

## Our Primary Concerns

1. ***Sets arbitrary and unreasonable timelines and premium reduction goals, making implementation of the public option a foregone conclusion.*** While purporting to be a market-based solution, the details of the bill are such that the industry is set up to fail.
2. ***Transfers a significant amount of power and authority to an appointed member of the executive branch without appropriate legislative oversight.*** This legislation vastly expands the scope of responsibility for the Commissioner of Insurance, an appointee of the Governor. Most notably the Commissioner alone makes the decision of whether or not to implement the government-operated health plan, without affirmative approval of our elected representatives.
3. ***Puts the state budget, businesses and / or taxpayers at risk by building a new government bureaucracy without accounting for the likely costs or plans for financing such an entity.*** The bill establishes a new government authority and governing Board and directs the state to pursue federal funding to support this new structure. However, the legislation does not outline important details about the size or scope of this new government bureaucracy, nor provide for any contingency plans if federal funding is not sufficient to cover costs of operating it.
4. ***Creates a different set of rules for the government-run health plan to operate by.*** Most health care providers will be required to do business with the new government-run health plan and forced to accept payment rates dictated by the state. It is unclear what, if any, requirements there will be for the government-run health plan to protect against risk and ensure fiscal solvency.
5. ***Lumps the small group market in with the individual market.*** The individual and employer-sponsored insurance markets function very differently. It is neither feasible, nor advisable, to approach them in the same way. Federal health reform efforts of the last decade have focused primarily on the individual market and that is where the focus should stay.

## If Implemented, This Will Likely Result In A Number of Unintended Consequences

***Increased health care costs for the majority of Coloradans.*** Generally speaking, government set reimbursement rates in public insurance programs, including Medicaid, are insufficient to cover costs. Today, underpayment in Medicaid gets shifted to privately insured clients, a factor in increasing premiums. The Colorado Option Plan, with its government set reimbursement rates, will exacerbate the cost shift problem, increasing health care costs for the majority of Coloradans who get their care through private insurance, most often employer-sponsored insurance.

***Less competition and consumer choice.*** The government-run plan will be operating with distinct competitive advantages as compared to highly-regulated private sector health

insurance companies, making it difficult, if not impossible, for private plans to compete. It is foreseeable that insurance companies may choose to withdraw from the market, leaving the public option plan as the only coverage option available in many parts of the state.

**Reduced access to care.** In order to achieve the cost reductions that the sponsors are dictating through this legislation, provider rates will have to be set very low. Further, as written, it requires health care providers to do business with the Colorado Option Plan – an unprecedented requirement. The mandate to serve Colorado Option Plan clients, coupled with the inevitably low reimbursement rates, will likely lead to health care providers being unable to serve Coloradans covered by other plans and / or will drive health care providers out of business all together. Either way, we are likely to see reduced access to care.

**Potential for significant cost burden to Colorado's budget, businesses and / or tax payers.** This legislation is full of bold, risky proposals, but short on details and contingency plans. Most notably, the bill directs the state to apply for federal funding to support the new government authority to operate the health plan, but does not detail if / what will happen if the federal funding is insufficient. If the failed HealthOP experience is any guide, it is possible, and even likely, that every day Coloradans will be on the hook for bail-out costs.

### Why It Is the Wrong Approach

Health care is too expensive. We know this and agree. We have more work to do, but **Colorado is on the right track pursuing market-based innovation and public-private partnership solutions.** Coloradans in the individual market have experienced meaningful reductions in insurance premiums, expanded product choice and increased competition in the private market in recent years. In fact, **Colorado has seen larger reductions on a percentage basis in the Affordable Care Act's average benchmark health insurance premiums than Washington, the first state to establish a public option two years ago.** Since 2018, Colorado's benchmark premiums have fallen by 25.3%, compared to 15.5% increase in Washington State.

The challenging realities of **Covid-19 recovery are being compounded in Colorado by implementation of a long list of state policies adopted in recent years that will increase the cost of doing business here.** According to a new study issued earlier this month by the Common Sense Institute, the cumulative cost of new taxes and fees will be approximately \$1.8 billion per year within the next 3 to 5 years.

## Testimony on HB21-1232

From: Joni Inman, Executive Director  
Colorado Women's Alliance

Members of the Colorado House Health & Insurance Committee:

During the last year, the pandemic has taken a huge financial toll on women. A year ago, women owned over 224,000 businesses in Colorado. Today, many of those have been shuttered due to forced closures. Other women have lost jobs and many have been unable to return to work, even if work were available, because of school closures and the cost of daycare. Many of the women who lost jobs actually worked in health care.

Every two years the Colorado Women's Alliance conducts a statewide poll of women voters, across all party lines, to ask open-ended questions about what they would like to see the Governor and you, their state legislators, focus on in the coming years. It's not surprising that last fall, approximately 1,500 women said healthcare costs were important but not nearly as important as Creating Jobs, Public Education, and the Rising Cost of Housing – in that order.

And when they DID talk about healthcare, they referenced the need to:

- Reduce wait list time for services
- Reduce the cost of insurance premiums
- Allow consumers to, and I quote one respondent, "pick and choose the plan that's right for us, instead of being dictated to on what we have to have."
- And, in the more rural areas, healthcare priorities were more local – the need for more clinics and pharmacies and the need for more EMTs.

This bill does nothing to remedy any of those issues. We already know that government-run health care results in longer wait times for patients. We already know that in those states where public options have been implemented, like Washington State, premiums are not dropping but in fact are rising.

We, at the Colorado Women's Alliance, are **opposed to HB21-1232** and we urge legislators to focus on sensible reform that we know is already working: increased telemedicine opportunities, membership health care groups such as those offered by privately owned insurance companies that are self-funded and provide options for independent contractors (many of whom are women,) real estate agents and others, and creating transparency on pricing for routine office visits, procedures and prescription medications.

I leave you with one final finding from our statewide survey of female voters. Half of the respondents said, "Politicians need to get a handle on this," (meaning the cost of healthcare) and the other half, almost evenly split, said, "Government needs to stay out of it." Good luck!

Thank you,

Joni Inman, Executive Director  
Colorado Women's Alliance  
303-568-0874  
Joni@ColoradoWomensAlliance.org

Thank you Madame Chair and members of the committee. My name is Jennifer Roberts and I am a volunteer advocate with the Colorado Cross Disability Coalition. I am submitting my testimony in support of HB 1232.

In looking at this bill, I want you to consider how much time it is acceptable to take off of work and still keep your job. That is the real issue facing our country, because access to health care is currently tied to employment. No matter how strong your work ethic, if you become seriously ill or injured, at some point you will likely lose your job, and with it, your access to health care, at the time you most need it.

I want you to also consider how much time is acceptable to leave work to care for your family. If your child, parent, or spouse is to become seriously ill or injured, someone in your family is going to have to do the hard work of caring for them. I know this for two reasons. One is that my father, a former police officer, was diagnosed with Leukemia my senior year in college. I lost my healthcare when he went onto my mother's health plan. She struggled to keep that plan when she had to drive him to multi-week appointments for treatment. Someone needed to stay home with him 24 hours a day to drive him to the hospital because he no longer had an immune system. Would you keep on an employee with these issues? What would happen to their health insurance coverage?

My mother faced a similar problem when I was hit by a car. My excellent insurance rapidly kicked me out of the hospital into assisted care, and from there to home. My pelvis was shattered, both legs and my right arm were shattered. I lost my job and my health care. The bills for the first round of surgery cost over \$300,000.

Tying insurance to work does not make sense. The ONLY care that provides help to people in their homes is Medicaid, which requires most people to eliminate their assets to get it. Please consider all of these facts when looking at this bill. Look into what will happen to you when you need the care you are paying for.

This bill will create better and more affordable health insurance options that aren't tied to employment, giving more Coloradans the protection they need while also not chaining them to work that may not be the best for them just so they have health coverage. Thank you, and please vote yes on HB1232.



**James R. Potter**  
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March 30, 2021

**Re: Support for HB21-1232 Standardized Health Benefit Plan Colorado Option**

**To: The Honorable Members of the House Health and Insurance Committee**

Dear Members of the House Health and Insurance Committee:

The Colorado Foundation for Universal Health Care supports the passage of HB21-1232.

The Colorado Foundation for Universal Health Care is a non-profit, non-partisan 501(c)(3) organization dedicated to improving health care for all Coloradans. We believe that health care is a human right which requires that access be without financial and other barriers. We support legislation that makes health care more just and more accessible, while also realizing that the entire health care system needs fundamental reform to make it truly universal.

We support this bill because it would provide more affordable health insurance coverage to Coloradans with a nonprofit alternative to private health insurance companies and it would help rural hospitals by offering flexible provider reimbursements as needed for their continued viability.

Despite promises made to the bill sponsors by the private insurers in 2020 to voluntarily lower exorbitant premiums and work with providers to lower costs, HB21-1232 is opposed by the Partnership for America's Health Care Future and its affiliate, Colorado's Health Care Future, as they spend millions of dollars to derail it. Unfortunately, the bill gives these actors years to obstruct the implementation of Phase 2 and seek to overturn the bill before the public option can be implemented.

This opposition shows the desperation of Big Money to maintain the system that works for them but fails the rest of us. It also shows the need for a single payer health care system that includes everyone, costs less, and is subject to democratic rather than corporate control.

Thank you for your work to provide more affordable health care to more Coloradans.

Yours truly,

A handwritten signature in black ink that reads "James R. Potter".

Members of the committee:

Thank you for considering my testimony in support of HB21-1232. As a registered nurse, I have had the honor of caring for thousands of patients across Colorado, in hospitals, clinics and skilled nursing facilities since 2010. However, my support for this bill is not based on my professional affiliation. It wasn't until I found myself in the role of patient that I realized the scale of the injustice facing patients within our current healthcare system. It wasn't until I had spent months disputing seemingly endless and incomprehensible medical bills, hours on the phone with my insurance company, hospital and provider billing representatives, that I understood without a shred of hesitation why the issue of affordability of healthcare and insurance needs to be addressed legislatively through regulations such as those contained in HB1232, including the creation of a public health insurance option with transparent benefits that is accepted by providers across the state.

My story isn't unique, but it illustrates a very potent truth: if even the most educated, skilled, and competent among us are not immune to becoming prey to an industry rampant with fraud, lack of transparency, and lack of accountability, what happened to me can happen to anyone.

In 2019-2020 I suffered 3 consecutive miscarriages while trying to conceive a second child. The last of these miscarriages occurred at around 12 weeks, and after a series of tests, my doctor recommended a short outpatient procedure to empty the uterus and stop the bleeding.

We scheduled the procedure at Swedish Medical Center because this is where she has hospital privileges. After providing the hospital with my insurance information, I received a call from a representative of their pre surgical department informing me that my insurance company had been contacted and the procedure was pre-authorized and pre-approved. I had a lengthy conversation with this representative, also an RN, about the estimated cost of the procedure based on my specific insurance plan benefits. I was told that my estimated out of pocket responsibility would be about \$790. The insurance would cover the rest. I later learned that the insurance company had no record of such a call, and that my insurance coverage was likely verified through an

online portal which also would not have a record of any inquiry or estimate of my coverage for this specific service. To this day, I have not received any explanation as to how my estimate was calculated.

The hospital then said we needed to comply with prepayment. So a few days later, my husband accompanied me to the procedure and paid our estimated portion before we even set foot into the surgical suite.

You know how this story goes. Turns out, Swedish Medical Center billed my insurance nearly \$20,000 for this outpatient procedure that took 30 minutes, and included 30 minutes of recovery time. I was only admitted to this hospital for a little over 2 hours, most of it spent waiting for the procedure to begin. There were no surprises during the procedure, and no complications. No special expensive equipment was used. Everything went according to plan.

A few months later, after receiving separate bills from my doctor, the anesthesiologist and the radiologist totaling close to an additional \$1000, we received another bill from Swedish Medical Center stating that we owed them an additional \$1500 -- more than twice what they quoted us as our patient responsibility, which we had already paid upfront.

I had read plenty of articles about the \$1000 charge for a band-aid in the ER, but a \$20,000 dilation and curettage for a miscarriage? The most common medical complication in early pregnancy that affects something like 15-20% of all pregnancies? This is a procedure that has a predictable cost, and it is around \$500 not \$20,000. I was shocked and livid.

I am still in dispute with Swedish Medical Center about their billing practices and the charges on my account. After reading an article in the Colorado Sun a month ago about how Colorado hospitals have the largest profit margins in the country (<https://coloradosun.com/2021/02/18/colorado-hospitals-most-profitable-in-nation/>), I reached out to a reporter who suggested he use this story in discussions with healthcare executives about their resistance to this bill, and those like it which have sought to hold their organizations accountable for the skyrocketing healthcare costs and decreasing coverage options, especially for those in historically oppressed groups such

as people of color, women, immigrants, and those living in rural and economically disadvantaged areas.

I share this story with you because I hope it illustrates how our current health insurance system and healthcare billing practices entrap “average” patients, even those who seek to control and monitor their healthcare costs. The way this is done is deliberate, predatory, and without accountability. The hospital will say they can only provide a rough estimate of the cost, and that their estimate is non-binding. The insurance company will say that they cannot provide an estimate of their coverage without receiving the billing and procedural codes from the hospital or provider, after you have already had the procedure or service. They assure you that the hospital is in-network, and the service is covered. You the patient act in good faith, trusting the hospital knows what a standard procedure like yours costs, and trusting that your insurance carrier will uphold their end of the contract to reimburse your provider based on your summary of benefits. You consent to treatment, only to realize that there is no possible way to hold the hospital or the insurer accountable or even comprehend how they arrived at their original estimate. The hospital has no set price or cost of any given procedure or service, and their reimbursement rates with the insurance companies are proprietary. They can bill \$20,000 for something with a fair market value of \$500 and you as the patient are stuck footing the bill. This lack of transparency and accountability in pricing structure also drives up premiums for those of us insured outside of Medicare/Medicaid.

Who is looking out for patients in these situations? Where do Coloradoans have recourse to hold these institutions accountable for disclosing and controlling healthcare costs? I want to do my part, and these industry players have to do theirs. If they won't then someone has to step in and ensure that they comply. I have told this story to the hospital, the insurance company, CDPHE, reporters, the state insurance commissioner, friends and family, and strangers on social media, many of whom have unsurprisingly dealt with a similar situation. While there is unanimous agreement that something is amiss here, no one has had the authority to do anything to change this situation, which impacts millions of Coloradoans every day. Now I share it with you as testimony in

support of HB1232 which would put in place state regulations to address these pressing issues facing all Coloradoans.

Thank you for your time and consideration. Please vote yes on HB 21-1232.

