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**STATEMENT FOR THE RECORD**

**BEFORE THE SENATE COMMITTEE ON JUDICIARY**

**RE: HB19-1174**

**April 15, 2019**

**Hunter Railey, Colorado Director  
Small Business Majority**

Dear Chairman Lee, Vice-Chair Gonzales and Members of the Committee:

My name is Hunter Railey, and I'm the Colorado Director for Small Business Majority, a national small business advocacy organization with offices here in Denver. Thank you for allowing me to share comments with you on the importance of addressing surprise out-of-network billing in order to help control healthcare costs for small businesses.

Surprise billing occurs when an individual seeks care from an in-network hospital or clinic, but receives care from an out-of-network provider, resulting in a bill reflecting high costs for this coverage. This issue is of particular concern for our small business community because healthcare costs are consistently ranked as a top issue for small business owners. What's more, a 2016 report found that almost 7 in 10 people receiving surprise bills for out-of-network costs didn't realize the provider was out-of-network when they received the care.<sup>1</sup> Additionally, research from the Brookings Institution found individuals and small employers are more frequently choosing HMO and EPO health plans that have no out-of-network coverage, leaving them exposed to the full brunt of out-of-network billing.<sup>2</sup>

Colorado has laws in place that protect consumers from these scenarios, but research has shown that most Colorado consumers don't understand their rights and end up paying these bills. HB19-1174 will address this issue by requiring that healthcare providers and facilities disclose service performed by out-of-network providers and disclose the claims and payments process. It will also require that

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<sup>1</sup> "Answering the Thousand-Dollar Debt Question: An Update on State Legislative Activity to Address Surprise Balance Billing." Cousart, NASHP. April 2016.

<sup>2</sup> "Solving Surprise Medical Bills." The Schaeffer Initiative for Innovation in Health Policy, a Brookings Institution-USC Schaeffer Center Partnership. October 2016.

consumers receive easy to understand notification of their rights regarding bills from out-of-network providers, and sets “reasonable rates of payment” for these out-of-network providers.

We know from our scientific opinion polling that the cost of healthcare is consistently a major concern for small business owners. Many small business owners and solo-entrepreneurs pay more for coverage than their larger counterparts, and they simply can’t afford unexpected medical expenses that eat into their tight profit margins and prevent them from investing in their business.

We urge you to enact HB19-1174 in order to bring more transparency and affordability to pricing for healthcare services, benefitting small businesses’ bottom lines and helping to control costs in the healthcare system overall.

Thank you.

Hunter Railey, Colorado Director  
Small Business Majority