

HB21-1232 Public Option
Testimony for House Health and Insurance Committee Hearing
Wednesday, April 9th
Laura Rizzo, Denver Metro Chamber of Commerce

Version 1: Testimony Re; Introduced Version of the Bill

- 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 market-based approach is the way to achieve this and this is not a market-based approach.
- We have a long and detailed list of specific concerns about this proposal, but due to time constraints, I'm going to speak only to our three primary concerns today.
- First is the fact that 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 potentially shifting costs to another group of Coloradans. It moves money around, rather than taking money out of the system.
- Second, while purporting to be a market-based solution, the details of the bill do not provide for a realistic or reasonable opportunity for the industry to compete and succeed.
- The premium reduction targets are arbitrary. There's no data to support a 20% reduction being a magic number.
- And we have concerns about the process by which plans would be compared – it appears to compare apples and oranges, which just doesn't make sense.
- 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 or other efficiencies. You can't expect more benefits at a lower cost to not create pressure somewhere else in the system.
- And, to this point of setting up the industry for failure, the timeline and process for applying for federal waivers tells us it's a foregone conclusion that the Colorado Option will be implemented, regardless of industry performance.
- Our third primary concern is that this bill 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.

- The bill outlines a two-phase process in which “phase 2,” implementation of the Colorado Option Plan, is triggered by the sole discretion of the Commissioner of Insurance.
 - While the bill establishes the authority and directs the state to apply for federal funding, it does not outline important details about the size or scope of this new government bureaucracy, nor provide for any contingency plans if federal funding and consumer premiums are not sufficient to cover costs of operating it.
 - 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, and reduced competition and choice. We urge your careful consideration of whether this approach is truly viable – and the potential impacts if it fails.
 - We are open discussing approaches that would create a true opportunity for industry to continue bringing down costs through innovation and partnership.
 - However, as introduced, we oppose this bill and strongly urge a NO vote.
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