Sincerely,

Amy Silverman, RN

**TESTIMONY**  
**BEFORE THE HOUSE HEALTH & INSURANCE COMMITTEE**  
**ON THE**  
**HB 21-1232: COLORADO HEALTH INSURANCE OPTION**

**April 7, 2021**

**Lindsey Vigoda**

**Small Business Majority**

Thank you, Chairwoman Lontine, Vice Chairwoman Caraveo, and Members of the Committee:

My name is Lindsey Vigoda and I'm the Colorado Director for Small Business Majority, a small business organization with offices here in Denver whose mission is to empower entrepreneurs to build a thriving and inclusive economy. I am here to express my support for House Bill 21-1232, which would help establish a public health insurance option that will offer more accessible and affordable health coverage for small businesses.

Colorado is facing a healthcare affordability crisis that is harming our small business community. The state is wrestling with some of the highest individual health insurance premiums in the country, which is particularly harmful for solo entrepreneurs. In fact, 1 in 5 Coloradans have gone without necessary care, simply because they cannot afford it.

This is equally challenging for small businesses with employees. Colorado small businesses already struggled pre-pandemic to afford health insurance for their employees and their families. And it's no secret that the COVID-19 pandemic has laid bare the gaps that exist in our current health coverage market. Research from Small Business Majority found that more 1 in 3 small businesses have struggled to access health insurance for themselves and their employees during the pandemic. Many of our state's 650,000 small businesses are facing increasing costs of premiums, deductibles, and other out-of-pocket expenses. Employers are struggling to absorb these costs, and as a result, many are being forced to pass these on to their employees. Meanwhile, self-employed entrepreneurs and micro business owners are at risk of being uninsured during a global health crisis.

Our economic recovery hinges on the success of our small business community, and they need access to health coverage that makes sense for their bottom lines and ensures they and their workforce can stay healthy. The Colorado Health Insurance Option is a sustainable solution that will create a new market for small businesses and Coloradans alike to choose the option that serves them best.

And this is an issue that finds broad support among small business owners. Small Business Majority conducts polling and engages with small businesses in Colorado to gauge the most pressing needs of our job creators, and access to affordable healthcare remains a top concern for them. Last fall, we convened a series of [roundtable discussions](#) to hear directly from small business owners about their views on a public health option in Colorado. We found small businesses are supportive of this legislation, as it would help lower their out-of-pocket costs and make it easier to access coverage. Additionally, a forthcoming national opinion poll from Small Business Majority reveals that a strong majority support a public health insurance option.

Passing this legislation will help create a more equal and fair market, where insurers will compete in the individual and small employer market. The Colorado Health Insurance Option will be another

pathway for consumers to access health insurance and would not affect the existing marketplace or how people get health insurance.

It's also important to note that the current healthcare market in our state is set up in a way that serves bigger businesses and entities —not small businesses. However, some are arguing that the small group market must be removed from the Colorado Health Insurance Option. We strongly urge you to keep the small group market in the legislation to ensure small employers will benefit from the Option. We have heard extensively from small business owners across the state about how access to affordable benefits can directly benefit their businesses and elevate small business industries that face barriers to accessing affordable health coverage. This is why it's critical to drive down costs in the small group market and ensure small businesses are included as part of this important legislation.

I urge you to consider this legislation as a stepping stone to increase access to and lower the costs of healthcare in our state. A vote in favor of HB 21-1232 is a vote to support Colorado's small business community.

Thank you,

Lindsey Vigoda  
Colorado Director, Small Business Majority

Representative Lontine and Representative Caraveo  
House Health and Insurance Committee

Morgan Hungenberg, MD  
(970) 396-5258  
morgan.hungenberg@cuanschutz.edu

April 9th, 2021

In support of HB21-1232 Standardized Health Benefit Plan Colorado Option

My name is Dr. Morgan Hungenberg and I am a family medicine physician practicing in Northern Colorado. I work in both the clinic and hospital setting to provide quality care to residents of rural Colorado. I strongly support HB21-1232 which would create a standardized health benefit plan to offer more accessible and low-cost options for health insurance.

I grew up in rural Colorado. My parents owned a turnip farm in Greeley that employed many migrant workers. I've always cared about the health and wellbeing of my community. I became a physician because I believe that all patients should be cared for regardless of their ability to afford treatment in our healthcare system. At the clinic I work for, we provide health services on a sliding scale. However, health issues can be complicated and patients can require services not offered by our clinic such as specialist care, testing, imaging, and more. Rural Colorado is already a challenging place to obtain care due to cultural and geographic gaps in providers. For our lower income and immigrant patients, having the ability to afford health insurance coverage would improve outcomes significantly by expanding opportunities to pursue necessary specialty and behavioral health care.

As a physician, it's upsetting to see my community's health disparities exacerbated due to cost restrictive treatments for uninsured groups. Patients should be able to access all types of treatment necessary to be healthy. By passing HB21-1232, you are working to promote health equity by expanding coverage to thousands of families who need it most. I urge the committee to pass HB21-1232. Thank you for this opportunity to testify.

Sincerely,

Morgan Hungenberg, MD  
morgan.hungenberg@cuanschutz.edu  
(970) 396-5258

My name is Ginny Love from Meeker. I am a third Generation Meeker Native, and with my sons and grandchildren, we are a 5 generation family here in Meeker.

My father helped build the original hospital here in Meeker, and my nephew helped build our present, new facility.

Our facility has grown tremendously in the last 5 years, with many patients coming not only from our White River Valley area, but also in all of NW Colorado and in states beyond for services performed here in our state of the art orthopedic center. Our patients are from all age groups, ethnic groups and not only are we successful in our orthopedics, but in all areas of our facility. We also have a beautiful long-term care facility.

I work in patient registration, so my job is to be a patient advocate, to help with registration from demographics, to insurance and giving patients a voice for their needs. Our patients are like family, and many are longtime residents of Rio Blanco County, others are new comers, but all are treated the same. We get to know our patients, their families, many conversations are about the families, sports activities, and just basic heart felt concern for each other.

Our patients appreciate our compassion, our diligence to make each of them feel special. I have a large bulletin board in my office that is filled with thank you notes, and pictures from our young patients. Pioneers Medical center is the only hospital within 40 miles, and the next closest is 50 miles. In the wintertime, this drive could be well over an hour. Our hospital, like the others in NW Colorado, serve the rural communities. If HB-21-1232 is passed, this could greatly compromise our patients and their ability to have good local healthcare. Older patients would be left w/o any local healthcare and many with no way to travel to the next closest larger hospital to receive services. Our patients trust us, they know us, have a true bond w/ our staff as we do with each patient. We are available 24/7 for our patients, and many have our local provider's phone numbers to be called 24/7 if needed. We strive for excellence and provide extremely up to date service, and patient care is at the top of our list.

I have read your bill, and I have grave concerns. If this is passed, and the fall-out is as we expect, our patients will suffer greatly. Without a hospital/care center/clinic here, the minutes that leave many hanging between life and death, would certainly be death, without our facility. Are you willing to take that chance? To be responsible for a bill that allows patients to not receive prompt care. Larger, city hospitals are already under staffed, and many, at or over capacity. How will this bill make this situation any better, if it forces our rural health care facilities to shut their doors because they cannot financially keep them open any longer? I looked up each and everyone one of the sponsors for this bill and looked to see where they represent. Of the 64 counties in our state, 18 counties are represented, which is twenty-eight percent. Seven counties are rural, Eagle, Routt, Delta, Gunnison, Pitkin and Summit, having a percentage rate 11%. The majority of the support for this bill comes from the Denver Metro area, 17%. Only 28 percent of the state is represented in this bill. I am concerned that there is not a fair representation for our patients in this facility and all rural patients. How did you arrive at the 10 percent and 20 percent cuts? What services will be cut in these numbers? How many jobs will be cut in order for your bill to achieve its goal? How many rural hospitals will be shut down? Are you planning to visit the rural hospitals, to see what you will be jeopardizing in this bill? Are you prepared to answer grieving patients that had to drive hours for healthcare, only to not make it in time? I am not being over dramatic, I am being honest and this is a real threat to rural areas. Having local health care minutes, verses hours away is imperative. Our patient's quality of care is a top priority.

You are elected to represent the people... the people of Colorado are patients, many like ours, who depend on good, consistent healthcare, close to their homes, and knowing that in a crisis, not only will they be taken care of, but that friendly faces will be there to support them and care for them. Patients are not a number at our facility, they are a face with a name, a history and they depend on us. I fail to see that this bill is in the best interest of our patients here, and for that matter, all patients in Colorado. I strongly oppose your bill. For all members of the house and senate, please consider my thoughts here today and vote no on HB1232.



## **Testimony in Opposition to HB21-1232**

April 8, 2021

The Grand Junction Area Chamber of Commerce, an organization of 800 mostly small businesses employing 37,000 people is opposed to HB21-1232. While small employers have continued to see higher health insurance premiums on the Western Slope, we are convinced that HB21-1232 is NOT the answer.

For starters, we know all too well that cost shifting is real and this bill does nothing to contain costs. It only caps payments. Price setting by the government is a very real concern by the private sector and leads to the question of what will come next? Price caps on automotive repairs or legal services?

The threat of revoking professional licenses by the state for not accepting patients on the public option plan sets a new precedent on medical providers and may even be illegal. Other government health care programs (i.e., Medicare and Medicaid) do not impose this requirement to take patients on doctors and hospitals.

Affordability is a real concern for our business community but it is not our only concern in more rural parts of the state. Access is even more important. Unintended consequences of this bill will result in providers going out of business or relocating. No insurance policy is effective if one cannot find a provider or has to wait months for treatment because of constraints on access. We already have a medical provider shortage in many areas of the Western Slope. Trying to recruit doctors to a state that caps their future income and threatens their medical license to practice will be impossible and exasperate an already growing crisis.

Finally, there is intent of the bill to lower health insurance premiums. It is again something we would all like to see and in fact ARE seeing. Health insurance premiums have been falling in Colorado at a much faster rate than Washington State where a similar public option has been created. The 20% reduction does not take into consideration the cuts in costs that have already been achieved in the past two years. It sets an impossible goal that will insure failure. It is disingenuous to set an unachievable goal. The result is 100% certainty from the perspective of my members that there will be a public option.

For these and so many other reasons the Chamber urges this committee to vote “no” on advancing HB21-1232. It is the wrong solution at the wrong time.

Diane Schwenke  
President/CEO  
Grand Junction Area Chamber of Commerce

CyMBER QUINN  
DENVER, CO 80222

My name is CyMBER QUINN and I live in Denver, Colorado. I have been a self-employed music teacher for the past 11 years. As a small business owner and single woman, I purchase my health insurance on the individual exchange through Connect for Health Colorado. I am submitting my testimony in support of the Colorado Option, House Bill 21-1232.

My physical and mental health are extremely important to my wellbeing. I work every day to earn a living and provide for myself - I can't rely on someone else to pay the bills or take care of me if I get sick or injured. Sadly, my health insurance offers little in the way of relief or assurance if that happened. Right now I have a bronze plan with an annual deductible of \$7,200, and afterwards, my insurance will only cover half the cost of any treatment. This doesn't help me see a specialist for routine and preventative care, which everyone needs to remain healthy and active. Would you call that insurance? I don't.

Even in a moment of crisis, my insurance doesn't offer sufficient coverage. Back in January, I went to urgent care when I fell terribly ill. What really made me sick to my stomach was the concern at the back of my mind about how much everything would cost - using a hospital bed, getting X-Rays and lab work, receiving IV fluid, accepting medication. I would be adding up every service and procedure in my mind, but when I asked my doctor how much it would cost I couldn't get an answer. There I was, beside myself with pain and fatigue, and all I could think about was the bill and whether my insurance would cover it.

Of course, the answer to my question came a few weeks later. I received a bill from the emergency room for more than \$6,000 just for 5 hours of waiting to see a doctor. That doesn't cover urgent care or the ambulance ride, which I expect to receive a bill for as well bringing the total cost even higher. None of this will be covered by my insurance plan, not a single penny. I might be able to scrape by and pay these bills, but what will I do the next time I get sick or have an emergency? At 55 years old, I'm frightened about what my health care and insurance will cost me over the next ten years before I qualify for Medicare.

This is no way for individuals and families in Colorado to live, let alone thrive. We need insurance that we can actually rely on and health care that won't cost a fortune. The Colorado Option takes a bold step toward fixing our broken health care system by holding the industry accountable to bring down costs for consumers. The Colorado Option will reduce premiums for people like me who buy through the individual market, expand the number of services that are covered before I start paying towards my deductible, and decrease outrageous out-of-pockets. That's the action the legislature should take that would give Coloradans a sigh of relief and make it easier to access care when we need it.

In addition, those who are self-employed and manage their own business like me should have access to quality health insurance. We deserve the same health benefits that large corporations

offer their employees because every single large corporation once started as a small business. The Colorado Option will give us that same choice.

This plan will give Coloradans the security and freedom to manage our own health and finances. I urge you to pass the Colorado Option to give us a real choice for health insurance coverage and the peace of mind of affordable, quality health care. Thank you for your consideration.

April 9, 2021

Thank you for the opportunity to provide public testimony on House Bill 21-1232 which creates a Colorado Public Option. My name is Greg Johnson, I am Chief Strategy Officer for Health Benefits Institute.

I am testifying on behalf of the Health Benefit Institute and in opposition to House Bill 1232.

There is no question the cost of health insurance in both the individual and small group health insurance markets is high. This is not just true in Colorado, but across the country. House Bill 1232 sets a clear path to a single payer system by ensuring the Colorado state government controls both the delivery of health care and health insurance in the state. The bill creates an unlevel playing field for insurers to compete against a “public option” that is not required to meet the same requirements of insurers offering coverage in the private market.

I would like to highlight several issues from the below testimony

1. Based on a recent study <sup>1</sup> Colorado has among the highest hospital reimbursement rates in the nation when commercial rates are compared against Medicare.
2. These high medical costs have not translated into the highest health insurance premiums. Insurance premiums are about average when compared to the rest of the country.
3. Insurer administrative costs are about average when compared to the rest of the country.
4. The proposed government-run system does not have to comply with the same rules of the private health insurance market. The proposed Colorado-run plan should be required to meet all of the same standards as private health insurance.
5. The Colorado-run plan needs to be subject to the same audits and requirements of private plans for both market conduct and financial solvency.
6. In my experience, reliance on a 1332 Waiver to provide all needed funding will create problems. Estimated funding, and receipt of funds can be significantly delayed due to the byzantine federal process.
7. The proposed standard plan may need its own 1332 waiver.
8. In some areas, lowering reimbursement rates has led to an increase in utilization, increased intensity of service, or changes in site of service. This has meant no net decrease in health care spending.

