

March 28, 2025

*RE: Small Business Majority's support for HB 25-1174*

Dear Speaker McCluskie, Speaker Pro Tempore Boesenecker and Members of the House,

As a representative of Colorado's small business community, Small Business Majority writes today to express our strong support for HB 25-1174, legislation that would establish reimbursement limits for prices paid to certain hospitals through the small group market, resulting in lower healthcare costs for small businesses in Colorado.

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 our [research](#) found small businesses are struggling with rising healthcare costs. In fact, 78% of small businesses that offer health coverage to their employees reported that the cost of their insurance premiums has risen. As costs increase, small business owners are forced to make difficult decisions, with 24% of small businesses that once offered health insurance to employees saying they had to drop coverage altogether due to costs.

As entrepreneurs are struggling with healthcare affordability, Colorado hospitals continue to enjoy a streak of high profits. According to the Colorado Department of Healthcare Policy & Financing, hospital profits in Colorado are among the [highest](#) in the nation. Currently, the average Coloradan with commercial insurance is paying [291%](#)—nearly three times—what Medicare reimburses hospitals for the exact same care. High hospital prices significantly drive-up healthcare costs, making it challenging for entrepreneurs and their employees to afford vital care. That's why small businesses are supportive of solutions that would help bring runaway costs under control.

This bill would establish reimbursement limits for in-network—165% of Medicare—and out of network—150% of Medicare—on prices paid to certain hospitals through the small group market. Caps would lead to lower premiums and cost sharing for small group health plans because the cost of care at covered facilities would be lower. By extending these limits to the small group insurance marketplace, Colorado would be working toward solutions that reduce premiums and overall health care costs for small businesses. That makes it easier for them to offer health plans to their employees, who can then access medical care without having to worry about the cost. This is especially important for rural small businesses that are usually more limited in terms of which small group health insurance carriers are available in their region and therefore have fewer options when costs increase.

By placing limits on reimbursements to certain hospitals in the small group market, you would ease the burden of high healthcare costs for Colorado small businesses and their workforce. We urge you to pass this legislation so that Coloradans can better afford to access the care they need.

Sincerely,

Hunter Nelson  
Colorado Director  
Small Business Majority