

Leif Bjelland  
High Health Care Costs: A State Perspective  
Testimony to the Senate Finance Committee  
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Good Morning. Thank you for giving me the opportunity to be here today. My name is Leif Bjelland and I own a small bakery here in Missoula called Le Petit Outre. I understand that today's hearing will focus on high health care costs and how they affect folks like me right here in Montana. I'm glad that someone is paying attention to this problem.

As a small business owner, I have a unique experience to share with you today. High health care costs have made it very difficult for me to provide much needed health coverage for my employees. I always hear that small businesses are the backbone of our economy and that we help provide the most jobs in the country. In order for the backbone to be strong, it needs to remain financially viable. I'm here to tell you that high health care costs are threatening the financial viability of America's small businesses.

My story is not a complicated one. And I am afraid that it is one that is all too common throughout the United States. I started my bakery business 10 years ago. Since then, it has grown to employ over 30 employees. About 5 years ago, I began to offer health insurance to my employees. When I first offered insurance, I was able to provide a much more comprehensive benefits plan for my employees than I can today. The reason I have had to scale back on benefits is that I simply cannot afford the same coverage I could 5 years ago.

While some coverage is better than no coverage, the less generous package I currently provide has had real life implications for some of my employees. For example, one of my managers has diabetes and cannot afford the cost of his care under the limited benefits that I can provide.

Over the past few years, the costs of providing health insurance to my employees have increased dramatically – upwards of 20% each year. This rate of increase is unsustainable for my business because it far outpaces the increases in my profits. As much as I would like to continue to provide health coverage for my employees, I do not believe that I will be able to do so.

Small business owners who want to do the right thing and offer health coverage to their employees are faced with a terrible dilemma. On one hand, we want to ensure our workers' safety and well-being by providing them comprehensive health benefits; but on the other hand, maintaining our businesses would become much more difficult to do so if costs continue to increase at this rate.

Providing health insurance to my workers is both good for them and good for me. It keeps them healthier and more productive. It helps cut down on the costs to my business associated with my employees getting sick.

So I'm here to put a human face to this crisis. I would like to know how we can lower these costs and help other small businesses provide health insurance to their employees. I hope that my story will shed some light on this all too common situation and help you with the reform process.

Again, I would like to thank you very much for giving me the opportunity to share my story with you. I am happy take any questions you may have for me.