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<https://www.insurance.nd.gov/sites/www/files/documents/Communications/Reports/20210108%20ND%20Legislative%20Management%20Interim%20Healthcare%20Study-FINAL.pdf>

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9. The proposed cost decrease requirements for insurers are not realistic in this environment. Post-pandemic, insurers have seen medical costs drop for the first time since first recorded in 1960. 2021 rates reflect this adjustment, and impact of delayed care will manifest itself in higher utilization in 2022 and 2023.
10. Technology is becoming increasingly important in other insurance lines, and is just developing in health insurance. A government-run plan will prevent Coloradans from participating in these changes which may revolutionize the patient experience.

### **House Bill 1232 Wrong Problem, Wrong Solution**

House Bill 1232 focuses on the health insurance market for the high cost of medical care in Colorado. In our recent study for the North Dakota Department of Insurance<sup>2</sup>, we found that Colorado has among the highest hospital rates in the nation. When compared to Medicare rates, the state pays 247% percent of Medicare while the national average is only 172% of Medicare. And Colorado is second only to Montana in Medicaid total revenue growth with revenues growing 175% since 2011.

Despite these high cost drivers, the study shows Colorado premiums are relatively low compared to the national average. Small group health insurance rates are the 33<sup>rd</sup> highest, and individual market rates are 24<sup>th</sup> highest in the nation. I'd like to note a number of other factors:

Health insurance in Colorado is subject to significant and appropriate rate review process.

Commissioner Conway has been successful at negotiating rate concessions with the insurers.

1. Health insurers are subject to the Affordable Care Act's minimum loss ratio. This means that medical expenses must comprise at least 80% of the insurer premiums. Indeed, in the study cited above insurer administrative costs were below average (26<sup>th</sup> in the small group market, and 35<sup>th</sup> in the individual market).
2. Providers are in a favorable bargaining position. Network adequacy, and the essential health benefits provide much needed consumer protections, but the standards also ensure some one-sided contracting in states without a dynamic competitive provider and insurer market.

To be clear, we're not saying high health insurance premiums in Colorado are not a problem. We also believe insurers can be part of the solution. But this bill appears to blame high health care costs primarily on poor negotiation by the insurers. We believe to be successful, the bill should focus on giving insurers the tool necessary to lower health care costs before implementing any proposed public option.

### **A Government-Run Health Plan Creates an Unlevel Playing Field**

House Bill 1232 creates a public option created and run by a quasi-governmental agency. While the health plan is required to operate as an insurance carrier, there is no sense that the government-run plan must abide by the same rules and regulations of an insurance

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<sup>2</sup> As highlighted above:

<https://www.insurance.nd.gov/sites/www/files/documents/Communications/Reports/20210108%20ND%20Legislative%20Management%20Interim%20Healthcare%20Study-FINAL.pdf>.

carrier. Specifically, it makes sense that the authority should be required to file all rates and forms for the insurance department for approval. The authority should be subject to the same statutory accounting rules as insurers, the same network adequacy rules (for use of any networks), must provide access to coverage for consumers who travel out-of-state and must be required to meet the same minimum loss ratio standards.

I would also note the financing of the authority is unclear. Insurers are required to meet minimum capital requirements, and in many cases retain reinsurance to ensure financial solvency. It is unclear how the authority intends to meet these requirements on annual basis.

It is important to note that the federal government administered 1332 waiver requirements do not offer a blank check book. The Authority is at risk if claims exceed premiums. While there may be some funds available if the authority can establish the savings to the federal government, this is provided on prospective basis and is not based on actual costs or savings. If enrollment is different from expected, or if claims are higher than expected, the Authority must have a way to ensure consumer claims will be paid.

### **The Proposed Standard Plan May Need Its Own 1332 Waiver**

Before implementation of the government-run public option, insurers are required to offer a standardized benefit plan. The bill does not allow insurers to use the experience of the standard plan to reduce premiums across its other business. This means that the standard plan would be required to be treated as its own risk pool. This is a violation of the Affordable Care Act's single risk pool requirements.

Under the Affordable Care Act, insurers are required to include the experience of all plans in a single market (i.e. individual market or small employer market) in a common risk pool. Individual plans in a single risk pool, and all small employer plans in another single risk pool. It is not legal to segregate the experience of any one plan from the rest of the risk pool. This violation of the single risk pool requirement will require a separate 1332 waiver, and may impact the existing reinsurance 1332 waiver.

### **The Authority Should be Subject to Financial, Actuarial, and Market Conduct Examinations**

The Insurance Commissioner should have independence from and operate as a regulator of the authority. Consumers have few protections from a government-run health plan. While plans are created with the best of intent, when rules and regulations are not imposed on government plans, poor consumer outcomes may follow.

These issues make it paramount that the Authority be regularly audited like an insurance company. A comprehensive financial examination should be completed at least once every 5 years. All rate filings of the authority should be made public upon filing, and the state should consider a public hearing. In addition, an actuarial audit should be completed to ensure rates are consistent with sound actuarial principals.

It is likely the authority will provide a contract to a private administrator to administer the plan. The contract will include a number of performance measures that the administrator must meet, but that isn't enough. The authority should also be treated like any other insurer and subject to market conduct examinations and filing of required data with the department.

### **Artificially Lowering Provider Reimbursements May Not Lead to Lower Overall Health Care Costs**

Health care costs are not just based on the cost of service, but also on number of services received and the intensity of the service. Increasingly, there is evidence that both the number of services, the location of the service (i.e. hospital vs. outpatient), and intensity of the service vary with the level of reimbursement. Lower reimbursement rates have often led to consumers receiving more services on average at higher intensity levels.

Increasingly, insurers have been able to use the contracting process to ensure consumers receive the best care available. In some cases, this means that insurers are willing to pay more for nominal services to ensure medical providers use best practices for example requiring specific monitoring criteria in diabetes patients or providing earlier treatment by a physical therapist for chronic back pain.

It is also important to note that insurers seek to create high value networks through contracting. These networks provide a competitive advantage, and ensure that their patients are receiving high value care. Credentialing and other efforts allow insurers to guarantee that patients only receive high quality medical care. While standard, lower prices may temporarily lower health care costs, there should be concern about the long term impact.

Finally, doctors and hospitals respond to appropriate incentives. By artificially lowering the price of medical care, it is likely doctors and hospitals will no longer offer certain kinds of low profit services to patients. In the long run, it may lead to fewer medical providers offering care to Coloradans.

### **The Proposed Cost Goal Standards Are Problematic**

The goal is understandable – to put pressure on insurers to reduce health insurance costs. HB 1232 doesn't specify if the reduction of 10% and 20% based on "average" premiums is based on straight average of all plans offered or based on a weighted average based on enrollment. Either standard has its own problems. Additionally, the reduction is based on one of the more unusual claims years which saw claims drop significantly in April, May, and June last year. It resulted in insurers across the country making adjustments, and likely reducing 2021 premiums to avoid a negative impact on the medical loss ratio which would force the insurer to pay rebates.

It is also important to note that many analysts believe that the pandemic has led to a significantly delayed care that will negatively impact Coloradan health. Some private estimates indicate that in some markets this delay in care could lead to 5-10% in additional

health care costs. These costs reflect rescheduled procedures, but also a significant worsening of health as individuals did not get needed timely care for their medical conditions,

If the requirement to lower costs through the standard plan stays in place, we would suggest the alternative language. The decrease should be based on the highest cost plan in each county in an effort to drive high priced plans out of the market.

### **It is a 20<sup>th</sup> Century Not 21<sup>st</sup> Century Solution**

Technology has increasingly been a part of our daily lives, and just as fintech has changed banking insurtech has been begun changing insurance. Of course, you are aware of the changes in auto insurance include the installation of devices that not only monitor your driving but can be used to improve safety and help avoid accidents. Homeowners and commercial real estate insurers are providing devices that will limit consumer losses. For example monitoring plumbing for any leaks, or providing satellite images so homeowners can see roof damage.

With millions of consumers using technology to monitor their health, it is only a matter of time before all of this data is fully integrated into the insurtech world to provide real world help to consumers. Unfortunately, it is likely Colorado's efforts to create a government-run insurance company will likely short circuit these efforts in Colorado. The collection and dissemination of this information by the government is problematic – especially since there will be no entity to monitor compliance.

### **Closing**

We applaud Colorado for considering affordability as an important issue in health insurance. As the saying goes, the Affordable Care Act has never been about creating affordable premiums in the individual or small group markets. Instead, the law focused on the ability to guarantee access to the broader market. An equally laudable goal. Affordability issues will only get worse as the new subsidies included in the American Rescue Act further insulate consumers from the actual cost of health insurance in the individual market.

We stand ready to work with the legislature, the governor, and the insurance commissioner to help create a more affordable health insurance market. The North Dakota report we completed included a number of suggestions and real solutions. We believe HB1232 will eventually lead to a government takeover of the individual and small group markets, and will worsen the erosion of job-based coverage. Finally, the proposal will have a negative impact on large employers who will likely see the rates by providers further cost shifted on to their provider contracts.

Thank you again for the opportunity to provide public comments. Please do not hesitate to contact me if you have further questions at

Sincerely

Greg Johnson  
Health Benefits Institute

Clay Drake  
HB21-1232 Testimony  
House Health & Insurance Committee  
April 9, 2021

Good morning Madam Chair and Members of the Committee,

My name is Clay Drake, and I am 53 years old. In October 2015, after suffering from debilitating kidney stones and unbearable nausea, I was diagnosed with multiple myeloma, an incurable blood cancer. I live in Windsor, Colo., and was so grateful to be able to choose to go to UCHHealth for my care. Thanks to the health care system's focus on continuity of care and investments in innovations in treatment, I am able to have access to personalized medicine and the latest treatment options literally minutes away from my home.

There is no cure for multiple myeloma, but the treatments my care team at UCHHealth have offered and administered to me have given me a quality of life I can enjoy. Every month I see providers at the UCHHealth Cancer Center in Fort Collins. I am glad that I can go there, close to home, for most of my care. And when I need it, there is a team of specialists coordinating with experts at University of Colorado Hospital on the Anschutz Medical Campus, the only academic medical center in the region. This team makes sure I have access to all of the latest advancements in cancer care – in my particular case that includes chemotherapy, two stem cell transplants, and several immunotherapy treatments I am currently receiving that keep my cancer at bay.

UCHHealth has done so much for me, and I feel so fortunate to have access to excellent care. Throughout the COVID-19 pandemic, my team has been available for me – both for in-person appointments and virtual appointments. I know hospitals in our state suffered and experienced significant losses over the past year, and my doctors and nurses took on risks to continue caring for their patients.

I have significant concerns about HB21-1232. Government-mandated cuts in reimbursement could harm our state's high-quality health care system – ending some services or limiting funding for clinical trials and research. A health insurance plan with artificially low premiums will damage free market competition. Soon, the public option will be the only option because other health insurance plans won't be able to compete. There's no level playing field here.

I've had to change my health insurance before – and I do not want to go through that again. For a patient like me with a complex and serious health condition, finding new doctors and specialists and creating a new treatment plan is difficult – and it puts my health at risk due to timing and treatment options just to name a few.

As we hopefully move toward the end of the pandemic, now is the time to rebuild our state's health care system, not damage it. Now is the time to support nurses around the state, not threaten their jobs. Now is the time to thank physicians, not threaten their licenses or drive them out of our state.

Six years from now, Coloradans may look back on this moment as a time that either caused serious damage to our state's quality health care system, or a time that elected leaders decided to stand up for doctors, nurses and hospitals and reject arbitrary and unattainable cuts to health care. In my case it could mean life or death. All of the medical professionals at UCHHealth are like family to me and no one wants to see family hurt, least of all me.

Thank you for giving me the opportunity to offer this testimony. These are important points that need to be considered for the future of all people who receive health care in Colorado, and I encourage you to vote no on advancing HB21-1232 and to instead keep working with providers and insurers to continue improving health care quality and affordability for everyone.

Clay Drake  
Cancer survivor  
Windsor, Colo.

Hello. I am writing in opposition to HB21 1232. Having been, for a time in my life, either without health insurance or having to pay out the nose for COBRA, I have sympathy for those that have no health insurance and are stuck. At the same time I do not believe HB 1232 is the best way to solve the problem.

First, this bill will put the government (specifically one individual in DORA) square in the middle of making health care decisions for thousands of people in this state. Even with the most "robust" of stakeholder processes, there is no feasible way that this one office can decide and meet the needs of so many. Things like this end up causing the nonsense we saw in Obamacare: childless singles having to buy pediatric dental coverage. Markets may not be perfect and they may not be able to make quick decisions, but they do know how to meet the needs of consumers much more efficiently than governments.

Putting that aside for a minute, this bill requires insurers to meet the coverage as decided by DORA and do so with an increasing (and arbitrarily arrived-at) discount. Should insurers be unable to do so the government will step in yet again. This time its intrusion will be in the form of a non-profit, run by yet another board of political appointees.

In addition to this nonprofit interfering in the economy by setting prices, it will remove a longstanding tradition in this country of voluntary economic participation. In other words, if a provider (hospital or doctor or etc.) chooses to not participate by not accepting the state's insurance they put their license at risk.

Take this out of the context of medicine and you easily see how much of an overreach it is. Imagine that you were a car dealer and had the government tell you that if you didn't sell a cars for \$1000 to a select few they would take your license. In what way is this kind of abuse of the coercive power of government okay?

Lastly, I am hugely concerned about the proliferation of boards and commissions in this state and I see no departure from that in this bill. By voting for it you will be putting a gigantic amount of our state's economy in the hands of a very few--a very few with little in the way of accountability to the people who elected you. What recourse do citizens have if they don't like the choices of the Insurance Commissioner or the nonprofit that administers the state run insurance?

This bill enables the state to insinuate itself yet more into the private sphere of individuals and the economy. It is an overreach and an abuse of the coercive power of lawmaking. It is a "public option" via the back alley, without the discussion of whether voters want such a thing.

I urge a no vote.



## **Eastern Plains Health Consortium Opposes Current Public Option Proposal**

EPHC is committed to developing a solution that will reduce cost and improve access to care, a grave issue in our rural communities. The origin of our consortium is to work together to reduce costs and improve quality, all in an effort to improve access to healthcare in our remote rural communities. **However, the current “Public Option” proposal is not the solution.** While being sold in part as a solution for challenges in rural healthcare, the proposed legislation in our view does the opposite. Chief among our objections is the plan for hospital rate setting. This process for setting rates under the public option proposal is ambiguous at best and continues to underestimate the complexity of critical access hospital’s reimbursement system, our unique payer mix, the vast range of services we provide and the impact this will have on the overall health of our communities. Despite assertions of the sponsors, **there is no guarantee for improved rates**, nor is there a provision to ensure that the current system of commercial insurance, while flawed is not fatally damaged by this proposal.

