

March 23, 2021

The Honorable Susan Lontine  
Chairwoman, Senate House Health &  
Insurance Committee  
200 E Colfax RM 307  
Denver, CO 80203

The Honorable Yadira Caraveo  
Vice Chairwoman, Senate House Health &  
Insurance Committee  
200 E Colfax RM 307  
Denver, CO 80203

*RE: HB: 21-1232, Colorado Health Insurance Option*

Dear Chairwoman Lontine, Vice Chairwoman Caraveo, and Members of the Committee:

As a representative of the 653,000 small businesses in Colorado, Small Business Majority writes today to ask you to support HB 21-1232 concerning the establishment of a standardized health insurance option, which would offer more accessible and affordable health coverage for small businesses. Colorado small businesses are still reeling from the aftermath of the economic downturn brought on by the COVID-19 pandemic—a public health crisis that’s laid bare the gaps that exist in our current health coverage options in the state.

Prior to the pandemic, small business owners struggled to afford health insurance for their employees and their families, and many of them remain uninsured. Rising healthcare costs continue to hurt small businesses and their bottom line, and some are forced between absorbing increasing healthcare costs, or passing the burden onto their customers. For solo entrepreneurs, rising healthcare premiums may force them to shut down altogether.

In our line of work, Small Business Majority conducts polling and engages with small businesses in Colorado to gauge the most pressing needs of our job creators, and access to affordable healthcare remains a critical concern. Last fall, we convened a series of [roundtable discussions](#) to hear directly from small business owners about their views on a public health option in Colorado. We found small businesses are largely supportive of this type of legislation due to the issues they’re facing with rising premiums, deductibles, and other out-of-pocket expenses, and they want a health coverage option that serves them, not just large businesses.

The Colorado Health Insurance Option will be implemented in a two-phased approach that will bring more affordable health insurance options to Colorado in the individual and small employer market. After extensive feedback from insurance providers begging the state to let them fix the unaffordability issue, the first phase of this new approach will provide an opportunity for the healthcare industry to work together to reduce costs over two years (10% each year for a 20% total reduction of premiums) with minimal government intervention. If the providers are unable to bring costs down, the second phase of the approach will kick start the Colorado Health Insurance Option to offer more affordable and accessible healthcare, which will directly benefit our state’s small businesses that are struggling with healthcare costs.

Some are arguing that the small group market must be removed from the Colorado Health Insurance Option, but we strongly urge the legislature to keep the small group market in the legislation to ensure small employers will benefit from the Option. We have heard extensively from small business owners about how access to affordable benefits can elevate small business industries that struggle to access affordable health coverage. Meanwhile, healthcare costs remain a top concern for all small

businesses, which is particularly challenging at this time as small businesses struggle to recover from the COVID-19 pandemic. Forthcoming research from Small Business Majority reveals that 1 in 3 small businesses have struggled to access health insurance for themselves and their employees during the pandemic, and a strong majority support a public health insurance option. This is why it's critical to drive down costs in the small group market and ensure small businesses are included as part of this important legislation.

I urge you to keep the needs of entrepreneurs—the drivers of our economy—in mind and move quickly to pass the Colorado Health Insurance Option while keeping the small group market in the bill.

Sincerely,

Lindsey Vigoda, Colorado Director

Small Business Majority