

To: Health and Human Services Committee

From: Annemarie Bailey Fowler, Representative of Opportunity@Work Advocacy Subcommittee

RE: **Support of LB 136 - Change provisions for eligibility for medical assistance**

Opportunity@Work is a statewide coalition that brings together the non-profit, business, philanthropic, and human-services sectors to promote financial stability for all working families.

The Opportunity@Work Advocacy Subcommittee supports the proposed changed provisions for eligibility for medical assistance in LB 136.

While LB 136 only addresses the health care status of children in Nebraska, this is a critical issue to the financial stability of Nebraska's families, employers, and workforce. The cost of uninsured children not only impacts the immediate family, but the financial stress resulting from high medical bills or the lack of preventative health care has consequences in the workplace. A strong, growing body of research links financial stress to lower productivity in the workplace and increased absenteeism and turnover - all of which come at a great cost to employers. **A report from 2005, prior to the current economic downturn, estimated that up to 1 out of 4 employees is financial stressed to such a degree that the workplace in affectedⁱ. Of those considered financially stressed, at least 40 - 50% claim to be distressed due to health related issues, medical bills and health care costsⁱⁱ.**

Since 1999, the number of firms with 3-9 employees offering Employer Sponsored Health Care in the United States has dropped from 56% to 49% in 2008ⁱⁱⁱ. During this same time period, the average annual premium for family coverage in the United States increased from \$5,791 in 1999 to \$12,680 in 2008, a 119% increase^{iv}.

To be more Nebraska-specific, data from survey completed by Nebraska Workforce Development found that of Nebraska businesses with 4 or fewer employees, only 31.5% provided Employer Sponsored Health Insurance compared to 53.7% of businesses with 5 - 9 employees^v. Data from the Kaiser Family Foundation, a national non-partisan foundation focused on health care policy and communication, found that in Nebraska only 27% of all businesses with fewer than 50 employees provided Employer Sponsored Health Insurance.

Considering the fact that 86% of all businesses in Nebraska are small firms, or micro businesses (with 10 or fewer employees), the decreasing number of employers providing health care coverage is understandably a concern among Nebraska's families - as it should be among policy makers as well^{vi}.

LB 136, which extends the State Children's Health Insurance Program to a larger number of low-income, uninsured children in Nebraska, can begin to relieve the financial burden of health coverage and medical bills for working Nebraskan families and lessen the impact of financial stress on local businesses.



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The Opportunity@Work Advocacy Subcommittee is in full support of this effort and urges the advancement of LB 136. It is our hope that Nebraska’s policymakers would recognize the growing need of health coverage among lower-income, working families in Nebraska and understand that the benefits of covering children extend past the family and into the workplace. Thank you.

ⁱ Garman, E. Thomas, et al., “Financial Distress Among American Workers: Final Report: 30 Million Workers in America—One in Four—Are Seriously Financially Distressed and Dissatisfied Causing Negative Impacts on Individuals, Families, and Employers,” March 2005.

ⁱⁱ Ibid.

ⁱⁱⁱ *Employer Health Benefits 2008 Annual Survey*, Kaiser Family Foundation and Health Research & Educational Trust, 2008.

^{iv} Ibid.

^v *Nebraska Employee Benefits Report 2007*, Nebraska Workforce Development, Labor Market Information Center, 2007. This data was gathered from a limited survey of businesses and reflects the medical insurance offered to *full-time* employees only.

^{vi} Data from the Nebraska Enterprise Fund. Collected from the *U.S. Department of Commerce and the U.S. Census Bureau*, 2006.