



March 22, 2023

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

RE: AB 616 (Rodriguez)— Medical Group Financial Transparency Act

Dear Chair Wood,

As a representative of the more than four million small businesses in California, Small Business Majority is pleased to support AB 616 (Rodriguez), the Medical Group Financial Transparency Act. This bill would advance efforts to improve healthcare affordability by ensuring that healthcare purchasers and consumers have access to important information about the finances of large medical groups and other physician organizations.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. Our work is bolstered by extensive research and deep connections with the small business community that enable us to educate stakeholders about key issues impacting America's entrepreneurs.

Rising healthcare costs are a substantial burden on small businesses that provide health insurance to their employees, as well as those who rely on the individual marketplace for their coverage. Last year, more than 1 in 4 Californians postponed medical care because they were afraid of the cost, and more than a third of Californians have medical debt. What's more, according to [our recent polling](#), bringing down the cost of healthcare is small business owners' top priority for policymakers.

As California's purchasers, policymakers, and consumers seek to control healthcare costs, it is critical to have the information we need to understand how our healthcare dollars are being spent.

Many stakeholders use existing publicly available financial data to identify potential cost savings for consumers and purchasers. Additionally, this data will be essential for stakeholders engaging in the Office of Health Care Affordability's rate setting process.

As healthcare increasingly moves to outpatient settings, and as ongoing provider consolidation increases the market power of large physician organizations, it is appropriate to bring the same level of public scrutiny to physician organizations that already exists for other providers and health plans.

The Medical Group Transparency Act would remove the existing Public Records Act exemptions for financial data that physician organizations are already required to report to DMHC and HCAI, thereby closing a data gap. This straightforward change would give stakeholders an additional tool by which to ensure that California's healthcare dollars are spent efficiently and to the best benefit of patients. For these reasons, Small Business Majority urges an "AYE" vote on AB 616 (Rodriguez).

Sincerely,

Bianca Blomquist, Policy Director, California
Small Business Majority