



**Opening Statement of
The Honorable Renee Ellmers
Chairwoman, Subcommittee on Healthcare and Technology
House Committee on Small Business
Hearing: "Small Businesses and PPACA: If They Like Their Coverage, Can They Keep It?"
July 28, 2011**

Good morning. I call this hearing to order.

I want to thank the witnesses on both panels for testifying today. We appreciate your participation.

Although the health care law won't be fully implemented until 2014, businesses are already feeling its effects. A study released this week by the National Federation of Independent Business found that small firms are worried that the law could lead to higher taxes, more administrative burdens and bigger budget deficits, without lowering costs or making Americans healthier.

Under the law, many small business owners will be required to offer coverage to their employees or pay a penalty. And the small business tax credit that has been touted to offset the cost of health insurance is, in reality, a temporary and narrow one, where the full credit applies only to the smallest of businesses. If your firm has more than 25 employees, or you are one of the 23 million self-employed, you qualify for no credit.

We have heard small businesses are concerned that regulatory requirements on insurers, such as the medical loss ratio, may drive some carriers out of the market, resulting in premium hikes. Small firms are uncertain about whether they will be able to continue offering coverage; if so, at what cost; and if not, what their penalty will be and what the coverage will cost taxpayers.

This is all while our economy is still fragile; an economy that is adding fewer jobs than forecast and has a still high unemployment rate. In this environment, it is not surprising that small business owners continue to be hesitant to create jobs, expand or invest. And there are more regulations ahead.

During the healthcare debate, one of the most repeated assurances was that if you like your current health coverage, you would be able to keep it. However, for a number of reasons, a small business may be driven out of its current plan. The Department of Health and Human Services predicts that over half of all employers and up to 80% of small firms may relinquish grandfather status by 2013. This means that small business owners and workers may be forced to switch to higher-priced plans or drop insurance altogether.

Although the goal of the health care law may have been to make health insurance more accessible, its taxes, mandates, regulations and administrative burdens are causing many small businesses – our best job creators – to postpone hiring and expanding.

Again, I thank our witnesses for participating today. I look forward to hearing their input on how we can help to reduce the impact of some of the health care law's uncertainty, mandates, regulations and requirements for our small businesses.

I now yield to Ranking Member Richmond for his opening statement.