



August 14, 2020

The Honorable Richard Pan
State Capitol, Room 5114
Sacramento, CA 95814

RE: Support for SB 852— Healthcare: Prescription drugs

Dear Senator Pan,

As a representative of the 30 million small businesses in America and the more than 4 million in California, Small Business Majority writes today in support of SB 852, which would create the Office of Drug Contracting and Manufacturing in order to increase access to, and reduce the cost of, generic medications. We believe this is a key measure 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 ensure America's entrepreneurs are a key part of a thriving and inclusive economy. 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 responsible capital and more.

Prescription drug costs have accounted 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.

Our scientific opinion polling has found that among California small business owners, [more than 8 in 10](#) believe prescription drug prices are too high and show overwhelming support for numerous proposals that would decrease drug prices. We also found in our [recent opinion polling](#) that 41% of California small employers who have made reductions to their workforce during the pandemic are still offering healthcare coverage to laid off or furloughed employees, indicating how important access to affordable coverage and prescription drugs is for small employers during this challenging time.

The current public health crisis has highlighted how inaccessible and unaffordable our healthcare system is to for many people. Controlling prescription drug prices, and thus controlling overall healthcare expenses, helps ensure small business owners have access to affordable, quality healthcare options. Thank you for supporting legislation that will help level the playing field for small business. SB 852 will do just that.

Sincerely,

Mark Herbert, Vice President, California
Small Business Majority