



March 6, 2018

Honorable Bill Monning  
California State Senate  
State Capitol, Room 313  
Sacramento, CA 95814

*RE: Support for SB 538—Health Care Market Fairness Act of 2018*

Dear Senator Monning,

As a representative of the 28 million small businesses in America and the more than 3.6 million in California, Small Business Majority writes in support of SB 538, the Health Care Market Fairness Act of 2017, which would lower costs and improve value for our state's entrepreneurs and the more than six million Californians who work for small businesses. Restoring competition to the healthcare marketplace is good for California's economy and the thousands of small employers in our state that struggle to provide affordable health insurance to their employees.

Small Business Majority is a national small business organization with 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.

While the Affordable Care Act included provisions that lowered the cost of health insurance for small businesses and workers who purchase coverage on their own, the smallest firms still continue to be challenged by the overall cost of healthcare in California. Empirical evidence clearly shows that provider consolidation and unfair contracting is a key driver of these costs. SB 538 will address some of the most coercive practices like "gag clauses" and anti-tiering restrictions that have no relation to value and serve only to fuel unjustifiable increases in price.

Thank you for supporting SB 538 and working to create a healthy, competitive marketplace in California. Addressing anti-competitive contracting practices will improve value and affordability for anyone purchasing or receiving healthcare in California, including thousands of small business owners and workers.

Sincerely,

Mark Herbert, California Director  
Small Business Majority