

SENATE COMMITTEE ON FINANCE  
STATEMENT FOR THE RECORD  
ON  
SB17-003: REPEAL OF CONNECT FOR HEALTH COLORADO  
FEBRUARY 07, 2017  
TIM GAUDETTE  
COLORADO OUTREACH MANAGER  
SMALL BUSINESS MAJORITY

Dear Chairman Neville, Vice Chairman Hill and members of the Committee,

As a leading representative of the 28 million small businesses in America and the nearly 600,000 in Colorado, I urge you to vote against SB17-003, "Repeal of Connect for Health Colorado," because the Affordable Care Act (ACA) and Connect for Health Colorado have greatly benefited small employers in this state.

If passed, SB17-003 would sunset the Connect for Health Colorado program, leaving Coloradans with Healthcare.gov as their only marketplace option starting in 2019. Rather than eliminating a redundant program—as some have argued—the loss of Colorado's exchange would make it harder for the state's small businesses to find health insurance and would leave them with fewer healthcare choices, which would likely mean higher costs for those businesses.

What's more, some lawmakers in Washington, D.C. are so intent on repealing the ACA that it is unclear whether or not Healthcare.gov will still exist in 2019. Therefore, repealing the state exchange could mean the loss of the only marketplace Colorado's entrepreneurs will have for obtaining quality, affordable healthcare.

Efforts to shutter Connect for Health Colorado fail to take into account a simple fact: Before the ACA became law, small business owners paid, on average, 18 percent more for health insurance than their big business counterparts and usually received fewer comprehensive benefits. In fact, Small Business Majority's opinion polling found that prior to implementation of the ACA, 55 percent of small business owners provided insurance to at least some of their employees, but 70 percent of those who didn't offer it said it's because they could afford it.

Small businesses waited decades for something to help bring down their health costs, and Connect for Health Colorado finally helped them find some relief. Before the ACA, the national small-group insurance market regularly saw double-digit increases in premium growth. But as of late 2016, the projected premium increase for 2017 small group plans purchased through Connect for Health Colorado was just 2 percent.

The benefits of the ACA are particularly evident when comparing the insurance rate for self-employed entrepreneurs today versus before the law. Prior to the ACA, it was so difficult for the self-employed to purchase health insurance that 30 percent of solo entrepreneurs were uninsured—a rate more than double that of the general population.

Fortunately, the ACA has drastically lowered the number of uninsured self-employed entrepreneurs. A recent analysis found that the number of uninsured small business employees (those working at firms with fewer than 50 workers) dropped by more than four million between 2013 and 2015 and their uninsured rate fell from 27.4 percent to 19.6 percent.

The positive effects of the ACA on small businesses and solo employers can also be felt here in

Colorado. A new report recently released by the U.S. Treasury Department and the Department of Health and Human Services revealed that in 2014, 1 in 5 people who purchased healthcare through an ACA marketplace were a small business owner, self-employed or both. In Colorado, approximately 38,000 small businesses and self-employed entrepreneurs gained coverage through Connect for Health Colorado, according to that report.

While there were some initial hiccups in the Connect for Health Colorado enrollment process, drastic improvements have been made and enrollment is up. More than 158,000 Coloradans have chosen healthcare coverage for this year through the state marketplace as of January 8, which is 18 percent ahead of last year's pace. And since November, 22 percent of plan selectors are Coloradans who are using the marketplace for the first time.

SB17-003 will undo the progress Colorado has made to fit the unique needs of its small business owners and self-employed individuals through our state-based health insurance marketplace. I hope you will strongly consider the importance of Connect for Health Colorado to our state's entrepreneurs when you consider this measure.

Sincerely,

Tim Gaudette, Colorado Outreach Manager

Small Business Majority