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Orange County Register: AB 731 proposes added health care costs and unnecessary bureaucracy for consumers

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Orange County businesses play an integral role in keeping local communities healthy and thriving. Employers provide access to affordable health care to their employees. In Orange County and across California, organizations with 100 or more employees can leverage customized benefits packages by negotiating large group rates through their respective health plans.

These carefully agreed-upon packages between employers and health plans have been remarkably successful because they efficiently provide affordable, high-quality care that would otherwise be inaccessible to many employees. Should this efficiency be threatened, employees and the community at-large will ultimately suffer from over-regulation. Unfortunately, Assembly Bill 731 does just that – it disrupts the thoughtful negotiation process that allows for convenient accessibility for employees.

This is why Orange County Business Council opposes AB 731. The bill will add yet another layer of unneeded bureaucracy, delays, and costs by imposing a redundant review process on large group plan agreements by two government agencies – the Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI).

Disguised as a transparency bill, AB 731 is the solution to an imaginary problem. A 2015 CA law, SB 546 already requires health plans to report and make public, large group rate information. Why are lawmakers trying to create another layer of bureaucracy that does essentially the same thing?

OCBC supports “[ensuring] collective accountability, cost transparency, timely reimbursement to health care providers and improved cost and coverage outcomes for employers and employees.” Large group health plans already meet these standards. AB 731 does not further ensure accountability or transparency; instead, it actively harms the cost and coverage outcomes for both employers and employees.

AB 731 will also add extra costs to tax payers by expanding the roles of DMHC and CDI to take on massive rate review projects of thousands of California businesses. The DMHC is fully funded by health plan providers, so when their budget expands, costs are passed down to consumers through higher health care premiums.

In an opposition letter to the Senate Committee on Health, OCBC stated “addressing rising health care costs and ensuring employees have access to high-quality care is a

shared priority, but AB 731 is not the solution.” Rather than imposing costly, unnecessary legislation on the public, legislators should be focusing on lowering the actual costs of health care and healthy living.

AB 731 will provide no benefit to consumers, and will only add more bureaucracy, delays, and health care costs for Californians. Lawmakers should heed the call and make affordable health care a priority by opposing Assembly Bill 731.

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<https://www.ocregister.com/2019/09/06/ab-731-proposes-added-health-care-costs-and-unnecessary-bureaucracy-for-consumers/>