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Testimony in Support of
House Bill 634 - Association Health Coverage Plans
Health and Government Operations Committee
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The Rural Maryland Council **Supports** House Bill 634 – Association Health Coverage Plans. This bill clarifies in the current law that chambers of commerce may be considered an “association” and therefore eligible to offer insurance to small businesses.

A chamber of commerce’s mission is to create an environment in which businesses in the community can prosper. They are a type of business network whose goal is to further the interests of businesses and advocate on behalf of their community. There are 57 chambers of commerce in Maryland. These chambers have long recognized the value of employee benefits and the difficulties smaller employers face accessing quality, affordable health care coverage. This bill would allow a chamber of commerce to be an “association” and therefore the opportunity to provide affordable, competitive, secure benefits to employees of small businesses in their community.

According to the National Conference of State Legislatures, small businesses pay 8 to 18 percent more than large firms for the same health insurance policy. In addition to higher costs for the insurance, the insurance companies may also charge different premiums to small businesses. This creates barriers for small businesses to offer health insurance to their employees. This also creates an issue for hiring employees since many individuals look for employment with benefits such as healthcare. The Commonwealth Fund’s *Small-Business Owners’ Views on Health Coverage and Costs* reported that 75% of the 352 small businesses of 2-25 employees surveyed stated that the cost of health insurance is a major problem (40%) or minor problem (30%).

To expand the coverage of health insurance to more Marylanders working in small businesses, the Rural Maryland Council respectfully requests your favorable support of HB-634 - Association Health Coverage Plans.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

“A Collective Voice for Rural Maryland”