



**STATEMENT FOR THE RECORD**  
**BEFORE THE SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**  
**STATE INNOVATION WAIVER REINSURANCE PROGRAM**

**April 23, 2019**

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

Dear Chairwoman Fields, Vice Chairwoman Pettersen 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 today on the importance of creating a reinsurance program to promote cost containment and market stability across Colorado's healthcare marketplace.

The State Innovation Waiver Reinsurance Program (HB19-1168) authorizes Colorado to seek a state innovation waiver from the U.S. Department of Health and Human Services to create and operate a reinsurance program. This program would help health insurers provide coverage to the highest-cost consumers, allowing them to keep premiums lower for other consumers. We know small business owners are concerned about the high cost of healthcare premiums and are supportive of solutions that works to control these costs.

Actions at the federal level have caused healthcare premiums to rise in recent years, with increases in Colorado of 20% in 2017 and 34% for 2018 coverage in the individual marketplace. While 2019 premiums rose by a smaller percent, healthcare costs continue to grow across the state. For many small business owners, these increases significantly affect their bottom line, forcing them to choose between absorbing increased healthcare costs or passing the costs off to their consumers. For solo entrepreneurs, rising healthcare premiums could force some to shut down their business and find a job with employer-sponsored health coverage.

Reinsurance programs have shown promise in other states to help reduce premium costs and improve market stability. Indeed, according to the Urban Institute, Minnesota's reinsurance program was responsible for a 15% reduction in premiums. Colorado's program would benefit the roughly 165,000 consumers who purchase insurance through the individual marketplace, including many entrepreneurs and small business employees. In fact, a Small Business Majority analysis found more than 3.7 million small business employees around the country are enrolled in ACA marketplaces, and more than six in 10 ACA marketplace enrollees nationwide are small business owners, self-employed or small business employees.

National efforts to chip away at the healthcare law, or repeal it entirely, threaten this progress by causing instability in the marketplaces and raising rates for consumers. Creating a reinsurance program is a practical, achievable step that will strengthen Colorado's marketplaces and prevent further increases in healthcare costs, protecting hard-won benefits for Colorado's small business community.

I urge you to consider small business support for this issue as you consider this measure.

Thank you.

Hunter Railey, Colorado Director  
Small Business Majority