

America's Health Insurance Plans  
601 Pennsylvania Avenue, NW  
South Building, Suite Five Hundred  
Washington, DC 20004



June 3, 2020

Senator Julie Gonzales, Chairperson  
Senate Finance Committee  
Colorado Legislature  
200 E Colfax Avenue  
Denver, Colorado 80203

Dear Senator Gonzales and Members of the Committee:

I write today on behalf of America's Health Insurance Plans (AHIP)<sup>1</sup> to offer our feedback on SB20-215. Coloradans deserve affordable coverage that improves their health and financial security. Colorado has taken many important steps toward lowering health care costs for Colorado families, seniors, small business owners, and local governments, including passing a ban on surprise billing. However, important reforms such as these will have little impact if Coloradans are required to pay more for their health care coverage. Doing so would undermine our shared goal of making health care more affordable in the midst of a global pandemic. For these and the following reasons, we are opposed to SB20-215.

***We request that the Legislature abandon a sales tax on health care and focus instead on meaningful premium relief for Coloradans.***

AHIP advocates for public policies that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality, and innovation. Because health insurance markets are inherently local, we support the federal 1332 waiver option for states to develop state-specific solutions to state-specific health insurance challenges. To that end, AHIP has been supportive of some of the reinsurance efforts in other states, including Wisconsin, Alaska, and Minnesota.

We are supportive of pursuing remedies that will lower premiums for individuals and families. Reinsurance must be funded through broad-based funding sources, and Colorado's current broad-based funding model has been critical for the success of the

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<sup>1</sup> AHIP is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

program. We request the reinsurance program's current funding scheme be continued. Any additional taxes or assessments levied solely on health insurers negate the benefit of lowered premiums and imposes an inequitable burden on certain consumers.

***The fees imposed in SB20-215 will hurt individuals, families, small businesses, just as our community is getting back on our feet amid the COVID-19 pandemic.***

This bill will tax the very people in our state that are now working to recover from the negative economic impact of the COVID-19 pandemic. In Colorado, 572,546 small businesses and 1,000,000 workers would pay this new tax in the form of increased premiums.<sup>2</sup> Taxing consumers and businesses that are trying to restart our economy and desperately trying to maintain their health insurance coverage will not only further slow recovery in Colorado but could add to the number of uninsured. At no time is this acceptable, but during a time of a global and national pandemic, increasing the number of uninsured is unconscionable.

Any proposal aimed at lowering health care costs should be well thought out and narrowly tailored. Therefore, we request the Legislature be focused in its approach to continue reinsurance while not imposing additional burdens on individuals and businesses.

***This bill does not lower healthcare costs.***

In closing, it is important to note that this bill does not address the rising cost of health care. All stakeholders must play a role to improve the affordability of coverage. While reinsurance programs and premium wraps can increase consumer choice and decrease costs in the short run, these programs do nothing to actually lower the underlying cost of health care.

Thank you for the opportunity to provide feedback on this vital issue.

Sincerely,

A handwritten signature in blue ink that reads "Dana Chung". The signature is written in a cursive style.

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<sup>2</sup> <https://stopthehit.com/states/co/>

June 3, 2020  
Page 3

Sara Orrange  
Regional Director, State Affairs  
America's Health Insurance Plans



June 3, 2020

Members of the General Assembly,

For years, Coloradans who buy their insurance on the individual market have paid some of the highest premiums in the country. The cost of health insurance on the individual market across Colorado was at crisis levels as healthy consumers continued to drop out due to ever-increasing premiums. Many families were having to make decisions between health care coverage and paying rent or buying food. The risk pool became sicker and more expensive to cover.

The General Assembly had attempted, but struggled, to improve the situation for the individual marketplace and to exert control rising health care costs. We finally had the first meaningful legislation that addressed the crisis in accessibility and affordability of health care with [HB19-1168, The State Innovation Waiver Reinsurance Program](#). Upon implementation, Colorado's 2020 health insurance rates on the individual market saw a record drop, with an average decrease of 20.2 percent from 2019. Those on the Western Slope saw a 30% decrease, Eastern Plains a 27% decrease and on the Front Range a 17% decrease.

