

OPPOSE AB 731:

Increases Bureaucracy, Uncertainty, and Health Care Costs

AB 731

ADDS UNNECESSARY BUREAUCRACY WITH NO BENEFIT TO CONSUMERS

- The bill would add another layer of bureaucracy, delays, and costs by requiring the Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI) to review potentially thousands of large group health plan and insurance policy rates.
- AB 731 provides little new transparency while failing to offer any solutions to address the real drivers of health care costs that threaten the affordability of health care coverage in California, such as high-cost prescription drugs and medical costs.
- Large group health plans are highly tailored and competitive, which is why the federal government determined that the regulatory review of large groups is unnecessary under the ACA.

WILL INCREASE HEALTH CARE COSTS

Operating costs for DMHC (which is entirely funded by health plans) and CDI would significantly rise due to added administrative requirements to grow these agencies. Health plans would also take on new administrative costs to comply with the regulation. According to the CA Department of Finance, AB 731 is expected to cost millions of dollars annually due to the thousands of large group rates that will need review. These cost increases will be passed on to consumers through higher premiums.



AB 731 IS REDUNDANT. LARGE GROUP RATE INFORMATION IS CURRENTLY PUBLIC & TRANSPARENT

California most recently adopted new reporting requirements for large groups in 2014 and expanded those requirements in 2015. Health plans currently report large group rate information to DMHC and CDI, and this information is made available to the public.

The 2018 reports can be found at www.dmhc.ca.gov and www.insurance.ca.gov.



AB 731 CREATES HEALTH CARE UNCERTAINTY FOR EMPLOYERS AND EMPLOYEES

Employers negotiate with their health plans to secure the plan at the cost that best fits their budget and employees' needs. Adding another layer of bureaucratic review does not provide any benefits to employees or employers, and only creates uncertainty about the health plan employers have worked to carefully negotiate for their employees.

A large coalition of local chambers of commerce, employer groups, and health groups agree

OPPOSE AB 731

Increases Health Care Costs with No Benefit to Consumers

A large coalition of local chambers of commerce, employer groups, and health groups agree

OPPOSE AB 731

Baldwin Park Business Association
Bay Area Council
Brawley Chamber of Commerce
Brea Chamber of Commerce
Burbank Chamber of Commerce
California Association of Health Plans
California Chamber of Commerce
California Hispanic Chamber of Commerce
Camarillo Chamber of Commerce
Carlsbad Chamber of Commerce
Cerritos Regional Chamber of Commerce
Dana Point Chamber of Commerce
El Dorado County Chamber Coalition
Elk Grove Chamber of Commerce
Folsom Chamber of Commerce
Fontana Chamber of Commerce
Fresno Chamber of Commerce
Garden Grove Chamber of Commerce
Gateway Chambers Alliance
Greater Bakersfield Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater Ontario Business Council
Greater Riverside Chambers of Commerce
Greater West Covina Business Association
Hawthorne Chamber of Commerce
Hayward Chamber of Commerce
Hermosa Beach Chamber of Commerce
Hesperia Chamber of Commerce

Irwindale Chamber of Commerce
Kern County Hispanic Chamber of Commerce
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Montebello Chamber of Commerce
North Orange County Chamber of Commerce
Oxnard Chamber of Commerce
Palm Desert Area Chamber of Commerce
Pleasanton Chamber of Commerce
Rancho Cordova Chamber of Commerce
Redondo Beach Chamber of Commerce
Regional Chamber of San Gabriel Valley
Roseville Area Chamber of Commerce
San Gabriel Valley Economic Partnership
San Mateo Area Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Silicon Valley Organization
Simi Valley Chamber of Commerce
South Bay Association of Chambers of Commerce
Southwest California Legislative Council
Torrance Area Chamber of Commerce
Tulare Chamber of Commerce
United Chamber Advocacy Network
Vacaville Chamber of Commerce
Valley Industry & Commerce Association
Victor Valley Chamber of Commerce