



May 18, 2018

Assemblymember Jim Wood
State Capitol
P.O. Box 942849
Sacramento, CA 94249

RE: Legislation Pending on Healthcare Payments Database (AB 2502)

Dear Assemblymember Wood,

As a representative of the 28 million small businesses in America and the more than 3.5 million in California, Small Business Majority writes today in support of AB 2502, which would require California establish the California Health Care Payments Database. This database would publicize information about healthcare usage, costs and outcomes that would further efforts to improve affordability and quality of existing healthcare options.

Small Business Majority is a national small business organization with multiple offices throughout California, founded and run by small business owners to focus on solving the biggest problems facing small businesses today. We actively engage small business owners and policymakers in support of solutions that promote small business growth and drive a strong economy. A key component of our work involves outreach and education to small business owners on a range of small business issues, including healthcare, retirement security, access to capital and more.

Over the past six years, the Patient Protection and Affordable Care Act (ACA) has provided healthcare to 24 million individuals nationwide who otherwise couldn't access coverage, many of whom work for small employers or are themselves business owners or self-employed individuals. In California alone, more than [five million](#) people now have insurance thanks to the healthcare law and the state's efforts to promote robust insurance marketplaces. The individual marketplace has been crucial to expanding access to quality, affordable healthcare for the small business community, with [8.1% of self-employed](#) Californians (370,000 total) enrolled in a plan through Covered California in 2015, compared to just 2.9% of all workers.

Despite these gains, many Californians still struggle with medical costs for copays and deductibles, making it difficult to actually use the coverage they have. And while the rate of annual increases in premiums and healthcare costs has slowed post-ACA, costs of certain health needs like prescription drugs continue to rise at steep rates. Consumers struggle to understand the cost of care, and it is nearly impossible to compare costs or outcomes across various providers.

AB 2502 would address this by creating a database of healthcare use and the costs of that care. This could significantly improve affordability for all Californians, including many entrepreneurs and small business employees. Lower healthcare costs could bring down the cost of insurance as well, which would in turn help promote a more robust small business economy by reducing job lock and making small businesses more competitive when they are seeking to hire talent.

California's small businesses look forward to the day when one's employment and income status don't govern access to quality, affordable care. To continue the progress made under the ACA, we urge you to support AB 2502 to make healthcare even more affordable.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Herbert".

Mark Herbert, California Director
Small Business Majority