Due to budget limitations at the state level caused by impacts from COVID 19, the re-insurance program is at risk. The failure to continue this vital savings will have significant impacts to citizens throughout Colorado, particularly small business owners that do not qualify for a group plan, during very challenging times. All Coloradoans who get their insurance on the individual marketplace, and even more so in the mountain and rural parts of the state, will see a drastic increase in their premiums if new reinsurance effort does not gain the necessary support to pass. The bottom line is our citizens deserve accessible and affordable healthcare and continuing the re-insurance program is a significant step in accomplishing that.

While we support the Health Insurance Affordability Enterprise bill, we do suggest some clarity on a couple of items. The proposal creates the "Health Insurance Affordability Board" which is responsible for governance of the enterprise and calls for nine voting members. There is no mention of how the nine members achieve regional or political diversity on the board. CCAT would prefer clearly defined goals of political and geographical balance in the final legislation. Additionally, the proposal does not call for a representative from a hospital. Hospitals will pay \$20 million into the fund. The formula for the collection of \$20 million from hospitals should ensure that rural hospitals are not disproportionately levied.

Legislation to continue the highly successful high cost re-insurance program is not an all-in-one solution, but it is the necessary step to stabilize the market. By paying for a portion of high cost claims, the reinsurance program lessens the impact of those claims on the insurance pool leading to reduced premiums for Coloradans.

While reinsurance is not a perfect solution, it is a solution that has and will continue to have a positive impact on the affordability of healthcare for many Coloradans. Failure to act on this important bill will cost many of your constituents 20% or more in their health insurance premiums at an incredibly



inopportune time. We urge state lawmakers to follow their local county commissioners in supporting [SB 20-215 Health Insurance Affordability Enterprise](#) and continue to address Colorado’s health care crisis.

Sincerely,

CCAT Co-Chair  
Mayor Pro Tem Guyleen Castriotta  
City & County of Broomfield

CCAT Co-Chair  
Commissioner John Messner  
Gunnison County

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Broomfield

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Doug Monger, Routt  
Tim Corrigan, Routt  
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Hilary Cooper, San Miguel  
Lance Waring, San Miguel  
Kris Holstrom, San Miguel  
Thomas Davison, Summit  
Elisabeth Lawrence, Summit  
Karn Stiegelmeier, Summit  
*\* Denotes individual  
Commissioner members*



June 3, 2020

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inopportune time. We urge state lawmakers to follow their local county commissioners in supporting [SB 20-215 Health Insurance Affordability Enterprise](#) and continue to address Colorado's health care crisis.

Sincerely,

A handwritten signature in blue ink that reads "Guyleen Castriotta".

CCAT Co-Chair  
Mayor Pro Tem Guyleen Castriotta  
City & County of Broomfield

A handwritten signature in blue ink that reads "John Messner".

CCAT Co-Chair  
Commissioner John Messner  
Gunnison County



June 3, 2020

The Honorable Senator Julie Gonzales  
Senate Committee on Finance  
Colorado State Capitol  
Denver, CO

**RE: Senate Bill 20-215 - Support**

Dear Chairwoman Gonzales,

The Arthritis Foundation urges your support of Senate Bill 20-215 when it comes before your committee. SB 20-215 seeks to address the affordability of health insurance for Coloradans purchasing coverage on the individual market. In addition, this bill establishes an enterprise to administer a health insurance affordability fee assessed on certain health insurers and a special assessment on hospitals to fund measures to reduce consumer costs for individual health coverage plans. The program is subject to sunset review and repeal in 5 years.

The Arthritis Foundation was proud to support House Bill 19-1168 which established a reinsurance program. The reinsurance program provides payments to insurers to help pay claims for high-cost enrollees. These payments are made after an insurer's costs are unexpectedly higher than anticipated. From Alaska to Maine, states have found success in balancing their insurance markets by creating reinsurance programs. The Arthritis Foundation believes reinsurance programs could improve the affordability of health insurance options in Colorado. SB 20-215 incorporates the reinsurance program within the health insurance affordability enterprise. In addition, this bill extends the reinsurance program, subject to federal approval of a new or extended state innovation waiver to enable the state to operate the reinsurance program and access federal funding for the program.

