



May 12, 2020

The Honorable Dr. Jim Wood, Chair  
Assembly Health Committee  
State Capitol  
Sacramento, CA 95814

*RE: Letter in support of AB 2118 (Kalra)*

Dear Chairman Wood:

As a representative of the 30 million small businesses in America and the four million in California, Small Business Majority is pleased to support AB 2118 (Kalra), which as introduced would require health plans and insurers to undertake overall rate reporting in the individual and small group insurance markets. Given predictions that COVID-19 will cause rates to skyrocket in the next year, such transparency is critically important to small businesses that are already struggling.

Small Business Majority is a national small business 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 solutions that promote small business growth and drive a strong economy. A key component of our work involves outreach and education to small business owners on a range of small business issues, including healthcare, retirement security, access to responsible capital and more.

In our complex healthcare system, California must have the right tools to better track the changes in health insurance markets in order to help keep costs down for the small businesses and self-employed individuals who are the drivers of our economy. California already has extensive rate reporting on the health insurance coverage sold to large purchasers (employers with more than 100 enrollees)—but not for the individual or small employer markets, which serves about 4.4 million Californians.

This type of legislation is strongly supported by small businesses. Our [opinion polling](#) has found that more than 8 in 10 small business owners (81%) agree California 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. Collecting this data would give policymakers and advocates more insight into the types of coverage Californians have and how to improve our health system as a whole.

For example, this bill would allow us to know how many consumers in the small group market have high deductible products and what the usual share of premium is. In the individual market, this data could help provide information on how many people have Bronze as opposed to Platinum health plans and what the range of premiums are—this is critically important as many entrepreneurs and small business employees access health coverage through the individual marketplace.

California's small businesses are concerned about healthcare costs, and policymakers need a full picture to understand what policy solutions would best work to contain these costs. We urge you to support AB 2118 so we can ensure we are making informed and efficient decisions on how to improve our healthcare system.

Sincerely,

Mark Herbert, Vice President, California  
Small Business Majority