



The Committee on Energy and Commerce

Memorandum

June 24, 2013

To: Oversight and Investigations Subcommittee

From: Energy and Commerce Committee Majority staff

Subject: Hearing entitled “Challenges Facing America’s Businesses Under the Patient Protection and Affordable Care Act”

On Wednesday, June 26, 2013, at 10:15 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing examining the Patient Protection and Affordable Care Act’s (PPACA) impact on America’s businesses.

I. Witnesses

Hugh Morrow
President
Ruby Falls, LLC

Jeffrey S. Kelly
CEO
Hamill Manufacturing Company

Steve Lozinsky
Vice President
Sparkle and Shine Cleaning Services, Inc.

Michael Brey
Owner
Hobby Works

Neil Trautwein
Vice President and Employee Benefits Policy Counsel
National Retail Federation

Randel K. Johnson
Senior Vice President of Labor, Immigration and Employee Benefits
U.S. Chamber of Commerce

Michelle Neblett
Director of Labor and Workforce Policy
National Restaurant Association

Bill Daley
Legislative and Policy Director
Main Street Alliance

II. Background

This hearing will examine the impact the Patient Protection and Affordable Care Act (PPACA) is having on businesses nationwide. Three of the witnesses will discuss the challenges their businesses face under the PPACA. While all will be able to discuss the impact of the law generally, each business has attributes unique to its operations that will provide a deeper perspective on the law:

- Hugh Morrow operates Ruby Falls, [the nation's largest and deepest waterfall open to the public](#). Because of its unique physical attributes and seasonal schedule, Mr. Morrow will be able to discuss the PPACA's impact on seasonal or part-time employees, including the law's definition of a full time employee as one working over 30 hours.
- Jeff Kelly is the CEO and owner of Hamill Manufacturing Company. The company is a precision machining and fabricating company serving many defense industry related needs. Hamill Manufacturing employs a skilled workforce and offers younger employees opportunities to learn and grow within the company.
- Steven Lozinsky is the Vice President of Sparkle and Shine Cleaning. The company began in 1998 with one employee and has grown to approximately 240 employees providing construction and entertainment cleaning along with janitorial services. Because of the close margins and the nature of bidding on cleaning jobs, it is difficult for Sparkle and Shine to simply raise their prices to either provide health care or pay the penalty under the PPACA.
- Michael Brey owns Hobby Works, a company he started in 1992 that has grown to five stores in the Virginia and Maryland area.

The hearing will also feature the testimony of individuals from the U.S. Chamber of Commerce, the National Retail Federation, the Main Street Alliance, and the National Restaurant Association.

III. Issues

The following issues will be examined at the hearing:

- What challenges do business owners who typically rely on part-time or seasonal employees see emerging as they approach open enrollment on October 1 and full implementation of the PPACA on January 1, 2014?
- For employers offering jobs that typically pay near the minimum wage, is providing health insurance financially feasible? Is it possible to raise prices to cover the increased price of health care?
- In his remarks at the signing of the PPACA, the President claimed the law would lower costs for businesses. Since passage, have any of the business owners and operators testifying experienced any cost reductions?
- Since passage of the PPACA, have any of the business owners and operators testifying experienced any premium reductions (if applicable) for the coverage they offer?
- How much of a cost increase do employers face for hiring the 50th employee? Does the requirement to provide insurance drastically increase costs, or are there ways to limit the cost of providing insurance?
- Have the owners and operators testifying been forced to reduce hours because of the PPACA's definition of full time as 30 hours? Have they been forced to either reduce employees or limit plans to expand?
- What has been the experience for the policy experts from the Chamber of Commerce, National Retail Federation, Main Street Alliance, and National Restaurant Association? What are these individuals hearing from their membership about the impact of the PPACA?

IV. Staff Contacts

If you have any questions regarding the hearing, please contact Sean Hayes at (202) 225-2927.