not to pursue this idea at this time; therefore, the better approach is to convert Senate Bill 632 into a study bill, collecting the wisdom of nearly 40 years of small group experience in Maryland, and focusing on the parameters outlined by the ACA for the SHOP Program. In that way, the small group insurance market in Maryland will not be disrupted and there is a possibility that SHOP could be improved to achieve its intended purpose when the ACA was originally enacted.

On behalf of MAHU, we respectfully request that Senate Bill 632 be amended to comprise a multi-agency study of the small group market. The study should include a careful examination of the interaction between the SHOP program in the Exchange and the current, small group market on which more than a quarter million Marylanders depend.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Bryson Popham". The signature is fluid and cursive, with a long, sweeping underline.

Bryson F. Popham, Esq.

SB 632 Testimony FWA v2.pdf

Uploaded by: Deborah Rivkin

Position: FWA

Deborah Rivkin
Vice President
Government Affairs – Maryland

CareFirst BlueCross BlueShield
1501 S. Clinton Street, Suite 700
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SB 632– Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

Position: Support with Amendment

Thank you for the opportunity to provide written comments in support of Senate Bill 632. This bill establishes the “Small Business and Nonprofit Health Insurance Subsidies Program” (“the Program”) to provide subsidies to small businesses and nonprofits and their employees for the purchase of qualified health benefit plans on the Maryland Health Benefit Exchange.

As part of its mission, CareFirst is committed to ensuring equitable access to quality, affordable health services. Core to this mission is providing job-based coverage to employers and their employees. Employer-sponsored health coverage is the backbone of Maryland’s health insurance market. Nearly half of Marylanders get their coverage through an employer.

The coronavirus (COVID-19) pandemic has subjected businesses to extraordinary financial hardship. It has been particularly challenging for small businesses to continue to provide health insurance to their employees while weathering this economic uncertainty. SB 632 will reduce the cost of coverage for employers and nonprofit organizations with fewer than 25 employees, which will help to ensure continued access to health care for their employees. CareFirst understands that the intent of this bill is to fund the Program through state or federal sources other than funds specifically assessed or allocated for the operation of the State Reinsurance Program. A technical amendment is needed to clarify that the source of funding for the Program may come from state or federal funds, but not from state or federal reinsurance funds.

CareFirst strongly supports the policy goals advanced by SB 632 and looks forward to partnering with the Maryland Health Benefit Exchange to implement this program. It will help small businesses offer coverage to their employees, thereby ensuring continued access to health care.

We urge a favorable report, with the amendment noted above.

About CareFirst BlueCross BlueShield

In its 84th year of service, CareFirst, an independent licensee of the Blue Cross and Blue Shield Association, is a not-for-profit healthcare company which, through its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products and administrative services to 3.4 million individuals and employers in Maryland, the District of Columbia, and Northern Virginia. In 2019, CareFirst invested \$43 million to improve overall health, and increase the accessibility, affordability, safety, and quality of healthcare throughout its market areas. To learn more about CareFirst BlueCross BlueShield, visit our website at www.carefirst.com and our transforming healthcare page at www.carefirst.com/transformation, or follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) or [Instagram](#).

SB632 - Maryland Health Benefit Exchange - Small B

Uploaded by: Jane Redicker

Position: FWA



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**SB632 – Maryland Health Benefit Exchange –
Small Business and Nonprofit Health Insurance Subsidies Program
Finance Committee
March 2, 2022
FAVORABLE WITH AMENDMENTS**

On behalf of the Greater Silver Spring Chamber of Commerce, representing 400 member organizations, including very small businesses with fewer than ten employees and several nonprofits, in the greater Silver Spring area of Montgomery County, I write to express our support for SB632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program.

Our small business members and nonprofits have long understood the value of providing health insurance coverage for their employees. Even before they faced the financial challenges of the pandemic for the past two years, many wanted to provide this benefit but were simply unable to bear the cost. While larger employers are able to take advantage of favorable pricing, small businesses face higher and unaffordable costs per employee.

SB632 can change that. This bill would go a long way to providing a solution that will allow small business owners to provide some form of affordable group health coverage for their employees.

By authorizing an investment of \$45 million a year, funded through available federal dollars, into a five-year state subsidy program, this bill would allow qualified small businesses and nonprofits with fewer than 25 full-time employees to obtain health coverage through Maryland Health Connection.

We recognize that under the Affordable Care Act, eligible small employers can receive up to two years of federal tax credits to help purchase health coverage at Maryland Health Connection. However, few small employers use the program because they don't know about it. The \$3 million per year for outreach will help to assure that small employers are aware of the new program.

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. SB632 is the right bill at the right time.

Because the legislation authorizes the subsidy only through 2028, we do recommend one amendment to the bill. We suggest adding a five-year sunset provision to provide the legislature the opportunity to either extend the subsidy payment or make any other alterations necessary to the program.

For these reasons, the Greater Silver Spring Chamber of Commerce joins other chambers throughout Maryland to respectfully request a **FAVORABLE committee report on SB632.**

Jane Redicker

President & CEO

Greater Silver Spring Chamber of Commerce

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SB 632-ACS-3.2.2022.pdf

Uploaded by: Joan Driessen

Position: FWA



**SB 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance
Subsidies Program
Committee: Finance
Position: Support with Amendments
March 2, 2022**

On behalf of the Association of Community Services (ACS), which represents over 150 member organizations and community advocates in Howard County, I to urge you to support SB 632 with amendments.