**The cost of care in rural areas is significantly lower than in urban areas,<sup>1</sup> yet inexplicably the health insurance premiums across the Eastern Plains are the highest in the state.** This fact proves that the sponsors assumption that insurance premiums are an adequate proxy for the cost of health care is wrong. We would urge the General Assembly and the Administration (including the Governor’s Office of Saving People Money on Healthcare) to press the Insurance Commissioner to do his duty and scrutinize the current rates. No legislation is required to address this problem. Instead, the sponsors have drafted a bill that incentivizes insurance companies to leverage power to reduce our already low rates. Having government set the rates does not guarantee these rates will be adequate to cover costs and overcome losses due to our poor payer mixes (Medicare and Medicaid do not provide sufficient reimbursement to cover costs).

Since the passage of the Affordable Care Act in 2010, 28.5 percent of our Colorado rural hospitals are operating on a negative margin.<sup>2</sup> The average operating margin for the EPHC hospitals is -5%. Experts generally consider a 4 percent operating margin to be sustainable.<sup>3</sup> This bill threatens the sustainability of our local healthcare resources, and because our CAH’s are the primary employers and economic drivers of their home and neighboring communities, a loss of any one of them would not only negatively impact the physical health of our residents but will have a substantial impact on the overall sustainability of our communities. The vast majority of Colorado’s farming takes place in our eastern plains, and our hospitals serve and maintain the

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<sup>1</sup> Brook, Robert H. et al. *The Health Insurance Experiment: A Classic RAND Study Speaks to the Current Health Care Reform Debate*, Santa Monica, Calif.: RAND Corporation, RB-9174-HHS, 2006. As of March 30, 2021: [https://www.rand.org/pubs/research\\_briefs/RB9174.html](https://www.rand.org/pubs/research_briefs/RB9174.html)

<sup>2</sup> Colorado Hospital Association, 2019. Financial Health of Colorado’s Hospitals. Available upon request with permission of CHA

<sup>3</sup> Becker’s Hospital Review, 2019. <https://www.beckershospitalreview.com/finance/rural-hospital-closures-hit-record-high-in-2019-here-s-why.html>



health of our state's farmers and ranchers, thus a loss of any one of our communities would significantly impact Colorado's service-based economy.

This bill cannot explicitly be focused on fiscal cost, savings and bottom lines...what about the cost of a human life, or a life changing health event? Passing of this bill threatens the survival of our residents as well as thousands of drivers along our interstates. If rural healthcare becomes unsustainable, lifesaving resources will become that much harder to come by. How will our patients receive critical and emergent care for an acute MI, stroke, farm/industrial or car accidents? What happens when every minute counts to save a life, revive a heart or retain brain function? Without rural healthcare entities like ours these patients will have to travel vast distances, in many cases risk delaying care by several hours. Each of our hospitals can all speak to countless stories of the lives that have been saved because we were here.

This issue needs to be addressed, but it does not require a full fundamental change to the healthcare system. Areas that we feel are of immediate concern: A) The Commissioner of Insurance should be held accountable for reviewing and assessing the rates charged. B) Rural healthcare entities should be able to work together to improve access to quality care for our patients. C) Review Medicaid reimbursement rates to reduce losses for the providers that care for patients. D) Incentivize patients to seek care locally. E) Equitable application of cost savings measures (reinsurance) across the state.

The Eastern Plains Healthcare Consortium is a network representing critical access hospitals across the Eastern Plains of Colorado. Through collective efforts, we share resources to elevate the independent sustainability of hospitals in our communities. Members include Banner Health, Haxtun Hospital District, Keefe Memorial Hospital (Cheyenne Wells), Kit Carson County District Hospital (Burlington), Lincoln Community Hospital (Hugo), Melissa Memorial Hospital (Holyoke), Sedgwick County Memorial Hospital (Julesburg), Southeast Colorado Hospital (Springfield), Weisbrod Memorial Hospital (Eads), Wray Community Hospital, and Yuma District Hospital and Clinics (Yuma).

## A Statement of Support of HB21-1232, Standardized Health Benefit Plan Colorado Option

### Young Invincibles

It is time that we, as a state, commit to value people over profits. No person or child should ever have to go without quality and affordable healthcare. Too often, Coloradans forgo necessary medical treatments because of high costs. In 2019, 89.8% of those uninsured in the state indicated it was due to the cost. We know that the pandemic has only exacerbated this reality for too many.

Not only are health care prices increasing, but **Colorado also bears the weight of some of the highest premiums in the country.** Mountain Regions in Colorado, have the highest prices of healthcare across the state, and many rural counties only have access to one provider.

Because cost is the foremost driver of the rate of uninsured Coloradans, many individuals go without health insurance, gambling on not having a medical emergency that can financially bankrupt them for years to come.

It is imperative that we fight for affordable and accessible health care.

Contrary to popular belief, **young adults have the highest rate of uninsured of any age group.** About 30% of young adults are uninsured, representing more than one in five of the uninsured. This rate is higher than any other age group, and is three times higher than the uninsured rate among children.<sup>1</sup>

Additionally, **young adults have the lowest rate of access to employer-based insurance.** As young adults transition into the job market, they often have entry-level jobs, part-time jobs, or jobs in small businesses, and other employment that typically comes without employer-sponsored health insurance. **The uninsured rate among employed young adults is one-third higher than older employed adults.**<sup>2</sup>

Young adults' health and finances are at risk. Contrary to the myth that young people "don't need health insurance," **one in six young adults has a chronic illness like cancer, diabetes or asthma.** Nearly half of uninsured young adults report problems paying medical bills.<sup>3</sup>

What we need is affordable and accessible health care, especially for rural Coloradans who often find themselves facing high premiums and a severely limited supply of providers.<sup>4</sup> The positive impact of equitable access to health care on our society and economy cannot be

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<sup>1</sup> Retrieved from [Centers for Medicare & Medicaid Services](#)

<sup>2</sup> Retrieved from [Centers for Medicare & Medicaid Services](#)

<sup>3</sup> Retrieved from [Centers for Medicare & Medicaid Services](#)

<sup>4</sup> <https://www.coloradohealthinstitute.org/research/2019-colorado-health-access-survey-access-care>

overstated. Today, Young Invincibles asks that you give Coloradans the dignity of health care, by supporting HB21-1232.



# Kiowa County Hospital District

1208 Luther Street – P.O. Box 817 – Eads, Colorado 81036

719-438-5401 - Fax 719-438-5697

My name is Charlene Korrell. I am the CEO of Kiowa County Hospital District in Eads, CO. I support measures to improved access to care, improved quality of care and to reduce the cost of care but cannot support the Colorado Public Option.

We are a small critical access hospital and provide inpatient, outpatient, observation, swing bed services and have a provider based rural health clinic. We like many other critical access hospitals have a break even to negative operating margin and need tax support for sustainability. To impose another poor paying government program will not be helpful for small facilities.

There are three major employers in Kiowa County, the hospital, the county and the school. Most of the residents of our county are self-employed individuals who purchase a high deductible plan (\$10,000-20,000) and then only seek care when something catastrophic happens. Others choose not to have coverage and take their chances. Insurance rates are extremely high in region 8. Solutions should provide premium relief to constituents but not risk rural hospital sustainability. The proposed cuts will disproportionately affect hospitals and will have a devastating impact on rural facilities.

The inclusion of small groups is now in the bill that will adversely affect revenue even though it has been stated that rural will be paid at a higher rate. Our payer mix of Medicare and Medicaid is at 65% and do not pay enough to cover costs of care. We do not have the volume of patients in our service area to help make up the difference through commercial carriers.

The Colorado Public Option is only going to add insult to injury.



Chairwoman Lontine, Vice Chair Caraveo and members of the Health & Insurance Committee. My name is Kevin Stansbury. I am CEO of Lincoln Health in Hugo and I strongly support reasonable initiatives to improve access, improve quality and reduce the cost of health care, but I am opposed to the Colorado Public Option. I thank you for your leadership during the COVID-19 Pandemic and recognize the many healthcare professionals across the state, who, over the past year have shown a level of sacrifice and commitment to service that has rarely been seen. We all did our part. For example, in addition to caring for our own community my hospital and the other members of the Eastern Plains Health Care Consortium accepted patients from the city who were recovering from COVID to help our urban partners.

At 10:40 am, Friday January 15 high winds struck our region causing a dust storm which resulted in limited visibility along I-70. The conditions resulted in a multi-car accident with serious injuries. Over 20 patients were transported to my hospital. Our team cared for the injured, releasing most and arranging for transfer of the seriously injured. Without the expertise of our staff and the emergency management agencies, the incident would have been more serious. Since we are the only hospital on the I-70 corridor between E-470 and Burlington, this is, sadly, not an unusual occurrence. While the care we provide in these instances is critical, it is the day to day care we provide of which we are most proud. Like many rural facilities we are more than just a hospital. We offer inpatient services related diagnostic and treatment facilities, primary care through three clinics, we have a 35-bed nursing home, a 10-bed assisted living facility, home health & hospice, and an ambulance service.

I often hear that "Rural Healthcare is expensive. That is not true. The Rand Study often cited by the sponsors of the Public Option legislation shows that my hospital has the third lowest charges in the state. Hospitals in the Eastern Plains Health Consortium average about 1/2 the average cost of our urban partners. Despite this, insurance premiums paid by our patients on the eastern plains are the highest in the state. This bill isn't needed to solve that problem. What is needed is for the insurance commissioner to use his existing authority and more closely scrutinize the rates.

The average rural critical access hospital in the state has a negative operating margin. Adding yet another government program with artificially low rates only exacerbates the problem.

The sponsors of the Public Option (HB21-1232) have stated that this bill will benefit rural hospitals. I respectfully disagree. While there are many threats included in this bill the following are most concerning:

1. The inclusion of small groups in the bill. In early discussions with Representative Roberts, we were assured that only the Individual Market would be included in this legislation. That has proven not to be so. For small hospitals like mine, most of my commercial business is individual and small group plans. We rarely see patients who are members of a large group. What this means is a majority of the commercial business I will get in the future will be under the Public Option plan. Close to 75% of the patients we take care of in my hospital are either Medicare or Medicaid. These payers do not pay enough to cover the cost of care. As a result, we have to generate some margin off commercial business in order to stay in business. Rural hospitals will be adversely impacted since close to 100% of our business will be through government payers while the large urban systems will continue at least to see some share of their business through the large group market. If the General Assembly wants to help rural hospitals, this is not the way.

Hospital • Clinics • Home Health / Hospice • Care Center • Assisted Living

2. We appreciate the suggestion that rural hospitals will be paid more than our current average payments. However, there are no guarantees in the bill that lay out the formula for establishing rates, instead the Commissioner of Insurance has significant power to arbitrarily set rates. Second, if, as it has been suggested, rural hospitals will see an increase in our payments, how can the bill sponsors expect that insurance rates for our patients will be decreased? If they can be decreased, why isn't the insurance commissioner taking action now?
3. Studies regularly show that care provided closer to home is better for patients. We struggle now to get insurance companies to pay for care locally rather than referring patients into the city for care that may be cheaper per episode, but in the long run will cost significantly more. This approach is short sighted. Rural Hospitals need support to build systems so our patients have the same access to care as urban residents do, without having to travel long distances.
4. High Deductible Health Plans. We appreciate the Insurance Commissioner's support for addressing the challenge of HDHP's. We are concerned in order to hit the premium reduction goals, that one strategy will be to continue to rely on HDHP's. Patients can't afford to pay the cost of the deductible so rural hospitals are left with an inordinate amount of bad debt. Making the problem even more frustrating is the fact that when the patient is required to go to the city for more advanced care, the urban providers are reimbursed because by that point the patient's deductible has been satisfied. As a result, the urban provider gets paid and the rural hospital is left trying to collect from the patient.

If you want to address the problems of rural healthcare in Colorado, this bill fails. We believe the bill is being forced through for political reasons, and little effort is being made to implement good policy. Thank you for your time. I'm happy to answer any questions.

Representative Susan Lontine

House Health and Insurance

Rayna Hetlage, MPH

Center for Health Progress

Denver, CO 80218

Friday, April 9th 2021

In Support of HB21-1232: Standardized Health Benefit Plan Colorado Option

Thank you Madam Chair and committee members,

My name is Rayna Hetlage, and I am the Policy Manager at Center for Health Progress. At Center for Health Progress, we believe that health care is a right. So, we fight for laws and policies that make it possible for everyone to take care of themselves and their families. Our statewide membership is predominantly made up of people who lack access to quality, affordable health insurance, including immigrants or members of mixed-status families. That is why we are submitting testimony in support of HB21-1232, Standardized Health Benefit Plan Colorado Option.

According to the 2019 Colorado Health Access Survey, conducted by the Colorado Health Institute, more than 350,000 Coloradans were uninsured. Of this population of uninsured Coloradans, many are immigrants without certain documentation status. According to the same study, one in four non-citizens (27.1 percent) are uninsured, compared with one in 20 citizens (5.8%). It is important to note that the Colorado Health Access Survey was conducted prior to the COVID-19 pandemic, and the number of uninsured Coloradans has certainly increased and is still growing, as many people have lost their employer-based health insurance. Immigrants, who are more likely to work jobs in the service-industry without access to benefits and paid time off have faced the brunt of the health and economic consequences of the pandemic.

HB21-1232, Standardized Health Benefit Plan Colorado Option, will improve access to health insurance for immigrants without documentation. The Colorado Option will create a health insurance option in Colorado that is affordable and available both on and off the health insurance marketplace. The savings would flow to the Health Insurance Affordability Enterprise in order to help low-income and immigrant communities afford health insurance by reducing out-of-pocket costs. In a survey from our members in Fort Morgan and Pueblo, we found that the main barriers to accessing health insurance

coverage were cost and documentation status. We heard from community members that they could not afford more than \$50 per month in health care costs, because they are juggling paying for rent, food and utilities. As one community member from Fort Morgan put it “Well, sometimes I can pay about half because we do not always have enough money to pay for all the expenses like rent, utilities and food.”

People shouldn't have to choose between taking care of their health and filing for bankruptcy or losing the roof overhead. Everyone in our communities, regardless of race, ethnicity, gender identity, documentation status, or where we live, should be able to get the health insurance and care we need without having to worry about costs. The demographic note for HB21-1232 found that the Colorado Option would reduce uninsured rates by providing an affordable health insurance option and that the benefits would particularly be felt for low-income; people of color; and rural Coloradans.

While the Standardized Health Benefit Plan Colorado Option will not solve all of the challenges immigrants and other people of color face in accessing health care, it will begin to address health inequities created by systemic racism, which are unjust and costly for our healthcare system and for the health of our communities as a whole by providing pre-deductible coverage for services that address conditions that disproportionately impact people of color. It is with our full support and we ask you to vote in support of HB21-1232, Standardized Health Benefit Plan Colorado Option. Thank you.

**Testimony for the Colorado Rural Health Center  
HB21-1232 Standardized Health Benefit Plan Colorado Option  
House Health & Insurance Committee, April 9, 2021**

Madam Chair and members of the committee, thank you for the opportunity to speak today. My name is Kelly Erb, Policy & Advocacy Manager at the Colorado Rural Health Center. We are the nonprofit, nonpartisan State Office of Rural Health and Rural Health Association. Our members are hospitals, clinics, providers and communities in rural Colorado, some of who you hear from today. I am here today to speak in opposition to HB21-1232.

