

The Honorable Senator Kent Conrad, Chairman
United States Senate Budget Committee
August 7, 2007

Mr. Chairman and members of the Senate Budget Committee, I am John MacMartin the President of the Minot Area Chamber of Commerce and I am pleased to be here today to represent the Chamber and provide brief comments on Health Care Costs and the Challenges and Options for Reform.

The Minot Chamber is a private not-for-profit business organization, in which membership is voluntary and is composed of 700 members. I have served as the President of the Minot Chamber for the last 17 years. During that time, the Minot business community has faced a number of critical issues including the reform of workers compensation, the Base Realignment and Closure Commission and the Northwest Area Water Supply to name just a few. As we have recruited new members, talked with individual members and surveyed the membership, the issue that is routinely brought up is health care: more importantly affordable insurance. That is not to say that insurance companies are not offering coverage, but many small businesses are unable to find a group insurance program for which they qualify. As such, those business owners simply cannot afford the insurance premiums on their own.

The issues of health care and health insurance bring a myriad of topics. I believe that the business community wants to see health care reform. I believe that reform has to remain employer based and it needs to involve the end user whether that is a sole proprietor of a business or the employees of small businesses. I further believe that the current situation has the end user

removed too far from the choice for health care and the payment for services received.

In business, usually the more often something is purchased; the price will reflect a downward trend. In health care I am not sure that situation follows except in areas where insurance does not cover the procedure. I would offer the case of RK surgery for eyes and elective cosmetic surgery where prices have fallen in response to patients choosing providers who offered the procedures at lower prices. In most insurance models, the patient is removed from both the pricing model and the choice of the provider. As such the market system of supply and demand, as seen in RK surgery and elective cosmetic surgery is not occurring.

Health care is and will remain a critical issue facing small business. I thank you for the opportunity to appear today and provide these brief comments to the Committee and will continue to provide information to you at your request.