First and foremost, we thank Senator Hester for seeing the needs nonprofits have and introducing this legislation to establish the Small Business and Nonprofit Health Insurance Subsidies Program. As a local nonprofit association, we frequently hear from our members about the challenges of recruiting and retaining employees, and one of the top reasons for that is the inability to afford and offer health insurance for employees. ACS also faces this challenge as well as a small organization. Nonprofits are hampered in our ability to afford health insurance due to a variety of reasons, such as prohibitions on creating health insurance co-ops, having very limited opportunities for grants that will sustainably fund operating expenses, and presumptions that employees can just get health insurances elsewhere (e.g., through a spouse, from a family plan if under age 26) or will go without it. We cannot keep operating like this –particularly as society continues to change and The Great Resignation further drives people to seek better wages and benefits elsewhere.

We support SB 632 with amendments and ask that the following areas be changed:

1. Remove the cap to end the program at the end of calendar year 2028/fiscal year 2029. Health insurance is a long-term need and funding this program for a limited amount of time will bring us back to where we are today once it ends.
2. Establish a minimum funding amount rather than a cap of up to \$45 million per year. Along those lines, the committee may want to consider establishing a task force first to study what amount of funding is actually needed in a health insurance subsidies program and if nonprofits need specific provisions to participate that are unique from those of for-profit businesses.

Our employees deserve health insurance for the vital work they do, and nonprofits need support to do that -especially in Howard County where it takes approximately \$75,000 per year for families to be self-sufficient and financially stable¹. With that, please support SB 632 with amendments

Thank you,

Joan Driessen

Joan Driessen
Executive Director

¹ See ACS Self-Sufficiency Indicators Report: <https://www.acshoco.org/self-sufficiency-indicators/>

SB 632_Small Business Subsidies_LOI.pdf

Uploaded by: Allison Taylor

Position: INFO



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

March 2, 2022

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 632 – Letter of Information

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente appreciates the opportunity to comment on SB 632, Maryland Health Benefit Exchange - Small Business and Nonprofit Health Insurance Subsidies Program.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 800,000 members. In Maryland, we deliver care to over 460,000 members.

Kaiser Permanente applauds the bill's sponsor for taking steps to make coverage more affordable for small businesses and nonprofits, many of whom have been hit hard by the pandemic. We support the goal of this legislation to provide subsidies to these organizations and their employees for the purchase of qualified health benefit plans on the Maryland Health Benefit Exchange.

There are many factors that impact affordability of health coverage for small businesses and nonprofits, such as the premium tax established by § 6-102.1 of the Insurance Article. This tax – which the Governor has proposed to extend through SB 395 – supports health insurance affordability initiatives in the individual market while effectively raising costs for small group coverage. As the committee considers this legislation, we encourage the committee to consider lowering or eliminating the tax proposed by SB 395 so that policy efforts to improve affordability are aligned.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in dark ink that reads "Allison Taylor". The signature is fluid and cursive, with the first name "Allison" and last name "Taylor" clearly distinguishable.

Allison Taylor
Director of Government Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

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Uploaded by: State of Maryland (MD)

Position: INFO

March 2, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
Senate Office Building, 3 East
11 Bladen St.
Annapolis, MD 21401

Re: Letter of Information – SB 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

Dear Chair Kelley and Committee Members,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of information on Senate Bill (SB) 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program. SB 632 would authorize MHBE to collect and administer federal funds to establish and implement a state subsidy program for small business and nonprofit employers.

MHBE would like to clarify that, if SB 632 passes, it will not be able to establish and implement this new subsidy program in the absence of a new source of federal or state funding. MHBE does not have an existing source of funding that could be used for the subsidies. If federal or state funding is secured, MHBE could devise a subsidy program that would support small businesses and their employees.

MHBE could structure the program in several ways. These options include: offering traditional small employer plans; facilitating the direct enrollment of employees into QHPs through Maryland Health Connection (MHC); and supporting employers to provide premium reimbursement to employees enrolling in QHP through MHC.

In the traditional plan scenario, MHBE would connect employers with authorized producers through its Small Business Producer Program to purchase one or more small employer health plans. Employers would provide pre-tax health benefits and employees would receive tax exempt health benefits. MHBE could make available a subsidy to small employers and employees to reduce premiums, using eligibility and payment parameters established by the MHBE Board of Trustees. Small employers purchasing a health plan could also be eligible for the existing two year federal tax credit to reduce the cost of health insurance. This tax credit is most useful for employers with 10 or fewer employees with an average annual wage of less than \$27,000.

Another option would be for MHBE to support employers in directing their employees to MHC to enroll in QHPs in the individual market. In this scenario, employees would have access to all federal and state tax credits and subsidies for which they are eligible and could keep their coverage regardless of their employment status. MHBE would provide open enrollment materials, access to open enrollment events, and other training and assistance to ease the enrollment process for employees. In addition to current federal and state tax credits and subsidies for which they may otherwise be eligible, MHBE could provide a targeted state subsidy to reduce the premiums of small employers and employees enrolling in individual market plans through MHC.

Under federal law today, employers can provide premium reimbursement to employees enrolled in QHPs on MHC through an Individual Coverage Health Reimbursement Arrangement (ICHRA). It is worth noting that employees receiving premium reimbursement would not be eligible for federal tax credits. This scenario otherwise mirrors the direct employee enrollment option above, with the additional benefit of tax favored status for employer contributions. Additionally, MHBE would need to develop a tool for employers and employees to estimate ICHRA impact for this option, which would be resource-intensive.

Lastly, for the latter two scenarios, MHBE would need to build eligibility questions into the application process to determine whether the applying employer or employee meets the subsidy eligibility criteria established by the MHBE Board.

MHBE reiterates that securing new funding is a prerequisite for implementing any of these options. For further discussions or questions on SB 632, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,



Michele Eberle
Executive Director