**Put on your organization’s letterhead**

**Sample support letter – AB 595 (Wood)  
DUE: Noon, Wednesday, March 29, 2016**

Send Email to: [judy.babcock@asm.ca.gov](mailto:judy.babcock@asm.ca.gov) and [marshall.kirkland@asm.ca.gov](mailto:marshall.kirkland@asm.ca.gov)   
Send Copy to: [tma@health-access.org](mailto:tma@health-access.org)

Assemblymember Jim Wood  
Chair, Assembly Health Committee  
State Capitol, Room 6005  
Sacramento, CA 95814

**RE: AB 595 (Wood) – SUPPORT**

**Protecting Consumers When Health Plans and Insurers Merge**

Dear Assemblymember Wood:

(Name of organization) supports AB 595 (Wood), which will ensure health plan and insurer mergers are good for consumers by providing state regulators with clear authority to scrutinize how mergers impact consumers and purchasers, and the health system as a whole.

Although health plans and insurers claim mergers will lead to more efficiencies, lower costs, higher quality, and better value, history shows quite the opposite. Economic studies have shown that past health insurer mergers lead to premium increases and have no demonstrable effect on improving health care quality. Consolidation in the health insurance industry often means fewer choices and competition, with little to no benefit for consumers or purchasers.

Nationally, there are only five national competitors, making health insurance markets highly consolidated. Although California has a relatively more competitive insurance market, three companies control nearly 80% of the market and our top five insurers control over 90% of the market. As a result, any mergers involving our major insurers are likely to result in fewer choices and higher prices for consumers. Given these factors, state regulators must critically evaluate proposed mergers and ensure that bigger is actually better for consumers.

AB 595 (Wood) will increase public participation in the review of proposed mergers by requiring a public hearing to be held. The bill also requires state regulators to obtain an independent health care impact analysis and consider how proposed mergers would benefit consumers and purchasers in the short and long term, whether they will adversely affect competition, and how they will impact cost, quality and health disparities.

For these reasons, (Name of Organization) supports AB 595 (Wood) and respectfully requests your “Aye” vote.

Sincerely,  
  
Name and Title