



May 4, 2018

Assemblymember Dr. Joaquin Arambula
State Capitol
P.O. Box 942849
Sacramento, CA 94249

RE: Legislation pending on improving medical loss ratios (AB 2499)

Dear Assemblymember Arambula,

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 2499, which would ensure premium dollars are spent on actual healthcare expenses rather than administrative costs. We believe that such measures are key to controlling overall healthcare costs, which is vitally important for owners and employees of small businesses in California.

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.

We know from our scientific opinion polling that the cost of health insurance is a top concern for small business owners. Small business owners, employees and solo-entrepreneurs rely on the small group and individual markets, where costs can often be more variable than the large group market. California's lawmakers can promote affordability by enacting policies that require health plans to spend more on healthcare and less on administrative costs and profits, as AB 2499 would do. Specifically, this bill will codify existing ACA medical loss ratios of 80/20 for the individual market and 85/15 for the large group market into California law to reinforce the state's commitment to affordability.

It's critical that California pursue policies that enable small business owners to have access to affordable, quality healthcare options, and AB 2499 will do just that by ensuring provisions of the ACA are kept in place in California.

Sincerely,

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

Mark Herbert, California Director
Small Business Majority