



**Board of County Commissioners**

970-328-8605

970-328-8629(f)

[eagleadmin@eaglecounty.us](mailto:eagleadmin@eaglecounty.us)

[www.eaglecounty.us](http://www.eaglecounty.us)

3/14/2018

Dear Members of the Colorado General Assembly:

Thank you for considering HB18-1205: Financial Relief Defray Individual Health Plan Costs. Eagle County residents who purchase health coverage through the Individual Health Insurance Marketplace continue to experience alarmingly high premiums that are not sustainable. In fact, some residents compare their rates to having two home mortgages. In 2014, our county was one of four rural resort counties that made up the most expensive geographic rating area in the entire United States, according to a study by the Kaiser Family Foundation (*Colorado Mountain Towns Pay Highest Health Premiums in U.S., Denver Post, February 8, 2014*). A shift in rating area took away this notorious distinction, but did nothing to lower premiums, in fact, our residents still continue to experience double-digit percentage increases year after year.

Eagle County is home to the year-round resorts of Vail and Beaver Creek. Residents who are most impacted by premium increases seem to be small business owners, many of whom are connected to the tourist industry. In order to survive, some have had to decrease profits to qualify for the federal Premium Tax Credits, available for those with incomes at or below 400% of the Federal Poverty Level. Others contemplate closing their business to “get a real job,” by seeking employer-sponsored health insurance. These outcomes are the antithesis of what promotes an economically vibrant community. Through our years of advocacy, we know the same issue exists in many other Western Slope counties. Our local tourism economies are threatened, which could have a negative statewide economic impact, as visitors to Colorado spend nearly \$20 billion a year.

The Affordable Care Act was extremely positive for many of our residents. Expanded Medicaid provided coverage to some of our long-term uninsured, as did the provision that health insurance companies could no longer discriminate by pre-existing condition. However, because carriers are not allowed to set rates based upon an individual’s health status, and with the removal of the federally-sponsored risk corridors needed to provide a backstop for insurance companies, the individual market has been unable to stabilize. In recent years, the average medical loss ratio for carriers has exceeded 100 percent, which means they are spending more on care than what is taken in through premiums, according to the Colorado Division of Insurance.

Our hope in passing this bill is that the freefall in premium increases will stop, at least for 18 months, while the state legislature can consider re-insurance (insurance for insurance companies against the highest claims) or other strategies to stabilize the market. We are less optimistic that Washington will solve this problem, and appreciate the leadership and wisdom of Colorado’s General Assembly to pass policies which will promote the wellbeing of our residents and assure the economic health of our state.

Sincerely,

Kathy Chandler-Henry  
Chair

Jeanne McQueeney  
Commissioner

Jill H. Ryan  
Commissioner