High premiums are a barrier to medication access for people with chronic, disabling, and life-threatening conditions. High premiums should not be so burdensome that it restricts or interferes with access to necessary health insurance. Lack of health insurance, and in turn access to health care, leads to negative health outcomes and additional costs to the health care system. Senate Bill 20-215 takes step in the right direction to assist patients as they face these barriers.

On behalf of the more than 949,000 people in Colorado with arthritis, the Arthritis Foundation urges your support of HB 20-215 to assist in further stabilizing the health care system in Colorado.

Sincerely,

A handwritten signature in black ink that reads "Steven Schultz".

Steven Schultz  
State Director, Advocacy & Access  
[sschultz@arthritis.org](mailto:sschultz@arthritis.org)



June 3, 2020

Dear Members of the Senate Finance Committee,

Thank you for taking the time to review this written testimony in support of Senate Bill 215. My name is Karen Moldovan, and I am the Director of Policy for Good Business Colorado. Good Business Colorado is a coalition of over 260 Colorado small businesses, working as community leaders to make Colorado a more prosperous, equitable, and sustainable state. In the Fall of 2019, we surveyed our members about their top issues and concerns. Over 70% of the membership responded, and shared that access to affordable healthcare for themselves, their families, and their employees was the #1 concern. Healthcare accessibility and affordability is a significant challenge for Colorado small businesses and entrepreneurs. As you know, the fees outlined in this bill were already a standard practice, integrated into insurance industry business models. We now have an opportunity to reinvest this revenue into the health of our communities.

Today, our Colorado small businesses face new, unprecedented challenges. Many of our entrepreneurs, sole proprietors, and small businesses have no feasible, realistic option for coverage outside of the individual market. By redirecting these fees to continue and bolster reinsurance, making insurance more affordable for individual-market consumers, and creating affordable health insurance options for people left out of the Affordable Care Act (including individuals in the “family glitch”), Colorado has an opportunity to provide another much-needed tool to help small businesses succeed. Thank you for considering SB 215, and I ask for your support.

Sincerely,

A handwritten signature in cursive script that reads "Karen Moldovan".

Karen Moldovan  
Good Business Colorado  
Director of Policy

## Health Insurance Affordability Enterprise (SB20-215)

Testimony to the Senate Finance Committee

Andrea Kuwik, Policy Analyst

June 3, 2020

Thank you for the opportunity to submit written testimony in support of [SB20-215](#). My name is Andrea Kuwik, and I am a policy analyst with the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

We write in strong support of SB20-215. Findings in [“Colorado’s Middle Class Families”](#), a 2018 report prepared for the Bell, shows rising costs for essential services are making it increasingly hard for Colorado families to get and stay ahead. In few areas is this more obvious than health care. While wages for the average two adult, two child home grew by 24 percent between 2000 and 2016, health care costs increased by 70 percent. Difficulties affording quality health care clearly lead [to worse physical health outcomes](#); but cost challenges which pit investing in one’s health vs financial/educational well-being also have long-term generational impacts that ripple far into the future.

Colorado’s made good progress in bringing down health care costs throughout the past several years. This includes passing, implementing, and investing in a reinsurance program. In its first year, reinsurance brought down premiums on the individual market by an [average of 20 percent](#). Though benefitting communities across the state, reinsurance has made an especially significant difference for families outside of the [Front Range](#).

Even before COVID, when unemployment rates were low and the state had strong economic growth, Coloradans were struggling to afford quality health care. However, now that our state is in the midst of a dual health and economic crisis, the need for affordable health care options on the individual market is more important than ever. With unemployment rates rising to over [10 percent](#) in April, thousands of Coloradans have lost their previously employer-provided health insurance. In the one-month special enrollment period meant to support those impacted by the pandemic, Connect for Health Colorado saw over [14,000 Coloradans](#) sign-up for health insurance.

Colorado’s dire budget situation exacerbates these challenges, and jeopardizes the meaningful investments the legislature has made in previous years to help Coloradans afford and access health care. This juxtaposition of a need for state investment with a paucity of funds, raises the value and importance of SB20-215. Without impacting the General Fund, this bill will allow Colorado to not only continue existent and proven state efforts to support health care affordability, but also expands needed financial assistance to thousands of Coloradans. Specifically, SB20-215 extends an already existent fee on health insurers. With these additional monies, the bill allows Colorado to continue reinsurance while simultaneously growing the availability and generosity of tax credits for those purchasing health insurance on the private market.