I want to open by recognizing and applauding the bill sponsor's efforts to reduce healthcare costs for rural Coloradans. The membership of the Colorado Rural Health Center shares in this goal and work tirelessly to care for their communities in the most cost-effective manner possible. Unfortunately, HB21-1232 will hinder our ability to do so, which is why we are opposed to the legislation as introduced. We have significant concerns about the unintended consequences of this legislation, and are worried it may diminish the access to care it seeks to create. Either Phase of the Colorado Option threatens the sustainability of rural Colorado, and with 22 out of 40 rural hospitals currently operating in the red, this is not a risk our rural hospitals are willing to take.

I am not here today to tell you we should settle for the status quo. Our current healthcare system is not working for rural hospitals or rural Coloradans. But unfortunately, we do not see this bill as the answer. We continue to hear that this bill is intended to benefit rural hospitals, however, either phase of the bill has the potential to do the opposite.

Phase 1 of the bill incorrectly assumes there is a direct relationship between healthcare charges and insurance premium rates. There are regions of rural Colorado that have some of the lowest hospital charges in the state, yet consumers in the region pay some of the highest premiums. . . At the same time, rural Colorado healthcare providers have higher rates of public insurance

than other areas of the state, up to over 70% Medicare and Medicaid in some regions, and these reimbursement rates often do not cover the full cost of care. Many rural hospitals are kept financially afloat by what little private pay they do receive. The affordability benchmarks essentially force insurance carriers to pay providers less, effectively punishing some of the lowest-cost providers. Our rural healthcare facilities simply cannot bear the financial burden of another poor payer and remain financially sustainable.

The lack of detail regarding the provider fee schedule in Phase 2 is alarming for the reasons I just outlined. Phase 2 does allow for the exemption of certain providers from the fee schedule, but where will these patients on the Colorado Option then go for care? Similar to last year's bill, while we appreciate the opportunity for rural healthcare providers to potentially be exempted from the insufficient rates, it will force enrollees in these communities to seek care elsewhere. There is nothing in this bill that ensures that care will stay in a rural community, which threatens the sustainability of rural communities, as hospitals and clinics serve as valuable economic drivers in these areas. Further, the bill alludes to potentially higher reimbursement rates for rural facilities, but we fear that the negative impact to our urban partners will weaken our entire statewide healthcare system.

Finally, I want to raise my concerns about the stakeholder process behind this bill. I'll note that the bill sponsors have met with us and graciously accepted our feedback, however there continues to be lack of open, transparent discussion and negotiation among the healthcare partners impacted by the bill. Considering what an important bill this is, especially among the backdrop of a global pandemic, I would hope for a more robust stakeholder process that creates a collaborative solution to this complicated issue.

Thank you for the opportunity to speak today, please let me remind you this was not an easy decision for our members to make. But in order for our rural communities to truly have



*The State Office of Rural Health*

comprehensive, affordable access to care, we must ensure our rural healthcare facilities are in a position to provide that care. I am happy to answer any questions, thank you.

**Testimony for Southeast Colorado Hospital District and Long Term Care Center  
HB21-1232 Standardized Health Benefit Plan Colorado Option  
House Health & Insurance Committee, April 9, 2021**

- Madam Chair and members of the House Health and Insurance committee, thank you for the opportunity to speak today. My name is Dave Engel – Chief Executive Officer of Southeast Colorado Hospital District and Long Term Care Center – Springfield, CO. I am here today speaking on behalf of my Board, Physicians, staff, residents and community members in my District. I am also a member of the Colorado Rural Health Center and Colorado Hospital Association. I am here today writing in opposition to HB21-1232- Standardized Health Benefit Plan Colorado Option.”
- My District is composed of mostly farmers and ranchers that are the heart and souls of food production for this great state and country. SECHD is the largest employer and economic engine for our immediate and surrounding communities. We provide care to 3600+ Coloradoans that expect us to be available for emergent and acute care needs. Our acute care market consists of nearly 90% Medicare and/or Medicaid beneficiaries. We rely on a measly 5% of our business to sustain our mission. We do battle with significant chronic diseases, our median income is \$35,878 compared to CO’s statewide median income of \$72,331; 19.3% of our population lives in poverty compared to 9.3% for the state. This bill will only increase the tax burden in my region of the state to individuals who pay more taxes proportionately with their disposable income compared to their urban counterparts.
- We have a busy emergency department for our size and see many farm/ranch accidents and multiple vehicle accidents. Just this past winter, a family of five were involved in an accident with a semi-truck. Had we not been here, three of those children would not be with us today.
- We infuse approximately \$13M of salary and benefits to 230+ staff members. We are the economic engine for our county.

HB21-1232 was presented last year with the ASSURANCE that rural and frontier Critical Access Hospitals and rural health care clinics would NOT be affected. This is far from the truth in the manner this bill is currently written. The losers in this bill are hospitals, physician, other healthcare providers, our clinics and our communities.

- Once fully implemented this bill will be equivalent to a 35% reduction below the governments baseline premium level without provisions to protect the most vulnerable. This will be disastrous with Coloradoans out of work, higher unemployment, more poverty and the need for financial and other support thru the State’s Medicaid system.

- Per the 'Common Sense Institute', health care costs have already been reduced nearly 30% since legislation was passed to evaluate health care costs. SECHD has done their part to control costs, we just recently made a moderate adjustment to our charge master after going 4 years without any market adjustments. Why is our region of the state dealing with the greatest insurance premiums, yet as an average have the lowest charges? This bill fails to account for inflation, population growth, supplier rate increases, and other costs that are out of my control. How are we to recruit physicians, nurses, lab, radiology techs, infection preventionists and others with this type of legislation?
- This bill has no specifics, for example, what are these 'high value services' that are referenced?
- The advisory committee needs a majority of members that represent the greater rural and frontier sectors of Colorado. I recommend the Colorado Rural Health Center be challenged to select these members.
- Allowing one individual, the Division of Insurance, to be the sole decision maker is an authoritarian move. I recommend a panel of five health care experts be involved in all decision making as recommend by the advisory committee.
- Finally, to return to an earlier statement, I recommend all Critical Access Hospitals and their Rural Health Care Clinics be waived from this bill if you truly CARE about this state and your rural families, friends and neighbors.
- Thank you for the opportunity to provide testimony to this bill.

Good day,

I am Tony Gagliardi, NFIB Colorado State Director. Currently NFIB Colorado has over 7,000 members. Ninety-two percent of my membership have fewer than 20 employees. The main tenet of NFIB is to protect the right of every individual to own, operate and grow their business.

I am here today to oppose House bill 1232. Colorado's state government option would put a political appointee in charge of designing a plan, by rule, with the ability to manipulate the private health care insurance markets and the small group market.

The office of the Commissioner of Insurance is an extremely powerful office of State Government. The Commissioner's office has final say on any rate charged by an insurance carrier doing business in Colorado.

Phase 1 of this bill is aimed at reducing premiums in the next 2 years to the tune of 10% and 20%. As I mentioned the power of approving rates is given to the insurance commissioner. I am not sure why we need this bill to achieve that result when in fact this past year a carrier asked for a 12.2% rate decrease and was only allowed 5.1%? How can we ensure it does not happen with this bill a carrier asks but is denied the premium decrease? Do we have a commissioner that is picking winners and losers? If that is the case it seems like there is a perverse incentive in this bill regarding the unchecked power given the commissioner.

Because the commissioner approves rates, would Hb 1232 not be creating a conflict of interest for the commissioner?

Hb 1232 sets up a non-profit entity to offer health insurance coverage should carriers not meet premium reduction goals set out in the bill. As a non-profit entity there is no incentive for the CO Option to earn a profit, therefore becoming a massive taxpayer funded public health insurance plan and driving the private insurance market out of Colorado and leaving small businesses no where to go except for a state plan or the Colorado Exchange.

We believe the passage would lead to increased costs for millions of Coloradans and small businesses, hurt jobs and our economy, and threaten access to quality care.

We hear of constituents who pay extremely high rates due to health conditions. Suppose there is an individual who is paying \$2,000 per month because of a diabetic condition. I fully understand the life altering decisions that individuals facing the same circumstances must make. But what should the premium be for these individuals. \$1500 per month, \$1,000 per month? How do we determine what the premium should be and where do we shift the cost of reducing that premium?

Hb 1232 is not designed to compete with private insurance plans. It is designed to force as many Colorado families as possible into a new government-controlled health insurance system and shift costs to those with private insurance. This would be achieved by the required rate adjustments outlined in the bill. Private carriers would reach a point when the ability to compete with 1232 is near to impossible.

Until there is legitimate discussion regarding the factors that drive premiums such as the cost of care and utilization rates NFIB is opposed to passage of House bill 1232.

Some of those cost drivers are:

**1. Physician, facility and drug costs.** Data from the Organization for Economic Cooperation and Development have consistently showed the average unit costs for U.S. physicians, hospitals, facilities and drugs are the highest in the world.

**2. Expensive technologies and procedures.** When Americans do receive treatment, they often choose the most expensive technologies and procedures. For example, MRIs in the United States occur twice as often compared with the average country in OECD data. (Summit County, 4x that of the front range, high rate of multiple diagnostics for the same patient)

**3. Fragmented and uncoordinated care.** Because care providers often treat the same patient with little consultation, unnecessary care, errors and dissatisfaction proliferates.

**4. Lack of cost consideration from patients.** There is an assumption among patients that the most expensive care leads to the best quality, but expensive care has no correlation with quality. Patients have limited capabilities to participate in the cost decision making process of their care.

**5. Fee-for-service.** Hospitals and physicians are reimbursed for every service they provide, which often leads to a focus on volumes instead of a focus on care.

**6. High administrative expenses.** The morass of health insurers and billing processes cost the U.S. healthcare system billions in wasted costs every year.

**7. Unhealthy behaviors.** Chronic illnesses — like heart disease, cancer and diabetes — cause about 70 percent of all deaths in the United States, and they are the most expensive to treat. A majority of chronic illnesses stem from unhealthy behaviors.

**8. Expensive end-of-life care.** The last year of an American's life is the most expensive for medical treatment, and the unnecessary procedures and repeated hospitalizations provide little value to the patient and the system at large.

**9. Provider consolidation.** Hospitals and health systems are merging and acquiring each other at a feverish pace, and the same goes for physician groups. Studies have shown that although provider consolidation leads to some economies of scale, the increased market power leads to higher prices and oligopolistic behaviors.

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Honorable Members of the House Health and Insurance Committee,

My name is Dr. Marilù Orozco-Peterson, M.D. and I would like to share an expert testimony in regards to HB21-1232. As a Latina physician, I have a unique perspective in regards to this legislation that deserves to be heard. As a personal background, I was the first member of my family to obtain an Ivy League Education at Yale University, getting my Bachelors of Science in Molecular Biochemistry and Biophysics. My humble family could not pay for my schooling so I was blessed with merit scholarships and worked multiple jobs to pay my tuition. I was the first of my family, comprised of Puerto Rican and Colombian Immigrants, to be accepted into medical school and attended the University of Chicago Pritzker School of Medicine.

I became a Family Physician due to my love of Clinical Medicine, Preventative Care and changing lives on a personal level with my patients. I had a lovely private practice in Northern Colorado, Heritage Family Medicine, for 13 years and have 21 years' experience in doing what I do. At one time, I employed 20 medical staff, including Physicians and Nurse Practitioners in Family Medicine and Geriatric Care in Nursing Homes. I not only supported those Employees, but also their families, generating income security and pride in a small medical business practice, owned by a Minority Female.

The perfect storm of decreasing reimbursements and increasing bureaucracy destroyed my beloved clinic and many other private practices in our area. ICD 10 transitions required my practice to pay \$50,000 dollars to update our Server just to handle an arbitrary bureaucratic change just after investing in a very expensive electronic medical record to avoid punitive Medicare cuts for not having it. Even with getting a Medicare Commendation for being a "Meaningful Use" Clinic, with a slim profit margin of 2-3%, that amount of money was not going to allow us to stay in business. Many times, I would forgo my paycheck to make sure my Employees, MY FAMILIA CLINICA, could pay their bills. The bureaucracy of Medicare and Medicaid escalated more and pushed more obstacles in our way to get paid very little per patient. We needed an Army of back office workers to fight for what little we had earned, while the overhead costs of the medical office, along with unsustainable high City, County, Employee and State taxes skyrocketed. Our only survival was through better paying private insurance companies. There is a Health Care crisis because bureaucrats believe that bigger government is better, arbitrary red tape is necessary and choice in medical care is bad. If insurance companies across the country could compete with each other, with the caveat that there is no pre-existing condition stipulations; if frivolous malpractice suits were not decided in the civilian courts where ridiculously high monetary awards are given, but in the Medical Boards System; this could reduce malpractice premiums and "defensive medicine" ordering of tests which drives up the costs of our medical care; if patients knew the importance of not over-utilizing their benefits and over-taxing the medical system, and small business was supported by lowering taxes, we would not be in the predicament that you have placed us in. I believe in freedom, liberty and no taxation without representation, all of which is antithetical to this piece of legislation. HB21-1232 will nail the coffin on the proverbial head of medicine today, because no small practice could possibly navigate the red tape and restrictions you place upon it. Our dear State of Colorado could not sustain the obscene amount of money that it will need to create and sustain it.

Thank you very listening to one of the silenced voices, a Minority female who owned a small business.

4/9/2021

HB21-1232, the Colorado Public Option Bill

Dear Committee Members,

My name is Dr. Jeremy Kinder. I am a private practicing physician here in Denver. I am writing to you about my thoughts and position on HB21-1232. I previously had moved my patients' surgeries and changed my schedule to try to speak in person but this time I was unable to move my schedule.

This bill has a large flaw that most bills have when trying to address the cost of healthcare. This bill is looking only at the cost and not trying to look at a more comprehensive way of fixing the healthcare system. When looking at healthcare in broad sweeps, we look at quality and quantity. Most insurance providers and government payors are wanting to get the most quality for their money. Now, one of the concerns for this bill is now to add more access of care for people to who are underserved. In order for this to happen, quality will need to decrease. The resource of the healthcare provider is a limited resource. By trying to increase quantity, quality will need to decrease. This will be seen with providers taking less time with each patient. To make matters worse, this bill will now limit one of the major resources that providers have to try to increase their efficiency with providing care. That resource is money. This bill will have a downside effect on the reimbursements seen to physicians. In order for physician practices to stay solvent, the practice will become leaner. This will decrease quality of patient care, increase physician burnout, and possibly cause healthcare workers to leave. This will further limit care to all patients in Colorado.

