



Policy Briefing: The Office of Health Care Affordability – Advancing Cost Containment & Access in California

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Thank you, Chair Menjivar, Chair Bonta, and Members of the Committee:

My name is Bianca Blomquist, and I'm the California Policy Director for Small Business Majority, a national small business organization that empowers America's entrepreneurs to build a thriving and equitable economy. My testimony today seeks to underscore the importance of the Office of Health Care Affordability (OHCA) in addressing the healthcare affordability crisis among small business owners.

Small businesses are up against a laundry list of economic hardships, and rising healthcare costs are one of small business owners' top concerns. These costs are hurting their bottom lines and limiting their growth, and many business owners are being forced to take measures to cut their healthcare premium expenses. More than half (51%) of small businesses reported increasing employee contributions to their health plans, 47% moved to an insurance plan offering more limited coverage and 29% had to cut other employee benefits.

[Our polling](#) reveals that small business owners strongly support policy solutions that would help lower costs by banning dishonest billing practices, increasing transparency and promoting competition in the healthcare industry. What's more, 8 in 10 small business owners (81%) in California agree the state should be allowed to expand its authority to review excessive premium increases among all health insurance plans, in order to create a more transparent and affordable marketplace.

Commented [CM1]: We should link to/cite our polling.

Importantly, OHCA has collected hospital spending data across different regions and sectors. Using this data, OHCA has set cost targets of 3% (with a phase in period to incentivize healthcare providers to keep costs low). This helps small businesses continue to participate in the marketplace and access affordable healthcare. Additionally, quality and equity standards will also be enforced and standardized, no matter where one gets their healthcare.

Additionally, OHCA provides much needed oversight of mergers and consolidations in the healthcare industry. When large hospital and healthcare systems consolidate it creates a market that is anti-competitive and less affordable. Our polling reveals that small business owners support a number of policy solutions that would increase pricing transparency and address the impacts of monopolization. For example, 96% say that healthcare providers should be required to post the prices they charge for services publicly, 88% believe the government should ban hospital "facility fees" and other unfair billing practices, and 75% say the government should have greater authority to block mergers and acquisitions in the healthcare industry.

We must make healthcare more affordable for small business owners and their employees. Without OHCA, private insurers and hospitals will continue to increase costs without adding value for consumers, leaving nothing for entrepreneurs to invest back into their communities and their businesses. Thank you again, for taking the time to listen to the needs of California's small businesses.