
STATEMENT FOR THE RECORD BEFORE THE COLORADO HOUSE HEALTH & HUMAN SERVICES COMMITTEE ON HB25B-1006: IMPROVE AFFORDABILITY PRIVATE HEALTH INSURANCE

August 21, 2025
Hunter Nelson, Colorado Director
Small Business Majority

Thank you, Chairman Brown 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 HB25B-1006, legislation that would loan \$100 million from the Unclaimed Property Tax Cash Fund (UPTF) to the Health Insurance Affordability Enterprise (HIAE) in order to help fund programs under the enterprise that help lower healthcare costs for Coloradans on the individual market in the event that Congress fails to reauthorize the enhanced Premium Tax Credits (PTCs).

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. 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. The HIAE helps lower costs for the individual market through its subsidies that lower the cost of monthly premiums. This benefits small business owners, including self-employed business owners, and their employees that 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 Colorado, 42,000 small business owners and/or self-employed individuals purchase their health insurance through Connect for Health Colorado.

Therefore, the astonishing average increase of 28% for healthcare premiums on plans purchased through Connect for Health Colorado's individual market is deeply concerning. It's highly likely that many small businesses will be priced out of health insurance in 2026, 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.

This comes as healthcare access becomes more unaffordable due to federal policy changes. Congress recently passed legislation that will cause millions to lose access to coverage through Medicaid, and the impending expiration of the enhanced PTCs at the end of 2025 will cause monthly premiums to skyrocket. This credit is vital because it allows many small businesses to afford coverage: Marketplace enrollees who claim it have seen their premium costs reduced by an estimated [44%](#). In 2022, [82%](#) of small business owners enrolled in the ACA Marketplace claimed the credit, and the Congressional

Budget Office (CBO) estimates that 4.2 million individuals would lose access to coverage if the enhanced PTCs expire. The expiration of the enhanced credits will also create negative trickle-down impacts on the rest of the healthcare market, resulting in premiums skyrocketing for those not eligible for enhanced PTCs as risk pools shrink and coverage becomes more expensive.

If Congress fails to reauthorize the enhanced PTCs, the Colorado small business community cannot afford for us to do nothing. We ask that you support this bill to fund the HIAE so that it can 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,

Hunter Nelson
Colorado Director
Small Business Majority