1905 Sherman Street, Suite 900 • Denver, CO 80203 • 303.297.0456 • [www.bellpolicy.org](http://www.bellpolicy.org)

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Now, more than ever, Coloradans need affordable, non-employer-based health insurance options. Without impacting the General Fund, SB20-215 provides a means to make this a reality. With this bill's passage, we'll be making a strong step forward in supporting existing efforts while providing the additional assistance families need. Thank you again for the opportunity to submit written testimony, and we strongly encourage your support of SB20-215.



SB20-215: Health Insurance Affordability Enterprise

Sponsors: *Senators Moreno and Donovan, Representatives Kennedy and McCluskie*

CFI Position: SUPPORT

Email: [hetlage@coloradofiscal.org](mailto:hetlage@coloradofiscal.org)

Dear Legislators and Committee Members,

My name is Rayna Hetlage and I am the Health Policy Analyst at the Colorado Fiscal Institute. CFI provides credible, independent and accessible information and analysis of fiscal and economic issues facing Colorado as a way to make Colorado a state where tax and budget policies promote equity and widespread economic prosperity. I am writing in favor of SB20-215.

SB20-215 would help the 250,000 Coloradans who purchase insurance on the individual market and those Coloradans who currently cannot afford health insurance by creating the Colorado Health Insurance Affordability Fund. The fund would collect a small fee on health insurance carriers to fund reinsurance and provide subsidies to help more families purchase health insurance.

According to data from the Colorado Health Access Survey, the uninsured rate in Colorado dropped from 15.8% in 2011 to 6.5% in 2019. Despite the drop in the uninsured rate, many low-income Coloradans are still without health insurance and 9 in 10 Coloradans cite cost as the main barrier to purchasing health insurance. Many of those who currently lack health insurance coverage are on the frontlines during COVID-19 keeping our hospitals working, stocking our grocery stores, and continuing to deliver our packages despite the risk of contracting COVID-19. It is estimated that treating a severe case of COVID-19 could cost as much as \$88,000. Those who are putting themselves at risk to keep our state running deserve to know that they have health insurance coverage. SB20-215 would make affordable healthcare an option for more Colorado families.

Those living in rural areas are also less likely to have health insurance. In Jefferson County, only 2.6% of people are uninsured while those living along the I-70 corridor have an uninsured rate of 14.3%. The reinsurance program has made health insurance more affordable for many families with a reduction in insurance premiums across the state by an average of 20%. Maintaining the reduction in premiums requires keeping the reinsurance program funded. SB20-215 would provide a continual source of funding for the reinsurance program.

SB20-215 will help to make affordable health insurance coverage an option for more Colorado families. I urge you to vote yes on SB20-215.

Rayna Hetlage  
hetlage@coloradofiscal.org

## SB 20-215 Testimony

- We would normally have a large group of employers and organizations before the committee today to offer testimony in opposition to this bill but with current circumstances wanted to submit the following joint testimony.
- The Colorado Competitive Council, Denver Metro Chamber of Commerce, Colorado Chamber of Commerce, and National Federation of Independent Business respectfully ask this committee to oppose SB 20-215 in its current form.
- Just like the state – businesses small and large in Colorado are hurting.
- Just as they were about to get some relief from the expiration of the Health Insurance Tax at the federal level this proposal reinstitutes that tax at the state level.
- The suggestion that simply maintaining this tax will not impact premiums is ridiculous – carriers are forced to pass this tax onto businesses in the form of premiums increases.
- Over the next few years, businesses will be faced with higher workers compensation claims; more fee increases, and higher unemployment insurance premiums since they were forced to close through no fault of their own.

