

February 26, 2026

Senator Kyle Mullica, Chair
Senator Dafna Michaelson Jenet, Vice Chair
Colorado Senate Health and Human Services Committee

RE: Small Business Majority's support for SB26-041

My name is Awesta Sarkash and I'm the Vice President, State Policy & Advocacy for Small Business Majority, a small business advocacy organization with a mission to empower America's diverse entrepreneurs to build a thriving and equitable economy. I'm pleased to provide testimony on SB 26-041, legislation that would require greater transparency when it comes to healthcare mergers and acquisitions, and strengthen Colorado's antitrust laws to protect competition.

Access to affordable, quality healthcare is crucial to small businesses' ability to compete with large corporations for talented employees, in addition to ensuring entrepreneurs and their employees get the care they need. Health coverage is most small businesses' largest expense outside of payroll. That's why it's worrisome that Small Business Majority's research found small businesses are struggling with rising healthcare costs. Therefore, it's not surprising that small business owners support policy solutions that would bring costs down for themselves and their workers, including three-quarters of small business owners who say that government should have greater authority to block mergers and acquisitions in the healthcare industry as one way to help slow rising healthcare costs.¹

Market consolidation through hospital mergers drives up healthcare costs for consumers. According to RAND Health Care, hospital mergers have resulted in estimated associated price increases ranging between 3 to 65 percent.² With fewer competitors, healthcare costs rise without a corresponding increase in quality of care.³ In fact, consolidation can instead lead to a higher mortality rate and more major health setbacks.⁴ Rural communities are particularly vulnerable to the negative impacts of healthcare mergers, as they're more likely to experience larger than average price increases, often in outpatient services.⁵ Additionally, rural merger hospitals are more likely than rural independent hospitals to eliminate crucial services like maternal, neonatal and surgical care.⁶

This bill would expand the Attorney General's authority to review healthcare mergers and acquisitions, and prohibits mergers and acquisitions that would substantially lessen competition or harm consumer welfare until specified conditions are met. It would amend the current requirements for providing notice of transactions involving licensed hospitals and require that the parties to a merger, acquisition, or

¹ "Opinion poll: Small businesses struggling with rising healthcare costs, support bipartisan policy solutions." Small Business Majority. February 21, 2024. <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-struggling-rising-healthcare-costs-support-bipartisan-policy-solutions>

² "Environmental Scan on Consolidation Trends and Impacts in Health Care Markets." RAND. Sep 30, 2022. https://www.rand.org/pubs/research_reports/RRA1820-1.html

³ "Changes in Quality of Care after Hospital Mergers and Acquisitions." The New England Journal of Medicine. January 1, 2022. <https://www.nejm.org/doi/full/10.1056/NEJMs1901383>

⁴ "Hospital Mergers Improve Health? Evidence Shows the Opposite." The New York Times. February 11, 2019. <https://www.nytimes.com/2019/02/11/upshot/hospital-mergers-hurt-health-care-quality.html>

⁵ "Consolidation in Hospital Sector Leading to Higher Health Care Costs, Study Finds." The University of Chicago - Harris school of Public Medicine. April 24, 2024. <https://harris.uchicago.edu/news-events/news/consolidation-hospital-sector-leading-higher-health-care-costs-study-finds>

⁶ "Access To Obstetric, Behavioral Health, And Surgical Inpatient Services After Hospital Mergers In Rural Areas." Health Affairs. October 2021. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2021.00160>

contracting affiliation of one or more healthcare entities submit specified notice requirements to the attorney general at least 60 days before the effective date of the material change transaction.

By expanding the Attorney General's oversight of hospital mergers and consolidation, Colorado would discourage anticompetitive contracting provisions in new mergers and increase transparency. We urge you to pass this legislation to help control healthcare costs for Colorado small business owners and their employees.

Sincerely,

Awesta Sarkash
Vice President, State Policy & Advocacy
Small Business Majority