

Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight and Investigations
Hearing on “Challenges Facing America’s Businesses Under the Patient Protection and
Affordable Care Act”
June 26, 2013

(As Prepared for Delivery)

Today, we will hear firsthand from business owners about the impact the health care law and its costs and requirements are having on their employees and their families – the people they care about deeply.

First, I am pleased to introduce a constituent from my district, Mr. Jeffrey Kelly. Mr. Kelly is the CEO and Owner of Hamill Manufacturing Company, a 62-year-old company based in Penn Township, Pennsylvania. Like many small businesses across the country, Hamill is loyal to its employees. Mr. Kelly recognizes that providing benefits to employees is not only the right thing to do, but attracts better employees and helps to drive success for all.

Yet, as Mr. Kelly will testify today, since passage of the healthcare law, his company’s premiums have risen 46 percent. And as Mr. Kelly and other business owners look forward to full implementation of the Affordable Care Act in a few months, their brokers and insurance agents have warned them to brace for the higher fees and taxes associated with the healthcare law.

Questions remain for families, workers, and employers because there’s a huge gap between what they hoped for and what they got.

Good intentions don’t guarantee good results.

Today, I’m sure the witnesses will continue to hear the same promises from supporters of the Affordable Care Act. Mr. Kelly, I don’t think you’ll find much comfort in the fact that even though your premiums keep going up, supporters of the law today will tell you that if you look at the numbers the right way, premiums are going down.

In addition to the rising costs for businesses, the witnesses today will also explain how the law’s requirements will directly impact workers. Steve Lozinsky operates a cleaning service that he’s grown from one employee to over 200. Mr. Lozinsky’s business runs on a tight margin. When he bids on contracts, the cost of his services is often the determining factor. With less than six months to go until the Affordable Care Act is implemented, Mr. Lozinsky is weighing three options for his company. Option one is reduce every employees’ hours to less than 30 hours per week. Option two is fire 100 employees. There is a third option – go out of business. Mr. Lozinsky is a real-world example of how the employee mandate is causing havoc for American families.

Members on this committee may have their own opinions on whether passage of the Affordable Care Act was the right decision but we cannot disagree on the facts: the costs and requirements of this law are forcing many businesses across the country to make difficult decisions, decisions that will impact the strength and growth of their companies, the wages of their workers, and their ability to hire new staff. The witnesses before us today are not outliers. Last week a new Gallup poll revealed that 41 percent of small businesses have frozen hiring because of Obamacare. Meanwhile, that same Gallup Poll found that 19 percent of small businesses have reduced their number of workers because of the law. That is remarkable: nearly one fifth of the nation’s small businesses have reduced employment because of the Affordable Care Act.

Uncertainty over the impact of this law is building mere months from full implementation. The nonpartisan Government Accountability Office told this committee last week that implementation of the law is behind schedule. Premiums continue to climb—although this hasn’t stopped the law’s defenders from claiming otherwise. Competition has failed to materialize as well; not only are we hearing stories about insurers

sitting out the Exchanges in places like New Hampshire, North Carolina, and California, last week we learned that one of the nation's largest insurers was simply going to exit the California individual insurance market altogether. Meanwhile, stories continue to break about cash-strapped local governments cutting hours of workers because they simply cannot afford the healthcare law.

Again, I want to thank our witnesses before us today. It takes courage to come here and talk about the nuts and bolts of your businesses, and we all greatly appreciate you taking the time to do so.

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