I am also very concerned about the mandatory participation in the bill. If a physician or provider do not feel the agreements are fair, we lose the right to opt out of the plan. This goes against our freedoms to practice in medicine in a fair way. We then have professional disciplinary actions brought against us. I am not sure where the unprofessional decision was made there by the physician other than opposing the government. I am wondering if this method is going to carry over to professionals. Will Colorado have teachers lose their license if they decide to strike for more fair wages?

On a more personal note, throughout the pandemic, hospitals and healthcare providers made miracles work in a time of uncertainty. We were forced to improvise with the resources made available. We made it work. Many of us were forced to take care of patients with COVID-19 putting ourselves and families at risk. I personally got COVID in December and still have no sense of taste and smell. Now while still in the pandemic, a bill gets introduced that is going to limit the financial resources to health care providers. This will limit the resources to private practices and hospitals to hire support staff, nurses, etc. This will limit our ability to provide care. I always feel that actions speak louder than words. We were touted as being heroes, while we are not being treated as something completely different.

I strongly oppose this bill. It does not try to fix the issues in the cost of our healthcare or access to patients. There is a way fixing the problem, but it would take a much more comprehensive approach. Trying to shove the cost saving down our throats will only make a worse process. Other states that have

done this process have only seen an increase in cost. I would be happy to have further discussion on how to fix this problem, but do not let this bill pass.

Sincerely,

Jeremy Kinder

**Good morning Chairwoman Lontine and members of the health and insurance committee,**

My name is Teresa O'Dwyer, my husband and I own a construction business and large crane service in the Limon area that serves our customers in a 200 mile radius and I am here representing myself and in opposition of HB 21-1232. I believe that our local rural hospital in Hugo is an essential part of our county and has been there for the residents of the surrounding counties as well as our own. Lincoln Health has been a positive resource for health care for not only my family personally but also employs 125 full time and 50 part time folks. This bill would hurt the economics of our county and hinder the workforce that live in the area. There are so few jobs available in the county that this would be a large detriment and effect many families due to loss of jobs and income. Our hospital prides themselves in growing their own workforce and often times will train high school students starting at the entry level and continue to encourage them to further their education. Many of the staff are individuals that grew up in the area and have returned to raise their families.

The services offered are some of the top in The state. If the bill passes and affects the monies coming in for our hospital operations, many folks will struggle to get to medical services in the cities. For those like myself, I have my mom in their skilled nursing facility and without this care I would have to travel a minimum of 100 miles one way to the closest facility to see my mother weekly?

During the Covid outbreak our hospital provided top notch care to their patients, as well as our surrounding communities providing testing at numerous sites and then followed with vaccines when they became available. None of these services would have been available to our communities if our hospital was not operating.

Limon known as the hub city due to the number of major highways passing thru it is constantly providing transportation for emergency care to patients from accidents on these highways to our local hospital. I would hate to think of the loss of life without the rural hospitals within colorado. The close proximity to Hugo from any major highway is detrimental to saving the many lives that pass thru eastern colorado. I believe this to be true for all hospitals on the eastern plains.

My family homesteaded here many years ago and as a fourth generation of that family I believe our hospital ranks up there with our schools, grocery stores, churches and other businesses that keep our communities alive. Without our hospital our communities would not see any growth as families will look to be sure all services are available and in close proximity as they are looking for a place to raise their families. Please re consider the outcome of this bill and support rural hospitals and health care for all Coloradans not just the metropolitan areas.

Thank you for your time.

Respectfully submitted

Teresa O'Dwyer



Date: April 9, 2021

RE: HB21-1232 Standardized Health Benefit Plan Colorado Option

Dear committee members,

I am a double board certified physician who has been practicing medicine in Colorado since 1986. I have seen so many changes in our healthcare system and would like to share my story and perspective.

My board certifications are in Integrative Medicine and General Psychiatry. I have practiced in the private practice setting and have held administrative positions with Columbine Psychiatric Hospital and Colorado Health networks as well as with Laureate Hospital in Tulsa.

During my 27 years of practicing in Castle Rock, I have been challenged in finding ways to effectively practice medicine in this county. I have seen nearly 30 psychiatrists come and go in our county because of the surprisingly challenging practice environment. Most have left to practice in other states and countries with much more competitive reimbursement.

In my earliest years in Castle Rock I volunteered my time for the Douglas County Health Advisory committee. They asked me to join their committee to help address the lack of mental health services in Douglas County. It was my experience that the most effective mental health interventions are those integrated into our general health facilities rather than carved out physically and financially. As we had no hospitals in Douglas County my first focus was to bring a hospital to our county, we now have three and not one of them offers a single bed for mental health patients.

During my residency training at U of CO our healthcare was completely under indemnity insurance. Then came DRGs restricting reimbursement in all specialties except psych. Needless to say, nearly every hospital offered large units and programs providing mental services. Then managed care and Columbia Healthcare swept through our state, progressively devastating our ability to provide mental health services.

I have been directly involved with the prevention of two planned mass shootings in Douglas county, we have worked with our local police and sheriff departments to help keep our first responders healthy. My greatest passion is Integrative Medicine, we provide evidence based interventions which provide remarkable outcomes in whole body health. I am proud to say I currently live and practice in one of the healthiest communities in the country.

I have many opinions I would like to share. The most important is my belief that we need to remove shareholders from any aspect of our healthcare system. The day Blue Cross Blue Shield began trading publicly on the stock market marked the starting point of the degradation of our healthcare system, we have become a capitalist healthcare system. I desperately agree with you that we need to do something to change. Your well intentioned house bill will not solve our situation, it will just drive providers such as myself out of our state or out of the practice of medicine. It offers us no support for addressing our rapidly escalating overhead and cost of housing for staff and clinicians we wish to recruit. Part time practices such as mine who currently do not offer any insurance billing will now need to hire additional staff and figure out how to manage our cash flow with the challenges of managing accounts receivables.

I would love to speak further with you on ways that we can make healthcare in Colorado not only more affordable but also much, much more effective in health outcomes.

Sincerely and respectfully submitted,

Sara Van Anrooy, MD, ABOIM  
The Center for Stress Medicine

*“Providing simple, fun and effective solutions which promote healing, prevent illness and sustain the well being of the individual, their families, our communities and the environment”*

Maureen Hinkle  
Carbondale, CO 81623

My name is Maureen Hinkle. I live in El Jebel, Colorado with my husband and our six year-old son. I teach music at a public elementary school in the Roaring Fork Valley, where I have been for twelve years. I became an educator to give back to my community and do something positive for the next generation. Like education, I believe health care is essential to living well and building strong communities, and I do not think that it should be a for profit enterprise.

What is “affordable” health insurance? My family has health insurance. We are not destitute or lacking anything, but our health insurance is ridiculously complicated and prohibitively expensive. I am fortunate to have health insurance coverage through my employer; the cost of my plan is \$894 per month (\$10,728 per year.) That’s not for my whole family; that’s just for me. I have the option to add my husband and my son to that plan for triple the cost. That would make my monthly health insurance premium roughly twice as much as my mortgage payment. Is that “affordable?” Just because I’m not going hungry to pay it, doesn’t mean that it’s affordable. What could I do with that \$10,000 per year if I didn’t have to dole it out to the health insurance company? Could I save for retirement? Build a deck on my house? Save for my son’s college education? Pay down my student loans?

My family opted to put ourselves at the mercy of health insurance companies, and try to find more “affordable” coverage for my husband and my son on the open market. There are no good options out there. We are stuck between choosing a lower deductible or an affordable premium. Every year available plans become more expensive with fewer benefits. That’s the “free-market system” that insurance carriers are protecting. In the end, we wind up with expensive coverage that barely gets used due to various confusing policies and complications.

For example, my son broke his arm on the playground last year. Like any mother, I brought him to the doctor, without stopping to think whether his care would be covered. After the appointment, I was advised that our primary care physician’s office isn’t in our provider network and that I would have to file a supplemental claim. So I set about filing a claim to the supplemental insurance for which we pay, in addition to the cost of the primary coverage. This was a lengthy process which required gathering and submitting various forms and documents. There were periods of weeks waiting for forms to be sent to me, then submitting them, waiting more weeks for the company to respond, and then calling them back to follow up. I spent lunch breaks and evenings going back and forth on phone calls and emails with the insurance company. The process was so arduous and time-consuming that I ended up in collections while I was waiting for my claim to be processed. In the end, the cost I was trying to get covered was applied to the deductible, for last year.

It has been months since that incident, but sharing it with you today still makes my blood boil. The television ads attacking the Colorado Option make the infuriating claim that if this bill passes, the state will come between my family and our doctor in our health care decision making. Right now the only thing coming between my doctor and my family are the insurance

companies, and somehow they are under the impression that consumers are happy with this. I am not. I am the opposite of happy with the current arrangement.

I support the Colorado Health Insurance Option, HB21-1232, because it takes a bold step in the direction of making health care affordable and available. I love my local health care providers; I have deep respect for the doctors, nurses, and medical practitioners, especially after everything they have endured in the past year. The Colorado Option will reign in the excesses of the corporate hospital systems and insurance companies that profit off the backs of hardworking families like my own. We desperately need better choices and affordability. Pass the Colorado Option to give every family the security of affordable health insurance.



Public option

Meredith R Goodwin to: committees.lcs.ga@state.co.us 04/09/2021 11:36 AM

Dear Committee,

As a Kaiser physician I feel strongly about excellent and cost effective care.

Health care is too expensive. We know this and agree. We have more work to do, but ***Colorado is on the right track pursuing market-based innovation and public-private partnership solutions.*** Coloradans in the individual market have experienced meaningful reductions in insurance premiums, expanded product choice and increased competition in the private market in recent years. In fact, ***Colorado has seen larger reductions on a percentage basis in the Affordable Care Act's average benchmark health insurance premiums than Washington, the first state to establish a public option two years ago.*** Since 2018, Colorado's benchmark premiums have fallen by 25.3%, compared to 15.5% increase in Washington State.

I am advocating to not move forward with the public option.

Appreciate your time.

Sincerely,

Meredith Goodwin, MD

CPMG

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Dr. Mike Randle  
HB21-1232 Testimony  
House Health & Insurance Committee  
April 7, 2021

Madam Chair/Mister Chairman and members of the committee- thank you for the opportunity to speak today.

My name is Dr. Mike Randle. I am an Internal Medicine physician and the CEO of UCHealth Medical Group, and I am here today to tell you why I am opposed to HB 21-1232.

In recent years, health care providers including UCHealth have worked to reduce health care costs.

We have created high performance networks that deliver high-quality care at lower costs.

We have partnered with employers on options to keep their employees healthy and offer lower-cost alternatives for their employees.

We have invested in innovations like virtual urgent care and virtual visits – helping patients avoid more expensive options.

We have improved quality and safety, while shortening lengths of stay and shifting many services into lower-cost ambulatory care settings.

We are investing in behavioral health care at unprecedented levels.

And when the governor and legislature asked for help to stand up a reinsurance program – we responded. This important program is funded by hospitals, health care systems and insurance companies.

These efforts worked. Colorado now has the 11<sup>th</sup> **lowest** hospital prices in the nation. The price of Colorado's average benchmark premium has dropped 28% since 2019. Over the past 5 years, we have seen the 2<sup>nd</sup> lowest premium growth in the nation – and the price of our benchmark silver premium plan is now the 6<sup>th</sup> lowest in the nation.

I believe the need to create a “public option” is based upon incorrect information, and the targeted reductions in this bill are not reasonable. The financial results to many of our health systems and provider groups will be quite negative, and this will have a negative effect on our ability to attract and keep excellent medical providers- including physicians, advanced practitioners, pharmacists and nurses.

There is a growing national shortage of most if not all of these providers- especially physicians and nurses. Cutting the revenue to health care systems will not only effect the potential compensation of these providers- but also the needed staff to help these providers give great care- as this is a team sport.

We have been fortunate in Colorado to not only have a great place to live, but also a great environment for healthcare. This proposal will change that. Our providers will increasingly look to regions and states with better health care environments. We will lose current providers and be less successful in recruiting new ones. In many instances, the highest performing providers

will go first. We will be left with a system that will struggle to provide the same quality and access.

For these reasons and the reasons articulated by my colleagues in opposition, I am asking you to vote no on this bill.

Thank you for the opportunity to speak today.

Testimony HB21-1232

Good afternoon Madame Chair and Committee Members

I am Colleen Casper, a registered nurse and Executive Director of Colorado Nurses Association, whom I am representing today.

Colorado Nurses Association supports this legislative effort to increase access to covered and affordable health care services. We thank the sponsors for the courage to bring forth an opportunity to the legislature to change the trajectory of health care access and costs in Colorado.

Colorado Nurses know first-hand the impact that a life changing health care crisis can have on an individual both personally and economically.

What else do we know?

We know that the 2018 data reports that United States health care costs are greater than 18% of gross domestic product or, at a cost of greater than \$12,000.00 annually per person, or \$4 trillion dollars and growing. These costs are predicted to be \$18,000.00 annually per person and over \$6 trillion dollars nationally.

Colorado nurses think that with this kind of money in the industry it seems responsible to reconstruct essential elements of health care cost drivers at the State level.

You've heard from many small employers today. A metro Denver self-employed colleague of mine currently pays \$15,400 annually in premiums and to meet deductibles – already well ahead of the national average of \$12,000 annually.

Employer sponsored insurance plans suggest that premiums have reduced when in actuality cost sharing of premiums with employees has resulted in premium increase, coverage benefits decrease, reducing affordable access to covered care.

Tracking costs of deductibles and out of pocket expenses incurred by individuals and families is difficult.

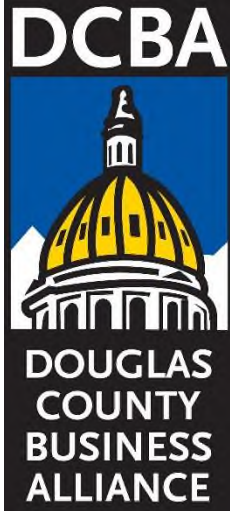
We know open market dynamics are artificial in health care. Consumers play a minimal role in product selection or price negotiation. Colorado has advanced efforts to achieve transparency, though actual costs still remain a mystery.

I would also like to comment that metrics on the real economic impact of COVID on hospitals is not well known as of yet, pending full CARES Act and other federal funding distribution that is still in process. Colorado nurses also know that often supplies and staffing were not available through-out the pandemic.

We also know that the 2021 Colorado HCPF Hospital Report describes that self-pay was the largest portion of uncompensated costs coverage 2019. Assuring affordable coverage for Coloradan can mitigate these reported losses.

State based public policy efforts to move away from cost shifting will enable Colorado to assure a stronger economic future. Warren Buffet describes rising health care costs as “the tape worm of American economic competitiveness”, which reinforces the opportunity you as committee members have today to prioritize changing the trajectory of health care costs for individuals, families and businesses of Colorado.

