

Senate Committee on Small Business and Entrepreneurship

Testimony for the Field Hearing on
The Effects of the Affordable Care Act (ObamaCare) on Small Businesses

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Controller
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The core business of Kenyan Companies is the owning and operating of Conventional and Limited Assortment Grocery Stores. We have 4 companies that own and operate 17 stores in 4 states with over 400 employees. We have always been proud of the benefit programs made available to our employees. We have consistently paid 66% of our Health Insurance premiums as an added benefit to our employees.

Now, we have ObamaCare telling us we must offer our Health benefits to twice the number of employees and we must cover even more of the cost. A cost that is not shared by our Federal Government, or the Health Insurance Companies, or passed on to our employees. This is Government mandated cost increase to be paid directly by our Company.

In 2014 our Group Health Plan covered 63 employees, their spouses and children. Under this plan, our company paid 66% of the cost or approximately \$449,750.00.

For 2015, after applying the 9.5% affordability calculation to our lowest eligible 30 hour employee, it was calculated the we could only charge our employees \$90.00 a month for Health Insurance and we must now include employees working an average 30 hours or more a week to our eligible group. Therefore, for 2015, our Group Health Plan will cover 151 employees, their spouses and children. The increase in the number of employees covered is a direct result of the ObamaCare requirement for individuals to have Health Insurance or face penalties. Our company will have to pay 81.53% of the premiums for each employee. The new projected cost to our company is approximately \$899,580.00.

This results in an increased expense, to **Our Company**, of \$449,830.00. This is more than 30% of our 2014 bottom line. Since the Administration has assumed the authority to make decisions on how we are to spend our money, they need to provide us with the solution of how to cover the increased cost. Now, our company will be forced to make many difficult business decisions to minimize the effect of this dramatically increased expense. One of which will result in a change of our hiring practices.