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**STATEMENT FOR THE RECORD BEFORE THE COLORADO SENATE HEALTH  
& HUMAN SERVICES COMMITTEE ON SB25-198: TRANSPARENCY  
TRANSACTIONS MEDICAL CARE ENTITIES**

April 10, 2025  
Hunter Nelson, Colorado Director  
Small Business Majority

Thank you, Chair Mullica and members of the Committee:

My name is Hunter Nelson and I'm the Colorado Director 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 25-198, legislation that would expand the Attorney General's authority to review healthcare mergers and acquisitions and prohibit them unless certain criteria are met.

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. A majority of small businesses that offer health coverage to their employees reported that the cost of insurance premiums (78%) and hospital visits (56%) have increased. Therefore, it's not surprising that small business owners support policy solutions that would bring costs down for themselves and their workers. Three-quarters of small business owners think that government should have greater authority to block mergers and acquisitions in the healthcare industry.

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. With fewer competitors, healthcare costs rise without a [corresponding increase in quality of care](#). In fact, consolidation instead can lead to a [higher mortality rate](#) and more major health setbacks. 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. Additionally, rural merger hospitals are [more likely](#) than rural independent hospitals to eliminate crucial services like maternal, neonatal and surgical care.

This bill would expand the Attorney General's authority to review healthcare mergers and acquisitions and prohibits mergers and acquisitions unless certain criteria 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 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, you would discourage anticompetitive contracting provisions in new mergers. We urge you to pass this legislation to help control healthcare costs for Colorado small business owners and their employees.

Sincerely,

Hunter Nelson  
Colorado Director, Small Business Majority