- Some have argued this proposal is necessary to maintain the reinsurance program – that is not the case – the state’s reinsurance program will continue through next year without the passage of this bill – giving us time to craft a different solution.
- Even if you agree this bill is necessary to maintain the reinsurance program this bill goes well beyond simply continuing reinsurance and sets in place a new nearly autonomous board with broad authority to levy fees, issue debt, and expand the programs created in this bill.
- Rather than just picking up the State’s share of reinsurance funding, this bill would generate **additional** revenue for a variety of other programs and expansions.
- All this on the backs of the fully insured market – which is only about 30% of the payers in the state – and comprised mostly of the smallest businesses, which are already struggling.
- And if the federal government establishes a nationwide reinsurance program will Colorado employers get some relief? NO! This bill would maintain the tax on business and simply shift the proceeds to fund subsidies for other groups.
- This proposal simply shifts costs from the state to the fully insured market. Make no mistake about it – insurance companies will pass this tax on to their policyholders – businesses and their employees will be who pays for this expansion.

- As we have seen when the state created the reinsurance program there are unintended consequences. Indeed a significant portion of the new programs created by this bill are designed to address unintended consequences from last year's bill.
- While we understand many Coloradans are challenged to pay for health insurance premiums today, increasing the affordability for one group by decreasing affordability for another is not the way to solve this challenge.
- Please give Colorado's employers some breathing room and defeat this proposal.
- Colorado can do better than simply shifting costs from the state to the businesses and employers who are already hurting and are critical to our recovery.

## **Members of the Senate Finance Committee:**

The United States ranks highest in the world for health care costs and health insurance costs, without better health care outcomes than other wealthy countries. Many of us know personally or from friends or family members, that the issue of health insurance costs is one which impacts every segment of our society- individuals, children, families, businesses, and governments.

From the small business owner that can't afford insurance for her family on the exchange to the employee at the fast food restaurant without enough hours to receive employer-based insurance and yet not enough income to purchase private insurance, Coloradans are still struggling to afford and purchase health insurance. 1 in 20 are uninsured across our state.

**Most uninsured individuals cite the cost of insurance as the biggest barrier to obtaining coverage and view even the least expensive plans as unaffordable.**

And for the more than 400,000 people in Colorado (50,000 people in Boulder and Broomfield counties) that purchased their health insurance on the individual market, premium prices have continued to rise each year.

HB20-215, the Health Insurance Affordability Act, provides real financial relief to all Coloradans by reducing the costs of health insurance purchased on the individual market: allowing more people to purchase health insurance; more people to purchase better coverage; and; reducing overall costs of health insurance for those who already purchase individual health insurance.

HB20-215 ensures:

- More families are eligible for health care insurance subsidies on the exchange (addressing the "family glitch")
- Individuals and families in high health insurance regions can continue to see premium reductions through Colorado's successful reinsurance program
- Individuals and families outside of the high cost regions do not inadvertently see a rise in premiums
- Individuals and families with no other means of accessing health insurance now have access (people without US immigration authorization)
- Uncompensated care is greatly reduced at Colorado hospitals and emergency rooms as more people have access to health insurance

The program does all of this without increasing costs to health insurers. A federal repeal of a fee paid by insurance companies previously used to fuel the Affordable Care Act has left our

state with an opportunity this year. Through SB 215, Colorado insurers continue paying the fee, and Colorado captures a state portion of that fee investing it in Coloradans who are priced out of the health insurance market.

Boulder County supports SB 20 215 and respectfully asks for your aye vote during this public health crisis, to ensure that no Coloradan is left without critical health care coverage.

Summer Laws, Policy Analyst, representing Boulder County Commissioners' Office



Thank you Chair and members of the committee.

My name is Chris Klene, and I am the Policy Specialist at Center for Health Progress. At Center for Health Progress, we believe that health care is a right. So, we fight for laws and policies that make it possible for everyone to take care of themselves and their families. Our statewide membership is predominantly made up of people who lack access to quality, affordable health insurance, including immigrants or members of mixed-status families. That is why we are submitting testimony in support of SB20-215, Health Insurance Affordability Enterprise.

The COVID-19 pandemic has shown us that our own health depends on our neighbor's ability to access the health care they need. With the Health Insurance Affordability Enterprise, Colorado has the opportunity to take another step toward maintaining and building on the progress we've made by protecting our state's reinsurance program and ensuring that more families facing the greatest barriers to health care receive access. All of this is possible without impacting the state budget.