Colorado Nurses Association respectfully requests a yes vote today on HB21-1232. We recognize that stakeholders believe this bill can be improved with well substantiated amendments. We encourage all stakeholders to sincerely work to assure covered access to affordable healthcare, including guardrails to protect safe patient care nurse staffing.



Frank Gray, Chair, Douglas County Business Alliance  
Written Testimony

Madame Chair and members of the committee, thank you for considering our comments. I represent the Douglas County Business Alliance, a collaboration between the Castle Rock Chamber of Commerce, Parker Chamber of Commerce, Castle Rock Economic Development Corporation, and Northwest Douglas County Chamber & Economic Development Corporation. We urge you to vote NO on HB21-1232.

This has been an incredibly difficult year for the Colorado business owners and their employees. But it has been even harder for healthcare workers in our hospitals. Not only have they been fighting COVID-19, but they have also been fighting huge budget cuts because of the pandemic. They have been there for us, putting their patients and communities first, despite the terrible toll that hospital systems and their staff have suffered. A big thank you to our front-line workers!

Today, hospital systems in Colorado are facing budget shortfalls in the billions of dollars due to the demands of fighting the pandemic. In terms of job losses, healthcare is one of the hardest hit sectors of the state economy.

Before the pandemic, the healthcare sector was one of the strongest parts of our state economy. Healthcare systems play an extremely important role in our communities and local economies, too.

Before the pandemic, Colorado hospital systems employed more than 70,000 healthcare workers. In fact, 10 years ago, after the Great Recession, investment in the healthcare sector helped our state recover much faster than the rest of the country.

It will take many years for these critical institutions to achieve financial stability and recovery. Our state government should not be digging a deeper financial hole for these hospitals by cutting their revenues.

Our system is just now beginning to recover from the epic year of 2020. Saddling new and extreme mandates will have devastating consequences. In fact, a recent [Common Sense Institute](#) report estimates job losses could climb as high as 5,400 people – 5,400 healthcare heroes. The very people who have put their lives and health on the line to care for all of us during the pandemic.

The last year has taken its toll and we simply must do everything we can to save jobs and keep Coloradans in the workforce.

What's more, we are doing a good job today – without this legislation. Over the last three years, the average benchmark premium in the ACA marketplace has fallen 28% in Colorado, and our benchmark premiums are 22% below the national average.

When it comes to public policy, particularly one as significant as a government-run health care system, facts and data matter. We simply cannot afford to make mistakes when it comes to our healthcare system. It too important to our healthcare heroes.

For these reasons, I urge you to vote NO on HB21-1232.

Respectfully,  
Frank Gray

House Health & Insurance

Testimony - HB21-1232 Standardized Health Benefit Plan Colorado Option

First Name	Last Name	Position	Representing	Text of Testimony
Laura	Hylbert	For	Self	<p>Please support the Public Option legislation before you. It will mean the world of difference to me, my daughter, and our family along with thousands of others. Our State has very high premiums compared to others states, and Colorado hospitals lead the nation in profits. All of this continues despite the fact that, on the whole, Coloradans are healthier than most Americans. I stayed in a DV marriage for too many years because I needed my husband's health insurance and income to pay for premiums and out of pocket medical expenses for myself and my child. Yes, premiums have dropped in the past few years, but so have the benefits which the For Profit insurance companies are allowed to cover. We are the only nation which limits providers by insurance; for me, if I drive to Denver to visit my adult children or longtime friends, a car accident could leave me in debt forever because of Out of Network issues. And we need to stop the games about emergency transportation being provided from out of network, Independent Contractors instead being covered by all insurance companies. Two years ago I drove myself to the ER with a herniated disc for fear of potential ambulance bills as just one example. In the past five years, my expenses for health insurance premiums and out of pocket expenses would have otherwise paid for a small house in full. Instead, I now skip screening tests which insurance covers because I know I will never be able to pay for potential cancer treatments. With the proposed public option, providers will be paid up to 200% of Medicare prices, and there will be no out of network providers. With lower premiums, perhaps I will be able to save money once again, instead of continuing to deplete my savings. Our businesses, too, lose out to the current For Profit system because having such a high percentage of our GDP, nearly 20%, being allocated to health care makes our products non-competitive in world markets. Manufacturing companies leave America continually because of our cost of doing business. (Start with auto manufacturing in Canada, then keep going.) You have the choice to help citizens and businesses by supporting this legislation. Please make the choice that will be best for all of Colorado, not just for our high profit medical industrial complex corporations.</p>
Victoria	Gomez Betancourt	For	Self	<p>Dear Legislators,</p> <p>My family urgently needs a public option for health care coverage. I urge you to support the Colorado Health Insurance Option. Caring for an older adult is a reality for many families, including mine. I am the caretaker to my elderly disabled parent, Doña Teo, who lives with dementia, advanced multiple sclerosis, is wheelchair and bed bound, and has complex health needs. Every day I handle bathing, diapering, dressing, nutrition and healing. These routines have no sick days or vacation, it is a round-the-clock commitment to ensuring someone's quality of life.</p> <p>I cannot add my mother to my health insurance plan given that she is neither my child nor my spouse, and those are the only eligible dependents. Despite the fact that her entire existence is 100% dependent on me, I cannot extend my health coverage to this elder.</p> <p>The next hurdle comes in the way of a ban for immigrants seeking care. I am referring to the five-year ban for otherwise eligible Medicaid enrollees. Because my mom has no income, pension, inheritance, or assets she would be eligible for this important health plan. Nevertheless, we've had to patiently wait five years of continuous legal permanent residency in order to qualify, which we did. She was however denied Medicaid and the marketplace forces me to enroll into Medicaid because the system shows her as eligible. At any rate, private insurance plans continue to be unaffordable as well. In the interim, my elder remains without coverage. A more affordable Colorado Option is really our only hope.</p> <p>My mother is approaching 80 and facing compounded health conditions while uninsured. Waiting for access to medical coverage feels like sitting on a ticking time bomb. I hope her health remains stable and no significant health scares send my family on a downward spiral of insurmountable medical debt, or worse yet, inaccessible care. The Colorado Health Insurance Option is a game changer and an unmatched opportunity for Coloradans.</p> <p>The possibility of having accessible, high-quality health coverage in Colorado would be a dream come true for families like mine. As a consumer and someone caring for an uninsured elder, I wholeheartedly welcome the opportunity to obtain coverage for my mom. The Colorado Health Insurance Option is a necessary forward step for all individuals and families who otherwise remain at the margins.</p> <p>En solidaridad, Victoria Gómez Betancourt</p>
Amy	Sheeder	Amend	Self	<p>I am a primary care physician who has worked in Colorado in private practice 1991-1999, a federally funded clinic 2011-2014 and now currently in a membership-based health care clinic. I realize that health care has its issues with accessibility, quality and affordability. Therefore my interest in opening a primary care membership-based clinic last June 1 was to have the dream of offering extended visits and quality care to the people of Colorado.</p> <p>It seems that forcing physicians to take the plan and provide care and accept the reimbursement offered is akin to telling restaurants and grocery stores how much they can charge people for food or telling a vehicle dealership how much they can sell a vehicle for.</p> <p>There are certainly other options -and this will solve the problem in the short term for the people who are unable to obtain care in a physician office so go to an urgent care or even an emergency room for things such as an upper respiratory infection, a pregnancy test or a bladder infection and many other concerns that can be handled over the phone or telehealth.</p> <p>However this will lead to an even bigger shortage of primary care physicians.</p> <p>There are other options--please consider offering these patients teladoc and pay for a primary care membership monthly fee. This is a very very very important issue and concern and can be handled -with the help of the input of primary care physicians and business specialists who have innovative ways to implement better care.</p> <p>I appreciate the work you do and would love to make health care in Colorado affordable and accessible and of high quality!!</p>

Witness Signup List

Manish	Shah	Amend	Self	<p>Dear Representative Jodeh,</p> <p>I am writing you today to voice my concerns about HB21-1232. As a progressive, I am in favor of enhanced access to healthcare for all patients. In my younger days, I performed all types of reconstructive surgeries. But as I've aged, my practice make-up has changed drastically. I only perform cosmetic surgery procedures. It would be unrealistic to expect me to go back and start performing insurance based procedures again. I don't have the internal staffing necessary for this process and do not have a billing apparatus to handle all the administrative concerns associated with providing insured care.</p> <p>It seems extremely unfair that my license to practice medicine could be restricted or even revoked because of non-participation. Areas such as breast reconstruction, hand surgery, limb salvage, wound care, and microsurgery are foreign to me at this point. I would not be able to provide standard of care for these kinds of patients. While I was trained in these procedures as a resident, I have not performed any of them in many years. Yet, for example, if a patient seeking breast reconstruction came to me, your bill would not allow me to refuse care, even if this care would be below current modern medical standards.</p> <p>How is this fair to a patient? Even though they are on a public option plan, they should be able to access the same level of care as anyone else. The language of your bill is too broad and inclusive, yet it does not take into account specialization vs. non-specialization.</p> <p>A shotgun approach to correcting years of inequity in health insurance access will help some and harm many. I doubt that this is the standard that needs to be set since we've already seen premium reductions due to ACA policy. I believe that the reductions are in the neighborhood of 20% or so at this point, but I'm not certain about this figure. Additionally 2.5 years seems quite short of a time period to achieve another 20% reduction in premiums. Where are the studies to show how this is even possible? I believe that more people need the protection of adequate health insurance. But I do not support making physician participation a rigid standard on which continued ability to practice medicine be judged.</p> <p>Sincerely, Manish H. Shah, MD, FACS</p>
Stephen	Campbell	Against	Self	<p>I am opposed to any legislation that arbitrarily mandates reimbursement reductions in health care payments without flexibility. In addition any government run health plan will further degrade our pool of outstanding health care providers as they continue to leave the state or the profession for greener pastures. As a physician I have already participated in cuts to my income as hospitals try to cut their costs. Many of my colleagues are looking to other avenues and some to other professions as work hours increase and reimbursements drop. Please reconsider this bill. On the surface it seems to have good intentions and achieve its goal, but in the bigger picture I believe it will do more harm than good by harming the very providers of the services it aims to deliver.</p>
Shawn	Stephens	Against	Self	<p>Where to begin.</p> <p>This bill lowers price mandates for healthcare services, but does nothing to lower the cost of the delivery of these services.</p> <p>All manner of healthcare workers - such as physicians, nurses, chiropractors, and so many more - would be compelled to treat patients at artificially low, government-mandated reimbursement rates.</p> <p>At the same time reimbursement rates are being cut, the bill does nothing to account for inflation or other factors that influence medical costs.</p> <p>Thousands of these healthcare workers are going to lose their jobs.</p> <p>This bill is going to accelerate the rate at which physicians are retiring or getting out of the healthcare industry altogether. There's already a shortage of providers, and this bill will only exacerbate that problem.</p> <p>This bill violates the principles of free enterprise in Colorado.</p> <p>Overall, this bill effectively requires indentured servitude to the state of Colorado as a condition of medical licensure.</p>
Kjersten	Davis	Against	Montrose Memorial Hospital	<p>Rural and community hospitals have had a year of unprecedented challenges at all levels. These are the facilities that provide local care, personalized quality service and are often some of the largest employers in rural communities. HB 21-1232, while good intentioned, ignores the devastating affect that this bill will have on communities. It disproportionately affects rural hospitals, threatening the ability of many of these hospitals to continue to operate. This bill would result in decreased access to care, reduced services, loss of jobs and threaten the local economy of many rural communities.</p> <p>Since 2019, Colorado market-led efforts have resulted in a nearly 30% reduction in average benchmark insurance premiums, making Colorado the 6th lowest state in the county. Many of these efforts are just beginning to bear fruit. Let's continue to address health care costs, but not by endangering the sustainability of our hospitals.</p>
Jared	Brink	Against	Self	<p>Thank you to the chair and committee members for listening to my perspective on this bill. Throughout the history of our country and our state, we have seen countless instances of state officials with honorable intentions lead us down a dangerous path of unintended consequences. I believe that Bill HB21 is such an instance. I am not a particularly economically literate individual, but even I can see the danger of what is being proposed. It is obvious to me, and should be obvious to the members of this committee that, while the intention of this bill may be to provide more affordable healthcare to all in this state, the outcome will do nothing more than punish actual healthcare providers and dramatically reduce the quality of healthcare in our state. The short term outcome of this bill may indeed be that more people have access to healthcare, but the long term consequences could be catastrophic. If insurance providers are forced to reduce their premiums, they will not absorb the cost. They will simply pass it on to healthcare providers who will flee the state in droves, as practices start hemorrhaging money, and the state becomes less and less hospitable to healthcare providers. My wife is a second year attending physician. We have an enormous amount of medical school debt. She is in the bottom 5% of earners for her specialty. We have two children. Our mortgage, childcare, and student loans consume 70% of our combined income. This bill could reduce my wife's future earnings making it harder for us to ever get out of debt, and could even put her job in jeopardy. Colorado needs talented physicians like my wife. If the cost of forcing healthcare providers to accept less and less compensation forces our hand in such a way, we will have to leave the home state we love, and move to a more business friendly state. I strongly urge you to vote no on this bill. There are better ways to solve this problem than hurting the healthcare providers that are actually adding value, while imagining yourselves to be fighting against the evil profiteering grifters that are insurance companies. Please vote no. Thank you for your time and consideration.</p>
Carolynn	Francavilla	Against	Self	<p>Thank you for the opportunity to testify on this bill. I am Dr. Carolynn Francavilla, a 5th generation Coloradan and small business owner. I own and run a small family medicine clinic in Lakewood Colorado called Green Mountain Partners for Health. We have a team of 3 physicians and pride ourselves in a clinic where we take our time with patients and provide high level personalized care, while taking Medicaid, Medicare and private insurance. We chose to take these forms of payment because we believe this allows the greatest access to care for patients. But we always have the choice to charge cash for our valuable service and leave the chains of insurance. This bill would destroy our ability to provide quality care by forcing us into a public option. If you drive reimbursements down any further practicing independent medicine will not be and option. Insurance is the issue, not physicians. We don't drive costs up- my rates are lower than a plumber or mechanic. Why are you threatening our licenses for things that are out of our control? Why are we hostage to insurance plans ability to reduce rates? I love being a doctor. I love running a small business. I love my home state of Colorado. But if this bill passes I WILL be choosing between staying in my home state and choosing another career or leaving to practice medicine elsewhere. You will kill private practice in Colorado. And you will NOT improve patient care. Requiring physicians to take a public option is not the solution. Make the public option good enough we want to take it.</p>

