

Statement by
Brian England

At the Hearing on

Examining Innovative Approaches to Covering the Uninsured Through
Employer-Provided Health Benefits

Before the

Subcommittee on Health, Employment, Labor and Pensions

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I would like to thank Chairman Andrews, Ranking Member Kline, and members of the Subcommittee for the opportunity to present testimony on covering the uninsured and how the federal government can help small businesses obtain affordable coverage. My name is Brian England and I am a small business owner. I immigrated to the United States in 1972 and became a citizen in 1984. In my remarks I will address the following points:

- How the rising cost of health care has affected my business
- The role of the Howard County Chamber of Commerce
- Opportunities for the federal government

In 1978, My wife and I opened an independent auto repair shop called British American Auto Care in Columbia, Maryland. Our auto shop is fairly small; we employ 20 people. Our staff includes both part- and full-time workers.

At British American Auto Care one of the greatest challenges we face is affordable health care. Like many other small business owners, we want to be able to provide comprehensive, affordable health care plans for all of our employees and their family members, but it is difficult to afford to do so. At the moment health care cost represents 5% of our labor rate.

British American Auto Care currently employs three apprentices and one trainee, who will continue on to be an apprentice. The program is open to high school or trade school students; the students are generally 18-20 years old. Each apprentice receives supervised, structured, on-the-job training combined with technical instruction in a specific occupation. They apprentice for three years and attend college and graduate with an associate's degree. My company provides health insurance to these student apprentices, except in cases where the student is still covered by parental coverage. In Maryland, insurance rates are calculated by the average age of employees. Having a young pool of workers helps us keep our overall premiums low. We have also tried to keep premiums

low by making increasing deductibles and co-payments, which results in employees paying a greater share for their health care.

The rising cost of health care has become an obstacle for both employers and employees. As an employer I believe providing adequate health care support to my employees and their families is an important piece in helping families transition from government support into the workforce. For example, for a number of years I employed a single mother with two children as a part-time office employee. I was pleased with her work wanted her to work more hours. She received her health benefits through Medicaid and when I offered her this opportunity she told me that she was unable to work more hours without losing health care benefits for herself and her children. Unfortunately, she chose to leave our employment last year. In preparing for this hearing I called her Tuesday and asked her if she would have continued working with us if we had been able to provide the necessary health coverage for her family and she said yes.

While I am able to speak as an individual small business owner, I have also had the opportunity to see how the rising cost of health insurance has affected other businesses. I am on the legislative committee of the Howard County Chamber of Commerce and in this role have had a chance to discuss this issue with other business owners. Business owners are increasingly concerned about the rising costs of health care. Every year the Chamber goes to Annapolis and discusses policy issues with the State Legislature. We had two subcommittees that reflect our policy priorities: one on local legislation and the other on state legislation. This year, we added a third subcommittee on health care, which underscores the importance of this issue. I was asked to review the health care section of the Chamber's white paper. The business community as a whole has been moving towards accepting solutions that include everyone, specifically individuals, government and business. It is important that both Maryland's state legislature and the federal government come up with progressive proposals to address cover all uninsured Americans.

The E-SCHIP proposal is coming at just the right time. There are many companies considering dropping family health care coverage and only providing coverage for their employee. This could lead to more uninsured children and there are already too many. Currently more than 9 million children lack health insurance in the United States. Four out of five of these children have parents who work but cannot afford health insurance coverage. Proposals that would offer employers the option of buying into the SCHIP program in order to provide coverage for an employee's family would greatly ease the burden on working parents. The E-SCHIP proposal would also help apprentices that have families.

It is critically important that we invest not only in the health of our employees but also in the health of our children because children are our future. In a recent UNICEF report on child poverty the United States was at the bottom of the list of rich countries with regard to providing health care. It is unacceptable that a country as prosperous as the United States would fail to care for the health of its citizens. I am glad that Congress is working on improving this situation.