



****FLOOR ALERT****
August 28, 2014

OPPOSE AB 1792 (GOMEZ), A MISLEADING LIST THAT WILL INSPIRE FLAWED POLICIES.

The below-listed organizations continue to **OPPOSE AB 1792 (Gomez)**, as amended on August 27, 2014, which requires the Employment Development Department (EDD) and Department of Finance (DOF), in consultation with the Department of Health Care Services (DHCS) and the Department of Social Services (DSS), to develop and publish a list of California's employers whose employees utilize Medi-Cal benefits, and the average cost of those benefits.

In its analysis, the DOF states, "*the benefits of having this data are unclear relative to the potentially significant cost of extracting it.*" While the measure has been scaled back significantly since it was introduced, the report will still cost over \$500,000 each year to produce, and the value of the information it will provide remains questionable.

The findings and intent language of **AB 1792** broadly assume that all employers who have more than 100 employees enrolled in Medi-Cal, by definition, pay low wages and offer no benefits, impoverish their workers, and unfairly shift their cost of doing business on to taxpayers. The intent language goes on to suggest that the proposed report will allow policymakers to, "analyze practices within industry sectors detrimental to economic competitiveness in the marketplace;" however, the information **AB 1792** seeks to provide will only allow policy makers and the public to draw inferences, which are frequently flawed and/or oversimplified, making them an inappropriate basis on which to establish policy changes.

Even as amended, **AB 1792** would still paint a misleading picture about the role employers' policies play in the Medi-Cal eligibility of their employees. For example, Medi-Cal eligibility is based on household income, not just the individual wages of a worker, meaning a larger household could qualify for Medi-Cal based on an income that would be too high to qualify a worker with a smaller household. **AB 1792** also does not provide any information at all about the reasons employers pursue the policies they do, and instead presumes that those who don't provide healthcare do so specifically to shift that cost to the state. We are very concerned about the "solutions" such a list could inspire, as they will likely target listed employers as bad actors who should be penalized rather than seeking to lower the cost of doing business in California or make healthcare more affordable so that more employers will be able to afford healthcare for their employees.

For these reasons and more, we continue to **OPPOSE AB 1792 (Gomez)** and request your "**NO**" vote when it comes before you on the floor.

Sincerely,

California Chamber of Commerce
 Agricultural Council of California
 California Asian Pacific Chamber of Commerce
 California Association for Health Services at Home
 California Association of Health Underwriters
 California Association of Winegrape Growers
 California Business Properties Association
 California Farm Bureau Federation
 California Hotel and Lodging Association
 California Manufacturers and Technology Association

California Professional Association of Specialty Contractor
 California Restaurant Association
 California Retailers Association
 International Franchise Association
 National Federation of Independent Business
 San Jose Silicon Valley Chamber of Commerce
 Simi Valley Chamber of Commerce
 Torrance Area Chamber of Commerce
 UnitedAG
 Western Growers Association

cc: The Honorable Jimmy Gomez
Camille Wagner, Office of the Governor
Cory Botts, Senate Republican Caucus
Carol Gallegos, Department of Health Care Services
Senate Office of Floor Analyses
District Offices, Members, California State Senate