Our grassroots members have told us firsthand of the challenges they have faced accessing care. In a recent survey completed by our grassroots members, only 22% reported having health insurance and only 42% said that there were members of their household who had health insurance. Of our members who had health insurance, 55% said that it was not affordable, 39% felt that they could not use their health insurance, and 55% said that they could not afford their care. The most noted barriers to obtaining health insurance among our members were documentation status and affordability. Several of our members elaborated on the challenges they have faced in accessing health insurance:

- Valerie, who is from Pueblo, told us that she is in the unenviable spot of being denied a stimulus check because her husband is undocumented. Unfortunately, she was laid off two weeks ago and her husband, who underwent a kidney transplant last year, is now kicked off her health insurance. While Valerie is in relatively good health, her husband needs specialized follow-up care and anti-rejection meds. She is not sure what either will do without insurance and for now, is trying to find a new job, any job.
- Dilcia, another Puebloan, told us that her husband is the only one working at the moment. Because of a lack of access to health insurance, she said, "If I or my husband were to begin to feel sick, neither one of us would have any other choice but to go to the emergency room at the hospital and ask for help. If we are sick to the point we need medical attention, we would be willing to be seen and taken care of and worry about the bills later." Dilcia and her husband have talked about what would happen if either one of us got sick, but "in reality know that things do not always go as planned."

Our grassroots members experience significant barriers to accessing quality, affordable health insurance, and these barriers have only grown larger due to the COVID-19 pandemic. While the Health Insurance Affordability Enterprise will not solve all of the challenges immigrants in our state face in accessing health care, it will have a significant impact and improve the lives of thousands throughout Colorado, including many of our grassroots members. We have the opportunity to make health care more affordable for more individuals and families without any cost to the general fund. It is with our full support and we ask you to vote in support of SB SB20-215, Health Insurance Affordability Enterprise. Thank you.



Thank you Chair and members of the committee.

My name is Maggie Gómez, and I am the Deputy Director of Center for Health Progress. Today, I am submitting testimony on behalf of the Coalition for Immigrant Health. The Coalition for Immigrant Health was formed by Center for Health Progress in 2016 with over 40 organizations and over 100 individuals with the purpose of securing the safety and well-being of immigrants and their families across Colorado. This growing group of people and organizations is working together toward universal access to health care by centering the needs and perspectives of immigrants. The Coalition is testifying in support of SB20-215, Health Insurance Affordability Enterprise.

According to the 2019 Colorado Health Access Survey, conducted by the Colorado Health Institute, more than 350,000 Coloradans were uninsured. Of this population of uninsured Coloradans, many are immigrants without certain documentation status. According to the same study, one in four non-citizens (27.1 percent) are uninsured, compared with one in 20 citizens (5.8%). It is important to note that the Colorado Health Access Survey was conducted prior to the COVID-19 pandemic, and the number of uninsured Coloradans has certainly increased and is still growing, as many people have lost their employer-based health insurance. Immigrants, who are more likely to work jobs in the service-industry without access to benefits and paid time off have faced the brunt of the health and economic consequences of the pandemic.

However, SB20-215, Health Insurance Affordability Enterprise, will improve access to health insurance for immigrants without documentation. By fixing coverage glitches for people excluded from the Affordable Care Act, including the people who fall into the family glitch, and immigrants without documentation. Because of this policy change, our members, who include immigrants' rights organizations, health policy advocates, community-based organizations, and health clinics recently voted to actively support the bill. The Colorado Immigrant Rights Coalition, one of our most active members, summarized their support:

"The Colorado Immigrant Rights Coalition urges the Colorado General Assembly to pass SB20-215. During this global pandemic, we have seen how interconnected our communities are and the vital role played by the immigrant community as they have served on the frontlines in critical roles to support our recovery. We know immigrants are one of the largest groups in Colorado's uninsured population and are also one of the most at risk for contracting COVID-19 and suffering from serious complications. Access to affordable health care is a concrete step our legislative leaders can take to support the immigrant community and a collective speedy recovery during this unprecedented crisis."

