SMALL BUSINESS MAJORITY

STATEMENT FOR THE RECORD
BEFORE THE COLORADO
SENATE FINANCE COMMITTEE ON SB26-178
HEALTH INSURANCE AFFORDABILITY MEASURES

April 30, 2026
Awesta Sarkash
Vice President, State Policy & Advocacy
Small Business Majority

Dear Chairwoman Kipp, Vice-Chairwoman Marchman, and Members of the Committee:

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 submit written testimony requesting an amendment to Senate Bill 26-178, which would provide stopgap funding for the Health Insurance Affordability Enterprise (HIAE). This is a critical measure that would help lower healthcare costs for Coloradans on the individual market.

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 can receive the care they need. Health coverage is already most small businesses' largest expense outside of payroll, and our research found that healthcare costs continue to grow rapidly for small businesses.[1] In fact, 78% of small businesses that offer health coverage to their employees reported that the cost of 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 because it is no longer affordable.

It's clear that health coverage is increasingly out of reach for many small business owners, which is why it's paramount for Colorado to find a long-term sustainable solution that continues to fund the HIAE. Through the HIAE, the state helps lower costs for the individual market through subsidies, thus reducing monthly premiums. This benefits small business owners, including self-employed business owners, and their employees who utilize that individual market to purchase health insurance. Nationally, more than half of all Affordable Care Act (ACA) marketplace enrollees nationwide are small business owners, self-employed individuals or small business employees.

In 2026, in fact, we are already seeing a 2% decline in healthcare enrollment through Colorado's health insurance marketplace following five consecutive years of record growth.[2] It's highly likely that many small businesses will continue to be priced out of health insurance in 2026 and following years, especially in areas like Eastern Plains and Western Slope, where increases are even higher for rural small businesses. I have heard from many small business owners across Colorado that due to the increasing cost of small group insurance, they are choosing to drop coverage altogether because they can't afford to keep it. These small businesses owners and their employees will have to turn to the individual market at a time when premiums are more unaffordable than ever.

With Congress having failed to reauthorize the Enhanced Premium Tax Credits, which previously lowered

[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] "Health Insurance Enrollment Through Connect for Health Colorado Dips Slightly for Plan Year 2026." Connect for Health Colorado. January 22, 2026. https://connectforhealthco.com/health-insurance-enrollment-through-connect-for-health-colorado-dips-slightly-for-plan-year-2026/

health insurance premiums for those who purchased insurance through the ACA marketplace, the Colorado small business community simply cannot afford for us to do nothing. We ask that you amend SB26-178 to provide PY2027 for HIAE, while also continuing to identify and establish a long-term funding mechanism that will help lower healthcare costs for Coloradans on the individual market. Colorado small businesses need relief from excessively rising costs so that they can better compete with large corporations and boost our local economies.

Sincerely,

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