

Vote No on House Bill 1349

HB 1349 directs the Division of Insurance (DOI) to develop and implement an insurance plan, known as the “Colorado Option,” for the state in the individual and small group markets. The plan would be designed by the Commissioner of Insurance and administered by private health insurers whose participation could be mandated.

HB1349 is a one-size-fits-all approach that would cut rates to many providers and mandate participation by hospitals and insurance carriers across our state. It gives sweeping authority to an appointed individual, shifts costs to the employer-based coverage market, adds inefficiencies and puts us at risk for unintended consequences that harm Coloradans on subsidies and increase rates in part of the state.

Why we oppose HB 1349:

The Colorado Option gives extensive power to a single appointed official and appointed board, a risky and unpredictable approach to policy making.

- The Colorado Option would give sweeping authority to the Commissioner of Insurance, a political appointee who would have power to:
 - Set payment rates for hospitals
 - Choose which hospitals must participate and which hospitals can be exempted based on his/her own judgement of the financial hardship that participation in the Colorado Option causes the hospital
 - Direct CDPHE to revoke or suspend hospital licenses for failure to comply
 - Fine hospitals up to \$40,000 per day
 - Force carriers to offer the plan in specific counties
 - Expand the Colorado Option to the small group market
 - Deny insurance premium rates for small and large groups in the private market
- Placing this much authority in the hands of a single appointed individual creates inconsistencies between administrations and appointments.
- The bill includes vague language throughout that leaves important judgement calls up to the Commissioner.

The Colorado Option will shift costs to the employer-based health care market.

- Although there is language in the bill intended to prevent cost shifting, there is no assurance that premiums will not have to be adjusted in the fully insured market to make up for the decreased reimbursement rates from the Colorado Option.

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- Shifting costs is not the same as driving costs down. The Colorado Option does nothing to solve the health care cost puzzle. It simply shifts costs around rather than addressing the actual drivers of high cost, all while failing to increase coverage for Colorado’s uninsured.
- The Colorado Option costs the business community more. It will shift costs to the business community as hospitals are forced to use the fully insured market to make up for losses from providing care to state-option patients.

The Colorado Option adds inefficiencies, which doesn’t help our health care cost puzzle.

- The state option adds inefficiencies to the health care market by forcing insurers to provide a product designed by government in markets in which they may not operate.

The Colorado Option goes too far, too fast, putting us at risk for unintended consequences.

- An unintended consequence of the Colorado Option could be increased premiums for those on subsidies.
- The Colorado Option forces a public option where private markets may have negotiated lower rates.
- The bill includes language that promotes the public option to the small group market, regardless of how the individual market experiment works.

While we support a market-based effort that increases access to health care, drives down costs for all, and is flexible for the wide range of communities, workers and businesses that make up our state, that simply isn’t what is being proposed.

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Organizations in opposition:

Denver Metro Chamber of Commerce	Colorado Farm Bureau	Jefferson County Economic
Aurora Chamber of Commerce	Denver Metro Commercial	Development Corporation
Aurora Economic Development Council	Association of REALTORS	Pueblo Chamber of Commerce
Club 20	Denver South Economic	South Metro Denver Chamber of
Colorado Association of Mechanical	Development Partnership	Commerce
and Plumbing Contractors	Glenwood Springs Chamber Resort	Woodland Park Chamber of
Colorado Association of REALTORS	Association	Commerce
Colorado Chamber of Commerce	Grand Junction Area Chamber of	
Colorado Competitive Council	Commerce	
Colorado Concern	Jefferson County Business Lobby	

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