



My name is Bethany Pray and I am the Director of the Health Program at the Colorado Center on Law and Policy. CCLP is a nonprofit, non-partisan research and advocacy organization that works to ensure access to healthcare and economic security for lower income Coloradans, and supports efforts that improve the efficiency and effectiveness of health systems. We thank the sponsors for bringing this bill forward, and ~~Chairman Smallwood~~ ^{Chairwoman Fields} and members of the committee for the opportunity to testify today.

Every Colorado deserves access to high-quality affordable health care. Right now, many Coloradans don't, especially those who don't have access to financial assistance and who live in areas with few options for quality coverage. High costs result in higher rates of uninsurance in Colorado for households with higher incomes, compared to national averages, and that effect is significantly more pronounced in mountain regions.

If a couple in their late 50s with a combined income of \$70,000 were to shop today on Connect for Health Colorado, our state exchange, for a plan in Steamboat Springs or Pitkin County, the lowest-premium plan available would cost over \$2300 per month in premiums. Altogether, that couple would pay close to 40 percent of their household income in premiums alone. And to get coverage for items beyond the free preventive care that is included in ACA plans, they'd need to spend down the additional \$11,600 deductible. These prices drive healthier people away from coverage; that in turn tends to drive costs up further, because a risk



pool that contains a higher proportion of individuals with health issues is likely to result in higher average per-member costs.

Non-ACA plans are a poor alternative, typically excluding coverage for pre-existing conditions, limiting coverage for particular services, and capping benefits. The couple in their 50s, despite being generally healthy, is very likely to have pre-existing conditions. A December 2018 Gallup poll found that 25 percent of all non-elderly Americans said they have a pre-existing condition, and that number rose to 34 percent for respondents aged 50-64 years old.¹ Making sure people have timely access to the care they need – and that they don't put it off due to cost or plan limitations – is the best way to prevent costs being even greater in the future.

House bill 1004 gives Colorado the opportunity to innovate, to take advantage of the data and analysis already done in the Division of Insurance and the Department of Health Care Policy and Financing, and to craft a way to use existing structures to deliver care to Coloradans who are now going without or risking economic stability to buy coverage.

This is an efficient plan. It's efficient because it uses structures already in place, uses expertise that is already housed here in state agencies, and builds on existing information. And it's a timely plan, in that the state agencies can move forward promptly with the process of applying for a waiver with the federal government. And it's a plan that has carefully built safeguards. First, the proposal will include a stakeholder process. Second, it will be chosen only

¹ Jones, Jeffrey. "One in Four Adults Say They Have a Pre-Existing Condition." Gallup, December 5, 2018. Available at: <https://news.gallup.com/poll/245108/one-four-adults-say-pre-existing-condition.aspx>



after balancing benefits of a such a plan for those foreclosed from affordable coverage against any potential negative impact on market stability, on the Children’s Basic Health Plan, or CHP+, and on the population that receives financial assistance. And third, it will not move forward if a member of the general assembly files a bill to alter authority to seek a waiver and that bill passes its first committee.

In conclusion, we see House Bill 1004 as a way to support a Colorado-grown, innovative proposal that can improve coverage options for families in Colorado who are now closed out of coverage, and that contains appropriate safeguards. We ask for your yes vote today.