



March 15, 2023

The Honorable Dr. Jim Wood, Chair
Assembly Health Committee
1020 N Street, Room 390
Sacramento, CA 95814

RE: AB 1208 (Schiavo) – Covered CA Cost-Sharing Affordability – SUPPORT

Dear Assemblymember Wood:

As a leading representative of the four million small businesses in California, Small Business Majority writes to express support AB 1208 (Schiavo), which will dramatically reduce cost-sharing for Covered California enrollees. This is particularly important to entrepreneurs who struggle to afford healthcare costs.

Affordability continues to be a major barrier to care, even for Californians with coverage. While premiums are lower than ever for those in Covered California, thanks to federal premium subsidies resulting from the Inflation Reduction Act, out-of-pocket costs continue to skyrocket. Medical deductibles for Covered California standard Silver plan enrollees will have more than doubled, and maximum out of pocket costs have increased to almost \$9,000. Co-pays have also sharply increased, with regularly primary care appointments costing nearly \$50 for some enrollees.

According to [our recent polling](#), bringing down the cost of healthcare is small business owners' top priority for policymakers. What's more, half of Californians skipped or delayed care in the past year because of costs; for low-income Californians, that percentage increases to a staggering two-thirds.

Continuing California's efforts to keep healthcare affordable, AB 1208 (Schiavo) proposes to direct Covered California to provide state subsidies to lower co-pays and deductibles, for as long as enhanced federal affordability assistance continues for premiums.

While out-of-pocket costs continue to skyrocket for California small business owners, our state is collecting hundreds of millions in revenue from those who are uninsured because of our state individual mandate penalty. With additional federal premium assistance supplanting state subsidies through at least 2025 as a result of Inflation Reduction Act, legislators and advocates have urged that the revenue raised from the individual mandate penalty could continue to be used for affordability assistance.

AB 1208 will allow Covered California to provide significant, life-changing affordability assistance, so that low- and middle-income Covered California enrollees can seek care when they need it. For these reasons, Small Business Majority requests your support for AB 1208 (Schiavo).

Sincerely,

Bianca Blomquist
California Policy Director
Small Business Majority