While the Health Insurance Affordability Enterprise will not solve all of the challenges immigrants in our state face in accessing health care, we believe it will put health insurance in reach for thousands of Coloradans left out of the Affordable Care Act, including immigrants without proper documentation. All of this is possible without impacting the state budget. It is with our full support and we ask you to vote in support of SB SB20-215, Health Insurance Affordability Enterprise. Thank you.

## SB20-215, Health Insurance Affordability Enterprise – Josh Emdur Testimony

Thank you Chair and members of the committee.

My name is Josh Emdur and I am the Medical Director at a safety net clinic in Colorado that serves primarily patients who are without health insurance and may be immigrants who are undocumented. Today, I am testifying in support of SB20-215, Health Insurance Affordability Enterprise. As a physician, it breaks my heart when I see patients come into my clinic who are sicker than they need to be because they have not had sufficient access to health care or insurance. If they had been able to access preventive care or early treatment, their treatment would be less difficult and less expensive. They would be able to continue working and supporting their families who rely on their income.

I believe in basic human dignity for all people. When my patients lack insurance and the funds to pay for the treatment they need for their health, they often feel ashamed and do not want to ask for financial assistance. Having more access to health insurance for these patients is important not only to their health but also to their dignity.

I want everyone to have access to health insurance. It is better for me as a provider, better for my patients, and better for society as a whole. SB20-215, Health Insurance Affordability Enterprise, is one avenue to create more health insurance options for people like my patients, without any cost to Colorado's general fund. I respectfully ask you to support this bill for the sake of my patients and our society. Thank you for your time.



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**STATEMENT FOR THE RECORD  
BEFORE THE COLORADO SENATE COMMITTEE ON FINANCE**

**SB 20-215**

**May 28, 2020**

**Hunter Railey, Colorado Director  
Small Business Majority**

Dear Chairman Foote, Vice Chair Fields and members of the Committee:

Thank you for allowing Small Business Majority to share our comments on this important issue.

The Health Insurance Affordability Enterprise captures fees already paid by health insurance companies to direct the funds to where they are needed most, keeping premiums low for consumers.

The current public health crisis has exposed deep gaps in our institutional supports for Colorado's residents. This is especially true with access to affordable healthcare options. Our crisis response has proven challenging, and this is most apparent, from the business perspective, for small businesses and their employees.

Many small businesses simply cannot afford to provide small group healthcare plans to their employees and, consequently, their employees purchase insurance through the individual market. Likewise, critical business owner sectors such as self employed individuals and 1099 contractors also rely on the individual market for insurance options.

Providing funding to the state's reinsurance program goes a long way to supporting these businesses, their employees, and their families during this stressful time.

Additionally, the funds would support subsidies to offset the "family glitch". Small business owners know that healthcare affordability doesn't just impact their employees, but their whole family. By ensuring Colorado families have access to affordable care, business benefit from the stronger, healthier workforce.

Again, thank you for considering our comments. We ask you to vote yes on this measure.

Thank you.

Hunter Railey  
Small Business Majority



## Support SB 215 The Colorado Health Insurance Affordability Fund

Members of the Senate Finance Committee,

For many years, Colorado has been focused on ensuring that all Coloradans have access to quality, affordable health care. The COVID-19 pandemic has shown us all how our own health depends upon our neighbor's ability to access the health care they need. We now have the chance to take another step toward maintaining and building on the progress we've made by protecting our state's successful reinsurance program and ensuring more families with the greatest barriers to health care can get access. By creating and investing in the Colorado Health Insurance Affordability Enterprise, we can help Coloradans, provide a benefit to insurance carriers and save money in our health care system all without impacting the state budget. That is why we urge your support of Senate Bill 20-215.

With this legislation, we can capture fees already being paid by insurance carriers and direct them where they'll do the most good for consumers. This small fee of 1 percent of premiums on non-profit carriers and 2.5 percent of premiums on for-profit carriers will allow us to make a big impact because it will:

1. Make ongoing funding available for Colorado's successful reinsurance program;
2. Make insurance more affordable for individual-market consumers that don't benefit from reinsurance, namely lower income Coloradans that receive federal subsidies under the ACA;
3. Create affordable health insurance options for people left out of the Affordable Care Act, including individuals in the "family glitch" and people excluded from coverage because of their immigration status.

