

July 6, 2023

Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202

Dear Commissioner Conway and Members of the Colorado Division of Insurance:

Small businesses comprise over 99% of businesses across the state and employ nearly half of Colorado workers, according to the [Small Business Administration](#). As small employers, we care about our employees and strive to provide benefits that enable them and their families to thrive. But lack of access to affordable and comprehensive coverage stymies these efforts and exacerbates challenges in attracting and retaining talented employees. Unexpected and unprecedented financial setbacks from the pandemic, rising premiums, and a lack of competition in many communities are putting our small businesses in a bind. This is why it's not surprising that 71% of small business owners stated that bringing down healthcare costs should be the top policy priority in the coming years, according to a [Small Business Majority survey](#).

The Colorado Option for Health Insurance, supported and backed by the small business community, was passed into law in 2021 as a solution to these issues. Dozens of business owners from across the state testified in favor of this proposal as a life vest for their businesses during increasingly hard times. And yet, despite this clear need, only 142 participants were covered by the Option's small group plans when they became available for enrollment this year. There are three major barriers curtailing the Option's enrollment process and the Colorado Division of Insurance (DOI) has an opportunity to address them.

One reason for low enrollment this year may be, based on a number of anecdotes, that brokers offering small group healthcare plans provided little to no information about these new options to entrepreneurs. It is not clear why this happened, but it is clear that it occurred. Brokers are required to educate and inform their clients, including small business owners, about the full range of available plans and the DOI must hold them accountable to do so.

Another reason why the Option has low enrollment is that insurance carriers failed to reach the required premium reduction targets in all areas. We know it is possible to meet the reduction targets, as Denver Health and, at least in part, Cigna, were able to meet the premium reductions in the individual market. Furthermore, many of the arguments carriers make for why they missed the targets are inadequately justified. DOI must hold carriers responsible to demonstrate that they have put in sufficient effort to provide plans at the required price points.

A third reason for low enrollment is that Colorado hospitals continue to enjoy a streak of high profits—some of the highest in the nation, in fact—according to the Colorado Department of Healthcare Policy & Financing. While we recognize the value of profit, it's simply shameful that hospitals are taking advantage of Coloradans, including small businesses and their employees. The DOI must hold hospitals accountable for increasing healthcare affordability and accessibility.

Small business owners often want to offer critical benefits such as healthcare but operate on very thin margins and have very little time at their disposal, which is why we welcomed the Option's efforts to

negotiate healthcare plans with key stakeholders on behalf of Coloradans. Though we know that the Option's plans are held to higher standards and premium reductions, we also see that insurance carriers can and should do more to meet the premium reduction targets. Offering affordable products that are easier to find is how we will pave the way for Coloradans to enjoy the benefits of the Option.

In 2021, Colorado passed the Colorado Option as a lever to support our small businesses. We have worked hard for this policy and its thorough implementation, and we want to make sure it is successful for the community members who need it most. We urge the Colorado Division of Insurance to hold brokers, carriers and hospitals accountable in order for this market to thrive.

Sincerely,

Organizations:

Lindsey Vigoda, Small Business Majority

Angelique Espinoza, Good Business Colorado

Small business owners:

Grace Gregory, Holistic Salon, Owner + Artist, Denver, CO

Susan Crites, Book Depot, Partner, Lamar, CO

Jice Johnson, Black Business Initiative, CVO, Denver, CO

Leslie Comstock, Elixir Mind Body Massage, Manager, Denver, CO

Sarita Parikh, glow + gather, Co-Founder, Castle Rock, CO

Matt Karkut, Compañeros: Four Corners Immigrant Resource Center, Executive Director, Durango, CO

Sandra Stroehmann, Elixir Mind Body Massage, owner/founder, Denver, CO

Christina Robben, Robben Marketing Solutions LLC, Owner, Pueblo, CO

James Truitt, Trulvl, Inc., Founder, Denver, CO

Katrina Brink, The Empowered Kitchen, Owner, Denver, CO

Ryan Romero, Drives and Mile High, Owner, Arvada, CO

Elizabeth Franz, Humanz Mediate, Founder, Littleton, CO

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