

LARGE COMPANY MEDICAID FEE (HB26-1327)

Sponsors: Rep Feret & Sen. Mullica

The Core Issue

Colorado taxpayers are subsidizing healthcare for employees of our nation's largest and most profitable corporations. Medicaid was designed as a safety net, not a business model to garner more profits for shareholders.

As we face sharp budget cuts, Colorado faces a choice:

- Cut more services and provider rates, or
- Ensure the largest employers contribute when they offload healthcare costs onto the taxpayers.

HB26-1327 chooses fiscal accountability without cutting care.

What HB26-1327 Will Do:

- Applies only to private employers with more than 500 income qualified employees on Medicaid
- Exempts employers offering ACA-affordable coverage to part-time workers working 20 hours per week
- Companies pay \$2,300 per employee on Medicaid (half the annual cost of Medicaid)
- Exempts franchises, unionized companies, seasonal workers, and employees under 18
- Funds collected from the fee go directly to support Medicaid providers
- Enables data collection by the department to ensure corporations aren't skirting the law

This bill offers options to large corporations to help keep their workers healthy while working

Why This Matters

- Protects Medicaid recipients while improving the health of the workforce
 - Holds corporations accountable for their role in growing Medicaid costs
 - Helps struggling providers by directing all collected funds to support providers
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What this Bill is NOT

Not a tax on workers or corporations

Not a small business policy, it focuses on the largest private corporations in Colorado

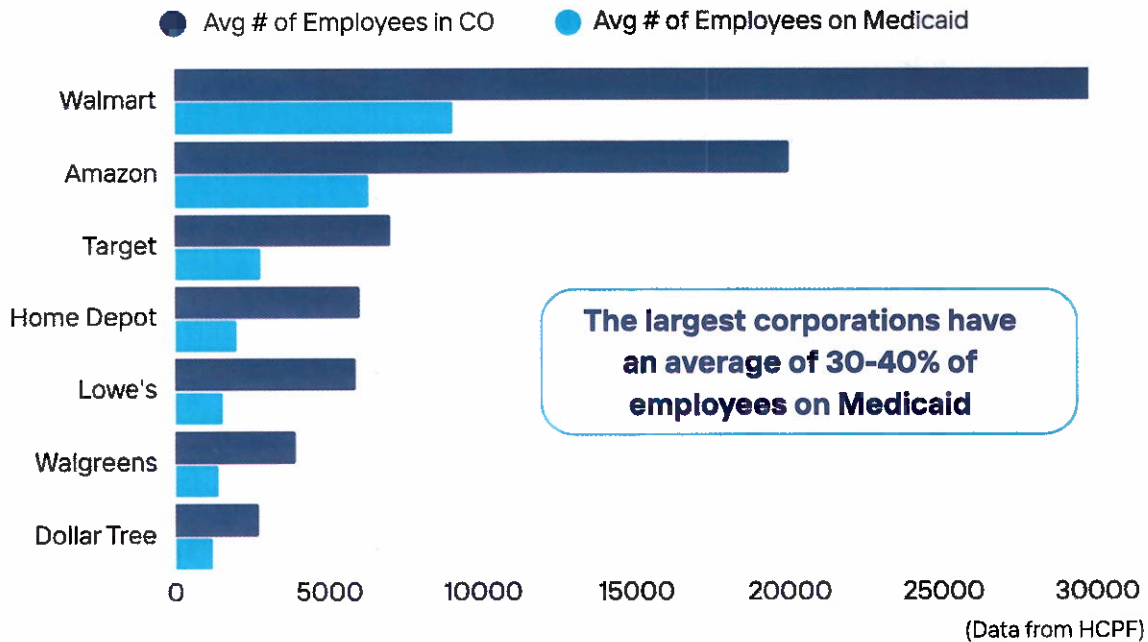
Not a Medicaid eligibility expansion, a preservation policy

Not a job-killer or wage mandate; the bill offers fair options to corporations

Who Is Affected

- About twenty of the largest for-profit employers operating in Colorado
- Corporations with hundreds of millions in annual profits to provide coverage or pay the fee
- Zero impact on small businesses, nonprofits, franchises, or corporations with unions
- Employers can avoid the fee entirely by offering affordable, health coverage to part-time workers

Medicaid Enrollment Among Employees at Colorado's Largest Employers



Data Snapshot

- 75% of adults on Medicaid are working (KFF)
- 69% of surveyed Walmart part-time workers want to be full time (Center for Popular Democracy)
- Data from states that track Medicaid enrollment numbers at large companies found 29.3% of Walmart employees and 48.4% of Amazon workers were on Medicaid (Government Accountability Office report)

Bottom line

HB26-1327 ensures Medicaid remains a safety net for workers — not a subsidy for billion-dollar corporate business models.

We cannot afford to keep subsidizing the nation's largest corporations

Questions? Email lisa.feret.house@coleg.gov