

March 25, 2025

The Honorable Mia Bonta, Chair
Assembly Health Committee
State Capitol, Room 390
Sacramento, California 95814

Re: AB 280 (Aguiar-Curry): Addressing Provider Directory Inaccuracies - SUPPORT

Dear Chair Bonta,

As a representative of the more than four million small businesses in California, Small Business Majority is pleased to support AB 280 (Aguiar-Curry), which requires provider directories to be accurate, mandates verification of accuracy, and ties existing provider directory requirements to accuracy benchmarks for health plans to serve as an enforcement mechanism. AB 280 streamlines the process of updating and verifying provider information and grants the Departments of Managed Health Care and Insurance the authority to require health plans to use a central utility or utilities. This will ensure small business owners and employees who are already struggling with their healthcare costs are not needlessly paying for out-of-network care.

Small Business Majority is a small business organization with offices across California that empowers diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. 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 entrepreneurs, with a special focus on the smallest businesses and those facing systemic inequities.

Every health plan in California is required to maintain an updated list of their in-network healthcare providers for their enrollees. On paper, California has some of the strongest provider directory and network adequacy laws in the country, but they are falling short for consumers. Existing law has not effectively addressed the alarming pattern of inaccuracies in provider directories. One health plan was found to have an error rate of 80% for psychiatrists, with most health plans having error rates of 20%-30%.

When a small business owner or employee searches for an in-network provider, they rely on these directories for accurate information from their health plan to limit their out-of-pocket costs. However, when these directories are inundated with inaccuracies, many providers are unreachable or may no longer be in-network due to changes in insurance. This leads to confusion which may lead to delayed or even denied care; in some cases, a person may even feel forced to seek necessary care out-of-network and pay inflated rates of care. These inaccuracies disproportionately impact those who already face the greatest barriers to care, including those with limited English proficiency, persons with disabilities, and marginalized communities, further worsening health inequities, which in turn increases costs.

Accurate provider directories are critical for ensuring that entrepreneurs and their employees can find the care they need. Small businesses are up against a laundry list of economic hardships, and rising healthcare costs are among small business owners' top concerns. They do not have the time or resources to spend navigating convoluted, inaccurate provider directories. Already faced with limited and expensive healthcare coverage options, small business owners cannot afford to pay for care out of pocket or at out-of-network rates. For these reasons, Small Business Majority is proud to support AB 280 (Aguiar-Curry) and we urge your support of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Bianca Blomquist". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bianca Blomquist, California Director
Small Business Majority

cc: Assembly Majority Leader Aguiar-Curry, Author Members, Assembly Health Committee