



Mar 9, 2026

March 4, 2026
Delegate Heather Bagnall
Chair, House Health Committee
241 Taylor House Office Building
Annapolis, MD 21401

RE: Written Testimony in SUPPORT of HB 1472, “Better Small Business Employee Benefit Act of 2026”

Dear Chair Bagnall:

Thank you for the opportunity to provide comments on legislation under consideration by the House Health Committee, House Bill 1472. I am writing this letter in support of the proposed legislation.

My name is Hank Johnson and I am Director of Risk and Compliance for Nextep, Inc. Our company is a professional employer organization (PEO) company based in Norman, Oklahoma and we have been operating in Maryland since 2013. We represent over 30,000 worksite employees and over 1,200 small business clients throughout the U.S. We partner with small and mid-sized businesses throughout Maryland to deliver comprehensive HR solutions, including payroll administration, tax remittance, and guidance on state and federal compliance requirements. By working with a Professional Employer Organization (PEO), small businesses can devote more time and resources to their core mission—enhancing productivity, strengthening profitability, and positioning themselves for sustainable growth.

I join my colleagues in the PEO industry today, **asking you to support House Bill 1472** for the benefit that it will provide small businesses across Maryland.

Through a PEO, the employees of small businesses gain access to big business employee benefits such as: 401(k) plans; health, dental, life, and other benefits they might not typically receive as employees of a small company. However, in Maryland, we are not able to provide small businesses under 50 employees with access to these robust health benefits.

I support this legislation that would align Maryland with the 47 other states that allow PEOs to offer large group health plans to the worksite employees of small business clients (regardless of client size), expanding access to more stable, comprehensive coverage options. At a time when small employers continue to face rising costs and limited plan choices, this reform would provide Maryland’s small businesses and their employees with an important additional pathway to more affordable, robust health benefits.

Thank you for the opportunity to provide comments and once **again ask you to support HB 1472.**

Sincerely,
Hank Johnson
Director of Risk and Compliance
hjohnson@nextep.com