



May 18, 2018

Assemblymember Jim Wood  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249

*RE: Legislation Pending on Public Option Feasibility Study (AB 2472)*

Dear Assemblymember Wood,

As a representative of the 28 million small businesses in America and the more than 3.5 million in California, Small Business Majority writes today in support of AB 2472, which would require Covered California to conduct a feasibility study on whether a public health insurance option is viable in California. We believe this study would provide valuable information on options for expanding coverage in California that would help many of California's small businesses, their employees and self-employed entrepreneurs.

Small Business Majority is a national small business organization with multiple offices throughout California, founded and run by small business owners to focus on solving the biggest problems facing small businesses today. 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 capital and more.

Over the past six years, the Patient Protection and Affordable Care Act (ACA) has provided healthcare to 24 million individuals nationwide who otherwise couldn't access coverage, many of whom work for small employers or are themselves business owners or self-employed individuals. In California alone, more than [five million](#) people now have insurance thanks to the healthcare law and the state's efforts to promote robust insurance marketplaces. The ACA is the first meaningful healthcare reform to help address these needs and disparities for small businesses, and it's been particularly important for California's self-employed entrepreneurs. In fact, 370,000 self-employed Californians (8.1% of self-employed) enrolled in a plan through Covered California with subsidies in 2015, compared to just 2.9% of all workers.

Despite these gains, 2.9 million Californians still do not have insurance. Of those who are uninsured, [1.8 million are employed](#), with one in six self-employed ([roughly 324,000](#) solo entrepreneurs) and 44% working at a small business with fewer than 50 employees. For many small businesses, the costs of providing health insurance are still prohibitive. Additionally, 22 counties across California have just one or two options for health insurance, which affects competition and the price of healthcare for these consumers.

AB 2472 would explore options to address the uninsured rate and lack of options in some counties by authorizing a feasibility study examining the possibility for a public health insurance option. Such a plan has the potential to increase competition and choice in healthcare options for Californians. Addressing choice and affordability would in turn help promote a more robust small business economy by reducing job lock, allowing workers who previously felt tied to their job by their large employer-benefits package to strike out on their own entrepreneurial path or join thriving small businesses. What's more, a public option could make small businesses more competitive when they are seeking to hire talent, as these small firms are more likely to be unable to afford to offer employer-sponsored health insurance. By expanding coverage options, we can

ensure more workers at the smallest firms can gain insurance, which would also level the playing field for small businesses so they can continue to serve as California's top job creators.

California's small businesses look forward to the day when one's employment and income status don't govern access to quality, affordable care. To continue the progress made under the ACA, we urge you to support AB 2472 to make healthcare even more affordable.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Herbert", written in a cursive style.

Mark Herbert, California Director  
Small Business Majority