



April 24, 2018

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

*RE: Legislation Pending on Affordable Copays and Deductibles (AB 3148)*

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 3148, which would provide additional cost sharing assistance to help those eligible for assistance to better afford their copays and deductibles, which would directly benefit 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 individual marketplace has been crucial to expanding access to quality, affordable healthcare for the small business community, with [8.1% of self-employed](#) Californians (370,000 total) enrolled in a plan through Covered California in 2015, compared to just 2.9% of all workers. 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.

Despite these gains, many Californians enrolled through Covered California still struggle with medical costs for copays and deductibles, making it difficult to actually use the coverage they have. Currently, individuals making below 400% of the federal poverty level (\$48,560 annually for an individual, or \$65,840 for a married couple) are eligible for some federal financial assistance. However, individuals earning between 250% to 400% of the FPL receive no additional help with medical expenses, and often are enrolled in plans with deductibles in the thousands of dollars, meaning these people are underinsured and unable to actually use their insurance.

AB 3148 would significantly improve affordability for thousands of low- and moderate-income individuals and families, including many entrepreneurs and small business employees, by ensuring that no one is unable to use the insurance they have. This would not only help address affordability, but would in turn help promote a more robust small business economy by reducing job lock and making small businesses more competitive when they are seeking to hire talent.

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 3148 to make healthcare even more affordable.

Sincerely,

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

Mark Herbert, California Director  
Small Business Majority