

HB22-1370 Coverage Requirements For Health-care Products

Wednesday April 20, 2022

House Health & Insurance - 1:30 PM

Written Testimony: Oppose

Good afternoon, Madam Chair and members of the committee. My name is Adam Burg, and I am the vice president of government affairs for the Denver Metro Chamber of Commerce.

I'm here today on behalf of the Chamber testifying in opposition to HB22-1370.

While we understand and are sympathetic to the goals of this legislation to further decrease the cost impacts of high-priced prescription drugs for the relative few that require these drugs to fight a complex disease or to manage a complex condition, we cannot support efforts that seek to achieve otherwise laudable goals by simply shifting costs to Colorado's employers, thus increasing the cost of doing business in Colorado, and increasing the cost of care for Colorado's employers and their employees.

This bill does not save people money in health care. Instead, quite the opposite. For a business with 10 employees, HB 1370 would increase premiums \$2,000-\$4,500 according to the Colorado Association of Health Plans. The provisions in this bill increase costs by driving more business to higher cost brand name drugs when safe and effective alternatives are available.

Employers also want to retain the ability to have drug rebate dollars go towards reducing premiums for their employees. Requiring point of sale rebates drives up health care costs by funneling people to more expensive brand name drugs.

Direct to consumer rebates increase costs to employers who pay the bill to provide health care benefits to their employees and their families. Employers want the flexibility to have costs managed along with ensuring access and quality care, and we feel that these aims are not at odds with one another.

Colorado is home to a wide range of businesses, of all sizes, operating in countless industries, with some operating very local businesses in very specific regions to others operating on a statewide, nationwide, or even international basis.



Just as there is wide variation in the sizes, industries, and reach of the thousands of businesses that comprise Colorado’s business community, Colorado’s health plans should retain the flexibility to tailor health benefits to a specific employer based on that employer’s employee base and specific health needs and goals.

Unfortunately, HB-1370 goes the opposite direction, limiting choice and restricting the ability of health plans to respond to the needs and goals of specific employer clients when it comes to designing their health benefits and doing so in a way that will only increase costs for employers and their employees.

We encourage a “no” vote on this legislation. 8595000