The proposal does all of this without any cost to the general fund. At a time when so many families are hurting and the state is in the midst of a budget crises, the ability to provide meaningful help with access to health care without additional cost to the state budget is an opportunity we simply cannot allow to slip away.

This bill benefits all Coloradans by stabilizing the health insurance market and reducing cost shift from people who lack health insurance coverage to those who have coverage. It is especially critical for the 250,000 Coloradans who purchase coverage on the individual market because it funds the reinsurance program, which reduced individual market premiums by 20 percent its first year and was an essential support to rural Coloradans. Maintaining the reinsurance program is especially critical now during our

public health and economic crises. During the COVID-19 special enrollment period, more than 14,000 new customers bought insurance on the Colorado exchange. Without urgent action to continue the reinsurance program, all the Coloradans who purchase health insurance on the individual market without financial assistance (more than 100,000 Coloradans) would receive notice of at least a 20 percent increase in their premiums for 2021 during the fall of 2020.

This bill will also provide increased purchasing power for tens of thousands of Coloradans who receive tax credits to help with the cost of their insurance coverage on the Exchange, but for whom coverage remains expensive and often carries high deductibles. In addition, it will further expand coverage to thousands of Coloradans who have been left out of the Affordable Care Act including people in the “family glitch,” which ties what is considered affordable employer coverage to the cost of the employee, rather than factoring in the much higher cost of covering the entire family. Finally, some Coloradans who provide vital services for our communities but lack proper documentation could also be helped.

With this legislation, you have the opportunity to act on behalf of all of us to create greater access to quality health care through helping more people access health insurance. This opportunity also benefits the insurance carriers because the money will be reinvested in their business through larger market share and premiums.

Our national health emergency has shown stark light on the fact that the health and wellness of each one of us is dependent on the health and wellness of all of us. Colorado has made great strides over many years to expand access to health care. We must not stop now, even in the face of difficult circumstances. We urge your support of Senate Bill 20-215.

Respectfully,

ACLU of Colorado  
All Families Deserve A Chance Coalition  
Bell Policy Center  
Caring for Colorado Foundation  
Center for Health Progress  
Colorado Association for School-Based Health Care  
Colorado Association of Local Public Health Officials  
Colorado Center on Law and Policy  
Colorado Chapter of the American Academy of Pediatrics  
Colorado Children's Campaign  
Colorado Children's Healthcare Access Program

Colorado Community Health Network  
Colorado Consumer Health Initiative  
Colorado Cross-Disability Coalition  
Colorado Fiscal Institute  
Colorado Safety Net Collaborative  
Good Business Colorado  
Healthier Colorado  
One Colorado  
Organization name (exactly as you want it to appear)  
Planned Parenthood of the Rocky Mountains  
Small Business Majority  
The American Diabetes Association  
The Episcopal Church in Colorado

## Witness Signup List

For Self Open Submitted text

My name is Shawn Satterfield, and I'm a small business owner from Evergreen. My small business, Mozaro, which is a web development and management agency, has always been limited in the plan options available and what I could offer my employees. Additionally, I lose out on hiring the candidates I want due to my inability to offer health benefits.

The costs we are paying for our health insurance and our care are out of control. Our ability to operate and grow as a small business is being directly stifled by our health care costs. Insurers need to spend more of premiums on actual care and hospitals need to lower the costs they are charging consumers directly in out-of-pocket costs and through our insurance.

I believe bill SB20-215 is an important step in the right direction. It will make health care more affordable for more individuals and families without any cost to the general fund. I ask that you vote to continue the state's successful reinsurance program for an additional five years with no cost to the state budget. This will create opportunities for individuals and families previously left out of the Affordable Care Act to have affordable health insurance options at no cost to the state budget like working families with no affordable options and individuals with problems with their documentation.

For Small Business Majority Open Uploaded file

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Additionally, the funds would support subsidies to offset the "family glitch". Small business owners know that healthcare affordability doesn't just impact their employees, but their whole family. By ensuring Colorado families have access to affordable care, business benefit from the stronger, healthier workforce.

Again, thank you for considering our comments. We ask you to vote yes on this measure.