

Health Insurance Affordability Enterprise (SB20-215)

Testimony to the Senate Finance Committee

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Thank you for the opportunity to submit written testimony in support of [SB20-215](#). My name is Andrea Kuwik, and I am a policy analyst with the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

We write in strong support of SB20-215. Findings in [“Colorado’s Middle Class Families,”](#) a 2018 report prepared for the Bell, shows rising costs are making it increasingly hard for Colorado families to get and stay ahead. In few areas is this more obvious than health care. While wages for the average two adult, two child home grew by 24 percent between 2000 and 2016, health care costs increased by 70 percent. Difficulties affording quality health care clearly lead [to worse physical health outcomes](#); but cost challenges that pit investing in one’s health vs. financial/educational well-being also have long-term generational impacts that ripple far into the future.

Colorado’s made progress in bringing down health care costs over the past several years. This includes passing, implementing, and investing in a reinsurance program. In its first year, reinsurance brought down premiums on the individual market by an [average of 20 percent](#). Though benefitting communities across the state, reinsurance has made an especially significant difference for families outside of the [Front Range](#).

Even before COVID, when unemployment rates were low and the state had strong economic growth, Coloradans were struggling to afford quality health care. However, now that our state is in the midst of a dual health and economic crisis, the need for affordable health care options on the individual market is more important than ever. With unemployment rates rising to over [10 percent](#) in April, thousands of Coloradans have lost employer-provided health insurance. In the one-month special enrollment period meant to support those impacted by the pandemic, Connect for Health Colorado saw over [14,000 Coloradans](#) sign up for health insurance.

Colorado’s dire budget situation exacerbates these challenges and jeopardizes the meaningful investments the legislature has made to help Coloradans afford and access health care. This juxtaposition of a need for state investment with a paucity of funds raises the value and importance of SB20-215. Without impacting the General Fund, this bill will allow Colorado to not only continue proven state efforts to support health care affordability, but also expands needed financial assistance to thousands of Coloradans. Specifically, SB20-215 extends an already existent fee on health insurers. With these additional monies, the bill allows Colorado to continue reinsurance while also growing the availability and generosity of tax credits for those purchasing health insurance on the private market.

Coloradans need affordable, non-employer-based health insurance options. Without impacting the General Fund, SB20-215 can make this a reality. With this bill’s passage, we’ll make a strong step forward in supporting existing efforts while providing the additional assistance families need. Thank you again for the opportunity to submit written testimony, and we strongly encourage your support of SB20-215.