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New bill puts Fresno companies at risk of losing access to affordable health care

By Nathan Ahle, President and CEO of the Fresno Chamber of Commerce

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It is no secret that the Central Valley is hit particularly hard by the struggle for access to affordable health care. A dawn to dusk working population, Fresno is home to every size of business, including those proud to provide health benefits to their employees.

As Fresno County's poverty rate hovers around 20%, one of the highest in the state, accessible and affordable health benefits are especially significant to our community.

Fresno's larger businesses can design a large group health plan for their employees by negotiating benefits directly with their health plan. These rates and packages are negotiated with the needs of Fresno employees in mind, while carefully considering both the company's and employees' budgets.

The prioritization of employees during this negotiation process is under threat by Assembly Bill 731 by Assemblymember Ash Kalra, D-San Jose. The bill would require these negotiated group rates to undergo a costly review process by the California Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI). Under the proposed law, the agencies would have 60 days to review group health plans negotiated by California businesses. Nearly 17,000 companies' health care packages would potentially be subject to this review process, including some of our members at the Fresno Chamber of Commerce.

This new layer of bureaucracy dilutes the needs of consumers during the plan negotiation process, as businesses must now ensure their proposal satisfies new regulatory requirements. Affordable health care is difficult enough to obtain for many Californians, and AB 731 only adds another layer of difficulty.

As health care costs continue to rise due to increasing medical and pharmaceutical drug costs, new benefit mandates, and uncertainty surrounding access to care, legislators should focus on policies that support consumers and make health care affordable, not creating costly new bureaucratic hurdles for our businesses to tackle.

The review process created by AB 731 would inflate the role and budget of the DMHC and CDI. To suddenly review and comment on thousands of businesses' health plan rates would force new, massive costs on these agencies and on health plans.

These new costs will be passed onto consumers, directly increasing the cost of health care. As Fresno residents battle a rising cost of living, they should not lose their once-affordable health care in order to pay for more bureaucracy without guaranteed results.

AB 731 intends to decrease and make transparent the cost of health care premiums by compelling businesses to ensure their employee large group plans pass an agency review. However, the large group market has historically seen significantly lower premium growth than other marketplaces. So why are state lawmakers proposing a solution for a problem that doesn't exist?

Fair and reliable premiums are supported by already transparent and publicly available information regarding large group rates, as California law requires health plans to report and make this information available to the public. AB 731 is redundant and unnecessary. Imposing a financial burden on consumers without benefit is counter to the fight for affordable health care.

Fresno businesses take seriously the care and success of our community. We cannot expect dedication from our employees and a better future for our neighbors if we cannot guarantee them reliable, affordable health care through their employers.

As the discussion around health care and the cost of living continues in the state Legislature, we urge our representatives not to eliminate another tool for a successful, healthy Central Valley. Please join us in opposing AB 731.

Nathan Ahle is president and chief executive officer of the Fresno Chamber of Commerce.