

HB21-1232 Public Option
Testimony for Senate Health and Human Services Hearing
Monday, May 17
Laura Rizzo, Denver Metro Chamber of Commerce

- I'd like to start by thanking Madame Chair and committee members for your consideration of this testimony. My name is Laura Rizzo and I submit this testimony in opposition to HB 1232 on behalf of the Denver Metro Chamber of Commerce.
- We represent 3,000 businesses and their 400,000 employees. While our membership includes some of Colorado's largest businesses, it's important to note that over 90% of our members are small businesses.
- All of our members care deeply about and are burdened by the high cost of health care. As such, we share the goal of making health care more affordable for Coloradans, but believe a truly market-based approach, that addresses the drivers of health care costs, is the way to achieve this.
- This bill does nothing to actually reduce underlying cost-drivers in health care. It simply demands insurance premium reductions for one group of Coloradans while inevitably shifting costs to another group of Coloradans. It moves costs around, rather than eliminating or reducing costs in the system. We live this every day in the fully insured market while we make up for losses experienced through the lower reimbursement rates of Medicaid and Medicare. This only adds to that cost shift, forcing employees and their employers for countless Colorado companies to pick up the tab.
- It **requires** health insurance companies to sell specific government-designed products. It sets arbitrary premium reduction goals, and if those aren't met, it empowers the commissioner of insurance to set rates that health care providers are **required** to accept. This is heavy-handed government involvement in a critical sector of our economy – NOT a market-based approach.
- The process by which that determination would be made is an exercise in comparing apples and oranges and given the plan can change year after year, maybe even some bananas and grapes.
- The bill requires cost reductions for a yet-to-be-designed benefit plan. If recent history with insurance mandates is our guide, it is safe to assume the benefit plan will be generous and may look different than existing products in the market that are more affordable due to narrow networks, targeted benefits or other efficiencies. You can't expect more benefits at a lower cost to not create pressure somewhere else in the system.
- This bill also transfers a significant amount of power and authority to an appointed member of the executive branch, without appropriate oversight and accountability by our elected representatives.
- While there is "counsel" with others, ultimately, the insurance commissioner designs the plan, approves the rates, determines if rate reductions have been met and, if not, set mandated rates for providers.
- While we don't endorse the government-based approach generally, we are very concerned about the potential consequences of this proposal specifically, including increased costs to businesses

and their employees, reduced access to care due to staff lay-offs and / or closures of health care businesses, and reduced competition and choice.

- We are open to discussing approaches that would create a true opportunity for industry to continue bringing down costs through innovation and partnership.
 - However, as of today we continue to strongly oppose this bill and urge a NO vote.
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