Witness Signup List

Emily	Masterson	Against	Self	<p>I would like to thank the committee chair for allowing me to submit my comments regarding this bill. I'm a Democrat and I share your vision of universal access to healthcare for all Coloradans and all Americans. However, this bill is not the way to achieve that. This bill would have disastrous consequences. Specifically, squeezing physician reimbursement, while leaving the obscene profit margins of pharmaceutical companies, insurance companies and administrators untouched, is a counterproductive approach. As the bill is written, it will result in many medical offices having to close their doors due to decreased reimbursement or require them to completely reinvent their business model (as in the case of Direct Primary Care companies who do not take nor bill insurance for their services but who provide high value per healthcare dollar spent). This bill would make it difficult to recruit and retain physicians in CO as their reimbursement would be dictated by the public option. This bill would ultimately decrease options for patients as many existing healthcare entities in this state do not have a model that is compatible with this bill (such as Kaiser Permanente and Direct primary Care such as Paladina Health which State of Colorado employees currently enjoy and report high satisfaction with). I urge you to vote no on HB21-1232. Thank you for your time and consideration.</p> <p>Regards, Emily Masterson, MD Board Certified Family Physician</p>
Virginia	Gebhart	For	Self	<p>I wish to thank the sponsors of this bill for attempting to address the high cost of health insurance for the people of Colorado.</p> <p>It's truly unfortunate that Coloradans are paying some of the highest costs in America for health insurance. It's even more unfortunate that the high out of pocket costs associated with virtually all health insurance plans leave even the insured with crushing medical bills if they have the bad manners to get sick or get involved in an accident and are forced to use their health insurance.</p> <p>It's also unfortunate that this bill will do nothing to eliminate the complexity of the hundreds of health insurance plans that will still be in force for years to come. This complexity of hundreds of different health insurance plans is the bane of the existence of every health care professional in Colorado. The bureaucracy associated with this health insurance regime is a huge burden on health care professionals and patients alike. Health care professionals see their patients suffer and die because of high costs and bureaucratic barriers to care.</p> <p>This bill has a few features that may modestly cut health insurance premiums for a few people in Colorado. I'm worried that the years waiting for the insurance companies to deliver modest savings will be marked by efforts to repeal or weaken the bill. I'm not looking forward to more years of endless propaganda from Colorado's Health Care Future. I'm worried that their poison in the airwaves for four more years may be enough to kill the public option.</p> <p>This bill may be a step in the right direction toward USA, Universal Simple Affordable healthcare. Please vote yes to pass this bill.</p> <p>By the way, I can't wait for Representative Baisley to label this bill a communist conspiracy. It seems that when he doesn't understand complex issues or doesn't care about solving complex problems, he resorts to name calling. Can't wait.</p>
Jeff	Chamberlain	Against	Self	<p>Good afternoon Madam Chair and Members of the Committee. My name is Jeff Chamberlain and I am a board-certified obstetrician/gynecologist. I provide comprehensive obstetric and gynecologic care for women from Routt and surrounding counties and the full scope of gynecologic surgical services, all at UCHealth Yampa Valley Medical Center in Steamboat Springs.</p> <p>I'd like to share several concerns about HB21-1232. First – this bill directly threatens my license and my ability to care for patients. Specifically, the bill would force me to accept reduced rates set by the Commissioner of Insurance and would authorize the state to take disciplinary action on my license if I do not accept all patients who are covered by the new Colorado Option plan created by the state. I would have no input in the plan or the reimbursement rates, yet my medical license could be suspended if I do not comply.</p> <p>Second, I want to share that I have experienced the disastrous effects of single payer reimbursements and rate setting in health care. I was born in Edmonton, Alberta, Canada, and my father was also a board-certified OB/GYN who trained and practiced in Alberta in the 1970's through 1990's as Alberta was settling into its socialized medicine program. In the early 1990's the Alberta provincial government chose to cut health care spending by 16% which directly affected reimbursement rates for providers. My father and many other physicians and nurses chose to leave Canada rather than to have their compensation slashed. We moved to the U.S. along with many others. This will happen in Colorado if this bill passes and if state-imposed reimbursement rates slash the compensation of our dedicated nurses, doctors and staff members.</p> <p>This bill has other problems – from not giving providers and health insurance companies credit for the work they've done in recent years to reduce premium prices, to using 2021 and its pandemic-skewed numbers as the benchmark year, to giving unheard of authority to a non-elected bureaucrat.</p> <p>Ultimately, I believe HB21-1232 sets up doctors, hospitals and insurance companies to fail, and the poorly-planned public option would cause serious damage to our state and the quality health care we provide our residents.</p> <p>I urge you to vote no on advancing HB21-1232 in its current form. Partner with providers and health insurance companies to improve health care quality and affordability to continue the progress made in recent years.</p> <p>Dr. Jeff Chamberlain, MD, MS, FACOG</p>
Poorna	Ramachandran	Against	Self	<p>I would like to thank the Chair and the Committee for hearing my testimony. As a physician, I am strongly against the premise of the Colorado option to force physicians to take this insurance. Physicians needs to be consulted about healthcare reforms before they are written and passed. As a medical professional, I have worked too hard to have my practice dictated by a government mandate. By forcing us to take this insurance, we are losing our autonomy in treating patients. Certainly, there are those of us who will be willing to take this insurance plan, however, we should be given a choice. My license, which I have worked hard to apply for and maintain, should not be in jeopardy because I want to choose how I run my practice. Thank you for your time and consideration.</p>
Sean	Baran	Against	Self	<p>This bill is unquestionably bad for healthcare in Colorado. It transfers decision-making power to a non-elected official after intentionally setting arbitrary and unreasonable premium reduction goals that will, and are intended to, fail.</p> <p>The bill forces providers to accept the state-run plan and rates without any assurances to protect practices again fiscal insolvency. The best providers will eventually leave Colorado, and we will be unable to recruit the best new providers in the future. Coloradans will subsequently be forced to accept below-average care with likely excessive wait times.</p> <p>I cannot overemphasize my strong opposition to this bill and I strongly agree with the following thoughts that have been proposed by the Colorado Competitive Council. Please defeat the bill before it ever leaves committee.</p> <p>Increased health care costs for the majority of Coloradans. The Colorado Option Plan, with its government set reimbursement rates, will exacerbate the cost shift problem, increasing health care costs for the majority of Coloradans who get their care through private insurance, most often employer-sponsored insurance.</p> <p>Less competition and consumer choice. The government-run plan will be operating with distinct competitive advantages as compared to highly-regulated private sector health insurance companies, making it difficult, if not impossible, for private plans to compete. It is foreseeable that insurance companies may choose to withdraw from the market, leaving the public option plan as the only coverage option available in many parts of the state.</p> <p>Reduced access to care. In order to achieve the cost reductions that the sponsors are dictating through this legislation, provider rates will have to be set very low. Further, as written, it requires health care providers to do business with the Colorado Option Plan – an unprecedented requirement. The mandate to serve Colorado Option Plan clients, coupled with the inevitably low reimbursement rates, will likely lead to health care providers being unable to serve Coloradans covered by other plans and / or will drive health care providers out of business all together. Either way, we are likely to see reduced access to care.</p>

Witness Signup List

Sharon	Anable	Against	Self	<p>Dear Committee Members,</p> <p>I respectfully ask for no vote on this bill. As a doctor I have found a way through a cash practice policy to be able to treat my patients in a manner that they can afford that will allow me to remain with my doors open as a business. Any bill which dictates which patients I must see and how I must be paid is an infringement on my rights as a doctor and my patients rights to seek the healthcare of their choice.</p> <p>Sharon M. Anable, D.C.</p>
Sarrah	Hadji	Against	Physician Owned Medical Practice	<p>I am vehemently opposed to this bill in its entirety. The proposed legislation's requirement of mandatory physician participation in a program where the reimbursement rate will be set by a single individual who clearly does not have any consideration of the costs and margins required by physician practices to operate and deliver quality care is unacceptable. Access for patients will be decimated by this legislation, as practices will be financially unable to provision necessary resources like skilled staff, costly technologies, etc. I firmly believe the government's role in reducing health care costs should be to mandate OUTCOMES, not the path to those outcomes. That is where the healthcare providers, insurers, hospitals, and other entities can collaborate and innovate on an EFFECTIVE solution that doesn't bear so many horrifying unintended consequences. This bill is blatantly rushed and an attempt to slap a bandaid on a massive issue that we all agree needs to be resolved thoughtfully and comprehensively. HB1232 is NOT the solution; this will be devastating to Coloradans and must not pass.</p>
Brad	Jensen	Against	Self	<p>My name is Brad Jensen and I am the Chief Financial Officer for Panorama Orthopedics and Spine. I oppose the Colorado Healthcare Option Bill. While I do not oppose finding ways to reduce cost and waste in the system, the Bill is targeting the very Physicians and provider groups that truly help our patient population. In order to achieve sustainable cost reductions, we cannot simply revert to a forced Fee Schedule to accomplish this task. We must look at all aspects of providing Healthcare services in order to find savings. That type of "out of the box" thinking would require engagement from all aspects of Healthcare delivery, including Physicians, Leaders, Suppliers, Insurance Representatives, Medical Office Building Operators, Professional Service Providers and the Government. To-date, this Bill has been very narrowly focused in terms of involvement from the community, yet it has the potential to significantly impact the future of Colorado in many negative ways. I fear we will lose our best talent to other States, our quality of care will go down, our patients will be forced to incur significant wait times to be seen, Providers will burn-out and access to care will be compromised. I respectfully ask that this Bill be removed immediately. Engagement will be the key to success for the future of Colorado, and this Bill has not been carefully crafted or thoughtfully considered with proper representation across the Healthcare network. More time, communication and representation is needed in order to deliver a bill that makes sense as opposed to one that is completely top-down and forced upon the very Providers who have helped us during not only the Pandemic but our everyday lives.</p>
Rachel	Petersen	Against	Self	<p>Prior to recently becoming a mom I worked for 7 years in healthcare, all in the hospital setting in Colorado. I worked in Nutrition, Human Resources (which is what my Bachelor's degree is in), &amp; the In/Outpatient Operating Rooms.</p> <p>Hospitals already absorb much of the costs when treating patients with Medicaid, Medicare &amp; other government insurance plans because those plans do not always fully reimburse the hospital/healthcare facility for their services. My observations:</p> <ul style="list-style-type: none"> <li>-Higher patient to healthcare worker ratios (reduced money allotted for salaries)</li> <li>-Less time spent with each patient &amp; reduced quality care</li> <li>-Less money available for supplies, training, employee engagement, etc.</li> <li>-Frustrated &amp; burned-out healthcare workers</li> </ul> <p>Employees are dis-incentivized to provide the same quality of care as before &amp;/or they are unable to because of time restrictions &amp; increased responsibilities. From my experience, hospitals are constantly trying to reduce costs by eliminating positions when an employee resigns or transfers instead of refilling the position. The work from that position must be absorbed by the other employees. This creates a poor working culture. We cannot have the discussion of government controlled health plans without discussing human behavior &amp; how workers would realistically respond to the approval of this bill.</p> <p>We want to reduce waste in hospitals &amp; make processes as efficient as possible, but you do not get to that result through forcing hospitals to absorb costs of care to the point where they must reduce the quality of care given to meet the level of accessibility or affordability that is desired. It is not realistic. Again, employees in healthcare are becoming less incentivized to be innovative to create new processes or technologies that would lower overall costs. Instead, they will leave the industry to work somewhere else. It unfortunately happens more than you would expect.</p> <p>Healthcare economics tells us that when the price of care is low it leads to consumers not regulating their use of healthcare. For example, if someone has an insurance plan that has \$0 copays for all primary care visits, they will likely visit the doctor for anything &amp; everything. This hurts the accessibility of healthcare for other patients, because the doctor is busy treating patients who may not need the care they are receiving. Having an appropriate cost to healthcare is imperative to avoiding over-consumption of healthcare.</p>
Kathleen	Daetwyler	Against	Self	<p>To Whom It May Concern,</p> <p>I am a physician in Lone Tree and am very concerned about this public option and am against it in its current form. While I understand the need for a better option for the rural communities, I think designing a plan fit for a small fraction of our state to dictate the healthcare for the entire state is not appropriate. I think better to improve systems we have now with experts in the fields is a far better option.</p> <p>In addition, a mandate to providers forcing them to join is completely unAmerican. How is the freedom to practice our trained profession a right that is actually being threatened? If we don't do this or that, we are banned from being licensed. I personally believe in taking care of everyone, and currently take care of many Medicare and Medicaid patients despite terrible reimbursement. Bc I feel that it is part of my call as a physician. But to force others to participate or make their practice and career illegal (no medical license) is appalling. Basically, it is a mandate to work for and at the rate the government decides or leave the state. This is not the America I know and love.</p> <p>I believe a safe, quality driven system can be accomplished here with actual experts weighing in and helping to design these systems. Most providers are in medicine because we love humans and value their lives. Don't look to the exceptions, look to the majority for guidance in designing good systems. But when providers don't agree with your plan, to make their profession conditional on a mandate to join or leave the state is fundamentally wrong, (not to mention the access issue that will inevitably follow) as physicians find other states that value their livelihood and American right to work.</p> <p>Please join us as partners to fix healthcare, not attack our professions and force us into mandates that state "you WILL JOIN THIS or exit the state."</p> <p>Thanks for your time,</p> <p>Kathleen Daetwyler</p>
Luke	Osborne	Against	Self	<p>Please oppose HB21-1232. I believe this option will a) limit healthcare options for patients, b) ruin competition, c) hurt not-for-profit health plans, d) create a tier system of the haves and have-nots for healthcare.</p> <p>In a few years we will have a much inferior health system in place as providers leave and access is diminished.</p> <p>I feel health care reform needs to happen, but not by hurting competition and creating a subsidized bureaucratic option.</p>

Witness Signup List

MICHAEL	NEIL	For	Colorado Cross-Disability Coalition	<p>Thank you, Madam Chair Lontine and Vice-Chair Caraveo for taking my testimony today. Thank you members of House Health and Insurance. Thank you, Representatives Roberts and Jodeh for bringing this bill. I rise in the strongest support of HB21-1232 on behalf of myself and Colorado Cross-Disability Coalition.</p> <p>I was a consumer of Medicaid services for the first eighteen years of my life and have subsequently been on Medicare for twenty-one years. While I am very much aware of the fact that this bill is neither single-payer governmental healthcare, as I would prefer, nor even a non-profit system, that is the lens through which I look.</p> <p>A structured system that minimizes private bureaucracy saves money and increases certainty in the marketplace. Further cost reductions come as multiple companies are encouraged to provide requests for proposals. I have almost never heard a preference for employer-based private healthcare over the simplicity and surety of a public plan and when I receive an Explanation of Benefits, it is rarely wrong and easily fixed if need be. That said, this bill gives private insurance its chance. It is also optional. Given these last two points, I truly do wonder where the opposition from insurance companies is coming from. If they are truly the champions of a free-market model that they profess to be, they should not be scared if they believe in the superiority of their products. I can only conclude that they know they sell an inferior set of services, know that they cannot compete, and seek to oligopolize the system.</p>
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