



April 19, 2023

TO: Members, Senate Health Committee

**SUBJECT: SB 729 (MENJIVAR) HEALTH CARE COVERAGE: TREATMENT FOR INFERTILITY AND FERTILITY SERVICES
OPPOSE – AS INTRODUCED FEBRUARY 17, 2023
SCHEDULED FOR HEARING – APRIL 26, 2023**

The California Chamber of Commerce and the undersigned organizations respectfully **OPPOSE SB 729 (Menjivar)** as introduced on February 17, 2023, because it would mandate plans and insurers provide coverage for fertility services to diagnose and treat infertility, including in vitro fertilization. California's employers are proud to provide their employees with health care coverage. However, employer-based health care coverage is usually one of the most formidable expenses a business experiences and, while this bill is well-intentioned, it will unintentionally exacerbate health care affordability issues.

The California Health Benefits Review Program (CHBRP) reviewed **SB 729** and determined that if it went into effect in its current form, it would increase total health premiums paid by employers and enrollees by \$570,716,000 in year one. In year two, this number would rise to \$638,370,000. According to CHBRP, premiums per member per month (pmpm) for large group DMHC regulated plans would rise by \$2.98 and enrollees in individual DMHC-regulated plans would see an increase of \$4.10 pmpm.

When health plans and insurers are required to cover new services or to waive/limit cost-sharing requirements for certain services, premiums for all enrollees and purchasers go up. This is true even though only some enrollees will utilize the mandated product or services, or benefit from the reduction in cost-sharing.

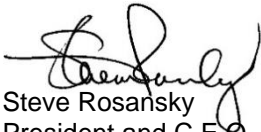
Again, we would like to emphasize that this bill is well intentioned and the opposition is not predicated upon the proposed care that is to be covered by health plans and insurers. Rather, our concern stems from the massive premium increase associated with the new coverage that California's employers and employees will have to pay for.

When looking at health care cost increases in isolation they seem tolerable, however, **SB 729** must be considered in context. Premiums for employers and enrollees consistently increase year after year due to a number of issues including benefit mandates. The 2022 Kaiser Family Foundation Employer Health Benefits Survey indicated that the average premium for family coverage has increased 20% over the last five years and 43% over the last 10 years. Additionally, annual premiums for employer-sponsored family health coverage reached \$22,463 in 2022, with workers on average paying \$6,106 toward the cost of their coverage.

For these reasons, we are **OPPOSED** to **SB 729 (Menjivar)**.

Sincerely,

Preston Young
Policy Advocate
California Chamber of Commerce
on behalf of



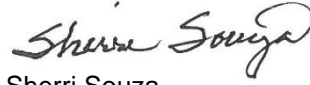
Steve Rosansky
President and C.E.O.
Newport Beach Chamber of Commerce



Tim Taylor
Chief Legislative Advocate, California
National Federation of Independent Business



Steve Aitchison
Chair, Board of Directors
Mariposa County Chamber of Commerce



Sherri Souza
Interim CEO & President
Livermore Valley Chamber of Commerce



Jim S. Vigdor
Director of Governmental Affairs
Simi Valley Chamber of Commerce



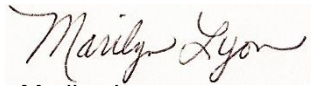
Nancy Lindholm
President and CEO
West Ventura County Business Alliance



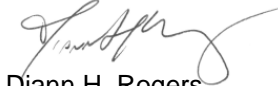
David Benson
President, Board of Directors
Mission Viejo Chamber of Commerce



Pat Anderson
President & CEO
La Cañada Flintridge Chamber of Commerce
and Community Association



Marilyn Lyon
V.P., Communications & Government Affairs
Palos Verdes Peninsula Chamber of Commerce



Diann H. Rogers
President & CEO
Rancho Cordova Area Chamber of Commerce



Bret J. Schanzenbach
President & CEO
Carlsbad Chamber of Commerce



Mark Creffield
President & CEO
Greater High Desert Chamber of Commerce

cc: Legislative Affairs, Office of the Governor
Jessica Golly, Office of Senator Menjivar
Teri Boughton, Senate Health Committee
Joe Parra and Tim Conaghan, Consultants, Senate Republican Caucus

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