



April 3, 2018

Senator Scott Wiener
California State Senate
State Capitol, Room 5100
Sacramento, CA 95814

RE: Legislation Pending on California's Prescription Drug Co-pay Caps (SB 1021)

Dear Senator Wiener,

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 SB 1021, which would extend the cap on prescription drug copays indefinitely by eliminating sunset provisions on current law. We believe that a fair and transparent prescription drug pricing is key to controlling healthcare costs and improving access and affordability for consumers, including small business owners and their employees.

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.

SB 1021 will remove the sunset provision currently in place for the \$250-per-drug monthly cap on copays. This cap is currently set to expire in 2019, along with limitations on placing drugs in different tiers based on manufacturer costs. Eliminating the sunset of these provisions will ensure consumers do not return to a time when they faced crippling out-of-pocket costs to purchase drugs for chronic conditions such as cancer or multiple sclerosis.

Prescription drug costs account for 19% of total spending in employer-sponsored coverage, and are a key contributor to the steep rise in healthcare expenses. What's more, prescription drug costs have been rising at a faster rate than overall medical costs. We know from our [scientific opinion polling](#) that these rising costs are hurting small businesses' bottom lines. Among small business owners that offer health insurance to their employees, more than half say they consider prescription drug prices when choosing a health insurance plan for their business. And nearly 9 in 10 small business owners think prescription drug prices are too high. These skyrocketing costs are harmful to small business employers, who face a tough decision each year of either absorbing these increased medical expenses or passing the costs onto their employees.

Controlling prescription drug prices and promoting transparency, and thus controlling overall healthcare expenses, helps ensure small business owners have access to affordable, quality healthcare options. We support any legislation that will help level the playing field for small business, and SB 1021 will do just that.

Sincerely,

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

Mark Herbert, California Director
Small Business Majority