

Senator Olympia J. Snowe
Introductory Statement for the Small Business Health Education and
Awareness Act of 2006
April 7, 2006

Mr. President, as Chair of the Senate Committee on Small Business and Entrepreneurship, I have long believed that it is my responsibility and the duty of this chamber to help small businesses, as they are the driver of this nation's economy, responsible for generating approximately 75 percent of net new jobs annually.

Today, I rise with Senator Bennett to introduce legislation that would address the crisis that faces small businesses when it comes to purchasing quality, affordable health insurance. This is not a new crisis. Nearly 46 million Americans are currently uninsured. We've now experienced double digit percentage increases in health insurance premiums in four of the past five years. Small businesses face difficult choices in seeking to provide affordable health insurance to their employees. We must act now.

Study after study tells us that the smallest businesses are the ones least likely to offer insurance and most in need of assistance. According to the Employee Benefit Research Institute, of the working uninsured, who make up 83 percent of our nations uninsured population, 60.6 percent either work for a small business with fewer than 100 employees or are self-employed.

Furthermore, many of the small businesses who we meet with tell us how they feel like the cost and complexity of the health care system has moved health insurance far beyond their reach.

That is why today we introduce the Small Business Health Education and Awareness Act of 2006. This bill establishes a pilot, competitive matching-grant program for Small Business Development Centers (SBDCs) to provide educational resources and materials to small businesses designed to increase

awareness regarding health insurance options available in their areas. Recent research conducted by the Healthcare Leadership Council has found that a short, less than 10 minute education session, can increase small business knowledge and interest in offering health insurance by about 33 percent.

For those of you who are not familiar, SBDCs are one of the greatest business assistance and entrepreneurial development resources provided to small businesses that are seeking to start, grow, and flourish. Currently, there are over 1,100 service locations in every state and territory delivering management and technical counseling to prospective and existing small business owners.

Our legislation would require the Small Business Administration (SBA) to provide up to 20 matching grants to qualified SBDCs across the country. No more than two SBDCs (one per state) would be chosen from each of the SBA's 10 regions. The grants shall be more than \$150,000, but less than \$300,000 and shall be consistent with the matching requirement under current law. In creating the materials for their grant programs, participating SBDCs should evaluate and incorporate relevant portions existing health insurance options, including materials created by the Healthcare Leadership Council.

In addition, SBDCs participating in the pilot program would be required to submit a quarterly report to the SBA.

Enacting this legislation is an important step in the right direction towards assisting small businesses as they work to strengthen themselves, remain competitive against larger businesses that are able to offer affordable health insurance, and in turn bolster the entire economy.

We encourage our colleagues to join us in supporting this bill, and to continue to work to address the issues facing the small business community.

Thank you, Mr. President. I ask unanimous consent that the text of our bill and a copy of my statement be included in the record.