

SB22-040 Actuarial Reviews Health Insurance Mandate Legislation

Wednesday, February 16th, 2022

Senate Finance Committee 1:30 PM Old Supreme Court (4) in senate calendar.

Written Testimony: Support

Good afternoon, Mr. Chair and committee members. My name is Adam Burg, and I'm the vice president of government affairs at the Denver Metro Chamber of Commerce. For 154 years, the Denver Metro Chamber of Commerce has been a leading voice for Colorado's business community, advocating for sound policy that strengthens our economy and makes our state the best place to live, work and do business.

We are submitting comments today to express our organization's support of SB22-040.

This bill is really all about data, which we love. We think it's critical that legislators and their constituents understand the cost impacts of various mandates and use those cost impacts to inform their opinions on policy.

It's no surprise that Americans spend a huge amount of money on healthcare each year. High insurance premiums, high deductibles, co-pays, and other out-of-pocket expenses are just some of the costs associated with health and wellness in the country. Healthcare costs have risen dramatically in the United States over the past several decades. According to a study by the Peterson Center on Healthcare and the Kaiser Family Foundation (KFF), U.S. healthcare spending rose nearly a trillion dollars from 2009 to 2019, when adjusted for inflation

While Colorado has made significant progress increasing coverage and access, one of the biggest remaining barriers is the high, and increasing, cost of health care. Currently, one in five Coloradans goes without necessary care because of cost, and one in three Coloradans can't even afford their medicine. We must balance benefits against costs and understand the full picture of what an added benefit will cost employers, who provide health insurance coverage for almost half of all Coloradans, and what costs will be passed to employees in the form of increased premiums.

In 2020, the legislature passed a bill that mandated that insurance plans cover infertility treatments. We know infertility can be a devastating diagnosis but also believe that legislators and constituents should have been aware that this new law will drive fully insured premiums up by 0.6% to 1%, or \$36 million to \$61 million, annually. And this increase happens at a time when we are trying to decrease the cost of care in Colorado. We believe an actuarial review could have spotted this premium increase and would have led to more informed debate on the bill before it became law.

Good policy requires good information that is rooted in data and facts. Therefore, we strongly support Senate Bill 40.