

October 11, 2024

Michael Conway
Colorado Insurance Commissioner
Colorado Division of Insurance
1560 Broadway
Denver, Colorado 80202

RE: DRAFT Proposed Amended Regulation 4-2-92: Concerning Colorado Option Public Hearings

Dear Commissioner Conway:

Small businesses comprise 99.5% of businesses across Colorado and employ 47.3% of workers statewide. As advocates for small businesses, we want to help ensure that small businesses, employees and their families have access to the top-quality benefits that enable them to thrive. Unfortunately, healthcare coverage has become increasingly unaffordable for many small businesses and their employees. According to a recent [Small Business Majority](#) poll, 78% of small businesses that offer health coverage to their employees report that the cost of insurance premiums has risen. Furthermore, 24% of small businesses that offer health coverage to their employees have been forced to drop it altogether due to rising costs.

The Colorado Option for Health Insurance became law in 2021 with support from the small business community as a solution to these problems. Dozens of business owners across the state testified in favor of this proposal as a lifeline for their businesses during increasingly hard times. Small Business Majority was a firm supporter of the bill that established the Colorado Option, and we continue to support its effective implementation so that small businesses across Colorado have more affordable options for health insurance.

We greatly support the revisions in this regulation to ensure its applicability for the 2026 plan year and beyond. We also greatly appreciate the revisions in Section 10, particularly the revisions in part (G), which will ensure that the ombudsperson will receive the complete public hearing filing documents from carriers once they are deemed complete and regardless of whether a complaint is filed. This will help ensure the ombudsperson is able to fully review the public hearing documentation in their entirety on a yearly basis to not only review documents for a given year, but to also note trends or changes year to year.

However, we encourage the Division to invest capacity into holding small-group carriers accountable through the Colorado Option public hearing process, and to consider and implement changes that make the Colorado Option public hearing process more transparent and accessible to the small business community. Under Sections 7(A)(4), 7(B), 14(B) and 21(B), we propose adding “small businesses” as a key stakeholder group defined in regulation concerning the Colorado Option public hearings. Enrollment in Colorado Option small group plans has been low, and the failure of insurance carriers to meet the premium reduction targets in the small group market is one reason for this. These public hearings are vital as an accountability mechanism so that the small group market can see lower

Colorado Option premium rates. We ask that the small business community be considered as key stakeholders in the Colorado Option public hearing process, and that low enrollment in Colorado Option small group plans not be a deterrent to investing capacity in this process for the small group market. With over 200,000 covered lives in the small group market, investment in Colorado Option for the small group market is critical, as it has the potential to give hundreds of thousands of Coloradans a more affordable, comprehensive health insurance option.

We fought hard for the small group market to be included in the Colorado Option, and through its implementation, it can be successful and transformative for small businesses. We look forward to working with the Division on ensuring the success of Colorado Option for the small business community.

Sincerely,

Hunter Nelson
Colorado Director, Small Business Majority