

April 26, 2021

The Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee
State Capitol, Sacramento, CA 95814

RE: Letter in support of AB 1130: Office of Healthcare and Affordability

Dear Chairwoman Wood:

As a representative of the over four million small businesses in California, Small Business Majority is pleased to support AB 1130 (Wood), which will allow the Office of Healthcare and Affordability (OHCA) to collect data on healthcare spending across all sectors of the market. This data will allow the state to set targets on spending and control costs to make healthcare more affordable for small business owners, their employees and self-employed entrepreneurs.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 80,000 small businesses and 1,000 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth. A key component of our work involves outreach to small business owners on a range of small business issues, including access to capital, workforce issues, healthcare and more.

In our complex healthcare system, California must have the right tools to better track the changes in the health insurance market. The OHCA will start by collecting spending data across different regions and sectors. It will use this data to set cost targets to keep costs low so small businesses can continue to participate in the marketplace and access affordable health care. Quality and equity standards will also be enforced and standardized, no matter where one gets their health care.

This type of legislation is strongly supported by small businesses. Small Business Majority's 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 marketplace¹. Collecting this data will give policymakers and advocates more insight into how to improve the system as a whole.

California's small businesses are concerned about healthcare costs, and policymakers need a full picture to understand what cost containment measures are needed. We urge you to support AB 1130 so we can ensure we are making decisions backed by data to improve healthcare in our state.

Sincerely,



Bianca Blomquist, Senior Policy & Engagement Manager, Small Business Majority

¹ Small Business Majority, March 2019, California small business owners support policies to expand health coverage access and lower costs. https://smallbusinessmajority.org/sites/default/files/research-reports/2019-California-Small-Business-Healthcare-Poll_o.pdf