

# CALIFORNIA ADVOCATES, INC.



May 26, 2015

The Honorable Ed Hernandez  
Member, California State Senate  
State Capitol, Room 2080  
Sacramento, CA 95814

**SUBJECT: SB 26 (HERNANDEZ)--HEALTH CARE COST AND QUALITY  
DATABASE – SUPPORT  
SENATE APPROPRIATIONS SUSPENSE FILE  
SET FOR HEARING: MAY 28, 2015**

*Michael D. Belote*

*Dennis K. Albiani*

*Julianne A. Broyles*

*Lexi Purich Howard*

*John F. O'Malley*

*Ralph F. Simoni*

Dear Senator Hernandez:

The California Association of Health Underwriters (CAHU) is pleased to **SUPPORT** your **SB 26**, as amended May 5, 2015, regarding the creation of a new database of the actual costs of delivering medical care in California.

**SB 26** will require most carriers and plans to provide medical claims, cost, and quality information to the proposed California Health Care Cost and Quality Database in order to create a publicly available searchable on-line database.

Even before the advent of the Affordable Car Act (ACA), agents and their clients have been interested to see what the true cost drivers are in the health care delivery system. Most believe, but have no quantitative proof, that the biggest cost drivers remains the cost of medical care, not premiums, as some might think.

Finding out if the ACA has helped to reduce the actual cost of receiving health care in California is part of a necessary analysis if health insurance premium costs are to stabilize. CAHU believes that **SB 26** will help get this needed information gathered by an independent third party and subsequently made available to the public through an on-line searchable database. The information gathered will include cost of care, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services.

CAHU believes that **SB 26** information is needed if stakeholders are to have a robust public policy discussion on what is and what is not working to help keep cost of medical care down – which in turn will help reduce pressure on policy premiums over the long term. It will also help consumers look at the cost and quality of care in their area to decide what their best options are when it comes to purchasing or using their health care dollars in the future.

The California Association of Health Underwriters is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase and use their health care coverage plans, resulting in greater health and financial security. CAHU agents and brokers also act as advocates for policyholders and their families when coverage disputes arise. CAHU agents and brokers also perform many functions for small employers with respect to managing their employee benefits program--at no additional cost to the small employer.

CAHU looks forward to working with you and your staff in **SUPPORT** of **SB 26**.

Sincerely,

Julianne Broyles  
On Behalf of California Association of Health Underwriters

cc: Members, Senate Appropriations Committee  
Brendan McCarthy, Senate Appropriations Committee  
Kirk Feely, Senate Republican Fiscal Office  
Office of Governor Brown

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