

## Financial Relief Defray Individual Health Care Costs (HB18-1205)

Testimony to Senate State, Veterans and Military Affairs Committee  
Natalie Wood, Senior Policy Analyst  
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Thank you for the opportunity to present this testimony.

I'm Natalie Wood and I'm a senior policy analyst at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

The Bell Policy Center supports HB 18-1205 because it will help hardworking Coloradans who face a financial squeeze due to rising insurance costs and incomes that aren't keeping pace with the high cost of living.

Middle class families in Colorado are facing health costs that consume nearly 10 percent of their budgets - a trend that is predicted to continue and increase. Thanks to federal tax credits, many Coloradans get critical help paying for health insurance when they purchase plans on Connect for Health. Analysis from the Colorado Health Institute finds while health insurance premiums in the individual market have increased over time, the tax credits have "shielded" many families from financial pain. These credits became even more valuable in 2018, as the federal government froze funding for cost-sharing assistance and premiums skyrocketed again.

Unfortunately, not everyone is eligible for this help. The credits are calculated using factors like a family's income, size, and location, which is a commonsense, targeted approach to helping with those costs. However, it doesn't account for the cost of living in our communities, which means many of those living in expensive areas of the state are squeezed by health care costs. Last summer and fall, the Bell visited Coloradans on the Western Slope, in mountain resort communities, and rural corners of the state to gather survey data and first-hand

feedback for our 2018 Guide to Economic Mobility in Colorado. Affordable health insurance ranked as one of the top three issues, along with affordable housing and child care, in a list of key factors impacting economic opportunity.

This temporary relief program would allow residents in these high-cost counties a little bit of budgetary breathing room. It would enable them to live and work in areas of the state that the rest of Colorado depends on for economic and recreational activity.

Tax credits also encourage people to purchase insurance on the exchange. The latest data shows fairly steady exchange enrollment in 2017 and Coloradans received average monthly subsidies of \$374. By expanding the pool of people who are eligible for subsidies, we could draw more participation to the marketplace. In a time of great market uncertainty due to action and inaction at the federal level, Coloradans who rely on this market would benefit.

We urge your yes vote on HB18-1205. Thank you for the opportunity to share my thoughts. We thank Senator Donovan for bringing this bill forward today.

If you have any questions, or if I can provide further information, please contact me at (303) 297-0456 or wood@bellpolicy.org.