

## House Committee on Small Business

### "Small Business Access and Alternatives to Health Care"

March 5, 2003

#### Opening Statement of Chairman Donald Manzullo (IL-16), House Small Business Committee

Good Afternoon. It is my pleasure to welcome everyone to today's Small Business Committee hearing on the critical issue of small business access and alternatives to health care.

I am pleased to have our colleague Dr. Fletcher discuss his bill, HR 660 before our committee. Additionally, I would like to extend a very warm welcome to the former chairman of this committee, who now resides in the other chamber, Senator Jim Talent.

It is a great privilege to have Secretary Elaine Chao before this committee. And as always, I look forward to hearing from the SBA Administrator, Hector Barreto as well as of all of our witnesses.

Improving access and affordability to health care is one of my priorities for this committee.

Year after year, small business owners rate access and affordability of health care as the most important issue facing them.

Of the 43 million Americans with no health insurance, 60 percent are small entrepreneurs, their families and their employees.

Affordability is always the major concern for small employers and the self-employed.

Exorbitant health care costs are one of the biggest expenses small businesses and the self-employed incur as they struggle to provide coverage for their employees. As Congress continues to examine our nation's health care problems, we need to remember that 60 percent of the estimated 43 million uninsured are small business owners, their employees and families.

Small business owners are unable to absorb spiraling health care costs and find themselves priced out of the health insurance market. Many owners are faced with the choice of staying in business or providing their employees with insurance.

My own brother was nearly driven to close the doors on our family run business because of the exorbitant cost of health care insurance.

Our current health care system does not provide equal access to affordable and quality healthcare for small businesses.

One of the reasons small businesses cannot afford health coverage for their employees is

that they are unable to achieve the economies of scale and purchasing power of larger corporations and unions. Small businesses suffer from unequal treatment – what they want most is a level playing field when it comes to health care.

Large corporations use the purchasing power of thousands of employees to offer affordable health insurance to their workers. Small business owners, on the other hand, have to find their insurance on an individual basis, making it very difficult and expensive to find affordable health coverage.

I was very heartened to see President Bush issue his plan for helping small businesses prosper in our economy. The President is aware of the health care access and affordability problems facing small business, and his plan includes concrete steps to increase health security for employees of small businesses.

His agenda calls for Association Health Plans or AHPs to be available for associations that want to provide health coverage for their members.

I am an original co-sponsor of Rep. Fletcher's bill (H.R. 660), which will allow AHPs.

The President's agenda also calls for a permanent extension of Medical Savings Accounts, including a significant reduction in the required deductible for these health accounts.

Congress needs to ensure that there are many different health insurance options for small business owners to utilize. We need to help our businesses attract and keep employees, and nothing helps more than the ability to provide health insurance.

I look forward to the testimony of all the witnesses here this morning and I turn to my colleague, the Ranking Member for her opening statement.