



**Opening Statement
Chairman Sam Graves
Committee on Small Business
Hearing: “The Small Business Health Options Program: Is It Working for Small
Businesses?”
December 11, 2013**

The hearing is called to order. The Small Business Health Options Program, or SHOPs, are marketplaces created by the President’s health care law specifically for certain qualified small businesses to shop-for, compare, and enroll in a health insurance plan for their employees.

The Obama Administration established high expectations for the SHOP exchanges.

In an all-out media blitz both before and after enactment, the Administration promised the SHOP exchanges would expand health insurance coverage options for small businesses; increase small business purchasing power to lower costs; and give consumers, not insurance companies, control over their health care.

Unfortunately, like too many of the President’s other promises regarding this health care law, the reality experienced by small businesses is far different.

Take for instance the promise that SHOPs would expand health insurance options for small businesses. But, then the Administration announced only one option would be available in

the exchanges. And, since enrollment in the exchanges began, millions of Americans and thousands of small businesses have received cancellation notifications from their insurers.

Nor have the SHOP exchanges simplified the process in obtaining health insurance for small businesses. On November 27th, the day before Thanksgiving, the Administration announced that online enrollment through the SHOP web portal will be delayed until next year.

Perhaps the greatest disappointment for small business has been the impact of the health law on the cost of insurance. The Administration anticipated that the health law and the SHOP exchanges would lower health insurance costs for small businesses. Instead, small businesses are reporting significant increases in the cost of providing health insurance. Just last week, a witness before the Committee described a 44 percent increase in the cost of her business's health plan.

In other words, across multiple measures established by the Administration, the SHOPS have failed to expand health insurance options for small businesses; they have failed to reduce the cost of health insurance; and they have failed to give consumers more control and choice over their care.

In closing, I want to thank Mr. Cohen for appearing before us today and will now yield to Ranking Member Velazquez for her opening statement.