



April 17, 2019

The Honorable Jim Wood, Chair
Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

RE: Pending legislation on stopping surprise emergency medical bills (AB 1611)

Dear Chairman Wood and other members of the Committee

As a representative of the 28 million small businesses in America and the more than 3.9 million in California, Small Business Majority writes today to respectfully urge you to support AB 1611 concerning out-of-network emergency room bills, or surprise billing. Healthcare costs are routinely cited in our polling as a top concern of small business owners, who regularly pay more for healthcare than their larger counterparts.

Small Business Majority is a national small business advocacy organization with multiple offices throughout California, founded and run by small business owners to ensure America's entrepreneurs are a key part of a thriving and inclusive economy. We actively engage small business owners and policymakers in support of public policy solutions, and deliver information and resources to entrepreneurs that promote small business growth and drive a strong, sustainable job-creating economy. A key component of our work involves outreach and education to small business owners on key small business issues, including healthcare, retirement security, access to capital and more.

Surprise billing occurs when an individual seeks care from an in-network hospital or clinic, but receives care from an out-of-network provider, resulting in a bill reflecting high costs for this coverage. This occurs frequently for patients seeking emergency care, as they may not always be able to direct an ambulance to an in-network provider. While California law ensures that emergency care providers deliver care and prevents surprise billing for non-urgent services, current law does not prevent consumers from receiving a surprise bill for out-of-network emergency room costs. AB 1611 will close this gap by extending protections for consumers receiving emergency care, ensuring that they are not billed for more than their in-network cost sharing responsibilities. Additionally, AB 1611 will help control overall costs by preventing hospitals from setting payment higher than 150% of the Medicare rate or the average contracted rate paid by the specific health insurer for the same services in the same region.

We know from our scientific opinion polling that the cost of healthcare is a major concern to small business owners. Many small business owners and solo-entrepreneurs pay more for coverage than their larger counterparts and simply can't afford unexpected medical expenses that eat into their tight profits and prevent them from investing in their business.

We urge you to enact AB 1611 in order to bring more transparency and affordability to pricing for emergency care services, benefitting small businesses' bottom lines and helping to control costs in the healthcare system overall.

Sincerely,

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

Mark Herbert, California Director
Small Business Majority