

August 10, 2021

The Honorable Anthony J. Portantino
Chair
Appropriations Committee
California State Senate
State Capitol, Room 2206
Sacramento, CA 95814

Re: Large Employers Do Not Support Telehealth Language That Blocks Access to Care

Dear Chair Portantino,

I am writing to you today on behalf of The ERISA Industry Committee (ERIC) to express our concerns about AB 457, which we believe hinders the ability of Californians to access telehealth. AB 457 contains problematic language that will impede the ability of large employers to connect patients and providers.

ERIC is a national advocacy organization that exclusively represents large employers that provide health, retirement, paid leave, and other benefits to their nationwide workforces. Our member companies are leaders in every economic sector, with stores, warehouses, factories, and operations in California and every state. Like most large employers, ERIC member companies offer workers and their families health benefits and have expanded telehealth offerings since the COVID-19 pandemic. ERIC has been a leader in telehealth innovation all over the country and has dramatically increased access to care for our member companies' employees and their families. We have worked hard to remove barriers that impede telehealth services' availability and usage, and provisions in AB 457 runs afoul of our efforts.

ERIC and our member companies are deeply concerned about the implications AB 457 would have on telehealth benefits for employers and their employees in California. Specifically, **section 3(h) could have the unintended consequence of blocking online health platforms from connecting patients to providers.** Below is the language that gives us great concern.

"(h) Notwithstanding this section or any other law, the payment or receipt of consideration for internet-based advertising, appointment booking, or any service that provides information and resources to prospective patients of licensees shall not constitute a referral of a patient if the internet-based service provider does not recommend, endorse, arrange for, or otherwise select a licensee for the prospective patient."

This overly broad language could be interpreted to severely limit health systems, telehealth companies, and others from connecting patients to providers. If passed, section 3(h) could

create a significant chilling effect on investment in healthcare innovation -- innovation that helped millions of Californians receive care during the COVID-19 pandemic and is continuing to expand access to health care services, such as behavioral health, that are short-staffed and critical to the well-being of Californians.

In the interest of employers in the state, we believe section 3(h) should be removed from the bill. This language will undoubtedly stifle telehealth innovation in the state and, more importantly, restrict Californians' access to vital telehealth services. **If this provision remains in the legislation, ERIC will recommend that legislators vote against advancing the bill.**

If you would like to discuss further, please feel free to reach out to me via email at sbelmont@eric.org or phone at (202) 267-1914. We appreciate your attention to this critical matter.

Shannon M. Belmont
Associate
Health Policy