



Opening Statement
Chairman Chris Collins
Subcommittee on Health and Technology
Hearing: “The Effects of the Health Law’s Full-Time Employee Definition on Small Businesses”
October 9, 2013

The hearing is called to order

I would like to thank the witnesses for appearing today for our latest hearing on the potential negative consequences of the health care law on small businesses.

It has been a little over one full-week since individuals and small business could begin to enroll in the public exchanges created by the President’s health care law and the outcomes thus far have, predictably, not been encouraging. The President promised his health law would reduce health care costs and provide affordable coverage to individuals and small businesses. Instead, a number of small businesses have told us that the health care law is increasing the cost of their health plans significantly, in one case by as much as 55 percent.

However, while outcomes such as this were predicted, time and again, by me and many of my colleagues, they are not the subject of today’s hearing.

What we are here to discuss today are some of the other unwanted outcomes of this health care law, namely, what effect it has for employment opportunities at small businesses. As the Committee has examined in the past, the health law’s employer mandate that businesses with 50 or more employees offer health insurance to their employees or pay a penalty is a disincentive for businesses to grow and add new jobs. This outcome is further exacerbated by the health law’s seemingly arbitrary definition of full-time employee as someone who works 30 hours or more per week.

While most Americans and other federal statutes define full-time employee as one who works an average of 40 hours per week, the health care law includes its own definition of 30 hours or more per week. The consequences of this 30-hours-per-week definition are all too predictable: fewer work hours for employees and administrative nightmares for small businesses.

According to a recent survey of small businesses owners and executives, nearly 75 percent intend to take some type of action to avoid the health law’s employer mandate, including moving more full-time employees to part-time status.

In short, while most of the American public continues to place job creation as their number one policy concern, the health care law creates the perverse incentive for employers to not only refrain from hiring new workers, but also-to reduce the hours of current employees. The witnesses at today’s hearing will explain the challenges the health law’s definition of full-time employee creates and how it will affect the way they manage their businesses and provide for their workers.

I now yield to Ranking Member Hahn for her opening statement.