

1 [Supporting California State Senate Bill No. 343 (Pan) - Uniform Healthcare Data Disclosure]

2

3 **Resolution supporting California State Senate Bill No. 343, authored by State Senate**
4 **Health Committee Chair Richard Pan, to create uniform healthcare data disclosures**
5 **and parity in data reporting across the healthcare industry, in the expectation that**
6 **uniform data will more fully inform health insurance purchasing decisions by the City**
7 **and County of San Francisco and all other purchasers in the City and County.**

8

9 WHEREAS, California premiums for job-based health insurance have risen 249% since
10 2002, more than six times the rate of general inflation, which disproportionately impacts the
11 budgets of employers and workers in the private and public sectors, and has most frequently
12 shifted a greater share of cost-sharing onto individual workers; and

13 WHEREAS, Kaiser Permanente is the State’s largest healthcare provider and health
14 insurer, operates a significant percentage of hospitals in California and holds a majority of the
15 large group employer market in California, and is one of the health insurance choices
16 currently offered to employees of the City and County of San Francisco; and

17 WHEREAS, In California, we have a highly incomplete understanding of healthcare
18 costs because the Kaiser Health Plan and Kaiser hospitals have reporting exceptions in State
19 law which no other health insurers or acute care health providers enjoy; and

20 WHEREAS, Kaiser Permanente’s profits have escalated sharply in recent years, with
21 \$6.4 billion in profit in the 2017 and 2018 fiscal years, and \$3.2 billion in profit in the first
22 quarter of 2019 alone; and

23 WHEREAS, These profit escalations cause the public to be reasonably concerned that
24 the health insurance rate increases Kaiser Permanente has been demanding of public and

25

1 private sector purchasers of health insurance may not be justified by utilizations and costs of
2 their health care services; and

3 WHEREAS, According to Health Access “For years, Kaiser Permanente has been
4 given a different standard, or has been all together exempt from reporting data related to rate
5 review filings and hospital financial reporting, which leaves regulators and policymakers in the
6 dark...”; and

7 WHEREAS, Small Business Majority, an organization representing over 3.9 million
8 small businesses in California, declares that SB 343 will “...help lower healthcare costs for
9 California’s business owners by ensuring employers have access to adequate information
10 about rates and cost drivers behind California’s healthcare...”; and

11 WHEREAS, The Silicon Valley Employers Forum, which represents over 50 high tech
12 employers, explains that “...Having uniformed data disclosure will allow consumers and
13 policymakers to make an “apples to apples” comparison of the true costs of healthcare (to)
14 ensure that purchasers of healthcare, like large employers or union trust funds, have
15 adequate information when choosing to purchase healthcare plans...”; and

16 WHEREAS, The California Labor Federation, representing more than 1,200 Unions
17 and 2.1 million working Californians, explains in its letter supporting SB 343 that
18 “...Understanding Kaiser’s financial status, cost drivers, and other information is critical to
19 understanding and controlling health care costs...”; now, therefore, be it

20 RESOLVED, That the City and County of San Francisco supports State Senate Bill No.
21 343, authored by Senator Dr. Richard Pan, which will create parity in data reporting across
22 California’s healthcare industry, in the expectation that uniform data reporting will more fully
23 inform health insurance purchasing decisions by the City and County of San Francisco and all
24 other purchasers in the City and County; and, be it

25

1 FURTHER RESOLVED, That the City and County of San Francisco will send letters of
2 support for SB 343 to the Assembly Health and future relevant committees and all state
3 legislators representing the City and County of San Francisco, urging the California
4 Legislature to pass SB 343 into law.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25